

# LOUISIANA PUBLIC FACILITIES AUTHORITY

## POLICY WITH RESPECT TO THE ISSUANCE OF UNRATED OBLIGATIONS OR OBLIGATIONS RATED BELOW INVESTMENT GRADE

1. Bonds for unrated issues or issues assigned less than an investment grade rating (BBB or Bbb, as applicable) must be issued in minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. This is to protect small investors from acquiring high risk securities and satisfies the requirements of Securities and Exchange Commission Rule No. 15(c) (2) - 12.
2. Bonds which are unrated or, if rated, assigned less than an investment grade rating will not be offered by use of a preliminary official statement or official statement but instead will be privately placed directly to the original institutional or sophisticated investor or marketed in a limited offering pursuant to a limited offering statement, memorandum or circular. It is felt that the use of the term “preliminary official statement” or “official statement” implies a wide public offering distribution of securities when the policy is to limit such sales to a limited number of institutional or other sophisticated investors.
3. The purchaser(s) purchasing the securities pursuant to a limited offering statement, memorandum or circular shall sign an investment letter in form and content substantially identical, in the opinion of bond counsel and issuer counsel, to that as set forth as **Exhibit A** attached hereto.
4. The purchaser(s) purchasing the securities in a direct private placement shall sign an investment letter in form and content substantially identical, in the opinion of bond counsel and issuer counsel, to that as set forth as **Exhibit B-1 or Exhibit B-2** attached hereto.

Attachments

**LPFA FORM OF LIMITED OFFERING INVESTMENT LETTER**

(DATE)

Louisiana Public Facilities Authority  
Baton Rouge, Louisiana

[Sales Agent]  
[Address]

Re: \$ \_\_\_\_\_ Louisiana Public Facilities Authority Revenue  
Bonds (\*BORROWER\* Project) Series \_\_\_\_\_

Ladies and Gentlemen:

In consideration of the sale to the undersigned by the Louisiana Public Facilities Authority (the "Authority") through \_\_\_\_\_, as exclusive selling agent (the "Sales Agent"), of \$ \_\_\_\_\_ in aggregate principal amount of the above-captioned bonds (the "Bonds"), each of the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. Each of the undersigned is (i) an investment company registered under the Investment Company Act of 1940, (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in their individual or fiduciary capacity, or (iii) an insurance company, as defined in Section 2(13) of the 1933 Act.

2. Each of the undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale or other disposition, and each of the undersigned has no present intention to resell or otherwise dispose of all or any part of the Bonds. Nevertheless, if any of the undersigned resells or otherwise disposes of all or any part of the Bonds, it will resell or otherwise dispose of the Bonds only to banks, as defined in Section 3(a)(2) of the 1933 Act, whether acting in their individual or fiduciary capacity, insurance companies, as defined in Section 2(13) of the 1933 Act, and investment companies registered under the Investment Company Act of 1940. Each of the undersigned agrees that (i) it will not sell, transfer, assign, or otherwise dispose of the Bonds except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either Act, and the applicable securities laws of any other jurisdiction, and (ii) it will prior to the written confirmation of such sale provide the Authority and the Trustee (hereinafter defined) with a written statement to the effect that such transferee acknowledges that it subscribes to all of the terms of this Investment Letter. Each of the undersigned acknowledges that the Bonds (a) are not being registered under the 1933 Act and are not being registered or otherwise

qualified for sale under the securities or "Blue Sky" laws of any state, (b) will not be listed on any stock or other securities exchange, (c) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc. or any other similar rating service, and (d) may not be readily marketable.

3. Each of the undersigned, through its agents and employees, has received and reviewed the Limited Offering Statement, dated \_\_\_\_\_, 20\_\_\_\_ (the "Offering Statement"), relating to the Bonds and has investigated the (the type of project) project consisting of \_\_\_\_\_ and located at \_\_\_\_\_, Louisiana (the "Project") to be financed with the proceeds of the Bonds, has investigated \_\_\_\_\_ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. Each of the undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information, financial or otherwise, and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project, the Borrower, or any other matter and has not relied upon the Authority in connection with such inquiry or analysis.

Each of the undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. Each of the undersigned acknowledges that the Bonds are not a general obligation of the Issuer, but are limited and special revenue obligations of the Issuer payable solely from the amounts encumbered by the Trust Indenture, dated as of \_\_\_\_\_ 1, 20\_\_\_\_ (the "Indenture", between the Issuer and \_\_\_\_\_, as trustee for the owners of the Bonds (the "Trustee"). Each of the undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the Issuer in his or her individual capacity. Each of the undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Issuer and that no breach thereof by the Issuer shall create any obligation upon the State of Louisiana or any political subdivision thereof. Each of the undersigned acknowledges that the Issuer has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, each of the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. Each of the undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds. The representations in this letter shall not relieve the Sales Agent from any obligations to disclose any information required by the documents entered into in connection with the issuance of the Bonds or required by any applicable law.

