



CALL AND NOTICE

CALL AND NOTICE OF A SPECIAL MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

As Chair of the Executive Committee of the Board of Directors of the ABAG Finance Authority for Nonprofit Corporations, I am calling a special meeting of the Executive Committee as follows:

Special Meeting

Wednesday, February 14, 2018, 1:00 p.m. to 3:00 p.m.

Location:

Bay Area Metro Center
Golden Gate CR 8102
375 Beale Street
San Francisco, California

Teleconference Locations:

County of Solano, County Government Center, 675 Texas Street, Suite 1900, Fairfield, California
County of Sonoma, County Fiscal Building, 585 Fiscal Drive, Suite 100, Santa Rosa, California
County of Santa Clara County, County Government Center, 70 West Hedding Street, E. Wing, 2nd Floor, San Jose, California
County of Contra Costa, 625 Court Street, Room 100/102, Martinez, California

Executive Committee Members:

Charles Lomeli, Treasurer/Tax Assessor/County Clerk, County of Solano
Jonathan Kadlec, Assistant County Auditor/Controller/Treasurer/Tax Collector, County of Sonoma
Paul McDonough, County of Santa Clara
Russell Watts, County Treasurer/Tax Collector, County of Contra Costa

The ABAG FAN Executive Committee may act on any item on the agenda.

Agenda and attachments available at <https://abag.ca.gov/meetings/financeauthority.html>

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG FAN Executive Committee

February 14, 2018

Page 2

2. PUBLIC COMMENT

INFORMATION

3. EXECUTIVE COMMITTEE ANNOUNCEMENTS

INFORMATION

4. APPROVAL OF EXECUTIVE COMMITTEE SUMMARY MINUTES OF MEETINGS HELD ON JUNE 28, 2017 AND DECEMBER 12, 2017

ACTION

5. REPORT ON CONSULTANT CONTRACTS—FINANCIAL ADVISORY SERVICES—SPERRY CAPITAL, INC. (\$400,000) AND PFM FINANCIAL ADVISORS LLC (\$400,000)

ACTION

6. REPORT ON CONSULTANT CONTRACT—LEGAL SERVICES—NIXON PEABODY LLP (\$250,000)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

7. REPORT ON CONSULTANT CONTRACT—COMPLIANCE SERVICES, LLC (\$400,000)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

8. APPROVAL OF RESOLUTION NO. 2018-001 ESTABLISHING BYLAWS OF THE ADVANCING CALIFORNIA FINANCE AUTHORITY

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

9. RECOMMENDATIONS ON ACFA BUSINESS TERMS

ACTION

10. ADJOURNMENT

The next meeting of the ABAG FAN Executive Committee will be announced.

Date Submitted: February 2 2018

Date Posted: February 9, 2018



AGENDA

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

Special Meeting

Wednesday, February 14, 2018, 1:00 p.m. to 3:00 p.m.

Location:

Bay Area Metro Center
Golden Gate CR 8102
375 Beale Street
San Francisco, California

Teleconference Locations:

County of Solano, County Government Center, 675 Texas Street, Suite 1900, Fairfield,
California

County of Sonoma, County Fiscal Building, 585 Fiscal Drive, Suite 100, Santa Rosa, California
County of Santa Clara County, County Government Center, 70 West Hedding Street, E. Wing,
2nd Floor, San Jose, California

County of Contra Costa, 625 Court Street, Room 100/102, Martinez, California

Executive Committee Members:

Charles Lomeli, Treasurer/Tax Assessor/County Clerk, County of Solano
Jonathan Kadlec, Assistant County Auditor/Controller/Treasurer/Tax Collector,
County of Sonoma
Paul McDonough, County of Santa Clara
Russell Watts, County Treasurer/Tax Collector, County of Contra Costa

The ABAG FAN Executive Committee may act on any item on this agenda.

Agenda and attachments available at <https://abag.ca.gov/meetings/financeauthority.html>

For information, contact Fred Castro, Clerk of the Board, at (415) 820 7913.

- 1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM**
- 2. PUBLIC COMMENT**
INFORMATION
- 3. EXECUTIVE COMMITTEE ANNOUNCEMENTS**
INFORMATION

ABAG FAN Executive Committee

February 14, 2018

Page 2

4. APPROVAL OF EXECUTIVE COMMITTEE SUMMARY MINUTES OF MEETINGS HELD ON JUNE 28, 2017 AND DECEMBER 12, 2017

ACTION

Attachments: Summary Minutes of June 28, 2017; Summary Minutes of December 12, 2017

5. REPORT ON CONSULTANT CONTRACTS—FINANCIAL ADVISORY SERVICES—SPERRY CAPITAL, INC. (\$400,000) AND PFM FINANCIAL ADVISORS LLC (\$400,000)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachment: Memo Financial Advisory Services

6. REPORT ON CONSULTANT CONTRACT—LEGAL SERVICES—NIXON PEABODY LLP (\$250,000)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachment: Memo Legal Services

7. REPORT ON CONSULTANT CONTRACT—COMPLIANCE SERVICES, LLC (\$400,000)

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachment: Memo Compliance Services

8. APPROVAL OF RESOLUTION NO. 2018-001 ESTABLISHING BYLAWS OF THE ADVANCING CALIFORNIA FINANCE AUTHORITY

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachments: Memo ACFA Bylaws; Resolution No. 2018-001

9. RECOMMENDATIONS ON ACFA BUSINESS TERMS

ACTION

Brian Mayhew, MTC Chief Financial Officer, will give the staff report.

Attachments: Memo ACFA Business Terms; Policies, Procedures and Provisions; Proposed Fee Schedule; Conduit Borrower Application; Meetings and Approval Process

10. ADJOURNMENT

The next meeting of the ABAG FAN Executive Committee will be announced.

Date Submitted: February 2, 2018

Date Posted: February 9, 2018

**Special Teleconference Meeting of the
Executive Committee of the Board of Directors of the
ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS
A Joint Powers Authority of California Cities and Counties**

Offices of the Association of Bay Area Governments
Bay Area Metro Center
Room 8302 (Tomales)
375 Beale Street- San Francisco, CA

SUMMARY MINUTES

Wednesday 28 June 2017

Members & Alternates Present

Chuck Lomeli	County of Solano
Jonathan Kadlec	County of Sonoma
Paul McDonough	County of Santa Clara
Belinda Zhu	County of Contra Costa

(All Above Committee Members attended by phone.)

Authority Staff

Brad Paul, ABAG Acting Executive Director
Kenneth Moy, ABAG Legal Counsel/Acting General Counsel
Courtney Ruby, ABAG FAN CFO
Michael Hurtado, ABAG FAN Financial Services Manager
Sheelagh Flanagan, ABAG FAN Senior Consultant

Invited Presenters & Guests

Susan Woo - MTC

1. Call to Order

The meeting was called to order by Chair Lomeli at 10:32 a.m.

2. Public Comment

None.

3. Executive Committee Minutes

The Minutes of the Authority Executive Committee Meetings of May 17, 2017 were approved as amended.

/M/ McDonough. /S/ Kadlec. Roll call: Lomeli, Kadlec, McDonough and Zhu ayes / 0 nay.

4. Item 4 was Request Authorization to enter into Joint Powers Agreement with the Association of Bay Area Governments (ABAG) Creating a Successor Conduit Issuer.

The Executive Committee received a report from Moy regarding minor changes to the JPA including a new name, Advancing California Finance Authority (ACFA). Action delayed until July 19th regular meeting.

5. Item 5 was Consideration of Business Plan Proposal/Combined Budget Proposal for FAN and the new JPA, Advancing California Finance Authority (ACFA).

The Committee received a report from Flanagan and Hurtado regarding a business plan proposal and combined budget for FAN and the new JPA, Advancing California Finance Authority. Staff responded to Executive Committee members questions.

/M/ Kadlec. /S/ Lomeli. Motion passed on a roll call: Lomeli, Kadlec, McDonough and Zhu ayes / 0 nay. Approval conditioned on FAN approving the JPA.

6. Item 6 was Request Authorization to enter into a Memorandum of Understanding between FAN and the Association of Bay Area Governments (ABAG) regarding the Contract for Services between ABAG and the Metropolitan Transportation Commission (MTC) and to amend FAN Bylaws.

Motion was made to approve the Memorandum of Understanding (MOU) as to form and to revise the Bylaws to name as FAN officers the positions at MTC listed in the Memorandum of Understanding.

/M/ McDonough. /S/ Kadlec. Motion passed on a roll call: Lomeli, Kadlec, McDonough and Zhu ayes / 0 nay.

7. Item 7 was a report the Executive Committee received from Hurtado regarding authorization of an amendment to the contract for Charlie Adams. Staff responded to Executive Committee members' questions. The Executive Committee authorized the amendment.

/M/ Kadlec. /S/ Zhu. Motion passed on a roll call: Lomeli, Kadlec, McDonough and Zhu ayes / 0 nay.

8. Item 8 was a report the Executive Committee received from Hurtado regarding authorization of an amendment to the contract for Sheelagh Flanagan. Hurtado noted that the staff memorandum on this topic only asked for a six (6) month extension and adding \$100,000 to the contract. However, the proposed (now conditionally approved) budget for FY 2017-18 included a line item for a twelve (12) month extension at a total increase in costs of \$200,000. Therefore, the staff is revising the request to reflect the full 12 month and \$200,000 amendment. The Executive Committee authorized the amendment as revised by staff.

/M/ McDonough. /S/ Lomeli. Motion passed on a roll call: Lomeli, Kadlec, McDonough and Zhu ayes / 0 nay.

Staff responded to executive committee members questions.

9. Item 9 was a report the Executive Committee received from Moy, Flanagan and Hurtado regarding a summary of the Windemere Ranch Refunding.

10. Other business: Ken Moy suggested sending the Executive Committee quarterly financial reports on the four CFDs for addition to a future consent calendar.

11. Adjourn

There being no other business, Chair Lomeli adjourned the meeting at 12:01 p.m.

Respectfully submitted,

Michael Hurtado
Secretary

Approved:

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SUMMARY MINUTES (DRAFT)

ABAG Finance Authority for Nonprofit Corporation
Executive Committee
Wednesday, December 12, 2017
Bay Area Metro Center
375 Beale Street
Bay Area Conference Room 6102
San Francisco, California

1. CALL TO ORDER / ROLL CALL / CONFIRM QUORUM

ABAG Finance Authority for Nonprofit Corporations Executive Committee Chair Charles Lomeli, Treasurer/Tax Assessor/County Clerk, County of Solano, called the meeting to order at about 10:00 a.m.

The Clerk was directed conduct a roll call of members.

A quorum was present at about 10:00 a.m.

Members Participating by Teleconference

Charles Lomeli, Treasurer/Tax Assessor/County Clerk, County of Solano
Jonathan Kadlec, Assistant County Auditor/Controller/Treasurer/Tax Collector,
County of Sonoma
Paul McDonough, County of Santa Clara
Russell Watts, County Treasurer/Tax Collector, County of Contra Costa

Staff Present

Brian Mayhew, MTC Chief Financial Officer
Adrienne Weil, MTC General Counsel
Brad Paul, MTC Deputy Executive Director, Local Government Services
Susan Woo, MTC Finance

2. PUBLIC COMMENT

There was no public comment.

3. EXECUTIVE COMMITTEE ANNOUNCEMENTS

There were no Executive Committee announcements

4. APPROVAL OF EXECUTIVE COMMITTEE SUMMARY MINUTES OF MEETING HELD ON OCTOBER 26, 2017 AND NOVEMBER 8, 2017

Chair Lomeli noted corrections to the summary minutes of October 26, 2017 and November 8, 2017. At the listing of aye votes, "Long" is to be replaced by "Watts."

Chair Lomeli recognized a motion by Russell Watts, which was seconded by Jonathan Kadlec, to approve the summary minutes of the meetings on October 26, 2017 and November 8, 2017, as amended.

There was no discussion.

There was no public comment.

The Clerk was directed to conduct a roll call vote.

The aye votes were: Lomeli, Kadlec, McDonough, Watts.

The nay votes were: None.

Abstentions were: None.

Absent were: None.

The motion passed unanimously.

5. ADOPTION OF RESOLUTION NO. 17-05 AUTHORIZING VARIABLE RTE REFUNDING REVENUE BONDS (ACACIA CREEK AT UNION CITY) SERIES 2013A

Brian Mayhew, MTC Chief Financial Officer, gave the staff report on Resolution No. 17-05 authorizing execution and delivery of the Second Supplemental Indenture relating to the Acacia Creek refunding bonds.

Mark Schieble, Foley & Lardner, Bond Counsel; Chuck Wolf, Nixon Peabody, representing ABAG FAN; and Jason Wong, Sperry Capital, as ABAG FAN financial advisor, concurred with the staff report.

Members discussed the refinancing; suggested changes to the Resolution at Section 4 and Section 6; document signatories; bond maturity; and references to "First Supplement Bond Indenture" in the Second Supplement Bond Indenture.

Chair Lomeli recognized a motion by Watts, which was seconded by Jonathan Kadlec, to accept the staff report and to adopt Resolution No. 17-06, as amended.

There was no discussion.

There was no public comment.

The Clerk was directed to conduct a roll call vote.

The aye votes were: Lomeli, Kadlec, McDonough, Watts.

The nay votes were: None.

Abstentions were: None.

Absent were: None.

The motion passed unanimously.

6. ADJOURNMENT

Mayhew reported on IRS audit notices of 501(c)(3) refunding and changes in tax legislation. He also reported that staff will be reviewing requests for re-financings that may need to occur before the end of the year.

Chair Lomeli adjourned the meeting at about 10:28 a.m.

The next regular meeting will be announced.

Submitted:

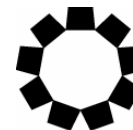
/s/ Fred Castro, Clerk of the Board

Date Submitted: December 15, 2017

Approved:

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ASSOCIATION OF BAY AREA GOVERNMENTS
ABAG Finance Authority for Nonprofit Corporations



ABAG

Date: February 7, 2018
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **CONSULTANT CONTRACTS—FINANCIAL ADVISORY SERVICES—SPERRY CAPITAL, INC. (\$400,000) AND PFM FINANCIAL ADVISORS LLC (\$400,000)**

Overview

Staff requests ABAG FAN Executive Committee approval to retain Sperry Capital Inc. (Sperry Capital) and PFM Financial Advisors LLC (PFM) to provide financial advisory services for the ABAG Finance Authority for Nonprofit Corporations (FAN) in an annual amount of \$100,000 per firm beginning January 1, 2018 through June 30, 2021 in a total not to exceed amount of \$400,000 for Sperry Capital and \$400,000 for PFM, respectively.

Background

Under the Contract for Services (CS) between the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG), the Treasury Section is responsible for administering the FAN debt portfolio. Staff has identified approximately 154 transactions with a mixture of conduit financings and community financing districts (CFDs). Staff will need technical expertise to provide advisory services in administering the portfolio.

In February 2016, the Bay Area Toll Authority (BATA) issued a Request for Qualifications (RFQ) seeking qualified firms to provide financial advisory services including management of BATA's debt and swap portfolios and investments as it pertains to structuring an escrow and all future financing needs. Minimum qualifications included at least ten years of experience providing financial, swap and investment advisory services. Following a competitive bidding process, BATA selected Sperry Capital and PFM to serve on the BATA bench of financial advisors.

Staff has since re-reviewed Sperry Capital and PFM's Statements of Qualifications and has found them to be qualified for serving as financial advisors for FAN. Staff would like to leverage the BATA selection of qualified financial advisory firms to provide financial advisory services to FAN.

On October 13, 2017, the Executive Committee accepted staff's request to retain Sperry Capital and PFM to provide financial advisory services related to the FAN portfolio. Sperry Capital will act as financial advisor for FAN related to refinancing opportunities, credit analysis, and other ongoing administrative financing support. PFM will provide financial advisory services related to

FINANCIAL ADVISORY SERVICES—SPERRY CAPITAL AND PFM

February 7, 2018

Page 2

restructuring of existing and new financings. PFM will also provide ongoing support for all financing matters.

Financial advice specifically related to new and refunding transactions will be reimbursed through the individual financing proceeds. In the event of new deals the financial advisors will be paid out of the proceeds of future bond issues. Those fees are negotiated on each transaction and approved as part of the bond issuance authorization. Where compensation will come from bond proceeds, staff will return to the board with such amounts for approval.

Under the contract, Sperry Capital and PFM will perform other services, such as credit analysis or deal restructuring that are not necessarily tied to a financing. For these services, staff recommends an annual retainer of \$100,000, subject to the approval of future FAN budgets.

As previously discussed with the Executive Committee, staff intends to utilize FAN funds for Advancing California Finance Authority (ACFA) related work to be performed by both Sperry Capital and PFM for the time-being. The work will be done under separate engagement letters.

Recommendation

The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with Sperry Capital Inc. to provide financial advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$400,000, subject to the approval of future FAN budgets.

Further, the ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with PFM Financial Advisors LLC to provide financial advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$400,000, subject to the approval of future FAN budgets.



Steve Heminger



**A B A G F A N E X E C U T I V E C O M M I T T E E
S U M M A R Y A P P R O V A L**

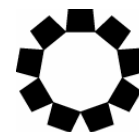
Work Item No.:	1711
Consultant:	Sperry Capital, Inc.
Work Project Title:	Financial advisory services
Purpose of Project:	To provide financial advisory services related to refunding and credit analysis and ongoing administrative financial matters.
Brief Scope of Work:	Credit analysis, refunding opportunities and other financing related support.
Project Cost Not to Exceed:	\$400,000 (\$100,000 each fiscal year starting FY 17/18 through FY 20/21) <i>Any unspent funds at the end of the fiscal year will carry forward to the following fiscal year. Where compensation will come from bond proceeds, staff will return to the board with such amounts for approval.</i>
Funding Source:	ABAG Finance Authority for Nonprofit Corporations (FAN)
Fiscal Impact:	Funds are included in the FY 2017-18 FAN Budget. Future fiscal year funding will be subject to budget approval.
Motion by Committee:	The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with Sperry Capital Inc. to provide financial advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$400,000, subject to the approval of future FAN budgets.
Approval:	Charles Lomeli, Chair
Approval Date:	



**A B A G F A N E X E C U T I V E C O M M I T T E E
S U M M A R Y A P P R O V A L**

Work Item No.:	1711
Consultant:	PFM Financial Advisors LLC
Work Project Title:	Financial advisory services
Purpose of Project:	To provide financial advisory services related to restructuring and ongoing administrative financial matters.
Brief Scope of Work:	Deal restructuring and other financing related support.
Project Cost Not to Exceed:	\$400,000 (\$100,000 each fiscal year starting FY 17/18 through FY 20/21) <i>Any unspent funds at the end of the fiscal year will carry forward to the following fiscal year. Where compensation will come from bond proceeds, staff will return to the board with such amounts for approval.</i>
Funding Source:	ABAG Finance Authority for Nonprofit Corporations (FAN)
Fiscal Impact:	Funds are included in the FY 2017-18 FAN Budget. Future fiscal year funding will be subject to budget approval.
Motion by Committee:	The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with PFM Financial Advisors LLC to provide financial advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$400,000, subject to the approval of future FAN budgets.
Approval:	Charles Lomeli, Chair
Approval Date:	

ASSOCIATION OF BAY AREA GOVERNMENTS
ABAG Finance Authority for Nonprofit Corporations



ABAG

Date: February 7, 2018
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **CONSULTANT CONTRACT—LEGAL SERVICES—NIXON PEABODY LLP
(\$250,000)**

Overview

Staff requests ABAG FAN Executive Committee approval to retain Nixon Peabody LLP (Nixon Peabody) to provide legal advisory services for the ABAG Finance Authority for Nonprofit Corporations (FAN) beginning January 1, 2018 through June 30, 2021 in a total not to exceed amount of \$250,000.

Background

At the October 13, 2017 Executive Committee meeting, staff advised of the need to retain Nixon Peabody to provide legal services related to the FAN portfolio. The portfolio requires ongoing compliance related to Municipal Securities Rule 15c2-12, California State requirements, as well as various reporting requirements related to housing and special districts transactions. Chuck Wolf, a partner at Nixon Peabody, has many years of experience in public financings and acted as underwriter's counsel for Bay Area Toll Authority (BATA) bond transactions. To date, under a contract with the Metropolitan Transportation Commission (MTC), Nixon Peabody has provided advisory services in winding down FAN and establishing Advancing California Finance Authority (ACFA).

Staff would now like to retain Nixon Peabody LLP on a sole source basis to provide legal advisory services. Nixon Peabody will provide to FAN legal advice including responding to IRS inquiries compliance, and evaluating new issues. Legal advice specifically related to new and refunding financings will be reimbursed through the individual financing proceeds. This action would provide approval of a \$250,000 contract for Nixon Peabody to perform the above-referenced work for FAN. As has previously been discussed with the Executive Committee, staff intends to utilize FAN funds for ACFA-related work to be performed by Nixon Peabody for the time-being, which will be done under a separate contract between ACFA and Nixon Peabody. Staff is confident that Nixon Peabody will continue to provide outstanding legal advice to FAN and ACFA.

Nixon Peabody will also act as special counsel on all new ACFA transactions. As such Nixon Peabody will be paid based on fees negotiated with the issuer and approved as part of the bond

LEGAL SERVICES—NIXON PEABODY LLP

February 7, 2018

Page 2

issuance. Where compensation will come from bond proceeds, staff will return to the board with such amounts for approval.

Recommendation

The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with Nixon Peabody LLP to provide legal advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$250,000, subject to the approval of future FAN budgets.



Steve Heminger

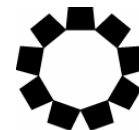


**ABAG FAN EXECUTIVE COMMITTEE
SUMMARY APPROVAL**

Work Item No.:	1711
Consultant:	Nixon Peabody, LLP
Work Project Title:	To provide legal advisory services related to the ongoing administrative matters with respect to FAN.
Purpose of Project:	FAN has over 150 transactions that require ongoing legal advice.
Brief Scope of Work:	IRS Audits, work on notices as required by the bond indentures, change of address notice, work on the receiving of tax revenues procedures for three San Francisco CFDs, work on correcting tax IDs, and any ongoing administrative legal matters.
Project Cost Not to Exceed:	<p>\$250,000</p> <p>Breakdown per fiscal year is as follows: FY 17/18, \$100,000; FY 18/19, \$50,000; FY 19/20, \$50,000; FY 20/21, \$50,000. Total, \$250,000.</p> <p><i>Any unspent funds at the end of the fiscal year will carry forward to the following fiscal year. Where compensation will come from bond proceeds, staff will return to the board with such amounts for approval.</i></p>
Funding Source:	ABAG Finance Authority for Nonprofit Corporations (FAN)
Fiscal Impact:	Funds are included in the FY 2017-18 FAN Budget. Future fiscal year funding will be subject to budget approval.
Motion by Committee:	The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate an enter into a sole source contract with Nixon Peabody LLP to provide legal advisory services to FAN effective January 1, 2018 through June 30, 2021, in an amount not to exceed \$250,000, subject to the approval of future FAN budgets.
Approval:	Charles Lomeli, Chair
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS
ABAG Finance Authority for Nonprofit Corporations



