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May 7, 2018

VIA EMAIL

All Bond Counsel, Borrower's Counsel & Underwriter's Counsel

Re: Advancing California Finance Authority –
Conduit Financings Standard Document Provisions and Policies;
Procedures for Execution of Documents

To Whom It May Concern:

This letter serves to (i) confirm that Nixon Peabody LLP will serve as special counsel (“Issuer’s Counsel”) to the Advancing California Finance Authority (the “Authority”), (ii) summarize the terms of our engagement as Issuer’s Counsel; (iii) provide procedures for the execution of legal documents by the Authority; and (iv) provide you with Authority guidelines, Policies and Standard Document Provisions applicable to conduit financings. **The Authority expects bond counsel to recognize that their client is the Authority and their responsibilities are to the Authority**, as issuer of the conduit bonds (the “Bonds”). To the extent “Authority-related” document provisions deviate from the Standard Document Provisions and Policies (as attached), we expect that bond counsel will immediately bring this to our attention and will provide an explanation for any requests for any deviation. In addition, we expect any counsel submitting documents for execution to represent that the documents submitted contain the Standard Document Provisions and satisfy the Policies contained herein, except as otherwise identified and agreed.

I will be your primary contact. My name and address should be added to any Interested Parties List:

Charles Wolf
Nixon Peabody LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071
(213) 629-6066
cwwolf@nixonpeabody.com

In order to reduce any miscommunications, misunderstandings or inconsistencies, we ask that all communication regarding process, applications, financing documents and Authority approvals go through me.

Please also include Angelica Valencia, Esq. (Nixon Peabody LLP, 300 South Grand Avenue, Suite 4100, Los Angeles, CA 90071, anvalencia@nixonpeabody.com (213) 629-6054) on any Interested Parties List and all distributions of documents, schedules and other communications.

As Issuer's Counsel, we will (i) review the financing documents to be executed or adopted by the Authority for consistency with the Authority's Standard Document Provisions and Policies covered in this letter (but we will not be responsible in any manner for anything else, including the tax status of the Bonds or the authorization, execution, delivery or validity of the Bonds or of any of the bond documents or pledge of any assets securing the Bonds), (ii) answer questions related to the matters covered in this letter, and (iii) if required, arrange for the delivery of our standard form of Issuer's Counsel opinion. Except in extraordinary circumstances and subject to an appropriate cost adjustment, we will not draft or prepare any documents and/or resolutions necessary for the financing.

The agreement with the Authority is that we will be compensated for our services, at our standard hourly rates, based on the time expended by Nixon Peabody lawyers and staff on this particular matter, subject to a minimum established with the Authority. Our fees and expenses are to be paid at the time of closing and should be included in your initial costs of issuance requisition. An invoice will be provided at such time. In no event will the Authority be required to pay our fees and expenses except from amounts provided by the borrower (the "Borrower") under the Loan Agreement.

We are pleased to have this opportunity to work with your firms on conduit financings. The following pages provide you with certain requirements and Standard Document Provisions that the Authority requests be used for your conduit transaction.

Key Items

(1) Project Location. Please confirm that the public agency hosting the proposed project (the "Host Jurisdiction") is located within the following nine California counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

(2) TEFRA. Bond counsel is responsible for determining whether a TEFRA hearing is required and, if so, preparing and arranging for timely publication of the Notice of the TEFRA hearing, arranging for the TEFRA hearing, and drafting and collecting signed copies of the TEFRA approval resolution.

(3) Host Jurisdiction. Irrespective whether or not a TEFRA hearing is required, all financings are subject to a Host Jurisdiction hearing to be noticed and held as described in Section 6586.5 of the California Government Code and the Host Jurisdiction must make a finding that the financing of the Project will provide significant public benefit as defined in Section 6586 of the California Government Code. Bond Counsel is responsible for drafting and arranging for publication of the Notice of Host Jurisdiction hearing, arranging for the Host Jurisdiction hearing, and drafting the Host Jurisdiction resolution approving the Project and the financing and making the finding of significant public benefit pursuant to Government Code Sections 6586 and 6586.5. If TEFRA is applicable, the Notice of TEFRA hearing, the TEFRA hearing and the TEFRA approval resolution can be combined with the Notice of Host Jurisdiction hearing, the Host Jurisdiction hearing and the Host Jurisdiction approval resolution. See sample forms attached as APPENDIX B.

(4) Volume Cap. Bond counsel is also responsible for assuring that any State volume cap allocation required for the issuance of the Bonds has been obtained from the California Debt Limit Allocation Committee.

(5) Timing of Approvals. Each conduit financing must be approved first by the Authority's Credit Committee and then by the Authority's Governing Board. Any necessary TEFRA hearing and approval resolution, Host Jurisdiction hearing and resolution finding substantial public benefit and approving the financing and the Project, and any required State volume cap allocation must have occurred and been obtained prior to the ACFA Governing Board meeting at which the financing will be considered for approval.

(6) Compliance with Policies. Please review Authority Policies to determine that your financing complies with the requirements of the Authority Policies. (The Authority Policies are attached as APPENDIX A.)

(7) Application and Credit Committee. Please provide to Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) copies of the application and all application documents for review **at least three weeks prior** to the date of the Credit Committee meeting at which you would like your Application considered by the Authority's Credit Committee. The calendar of scheduled Creditor Committee meetings is available on the Authority's website. You should plan on attending and making a presentation at the Credit Committee meeting at which your Application is scheduled to be considered, unless you are specifically instructed by the Authority that your attendance will not be necessary.

(8) Financing Documents and Governing Board. Please provide to Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com)

and Brad Paul (bpaul@bayareametro.gov) copies of all financing documents (including the Resolution of the Governing Board) for review **at least three weeks prior** to the date of the Authority Governing Board meeting at which you would like the Authority to approve the financing and authorize issuance of the Bonds (or incurrence of the obligation). The financing documents must contain all applicable Standard Document Provisions included in this packet and be accompanied by a representation from bond counsel to such effect. Financing documents not containing the Standard Document provisions will be returned to the sender. The calendar of scheduled Governing Board regular meetings is available on the Authority's website. Pursuant to California Government Code Section 6592.1, the issuance of bonds or incurrence of debt by the Authority can only be authorized at regularly scheduled meetings of the Authority's Governing Board. Please do not request a special meeting to approve your financing. You should plan on attending and making a presentation at the Authority's Governing Board meeting at which your financing is scheduled to be considered, unless you are specifically instructed by the Authority that your attendance will not be necessary. Copies of your adopted TEFRA Resolution (if required) and your adopted Host Jurisdiction Resolution, each substantially in the form provided, as well as evidence of the allocation to you of State volume cap (if required) must be submitted to and received by Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) **not later than two Business Days prior** to the Governing Board meeting at which your financing will be considered for approval.

Any documents submitted to the Authority, including the Application, financial statements and draft financing documents, may be accessed upon request as public records of a governmental agency. Draft financing documents need not be submitted to the Authority or its staff, other than Nixon Peabody as Issuer's Counsel, until the final draft to be submitted for review and consideration by the Governing Board of the Authority. Although Nixon Peabody will be receiving draft documents, we have not undertaken to review them for consistency with the Authority's Standard Document Provisions and Policies until an approval draft is provided to us together with a representation that all requirements set forth in the packet have been satisfied except as identified and previously accepted on behalf of the Authority, at least three weeks before the meeting of the Authority Governing Board at which your financing will be considered for approval.

(9) Opinions and Other Closing Documents

(a) The Borrower Counsel opinion must be addressed to the Authority. In any financing for which there is a disclosure document, the Borrower Counsel opinion must include a standard "10b-5" opinion on any disclosure document. See APPENDIX I attached hereto. Such opinion must be from a firm reasonably acceptable to the Authority based on the securities law experience of the opining firm.

(b) Any supplemental opinion of bond counsel addressed and delivered to the underwriter or purchaser must also be addressed and delivered to the Authority.

(c) The Tax Certificate must require that the Borrower retain a qualified rebate analyst and must name a party (either internal to the Borrower or an external consultant) responsible for continuing tax compliance.

(d) The Borrower must identify a party (either internal to the Borrower or an external consultant) responsible for continuing disclosure.

(e) The IRS Form 8038 must be filled out completely prior to being executed by the Authority.

(f) The Authority will not be a party to any investment agreement, swap or similar contract.

(g) The Authority will not execute the Official Statement and expects the Borrower to execute the Official Statement.

(h) The signature blocks for all documents (other than the bonds) should be prepared to be executed by the Authority by an "Authorized Signatory" without any requirements for seals or attestations.

Standard Document Provisions for Conduit Borrowers

(1) Attached as APPENDIX B: Form of Notice of Public Hearing and TEFRA and Host Jurisdiction Resolution. Please note that the Notice of Public Hearing and the TEFRA and Host Jurisdiction Resolution must not only satisfy Section 147(f) of the Internal Revenue Code (if applicable) but also Section 19 of the Authority's Joint Powers Agreement and Section 6586.5 of the California Government Code. The Authority's Joint Powers Agreement is available on the Authority's website.

(2) Attached as APPENDIX C: Form of Authority Resolution. This Resolution is the authorizing resolution to be adopted by the Authority. For submission of this Resolution for approval, see "Authority Meetings and Procedures for Project and Document Approval" below.

(3) Attached as APPENDIX D: Standard Document Provisions to be inserted, as appropriate, in the loan agreement, indenture, bond form, sale document, offering document and tax certificate.

(4) Attached as APPENDIX E: Form of Closing Certificate of the Authority.

(5) Attached as APPENDIX F: Form of 15c2-12 certificate of the Authority.

(6) Attached as APPENDIX G: Form of standard "10b-5 opinion" to be addressed to the Authority by Borrower Counsel.

Standard Document Provisions for All Transactions

(1) Attached as APPENDIX H: Form of Closing Certificate regarding Authority's Joint Powers Agreement.

(2) Attached as APPENDIX I: Form of Authority Counsel Opinion.

Authority Meetings and Procedures for Project and Document Approval

Three weeks prior to the Authority's **Credit Committee** meeting at which you desire your project be considered, one copy of the completed Application and accompanying documents shall be delivered to each of Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov).

At the time of submission of your Application, you must submit a nonrefundable application fee of \$5,000 by check payable to Advancing California Finance Authority sent to:

Brian Mayhew
Treasurer
Advancing California Finance Authority
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

Please include with your check a photocopy of the first page of your Application.

Before submitting the financing documents to the Authority's **Governing Board** for Authority adoption or approval, (i) a copy of the documents to be submitted must be sent to **Angelica Valencia** and **me** accompanied by a representation that the provisions are consistent with the Authority's Standard Document Provisions and Policies or an explanation as to the reason for deviation from any standard provisions or policies and (ii) such counsel shall have solicited and received affirmative signoff from **Angelica Valencia** or **me**. It is our intent to review a document only once and only for these purposes. Please also bear in mind that we require adequate time to review and sign off on documents and may not be available to conduct such review on the day you are submitting documents.

Three weeks prior to the Authority's **Governing Board** meeting at which you desire your financing be considered, one copy of each document to be approved by the Authority, together with the approving resolution of the Authority shall be submitted to Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov). Copies of your adopted TEFRA Resolution (if required) and your adopted Host Jurisdiction Resolution, each substantially in the form provided, as well as evidence of the allocation to you of State volume cap (if required) must be submitted to and received by Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) **not later than two Business Days prior** to the Governing Board meeting at which your financing will be considered for approval.

Please include Bond Counsel's email address for delivery of the Authority Resolution after adoption. After approval by the Governing Board, Bond Counsel will receive by email a pdf of a certified copy of such Authority Resolution.

Documents drafted after Authority approval (such as closing documents and tax certificates) must be provided to Angelica and me accompanied by a representation that the provisions are consistent with the Authority's Standard Document Provisions and Policies or an explanation as to the reason for deviation from any Standard Document Provisions or Policies. Bond Counsel must solicit and receive affirmative signoff on such documents from Angelica or me prior to submitting such documents for execution.

Execution of Documents

Bond Counsel and underwriter's counsel are required to coordinate execution of signatures for their respective documents for each transaction.

Timing of Document Delivery. Bond Counsel and/or Underwriter's Counsel will contact the Authority and Nixon Peabody to schedule a date for execution of documents by the Authority. After such a date is selected, documents must be delivered to Chuck Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) at least **five (5) business days** prior to the date you wish them returned. Execution of sale documents (e.g., bond purchase contracts) is not an exception to this policy; the recipient of the signature page is directed to hold the signature of the Authority "in escrow" pending circulation of a final sale document with the pricing information inserted and sign-off by Nixon Peabody and the Authority.

Required Items to Accompany Documents for Execution. Any document that does not require notarization must be sent via pdf. Send an email to **Chuck Wolf (cwolf@nixonpeabody.com)** with copies to **Angelica Valencia**

(anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov), with the following:

- (1) The execution version of the document to be executed;
- (2) The signature page or pages only, in PDF format, for ease of printing;
- (3) Instructions for email return of the signature pages via pdf including when such pdfs are needed, confirmation that pdfs are acceptable and that "wet" signed pages can be destroyed;
- (4) The date that the Authority approved the financing;
- (5) An affirmative statement that Nixon Peabody has reviewed and signed off on the inclusion of any approved deviation from the Standard Document Provisions and Policies in the documents being sent for execution and that no changes have been made since Nixon Peabody's sign-off pertaining to the Standard Document Provisions and Policies; and
- (6) If requesting return of original hard copies of the signature pages, please include how many copies of each signature page are needed (**not to exceed five**), when such signature pages are needed, and **instructions or return label for the signature package**.

Required Items to Accompany Documents for Notarization. Any document that requires notarization must be sent to Angelica Valencia at Nixon Peabody LLP, 300 South Grand Avenue, Los Angeles, California 90071 and Brad Paul at Advancing California Finance Authority, 375 Beale Street, Suite 800, San Francisco, CA 94105-2066, in hardcopy, **with not more than 5 signature pages** attached and flagged for signature and notarial acknowledgement. You must also supply to Brad Paul **a return prepaid envelope with instructions or return label for the signature package**. The Authority will not be responsible for recording or filing any documents. Please also send an email to **Chuck Wolf** (cwolf@nixonpeabody.com), **Angelica Valencia** (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) to notify them in advance of the hardcopy documents to be received for execution, and include (1) the date that the Authority approved the financing, and (2) an affirmative statement that Nixon Peabody has reviewed and signed off on the inclusion of any approved deviation from the Standard Document Provisions and Policies documents being sent for execution and that no changes have been made since Nixon Peabody's sign-off pertaining to the Standard Document Provisions and Policies.

All Bond Counsel, Borrower's Counsel &
Underwriter's Counsel
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Closing Procedures

Please ensure that the Authority's fee and our fee as Issuer's Counsel are included on the costs of issuance requisition and paid at closing.

Prior to closing this financing, we will need to see that Bond Counsel has received an executed copy of the Borrower Counsel Opinion that complies with the Standard Document Provisions and Policies and Requisition No. 1 for costs of issuance including the Authority's fee and the fee of Nixon Peabody as its special counsel.

Within 60 days after the closing of this financing, please provide us two thumb drives of the transaction (if no thumb drive is available, please provide one loose transcript) for the Authority's official files.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

/s/ Charles C. Wolf
Charles C. Wolf

Enclosures
cc: Angelica Valencia

FINANCING POLICIES

Please Note:

These Financing Policies are intended as a guide for the Authority and for applicants. While the Authority reserves the right, in its discretion, to approve exceptions, applicants should not expect any exceptions.

The Authority reserves the right to add additional requirements in instances the Authority determines, in its sole discretion, are appropriate. Such instances may include, without limitation, financings in different categories, pending or threatened litigation, credit strength of the Project, unusual or unique deal structure, legal structure or tax structure and rendering of reasoned, rather than clean, bond opinion or tax opinion.

The Authority reserves the right, at its sole and absolute discretion, to decline to finance a Project for any reason or no reason at any time during the Authority's application or document approval process.

General Requirements

1. Borrowers may choose their own finance team including financial advisor, bond counsel and underwriter(s) or purchaser(s). The bond counsel firm must be listed in the Bond Buyer's Municipal Marketplace Red Book.
2. Financings must be approved first by the Authority's Credit Committee and second by the Authority's Governing Board. Only financings that have been approved by the Credit Committee will be considered by the Governing Board.
3. The Authority's Credit Committee meets to consider applications for financing on the **first Thursday of each month** (except no Credit Committee meetings will be held in the month of August). Applicants shall submit to Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) completed applications and all information requested by the Authority staff at least **three weeks** prior to the date desired for consideration by the Credit Committee. Application forms are available on the Authority's website.
4. The Authority's Credit Committee and staff will conduct a review of the Project, the financing and the associated public benefits. All applications must demonstrate sufficient public benefit as determined by the Authority. Among the factors the Authority may consider in making this determination are affordability of services or rental rates, availability of services or rental units, level of services or rental units provided at below market rates, demonstrable savings in transaction costs,

significant reductions in user charges, employment benefits and more efficient delivery of services to residential and commercial development.

5. The public agency hosting the proposed project (the “Host Jurisdiction”) must be located within the following nine California counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.
6. Approval by the Host Jurisdiction of the proposed project as required under the Internal Revenue Code (TEFRA if applicable) and as set forth in Section 19 of the Authority’s Joint Powers Agreement and Section 6586.5 of the California Government Code.
7. The Authority’s Governing Board meets to consider requests for financing and approve the financing documents **on the third Thursday of every other month** (except no Governing Board meetings will be held in the month of August). Applicants should submit to Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) copies of all of the financing documents, together with the approving resolution of the Authority plus any additional information and materials requested by Authority staff, at least **three weeks** prior to the date desired for consideration by the Governing Board. Copies of your adopted TEFRA Resolution (if required) and your adopted Host Jurisdiction Resolution, each substantially in the form provided, as well as evidence of the allocation to you of State volume cap (if required) must be submitted to and received by Charles Wolf (cwolf@nixonpeabody.com), Angelica Valencia (anvalencia@nixonpeabody.com) and Brad Paul (bpaul@bayareametro.gov) **not later than two Business Days prior** to the Governing Board meeting at which your financing will be considered for approval.
8. Standard indemnification with respect to the financing and the Project provided by the applicant to the Authority, its members, officers, agents and employees, in form acceptable to the Authority and its legal counsel, in the appropriate financing documents.
9. Standard indemnification with respect to the issuance and sale of Bonds provided by the underwriter to the Authority, its members, officers, agents and employees, in form acceptable to the Authority and its legal counsel, in the purchase contract.
10. The Authority’s counsel shall conduct a review of the financing documents for consistency with the Authority’s Standard Document Provisions and Policies.
11. In addition to its issuer’s counsel, the Authority reserves the right to engage, at the Borrower’s expense, other professionals, including (without limitation) financial advisors, accountants, engineers and other consultants to review Borrower’s application materials, project, projected revenues, expenses and cash flows, financing documents and offering materials. The Borrower will be advised if such professionals are retained.

APPENDIX A

12. If offering material or a disclosure document is required, it shall contain language to the effect: “The Authority has supplied information in the Official Statement (or other offering documentation) under the caption “The Authority” and under the caption, if applicable, “Absence of Material Litigation – The Authority”, but it is not responsible for any other information contained in this Official Statement (or any other offering documentation)”. The Authority will not execute the Official Statement and expects the Borrower to execute the Official Statement.
13. If offering material or a disclosure document is required, the applicant shall have its counsel deliver a 10b-5 opinion addressed to the Authority covering such document at closing. The contents of such opinion shall be to the satisfaction of the Authority and its counsel.
14. The Authority requires that any supplemental opinion of Bond Counsel addressed and delivered to an underwriter or purchaser must also be addressed and delivered to the Authority.
15. No gaming facilities are to be financed.
16. From time to time the Authority may publish separate or additional application requirements for financings in various categories. Authority staff may require supplemental information and material be provided before a request is submitted for consideration by the Authority.
17. Authority staff may request a meeting with the applicant and, at the expense of the applicant, may request to visit the applicant’s facilities and/or project site.

Effective Date

Financing Policy as set forth herein shall be effective immediately upon its adoption. This Financing Policy was adopted by the Authority’s Governing Board on March 15, 2018.

The Authority’s policies are subject to revision by the Authority at any time. Review the Authority’s website to confirm the most up-to-date policies.

FORM OF NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on _____, _____, a public hearing as required by [Section 147(f) of the Internal Revenue Code of 1986 and] Section 6586.5 of the California Government Code will be held with respect to the proposed issuance by the Advancing California Finance Authority of its revenue bonds in one or more series in an amount not to exceed \$[*Principal Amount*] (the “Bonds”). The proceeds of the Bonds will be used to: (1) finance [*and refinance*] the [*acquisition, construction, improvements and equipping*] of [*Facility Description*] located at [*Facility Address*], [*City*], California; and (2) pay certain expenses incurred in connection with the issuance of the Bonds. The facilities are to be owned and operated by the [*Borrower*], a [_____].

The hearing will commence at _____ .m. or as soon thereafter as the matter can be heard, and will be held in the [*Public Agency Board Room*], [*Address*], [*City*], California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed [*and refinanced*] or may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from and written comments should be addressed to [*Clerk of the Board*], of [*Public Agency*], [*Address*], [*City*], California [*Zip Code*].

Dated: _____, 20__.

[Date of publication must be at least 14 days prior to hearing date if TEFRA is applicable.]

[Date of publication must be at least 5 days prior to hearing date if TEFRA is not applicable.]

FORM OF TEFRA AND HOST JURISDICTION RESOLUTION

RESOLUTION OF THE [GOVERNING BOARD] OF THE [PUBLIC AGENCY] APPROVING THE ISSUANCE OF THE ADVANCING CALIFORNIA FINANCE AUTHORITY REVENUE BONDS ([BORROWER]), SERIES _____ IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$[PRINCIPAL AMOUNT] FOR THE PURPOSE OF FINANCING [AND REFINANCING] THE [ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING] OF [FACILITY DESCRIPTION] AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, the [Borrower], a [] (the “Borrower”), has requested that the Advancing California Finance Authority (the “Authority”) participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$[Principal Amount] (the “Bonds”) for the [acquisition, construction, improvement and equipping] of certain [Facility Description] (the “Facilities”) to be owned and operated by the Borrower (the “Project”) and located within the [City/County]; and

WHEREAS, pursuant to [Section 147(f) of the Internal Revenue Code of 1986 (the “Tax Code”) and] Section 6586.5 of the California Government Code (the “Government Code”), the issuance of the Bonds by the Authority must be approved by the [Public Agency] because the Facilities are [to be] located within the territorial limits of the [Public Agency]; and

[WHEREAS, the [Legislative body of Public Agency] (the “[Legislative Body]”) is the elected legislative body of the [Public Agency] and is one of the applicable elected representatives required to approve the issuance of the Bonds under Section 147(f) of the Tax Code; and]

WHEREAS, the Authority has requested that the [Board] approve the issuance of the Bonds by the Authority for the purposes of financing the Project in order to satisfy the public approval requirement of [Section 147(f) of the Tax Code and] Section 6586.5 of the Government Code, among certain public agencies;

[WHEREAS, the Authority is also requesting that the [Board] approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Facilities (the “Refunding Bonds”), but only in such cases where federal tax laws would not require additional consideration or approval by the [Board]; and]

WHEREAS, pursuant to Section [147(f) of the Tax Code and] Section 6586.5 of the Government Code, the [Board] has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

APPENDIX B

NOW, THEREFORE, BE IT RESOLVED, by the [*Governing Board of [Public Agency]*] as follows:

Section 1. The [*Board*] hereby approves the issuance of the Bonds [*and Refunding Bonds*] by the Authority for the purposes of financing the Project. It is the purpose and intent of the [*Board*] that this resolution constitutes approval of the issuance of the Bonds and Refunding Bonds by the Authority and of the financing of the Project, for the purposes of [Section 147(f) of the Tax Code and] Section 6586.5 of the Government Code by the governmental unit having jurisdiction over the area in which the Facilities are [*to be*] located, in accordance with said [Section 147(f) of the Tax Code] and Section 6586.5 of the Government Code.

Section 2. The [*Board*] hereby finds that the financing of the Project will yield significant public benefit to the citizens of [*Public Agency*] in the form of:

(a) Demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs;

(b) Significant reductions in effective user charges levied by a local agency;

(c) Employment benefits from undertaking the Project in a timely fashion;

or

(d) More efficient delivery of local agency services to residential and commercial development.

Section 3. The officers of the [*Public Agency*] are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 4. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the [*Governing Board of [Public Agency]*]
this ___ day of _____, 20__.

AYES:

NOES:

ABSENT:

[SEAL]

Attest:

By: _____
[*Board Clerk*]

FORM OF ACFA RESOLUTION

RESOLUTION NO. _____

ADVANCING CALIFORNIA FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$[PRINCIPAL AMOUNT] TO FINANCE [AND REFINANCE] THE [CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING] OF A [TYPE OF FACILITY] FOR [NAME OF BORROWER] AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the Association of Bay Area Governments and the ABAG Finance Authority for Nonprofit Corporations entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the Advancing California Finance Authority (the “Authority”) was organized;

WHEREAS, the Authority is authorized by the Act and its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with public agencies and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with public agencies;

WHEREAS, the [Name of Borrower], a [] (the “Borrower”), wishes to finance [refinance] the [construction, improvement, renovation and equipping] of [type of facility] (the “Project”) owned and operated by the Borrower and [to be] located in the [County/City];

WHEREAS, the Borrower is requesting the assistance of the Authority in financing [refinancing] the Project;

WHEREAS, pursuant to an Indenture (the “Indenture”), between the Authority and [Trustee] (the “Trustee”), the Authority will issue the Advancing California Finance Authority [Name of Bonds], in one or more series (the “Bonds”) for the purpose, among others, of financing [and refinancing] the Project;

WHEREAS, pursuant to one or more Loan Agreements (collectively, the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the

proceeds of the Bonds to the Borrower for the purpose, among others, of financing [*and refinancing*] the Project;

[WHEREAS, pursuant to one or more Placement Agent Agreements, to be dated the date of placement of the Bonds (collectively, the “Placement Agreement”), among the [Placement Agent], as placement agent (the “Placement Agent”), the Authority and the Borrower, the Authority and the Borrower agree to cause the Trustee to authenticate and deliver the Bonds to or upon the order of the Placement Agent;]

*[WHEREAS, pursuant to one or more Bond Purchase Contracts, to be dated the date of sale of the Bonds (collectively, the “Purchase Contract”), among [Underwriter], as underwriter (the “Underwriter”), the Authority and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance [*and refinance*] the Project, [*to fund a debt service reserve account*] and to pay costs incurred in connection with the issuance of the Bonds;]*

[WHEREAS, pursuant to one or more Continuing Covenant Agreements, to be dated the date of issuance of the Bonds (collectively, the “Continuing Covenant Agreement”), among the [Bank], as purchaser of the Bonds (the “Bank”), the Borrower and the Authority, the Bank agrees to buy the Bonds under certain conditions;]

WHEREAS, there have been made available to the Governing Board of the Authority the following documents and agreements:

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the [*Placement Agreement/Purchase Contract*];
- (4) A proposed form of one or more [*limited offering memorandums (collectively, the “Limited Offering Memorandum”)/official statements (collectively, the “Official Statement”)/private placement memorandums (collectively, the “Private Placement Memorandum”)*] to be used by the [*Placement Agent/Underwriter*] in connection with the [*placement/offering*] and sale of the Bonds; and
- (5) [*A proposed form of one or more Continuing Covenant Agreements*];

[(6) ADD ANY OTHER MAJOR FINANCING DOCUMENTS TO WHICH THE AUTHORITY IS A PARTY.]

NOW THEREFORE, BE IT RESOLVED by the Governing Board of the Advancing California Finance Authority, as follows:

Section 1. Pursuant to the Act, the Indenture and this Resolution, the Authority is hereby authorized to issue its revenue bonds, designated as the “Advancing California Finance Authority [*Name of Bonds*]” in an aggregate principal amount not to

exceed _____ dollars (\$ _____), from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the Indenture pursuant to which the Bonds will be issued. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority, the Vice Chair of the Authority, the Executive Director of the Authority or the Treasurer of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or any Authorized Signatory.

Section 2. The proposed form of Indenture, as made available to the Governing Board, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as the Authorized Signatory signing the Indenture, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The [trustee,] dated date, maturity date or dates, interest rate or rates [or methods of determining rates], [tender provisions], interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 3. The proposed form of Loan Agreement, as made available to the Governing Board, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as the Authorized Signatory signing the Loan Agreement, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The payment dates, interest rate or rates [or methods of determining rates] and other terms of the Loan Agreement shall be as provided in the Loan Agreement, as finally executed.

Section 4. The proposed form of the [Placement Agreement/Purchase Contract], as made available to the Governing Board, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the [Placement Agreement/Purchase Contract], in substantially said form, with such changes and insertions therein as the Authorized Signatory signing the same, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The terms of the Bonds as reflected therein shall be as provided in the [Placement Agreement/Purchase Contract], as finally executed.

Section 5. The proposed [preliminary] form of [Limited Offering Memorandum/Official Statement/Private Placement Memorandum], as made available to the Governing Board, is hereby approved. The [Placement Agent/Underwriter] is hereby authorized to distribute the [Limited Offering Memorandum/Official Statement/Private Placement Memorandum] in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the [Limited Offering Memorandum/Official Statement/Private Placement Memorandum] in final form, in substantially the form of the

preliminary [*Limited Offering Memorandum/Official Statement/Private Placement Memorandum*], to the purchasers of the Bonds.

Section 6. [The proposed form of the Continuing Covenant Agreement, as made available to the Governing Board, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Continuing Covenant Agreement, in substantially said form, with such changes and insertions therein as the Authorized Signatory signing the same, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.]

Section 7. The Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. The Chair, the Vice Chair, the Executive Director, the Treasurer, the Secretary, any other members of the Governing Board of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 9. All actions heretofore taken by the Chair, the Vice Chair, the Executive Director, the Treasurer, the Secretary, any other members of the Governing Board of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Advancing California Finance Authority
this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the Advancing California Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly

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adopted by the Governing Board of the Authority at a duly called meeting of the Governing Board of the Authority held in accordance with law on _____, 20__.

By: _____
Authorized Signatory
Advancing California Finance Authority

FORM DOCUMENT PROVISIONS

Address of Authority for Notice (for all documents):

Advancing California Finance Authority
375 Beale Street, Suite 800
San Francisco, CA 94105-2066
Attention: Deputy Executive Director, Local Government Services

with a copy to:

Advancing California Finance Authority
375 Beale Street, Suite 800
San Francisco, CA 94105-2066
Attention: Deputy Treasurer

Form of Recitals (Loan Agreement):

WHEREAS, the Borrower has applied for the financial assistance of the Authority in the financing [*refinancing*] of the [*describe project*] (the “Project”) of [*describe facilities*] (as more particularly defined herein, the “Facilities”) to be owned and operated by the Borrower; and

WHEREAS, the Facilities are to be located within the [jurisdiction] of the [*Public Agency*], and a substantial portion of the persons to be utilizing the services to be provided at the Facilities are expected to be [residents] of the [*Public Agency*] and a substantial portion of the persons to be employed by the Borrower at the Facilities are expected to be [residents] of the [Public Agency]; and

WHEREAS, the financing [*refinancing*] of the Project will [include description of the public benefit the Project will promote] and is within the powers conferred upon the Authority by its Joint Powers Agreement (the “Joint Powers Agreement”); and

[WHEREAS, the financing [*refinancing*] of the Project is a significant factor in [*establishing/maintaining*] the operations of the Borrower within the jurisdiction of the [Public Agency];] and

WHEREAS, the Authority has authorized the issuance of [*Name of Bonds*], (the “Bonds”), in an aggregate principal amount of _____ dollars (\$_____) to finance [*refinance*] the Project; and

WHEREAS, the Authority and the Borrower have each duly authorized the execution, delivery and performance of this Loan Agreement;

Form of Findings by Authority (Loan Agreement):

Section _____. Findings by the Authority. The Authority hereby finds and determines that: (i) pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the Association of Bay Area Governments and the ABAG Finance Authority for Nonprofit Corporations entered into the Joint Powers Agreement pursuant to which the Authority was organized; (ii) the Authority is authorized by the Joint Powers Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development; (iii) the Authority is authorized to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by public agencies; (iv) pursuant to the provisions of the Act, the public agencies that are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal; (v) pursuant to the provisions of the Act and the Joint Powers Agreement, the Authority is authorized to deliver certificates of participation in installment purchase and/or sale agreements with public agencies; (vi) pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into loan agreements with public agencies; (viii) [provide description of what the Project promotes.]

Form of Representations and Warranties by Borrower (Loan Agreement):

Section _____. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Borrower is a [] duly [incorporated] [organized] and in good standing under the laws of the State of [California], has full legal right, power and authority to enter into this Loan Agreement and the [List Other Major Documents to Which Borrower is a Party], and to carry out all of its obligations under and consummate all transactions contemplated hereby and by the [List Other Major Documents to Which Borrower is a Party], and by proper [corporate] action has duly authorized the execution, delivery and performance of this Loan Agreement and the [List Other Major Documents to Which Borrower is a Party].

(b) The officers of the Borrower executing this Loan Agreement and the [List Other Major Documents to Which Borrower is a Party] are duly and properly in office and fully authorized to execute the same.

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(c) This Loan Agreement and the [*List Other Major Documents to Which Borrower is a Party*] have been duly authorized, executed and delivered by the Borrower.

(d) This Loan Agreement and the [*List Other Major Documents to Which Borrower is a Party*], when assigned to the Trustee pursuant to the Indenture, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Trustee in accordance with their terms for the benefit of the Holders of the Bonds, and any rights of the Authority and obligations of the Borrower not so assigned to the Trustee constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this Loan Agreement and the [*List Other Major Documents to Which Borrower is a Party*], the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the [articles of incorporation] [other organizational document] of the Borrower, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement or the [*List Other Major Documents to Which Borrower is a Party*], or the financial condition, assets, properties or operations of the Borrower.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery of this Loan Agreement or the [*List Other Major Documents to Which Borrower is a Party*], or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if

determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this Loan Agreement or the [List Other Major Documents to Which Borrower is a Party], or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement or the [List Other Major Documents to Which Borrower is a Party], or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities.

(h) No written information, exhibit or report furnished to the Authority by the Borrower in connection with the negotiation of this Loan Agreement or the [List Other Major Documents to Which Borrower is a Party] contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The Borrower has good and marketable title to the [Facilities] free and clear from all encumbrances other than [Permitted Liens].

(j) The Borrower's audited consolidated balance sheets at _____ and _____, and the related consolidated statements of income and consolidated statements of cash flows for the years ended _____ and _____ (copies of which have been furnished to the Authority) fairly present the financial position of the Borrower at such date and the results of operations for the year ended on such date, and since such date there has been no material adverse change in the financial condition or results of operations of the Borrower.

(k) The Borrower complies in all material respects with all applicable Environmental Regulations.

(l) Neither the Borrower nor the Facilities are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Borrower does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

Form of Payment Provisions for Fees (Loan Agreement):

Section __. Additional Payments. In addition to the Loan Repayments, the Borrower shall also pay to the Authority or to the Trustee, as the case may be, “Additional Payments,” as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Authority or the Trustee, as the case may be, at the Borrower’s expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee;

(b) All reasonable fees, charges and expenses of the Trustee for services rendered under the Indenture and all amounts referred to in Section ____ of the Indenture, as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement, [*List Other Major Documents to Which Borrower is a Party*] or the Indenture; and

(d) The annual fee of the Authority in the amount of \$_____ * and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with this Loan Agreement, [*List Other Major Documents to Which Borrower is a Party*], the Bonds or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this Loan Agreement, [*List Other Major Documents to Which Borrower is a Party*], the Bonds or the Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement [*List Other Major Documents to Which Borrower is a Party*].

* **NOTE: Financing Parties should determine which fee calculation is applicable to the Borrower by referencing the Fee Schedule set forth on the Authority’s website or in discussion with staff. Fee must be filled in prior to approval of documents by the Governing Board.**

Such Additional Payments shall be billed to the Borrower by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Authority or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. Notwithstanding the foregoing, the Authority shall not be required to submit a bill to the Borrower for payment of the Authority's annual fee set forth in the schedule based on the original aggregate principal amount of Bonds Outstanding under the Indenture. Such annual fee shall be paid by the Borrower to the Authority annually, due and payable in advance for each year, and shall be made as an Additional Payment in accordance with this Section and Section __ of the Indenture.

*** [NOTE: Financing Parties should determine which fee calculation is applicable to the Borrower by referencing the Fee Schedule set forth on the Authority's website or in discussion with staff. Fee must be filled in prior to approval of documents by the Governing Board.]**

Form of Prohibited Uses (Loan Agreement):

Section __. Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) primarily for gambling or wagering.

Form of Covenant re Special Services (Loan Agreement):

Section __. Special Services Covenant. The Borrower shall maintain a [*type of facility*] facility providing [*type of services rendered*] services to [*recipients of services, e.g., students, patients, etc.*] within the territorial limits of the [*Public Agency*], as long as any Bonds remain Outstanding; provided, however, the Authority, upon review of such facts as it deems relevant, may, from time to time, allow the Borrower to provide alternative services which provide public benefit to the [*Public Agency*] and its residents, or deem this special services covenant to be satisfied in whole or in part. Failure to comply with the provisions of this Section shall not constitute a [*Loan Default Event*] but shall be enforceable solely by the Authority by such action, at law or in equity, as the Authority in its sole discretion shall deem appropriate. This Section shall not be enforceable by the Trustee, any Bondholder, the [*Public Agency*], any resident of the [*Public Agency*] or by any other Person other than the Authority.

Form of Covenant re Annual Reporting under SB-1029 (Loan Agreement)

Section __. Annual Reporting Covenant. No later than January 31 of each calendar year (commencing January 31, [20__]), the Borrower, on behalf of the Authority, agrees to provide to the California Debt and Investment Advisory Commission, by any method approved by the California Debt and Investment Advisory Commission, with a confirmation to the Authority, the annual report information required by Section 8855(k)(1) of the California Government Code with respect to the Bonds. This covenant

shall remain in effect until the later of the date (i) the Bonds are no longer Outstanding or (ii) the proceeds of the Bonds have been fully spent.

Post-Issuance Compliance Undertaking (after tax covenants section in Loan Agreement):

Section _____. (a) Post-Issuance Compliance Undertaking. The Borrower acknowledges that the Internal Revenue Service mandates certain filing requirements with respect to post-issuance tax compliance, private use and/or unrelated trade or business use, including the proper method for computing whether any such use has occurred under Section 145 of the Code. The Borrower covenants that it will undertake to determine (or have determined on its behalf) the information required to be reported on the IRS Form 990 (Schedule K) Supplemental Information on Tax-Exempt Bonds on an annual basis and will undertake to comply with the aforementioned filing requirements and any related requirements that may be applicable to the Bonds (collectively, the “Post-Issuance Requirements”). Further, the Borrower covenants that it has adopted, or, if not, will promptly adopt, management practices and procedures to ensure the Borrower complies with the Post-Issuance Requirements with respect to the Bonds.

(b) Retention of Post-Issuance Compliance Expert. The Borrower initially [has retained the firm of [____] to provide] [has designated (insert name of the individual officer/employee of Borrower) to be responsible for providing or causing to be provided] certain post-issuance tax compliance services that may be required from time to time with respect to the Bonds.

Form of Non-Liability Provisions (Loan Agreement):

Section _____. Non-Liability of Authority. The Authority shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Trustee pursuant to this Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the [Public Agency]), nor the faith and credit of the Authority is pledged to the payment of the principal (or Redemption Price) of or interest on the Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

The Borrower hereby acknowledges that the Authority’s sole source of moneys to repay the Bonds (whether by maturity, redemption, acceleration or otherwise) will be provided by the payments made by the Borrower to the Trustee pursuant to this Loan Agreement, together with amounts on deposit in and investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Redemption Price) of and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any

deficiency or default in the payment of such principal (or Redemption Price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor.

The Borrower acknowledges that the [Public Agency] shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with, the Bonds.

Form of Expenses (Loan Agreement):

Section __. Expenses. The Borrower covenants and agrees to pay and indemnify the Authority, the [Public Agency] and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence) and arising out of or in connection with this Loan Agreement, [*List Other Major Documents to Which Borrower is a Party*], the Bonds or the Indenture. These obligations and those in Section __ [*Indemnification*] shall remain valid and in effect notwithstanding repayment of the loan hereunder or the Bonds or termination of this Loan Agreement or the Indenture.

Form of Indemnification (Loan Agreement):

Section __. Indemnification. (a) To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Authority, the [Public Agency], the Trustee, and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (collectively, the “Indemnified Parties”), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Indenture, this Loan Agreement, [*List Other Major Documents to Which Borrower is a Party*] or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees, tenants or licensees in connection with the Project or the Facilities, the operation of the Project or the Facilities, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or the Facilities or any part thereof;

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(iii) any lien or charge upon payments by the Borrower to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Project or the Facilities;

(iv) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances from, the Project or the Facilities or any part thereof;

(v) the defeasance and/or redemption, in whole or in part, of the Bonds;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or other disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(vii) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Bonds is taxable;

(viii) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or the [Public Agency] or any of their officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the judgment of such Indemnified Party a conflict of interest exists by

reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Section __, this Section __ and Section __ shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section shall survive the termination of this Loan Agreement.

Form of Waiver of Personal Liability (Loan Agreement):

Section __. Waiver of Personal Liability. No member, officer, agent or employee of the [Public Agency] or the Authority or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal (or Redemption Price) of or interest on the Bonds or any sum hereunder or under the Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

Form of Recitals (Indenture):

WHEREAS, [Borrower], a [] (the “Borrower”), has applied for the financial assistance of the Authority in the [financing/refinancing] of the [describe project] (the “Project”) of a [describe facilities] (as more particularly defined herein, the “Facilities”) to be owned and operated by the Borrower; and

WHEREAS, the Facilities are to be located within the territorial limits of the [Public Agency] and a substantial portion of the persons to be utilizing the services to be provided at the Facilities are expected to be residents of the [Public Agency] and a substantial portion of the persons to be employed by the Borrower at the Facilities are expected to be residents of the [Public Agency]; and

WHEREAS, the [financing/refinancing] of the Project will promote significant and growing opportunities for the creation and retention of employment to the California economy and the enhancement of the quality of life to residents of the [Public Agency], and will promote opportunities for the creation or retention of employment within the jurisdiction of the [Public Agency] and is within the powers conferred upon the Authority by its Joint Powers Agreement (the “Joint Powers Agreement”);

WHEREAS, the [financing/refinancing] of the Project will promote residential, commercial and industrial development within the jurisdiction of the [Public Agency] and thereby stimulate economic activity and increase the tax base and is within the powers conferred upon the Authority by the Joint Powers Agreement; and

WHEREAS, the [financing/refinancing] of the Project is a significant factor in [establishing/maintaining] the operations of the Borrower within the jurisdiction of the [Public Agency]; and

APPENDIX D

WHEREAS, the Authority has authorized the issuance of its [*Name of Bonds*] (the “Bonds”), in an aggregate principal amount of _____ dollars (\$_____) to finance [*refinance*] the Project; and

WHEREAS, the Authority has duly entered into a loan agreement, dated as of _____, with the Borrower specifying the terms and conditions of a loan by the Authority to the Borrower of the proceeds of the Bonds to provide for [*financing/refinancing*] of the Project and of the payment by the Borrower to the Authority of amounts sufficient for the payment of the principal (or Redemption Price) of and interest on the Bonds and certain related expenses; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal (or Redemption Price) thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Bonds, and the Trustee’s certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit ___, and incorporated into this Indenture by this reference, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

Definitions (Indenture or such other “master definition” document):

“Act” means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Authority” means the Advancing California Finance Authority, or its successors and assigns.

“Authorized Signatory” means the Chair, the Vice Chair, the Executive Director and the Treasurer of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

APPENDIX D

“Governmental Unit” means a state or local governmental unit as defined in Treasury Regulations §1.103-1 or any instrumentality thereof, excluding the United States or any agency or instrumentality thereof.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety Code §§ 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Project or the owners and/or occupants of property adjacent to or surrounding the Project, or any other person coming upon the Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated January 1, 2018, relating to the formation of the Authority, between the Association of Bay Area Governments and the ABAG Finance Authority for Nonprofit Corporations.

“Remittance Address” means, (i) for payment of the Authority’s annual fee by check, Advancing California Finance Authority, 375 Beale Street, Suite 800, San Francisco CA 94105-2066, Attention: Deputy Treasurer, or such other address designated by the Authority as such from time to time, or (ii) for payment of the Authority’s annual fee by wire transfer or ACH Transaction, [], Reference: [*Invoice # / Borrower Name*] or such other instructions designated by the Authority from time to time.

Form of Execution of Bonds provision (Indenture):

Section __. Execution of Bonds. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority, the Vice

Chair of the Authority or any Authorized Signatory, and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant Secretary of the Authority or the manual or facsimile signature of any Authorized Signatory. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer of the Authority or Authorized Signatory who shall have signed or attested any of the Bonds shall cease to be such officer or Authorized Signatory before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority or Authorized Signatory, and also any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of execution of such Bond shall be the proper officers of the Authority or Authorized Signatory although at the nominal date of such Bond any such person shall not have been such officers of the Authority or Authorized Signatory.

Notification to Authority re Amount of Outstanding Bonds (Indenture):

On or before July 15 of each year the Trustee shall notify the Authority, via mutually acceptable electronic means or by mail, of the aggregate principal amount of Outstanding Bonds as of June 30 of such year or that no Bonds remain Outstanding.

Form of Payment Provisions for Fees (Indenture):

Section __. Additional Payments. The Trustee shall transfer the Additional Payments constituting the Authority's annual fee, promptly upon receipt thereof from the Borrower, to the Authority at the Remittance Address.

Form of Disclaimer (Official Statement, Indenture and Bond):

THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE AUTHORITY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. MOREOVER, NEITHER THE AUTHORITY NOR THE [PUBLIC AGENCY] SHALL BE LIABLE FOR ANY OTHER COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR ACTIONS, IN CONNECTION WITH THE LOAN AGREEMENT, THE BONDS OR

THE INDENTURE, EXCEPT ONLY TO THE EXTENT AMOUNTS ARE RECEIVED FOR THE PAYMENT THEREOF FROM THE BORROWER UNDER THE LOAN AGREEMENT.

Form of Non-Liability Provisions (Indenture):

Section _____. Non-Liability of Authority. The Authority shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Trustee pursuant to the Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the [Public Agency]), nor the faith and credit of the Authority is pledged to the payment of the principal (or Redemption Price) of or interest on the Bonds. Neither the Authority nor the [Public Agency] shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or this Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

The Trustee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower to the Trustee pursuant to the Loan Agreement, together with investment income on certain funds and accounts held by the Trustee under this Indenture, and hereby agrees that if the payments to be made under the Loan Agreement shall ever prove insufficient to pay all principal (or Redemption Price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then the Trustee shall give notice to the Borrower in accordance with Section __ **[Events of Default and Remedies]** of this Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor.

Form of Disclaimer re Authority's non-obligation to enforce assigned rights under Indenture and Loan Agreement (Indenture; "assignment" section or "remedies upon default" section):

Notwithstanding anything to the contrary in this Indenture, the Authority shall have no obligation to and instead the Trustee may, without further direction from the Authority, take any and all steps, actions and proceedings, to enforce any or all rights of the Authority (other than those specifically retained by the Authority pursuant to Section ____ of this Indenture) under this Indenture or the Loan Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under the Loan Agreement.

[NOTE: the Authority does not execute the Official Statement and expects the Borrower to execute the Official Statement]

Form of Language Describing Authority (Official Statement):

The Authority is a joint powers agency organized pursuant to a Joint Exercise of Powers Agreement entered into by the Association of Bay Area Governments and the ABAG Finance Authority for Nonprofit Corporations pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code.

The Authority has supplied information in this Official Statement [or other disclosure document] under the captions “The Authority” and “Absence of Material Litigation – The Authority.” The Authority is not responsible for any other information contained in this Official Statement [or other disclosure document].

[Optional] The Authority has entered into, sold and delivered obligations, and will in the future enter into, sell and deliver obligations, other than the Bonds, which other obligations are and will be secured by instruments separate and apart from the [*Indenture*] and the [*Loan Agreement*]. The holders of such obligations of the Authority have no claim on the security for the Bonds and the holders of the Bonds will have no claim on the security of such other obligations issued by the Authority.

Form of Disclosure regarding Litigation (Official Statement):

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Authority seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Bonds, the completeness or accuracy of the [*Limited Offering Memorandum/Official Statement*] or the existence or powers of the Authority relating to the sale of the Bonds.