4. Each of the undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

5. This Investment Letter shall be binding upon each of the undersigned.

6. If the proposal and offer herein contained is satisfactory to each of you, you may so indicate by having the following acceptance executed by your duly authorized officers and by returning a copy to us. This Investment Letter and your acceptance will then constitute an agreement in principal with respect to the matters herein contained as of the date hereof. This Investment Letter is expressly for your benefit and may not be relied upon by any other party.

Very truly yours,

[Name of Purchaser]

By: \_\_\_\_\_

Name:

Title

ACCEPTANCE OF PROPOSAL AND OFFER OF \_\_\_\_\_  
CONTAINED IN ITS INVESTMENT LETTER BY THE LOUISIANA PUBLIC FACILITIES  
AUTHORITY AND BY [SALES AGENT].

The terms and conditions contained in the foregoing Investment Letter of \_\_\_\_\_  
, \_\_\_\_\_ are hereby accepted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

LOUISIANA PUBLIC FACILITIES AUTHORITY

By: \_\_\_\_\_

Title: Chairman

Attest:

By: \_\_\_\_\_

Assistant Secretary

[SALES AGENT]

By: \_\_\_\_\_

Title

**LPFA FORM OF PRIVATE PLACEMENT INVESTMENT LETTER**

(DATE)

Louisiana Public Facilities Authority  
Baton Rouge, Louisiana

Re: \$\_\_\_\_\_ Louisiana Public Facilities Authority  
Revenue Bonds (\*DEVELOPER\* Project) Series  
\_\_\_\_\_

Gentlemen:

The undersigned is the purchaser of \$\_\_\_\_\_ aggregate principal amount of the above-captioned issue of bonds (the "Bonds") issued by the Louisiana Public Facilities Authority (the "Authority"). In connection with such purchase, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; [the following clause may only be used with the express approval of the Authority] or (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. The undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale or other disposition, and the undersigned has no present intention to resell or otherwise dispose of all or any part of the Bonds. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Bonds, it will resell or otherwise dispose of the Bonds

only to banks, as defined in Section 3(a)(2) of the 1933 Act, whether acting in their individual or fiduciary capacity, insurance companies, as defined in Section 2(13) of the 1933 Act, or investment companies registered under the Investment Company Act of 1940. The undersigned agrees that: (i) it will not sell, transfer, assign, or otherwise dispose of the Bonds except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either Act, and the applicable securities laws of any other jurisdiction; and, (ii) it will prior to the written confirmation of such sale provide the Authority and the Trustee (hereinafter defined) with an Investment Letter in the form of this Investment Letter that has been signed by such transferee whereby such transferee acknowledges that it subscribes to all of the terms of this Investment Letter. The undersigned further acknowledges that the Authority and the Trustee have no duty or obligation to transfer the ownership of the Bonds on the registration books maintained by the Trustee unless and until the Authority and the Trustee receive such an Investment Letter signed by the transferee. The undersigned acknowledges that the Bonds: (a) are not being registered under the 1933 Act and are not being registered or otherwise qualified for sale under the securities or "Blue Sky" laws of any state; (b) will not be listed on any stock or other securities exchange; (c) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc., or any other similar rating service; and (d) may not be readily marketable.

3. The undersigned has investigated the  [insert type of project]  project consisting of \_\_\_\_\_ and located at \_\_\_\_\_, Louisiana (the "Project") to be financed with the proceeds of the Bonds and has investigated \_\_\_\_\_ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project and the Borrower and that the undersigned has not relied upon the Authority in connection with such inquiry and analysis.

The undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The undersigned acknowledges that the Bonds are not a general obligation of the Authority, but are limited and special revenue obligations of the Authority payable solely from the amounts encumbered by the Trust Indenture, dated as of \_\_\_\_\_ 1, \_\_\_\_\_ (the "Indenture"), between the Authority and \_\_\_\_\_, as trustee for the owners of the Bonds (the "Trustee"). The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement

of any present or future trustee, officer, agent, or employee of the Authority in his or her individual capacity. The undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Authority and that no breach thereof by the Authority shall create any obligation upon the State of Louisiana or any political subdivision thereof. The undersigned acknowledges that the Authority has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds.

4. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the Authority, the Bonds (including the security therefor), the Project, or the Borrower has been or will be prepared and that it has made its own inquiry and analysis with respect to the Authority, the Bonds (including the security therefor), the Project, the Borrower, and other material factors affecting the security and payment of the Bonds and that the undersigned has in no way relied upon the Authority or Bond Counsel in connection with such inquiry or analysis.

5. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the Borrower, the Project, and the Bonds, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the above-stated principal amount of the Bonds.

6. The form, terms and provisions of the Indenture, the issuance, sale and delivery of the Bonds, the maturities, interest rate, redemption terms and sale price of the Bonds, and the sale of the Bonds to be used for the cost of financing the Project, all as provided in the Indenture and the Bonds, are hereby in all respects approved.

7. The undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

8. This Investment Letter shall be binding upon the undersigned.

9. If the proposal and offer herein contained is satisfactory to you, you may so indicate by having the following acceptance executed by your duly authorized officer and by returning a copy to us. This Investment Letter and your acceptance will then constitute an agreement in principal with respect to the matters herein contained as of the date hereof. This Investment Letter is expressly for your benefit and may not be relied upon by any other party.

Very truly yours,

[Name of Purchaser]

By: \_\_\_\_\_

Name:

Title:

ACCEPTANCE OF PROPOSAL AND OFFER OF \_\_\_\_\_  
CONTAINED IN ITS INVESTMENT LETTER BY THE LOUISIANA PUBLIC FACILITIES  
AUTHORITY.

The terms and conditions contained in the foregoing Investment Letter of  
\_\_\_\_\_, \_\_\_\_\_ are hereby accepted this \_\_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_\_.

LOUISIANA PUBLIC FACILITIES AUTHORITY

By: \_\_\_\_\_

Title: (Vice) Chairman

ATTEST:

By: \_\_\_\_\_

Assistant Secretary



**LPFA SHORT FORM PRIVATE PLACEMENT INVESTMENT LETTER**

(DATE)

Louisiana Public Facilities Authority  
2237 South Acadian Thruway, Suite 650  
Baton Rouge, Louisiana 70808

Re: \$ \_\_\_\_\_ Louisiana Public Facilities Authority  
Revenue Bonds (\*BORROWER\* Project) Series  
\_\_\_\_\_

Gentlemen:

The undersigned is the purchaser of \$ \_\_\_\_\_ aggregate principal amount of the above-captioned issue of bonds (the "Bonds") issued by the Louisiana Public Facilities Authority (the "Authority") pursuant to that certain Trust Indenture dated as of \_\_\_\_\_ (the "Indenture"), between the Authority and \_\_\_\_\_, as trustee for the owners of the Bonds (the "Trustee"). In connection with such purchase, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act.

2. The undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale, distribution, or other disposition, and the undersigned has no present intention to resell, distribute, or otherwise dispose of all or any part of the Bonds. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Bonds (or any legal or beneficial interest therein), it will resell or otherwise dispose of the Bonds only to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act. The undersigned further agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds (or any legal or beneficial interest therein except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either of such Acts, and the applicable securities laws of any state or other jurisdiction. The undersigned acknowledges that the Bonds: (a) are not being registered under the 1933 Act and are not being registered or otherwise

qualified for sale under the securities or "Blue Sky" laws of any state; (b) are being sold to the undersigned in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the undersigned set forth herein; (c) will not be listed on any stock or other securities exchange; (d) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc., or any other similar rating service; and (e) may not be readily marketable.

3. The undersigned has investigated the  [insert type of project]  project consisting of \_\_\_\_\_ and located at \_\_\_\_\_, Louisiana (the "Project") to be financed with the proceeds of the Bonds and has investigated \_\_\_\_\_ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project and the Borrower and that the undersigned has not relied upon the Authority in connection with such inquiry and analysis.

The undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The undersigned acknowledges that the Bonds are not a general obligation of the Authority, but are limited and special revenue obligations of the Authority payable solely from amounts provided by or at the direction of the Borrower and that are encumbered by the Indenture. The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the Authority in his or her individual capacity. The undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Authority and that no breach thereof by the Authority shall create any obligation upon the State of Louisiana or any political subdivision thereof. The undersigned acknowledges that the Authority has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds.

4. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the Authority, the Bonds (including the security therefor), the Project, or the Borrower has been or will be prepared and that it has made its own inquiry and analysis with respect to the Authority, the Bonds (including the security therefor), the Project, the Borrower, and the other material factors affecting the security and payment of the Bonds and that the undersigned has in no way relied upon the Authority or Bond Counsel in connection with such inquiry or analysis.

5. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the Borrower, the Project, and the Bonds, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the above-stated principal amount of the Bonds.

6. The form, terms and provisions of the Indenture, the issuance, sale and delivery of the Bonds, the maturities, interest rate, redemption terms and sale price of the Bonds, and the sale of the Bonds to be used for the cost of financing the Project, all as provided in the Indenture and the Bonds, are hereby in all respects approved.

7. The undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

8. This Investment Letter shall be binding upon the undersigned.

Very truly yours,

[Name of Purchaser]

By: \_\_\_\_\_

Name:

Title: