

## Conduit Financing Policy

1. The organization requesting the financing must be a 501(c)(3) organization, as designated by the internal Revenue Service, or an organization that provides low income housing eligible for tax exempt financing.
2. The financing must be for a public purpose, the organization's purpose and programs must be consistent with Mecklenburg County's programs, and the project to be financed must be of such significance to the community that it is in the public's interest that the County assist in providing financing for the project.
3. The amount of the financing must be at least \$10,000,000.
4. The organization must present a sound business plan to the County that demonstrates to the County's satisfaction that the organization has the ability to repay the financing, to operate and maintain the facility financed, and to meet its indemnification responsibilities.
5. The organization must receive an unqualified opinion from bond counsel acceptable to the County regarding the validity of the obligations and, if appropriate, an unqualified opinion that the interest on the obligations will be exempt from Federal tax.
6. The financing must be backed by a credit from a bank or other financial institution with at least an A rating.
7. The financing team, including, but not limited to, the credit enhancement facility, the underwriter, and the placement team, must be acceptable to the County.
8. The organization must agree to compensate the County for services rendered by County personnel in evaluating the organization's proposal and in arranging the financing, and to pay any and all out-of-pocket costs incurred by the County during the placement and closing of the financing, in addition to an initial and/or annual administration fee relating to the financing.
9. The organization must agree to indemnify the County for any loss or damage suffered by the County resulting from the County's participation in the financing.
10. The organization must guarantee payment to bond holders of any costs incurred as a result of a change in taxable status of the financing.
11. The organization must be responsible for any and all applicable continuing disclosure requirements under federal, State or local laws and regulations.

Approved by Board of County Commissioners December 4, 2001