Form of Limitation of Liability of Authority (Bond placement or sale document):

Section _____. Limitation of Liability of Authority. The Authority shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind under any conceivable theory under this [*Bond*][*Purchase/Placement*][*Contract/Agreement*] or any document or instrument referred to herein or by reason of or in connection with this [*Bond*] [*Purchase/Placement*] [*Contract/Agreement*] or other document or instrument except to the extent it receives amounts from the Borrower available for such purpose.

Certain Conditions to Include in Section Re Conditions to Obligations of the Authority
(Bond placement or sale document)

() The Authority’s closing fee and the fee of its special counsel shall have been paid by wire transfer or in other immediately available funds or arrangements reasonably satisfactory to the Authority and its special counsel shall have been made to pay such fees from the proceeds of the Bonds or otherwise.

() The Underwriter shall provide information to which it has access in its ordinary course of business that is requested by the Authority for purposes of its compliance with California Government Code Section 8855.

Form of Representations of Authority (Bond placement or sale document):

Section _____. Representations and Agreements of the Authority. The Authority represents to and agrees with the [*Placement Agent/Purchaser/Underwriter*] and the Borrower that:

(a) The Authority is a joint powers agency organized and existing under the laws of the State of California and has full power and authority to adopt the Resolution, and to enter into and to perform its obligations under the Indenture, the Loan Agreement and this [*Bond*][*Purchase/Placement*][*Contract/Agreement*] (collectively, the “Authority Documents”); and when executed and delivered by the respective parties thereto, the Authority Documents will constitute the legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers authorities in the State of California;

(b) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has approved and authorized the distribution of the Preliminary [*Limited Offering Memorandum/Official Statement*] and the [*Limited Offering Memorandum/Official Statement*] and authorized and approved the execution and delivery of the Authority Documents and the consummation by the Authority of the transactions contemplated thereby;

(c) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Authority seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Authority Documents or contesting in any way the completeness or accuracy of the [*Preliminary Offering Memorandum/Official*

Statement] and the [*Limited Offering Memorandum/Official Statement*] or the existence or powers of the Authority relating to the sale of the Bonds;

(d) The statements and information contained in the [*Preliminary Offering Memorandum/Preliminary Official Statement*]* and the [*Limited Offering Memorandum/Official Statement*] under the captions “THE AUTHORITY” and “LITIGATION—The Authority” are true and correct in all material respects, and the information contained under the captions “THE AUTHORITY” and “LITIGATION—The Authority” in the [*Preliminary Offering Memorandum/Preliminary Official Statement*]* and [*Limited Offering Memorandum/Official Statement*] does not contain an untrue statement of a material fact or omit any statement or information concerning the Authority which is necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the [*Placement Agent/Purchaser/Underwriter*], at the expense of the [*Placement Agent/Purchaser/Underwriter*] or Borrower as the [*Placement Agent/Purchaser/Underwriter*] may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the [*Placement Agent/Purchaser/Underwriter*] may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Authority be required to take any action that would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject;

(f) The execution and delivery by the Authority of the Authority Documents and compliance with the provisions on the Authority’s part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents;

(g) If before the “end of the underwriting period” (as defined in S.E.C. Rule 15c2-12), an event occurs, of which the Authority has knowledge, which might or would cause the information contained in the [*Limited Offering Memorandum/Official Statement*] under the heading “THE AUTHORITY” as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary

* The Authority will provide coverage of the preliminary official statement or preliminary offering memorandum only if the Borrower also does the same.

to make such information therein, in the light of the circumstances under which it was presented, not misleading, or if the Authority is notified by the Borrower pursuant to the provisions of the Letter of Representations or otherwise requested to amend, supplement or otherwise change the [*Limited Offering Memorandum/Official Statement*], the Authority will notify the [*Placement Agent/Purchaser/Underwriter*] and the Borrower, and if in the opinion of the [*Placement Agent/Purchaser/Underwriter*] such event requires the preparation and publication of a supplement or amendment to the [*Limited Offering Memorandum/Official Statement*], the Authority will cooperate with the Borrower and the [*Placement Agent/Purchaser/Underwriter*] to amend or supplement the [*Limited Offering Memorandum/Official Statement*] in a form and in a manner approved by the [*Placement Agent/Purchaser/Underwriter*], provided all expenses thereby incurred will be paid by the Borrower; and

(h) During the period described in the preceding paragraph, (a) the Authority will not participate in the issuance of any amendment of or supplement to the [*Limited Offering Memorandum/Official Statement*] to which, after being furnished with a copy, the Borrower or the [*Placement Agent/Purchaser/Underwriter*] shall reasonably object in writing or which shall be disapproved by any of their respective counsel and (b) if any event relating to or affecting the Authority shall occur as a result of which it is necessary, in the opinion of counsel for the [*Placement Agent/Purchaser/Underwriter*], to amend or supplement the [*Limited Offering Memorandum/Official Statement*] in order to make the [*Limited Offering Memorandum/Official Statement*] not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will cooperate with the Borrower and the [*Placement Agent/Purchaser/Underwriter*] to prepare and furnish to the [*Placement Agent/Purchaser/Underwriter*] and the Borrower (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the [*Limited Offering Memorandum/Official Statement*] (in form and substance satisfactory to counsel for the [*Placement Agent/Purchaser/Underwriter*]) which will amend or supplement the [*Limited Offering Memorandum/Official Statement*] so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the [*Limited Offering Memorandum/Official Statement*] is delivered to a purchaser, not misleading.

The execution and delivery of this [*Placement Agent Agreement/Bond Purchase Contract*] by the Authority shall constitute a representation by the Authority to the [*Placement Agent/Purchaser/Underwriter*] that the representations and agreements contained in this Section are true as of the date hereof; provided, however, that as to information furnished by the Borrower pursuant to this [*Placement Agent Agreement/Bond Purchase Contract*] or otherwise, the Authority is relying solely on such information in making the Authority's representations and agreements, and as to all matters of law the Authority is relying on the advice of bond counsel; and provided further, that no member, officer, agent or employee of the governing body of the Authority shall be individually liable for the breach of any representation, warranty or agreement contained herein.

Reliance on Other Parties (Tax Certificate):

Section _____. Reliance on Other Parties. Except as specifically set forth herein, the Authority, in making the certifications and representations herein, is relying exclusively on the certifications and representations of the Borrower. The expectations of the Authority and the Borrower concerning certain uses of the proceeds of the Bonds and the use and operation of the facilities composing the Project and other matters are based in whole or in part upon representations and certifications of other parties set forth in this Tax Certificate and Agreement. Neither the Authority nor the Borrower is aware of any facts or circumstances that would cause either the Authority or the Borrower to question the accuracy or reasonableness of any representation or certification made in this Tax Certificate and Agreement.

[NOTE: retention of records and obligation to calculate rebate should be limited to the borrower, the only records the Authority will be obligated to retain are the transcript of the bond issue and a hedge identification, if applicable.]

Non-liability of Authority (Tax Certificate):

Section _____. Non-Liability of Authority. To the extent the Authority is relying on the representations of the Borrower and the other parties set forth herein, the Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Bonds and this Tax Certificate and Agreement, except only to the extent amounts are received for the payment thereof from the Borrower.

Post-Issuance Compliance Language (Tax Certificate):

The Authority and the Borrower have covenanted to comply with certain requirements of the Code relating to the Rebate Requirement as discussed in this Article ____ and relating to private use and/or unrelated trade or business use and the Authority intends to comply with these requirements through the obligation and undertaking by the Borrower to comply with these requirements (including, if necessary, the retention by the Borrower of a qualified rebate analyst and a post-issuance compliance expert), which the Borrower hereby acknowledges.

Governing Law, Venue (major documents to which Authority is a party):

Section _____. Governing Law; Venue. This [*document name*] shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This [*document name*] shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, City and County of San Francisco.

CERTIFICATE OF THE AUTHORITY

Re: [Name of Bonds]

The undersigned, an Authorized Signatory (defined below) of the Governing Board of the Advancing California Finance Authority, a public entity of the State of California, created pursuant to Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Authority”), hereby certifies that the following are now and have continuously been since March 16, 2017, the duly appointed, qualified and acting members of the Governing Board:

<u>Title</u>	<u>Name</u>	<u>Signature</u>
Chair		_____
Vice Chair		_____
Executive Director		_____
Treasurer		_____
Deputy Executive Director, Local Government Services		_____
Secretary		_____

The undersigned further certifies that each of the foregoing members of the Governing Board and officers of the Authority (each, an “Authorized Signatory”) were authorized by the Authority to execute, on behalf of the Authority, in connection with the execution and delivery of that certain [*Indenture*], dated as of _____, 20__ (the “*Indenture*”), between the Authority and _____, as trustee (the “*Trustee*”), various instruments, documents, and certificates, including, without limitation, the following documents:

1. Indenture;
2. [*Loan Agreement*], dated as of _____, 20__ (the “*Loan Agreement*”), between the Authority and _____ (the “*Borrower*”); and
3. [*Placement Agent Agreement/Bond Purchase Contract*], dated _____, 20__ (the “[*Placement Agreement/Purchase Contract*]”), among the Authority, the Borrower and [*underwriters*].

The undersigned hereby certifies that attached hereto as Exhibit A is a full, true and correct copy of Resolution No. _____ adopted at a regular meeting of the Authority held on _____, 20__, at which meeting a quorum was present. The undersigned further

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certifies that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in the proceedings thereof; and that said resolution has not been amended, modified or superseded in any manner since the date of its adoption, and the same is now in full force and effect.

The undersigned further certifies that the Authority has fulfilled or performed each of its obligations contained in the Indenture, the Loan Agreement and the [*Placement Agreement/ Purchase Contract*] required to be fulfilled or performed by it as of the date hereof; and the representations and agreements made by the Authority in the [*Placement Agreement/ Purchase Contract*] are true and correct in all material respects on the date hereof, with the same effect as if made on and with respect to the facts as of the date hereof.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Dated: [*Closing Date*].

ADVANCING CALIFORNIA FINANCE
AUTHORITY

By: _____
Authorized Signatory

EXHIBIT A
BOND RESOLUTION

FORM OF 15c2-12 CERTIFICATE

CERTIFICATE OF AUTHORITY
AS TO FINALITY OF PRELIMINARY OFFICIAL STATEMENT

I hereby certify that I am a member of the governing board of the Advancing California Finance Authority (the "Authority") or an authorized administrative delegatee thereof ("Authorized Signatory"), and as such I am authorized to execute this certificate on behalf of the Authority.

I understand that there has been delivered to [*Name of Underwriter*], as underwriter (the "Underwriter") of the Advancing California Finance Authority [*insert Bond caption*] (the "Bonds"), a preliminary [*Official Statement/Private Placement Memorandum/Limited Offering Memorandum*] relating to the Bonds, dated _____, 20__ (including the cover page, the introduction and all appendices thereto, the "Preliminary [*Official Statement/Private Placement Memorandum/Limited Offering Memorandum*]"), which, as to only the sections thereof entitled "THE AUTHORITY" and "LITIGATION – The Authority," the Authority deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12.

Dated: [Date of Preliminary Official Statement/Private Placement Memorandum/Limited Offering Memorandum].

ADVANCING CALIFORNIA FINANCE
AUTHORITY

By: _____
Authorized Signatory

**FORM OF STANDARD 10b-5 OPINION
FROM BORROWER’S COUNSEL**

Generally, the opinion of counsel to the Borrower must be addressed to the Authority, track the language of Rule 10b-5, and cover the entirety of the offering document (with the exception of the specific carve-outs identified below). The Borrower may not make a general statement to the effect that the 10b-5 opinion only applies or relates to the Borrower.

Preferred format:

“Based upon the information made available to us in the course of our participation in the preparation of the [*Preliminary Official Statement/Preliminary Offering Memorandum*] and the [*Official Statement/Offering Memorandum*] and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the [*Preliminary Official Statement/Preliminary Offering Memorandum*] and the [*Official Statement/Offering Memorandum*], (a) as of [Date of POS] and [Pricing Date], nothing had come to the attention of the lawyers in this firm rendering professional services in connection with the issuance of the Bonds that would lead them to believe that the [*Preliminary Official Statement/Preliminary Offering Memorandum*] contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) as of the date of the [*Official Statement/Offering Memorandum*], and as of the date hereof nothing had or has come to the attention of the lawyers in our firm rendering professional services in connection with the issuance of the Bonds that would lead them to believe that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this firm expressly excludes from the scope of this paragraph and express no view or opinion about (i) with respect to the [*Preliminary Official Statement/Preliminary Offering Memorandum*], the omission of pricing and other information permitted to be omitted under Rule 15c2-12, and (ii) with respect to both the [*Preliminary Official Statement/Preliminary Offering Memorandum*] and the [*Official Statement/Offering Memorandum*] (a) any financial information (including pro forma information) or statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained in the Official Statement; (b) any statements and information relating to the Authority, The Depository Trust Company and its nominee and book-entry system [*and the Insurer, the Bank, the Insurance Policy, ratings, rating agencies, underwriters and underwriting*]; and (c) Appendices __, __ and __*.”

* Appendices may include Borrower’s audit, description of the book entry system, forms of opinions, form of insurance policy, feasibility studies, summaries of principal bond documents and other expertized material.

**CERTIFICATE REGARDING
JOINT EXERCISE OF POWERS AGREEMENT**

Re: _____ [*Name of Bonds*]

I hereby certify that I am a member of the governing board of the Advancing California Finance Authority (the “Authority”) or an authorized administrative delegatee thereof (“Authorized Signatory”), and as such I am authorized to execute this certificate on behalf of the Authority.

I hereby certify:

(1) that attached hereto is a true and correct copy of the Joint Exercise of Powers Agreement, dated January 1, 2018 (the “Agreement”) relating to the formation of the Authority; and

(2) that the Agreement has not been amended, modified, supplemented, rescinded or repealed and remains in full force and effect as of the date hereof.

Dated: [Closing Date]

ADVANCING CALIFORNIA FINANCE
AUTHORITY

By: _____
Authorized Signatory

**FORM OF OPINION
OF COUNSEL TO AUTHORITY**

[Closing Date]

[Underwriter/Placement Agent]

Re: _____ [Name of Bonds]

Ladies and Gentlemen:

We have acted as special counsel to the Advancing California Finance Authority (the “Authority”) in connection with its issuance of \$[_____] aggregate principal amount of its [Name of Bonds] (the “Bonds”). In such connection, we have reviewed Resolution No. ___ adopted by the Authority on _____, 20__ (the “Resolution”), certificates of the Authority and others as to certain factual matters, and such documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. With the delivery of this letter, our engagement with respect to the Bonds has concluded, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, all parties thereto. We have assumed, without undertaking to verify independently, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. Our engagement with respect to the Bonds as special counsel to the Authority was limited to the matters expressly covered by the numbered opinions set out below. We express no opinion as to the validity or enforceability of the Bonds or any of the documents or actions authorized by the Resolution or as to the tax status of interest on the Bonds. We also undertake no responsibility of any kind for the [Official Statement/Private Placement Memorandum/Limited Offering Memorandum] or other offering material relating to the Bonds.*

* In the case of a direct loan without a bond counsel to the Authority, this will be addressed to the Authority and the bank, and the following added at the end of the second paragraph: “Further, we note and you acknowledge that no bond counsel or other counsel to the Authority, including our firm, represented the Authority, or undertook any responsibility, with respect to any of the matters referred to in the preceding two

APPENDIX I

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority is a joint powers agency duly organized and validly existing under the laws of the State of California.
2. The Resolution was duly adopted at a meeting of the governing body of the Authority. The Resolution is in full force and effect and has not been amended, modified or superseded.

This letter is furnished by us as special counsel to the Authority. No attorney client relationship has existed or exists between our firm and the addressee(s) hereof [(other than the Authority)] in connection with the Bonds or by virtue of this letter. This letter is solely for the benefit of the addressee(s) hereof and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any person other than the addressee(s) of this letter. This letter is not intended to, and may not, be relied upon by owners of any Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

NIXON PEABODY LLP

sentences.” Additionally, the following should be added in the last paragraph, after the first sentence: “The scope of our opinion and of our engagement with respect to the Bonds is limited to the two matters explicitly covered above, and neither addressee hereof is entitled to rely on our firm for any other matter or in any other way related to the Bonds.”