ABAG

Date: February 7, 2018
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **CONSULTANT CONTRACT—COMPLIANCE SERVICES, LLC (\$400,000)**

Overview

Staff requests ABAG FAN Executive Committee approval to enter into a sole source contract with Compliance Services, LLC (CS) to use its customized proprietary housing compliance software for ABAG Finance Authority for Nonprofit Corporations (FAN). The recommended annual amount is \$100,000 each fiscal year, subject to future budget approval, for a total contract of \$400,000 through June 30, 2021.

Background

FAN has a portfolio of 55 affordable rental housing transactions, each of which require substantial monitoring to ensure compliance with state and federal laws, including IRS tax regulations and bonding requirements. Staff has identified the requirements and determined additional support is required to ensure regulatory compliance. These requirements include monitoring income and rental unit thresholds as required in the bond documents.

FAN's financial advisors recommend using CS to perform this service. CS was created in 2005 to monitor the portfolio of a conduit bond issuer in charge of monitoring 550 multifamily properties. Shortly thereafter CS began consulting and licensing their software to California cities and counties to manage similar housing portfolios. Today, CS contracts with 11 California agencies. Due to the highly specialized nature of these services, staff is unable to find another firm that offers the same or similar services. Staff has evaluated the firm and believes its experience and software is what the FAN portfolio requires to manage the compliance requirements.

CONSULTANT CONTRACT—COMPLIANCE SERVICES, LLC

February 7, 2018

Page 2

Recommendation

The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with Compliance Services, LLC to perform housing compliance monitoring services in the amount of \$100,000 annually for a total contract value of \$400,000 through June 30, 2021.



Steve Heminger

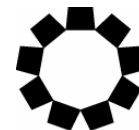


**ABAG FAN EXECUTIVE COMMITTEE
SUMMARY APPROVAL**

Work Item No.:	1711
Consultant:	Compliance Services, LLC
Work Project Title:	Compliance Software
Purpose of Project:	Housing Compliance
Brief Scope of Work:	To provide continued license for the software and perform ongoing compliance monitoring services.
Project Cost Not to Exceed:	\$400,000 (\$100,000 per fiscal year through FY 20/21) <i>Any unspent funds at the end of the fiscal year will carry forward to the following fiscal year.</i>
Funding Source:	ABAG Finance Authority for Nonprofit Corporations (FAN)
Fiscal Impact:	Funds are included in the FY 2017-18 FAN Budget. Future fiscal year funding will be subject to budget approval
Motion by Committee:	The ABAG FAN Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to negotiate and enter into a sole source contract with Compliance Services, LLC to perform housing compliance monitoring services in the amount of \$100,000 annually for a total contract value of \$400,000 through June 30, 2021.
Approval:	Charles Lomeli, Chair
Approval Date:	

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ASSOCIATION OF BAY AREA GOVERNMENTS
ABAG Finance Authority for Nonprofit Corporations



ABAG

Date: February 7, 2018
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **APPROVAL OF RESOLUTION NO. 2018-001 ESTABLISHING BYLAWS OF THE ADVANCING CALIFORNIA FINANCE AUTHORITY**

Staff requests the ABAG FAN Executive Committee to adopt Resolution No. 2018-001 establishing the Bylaws for the Advancing California Finance Authority (ACFA). The Bylaws establish rules of administration, governance, as well as admission and removal of program members. Major provisions include:

Membership

- Founding members are ABAG and ABAG Finance Authority for Nonprofit Corporations (FAN).
- Program members may be invited by the ACFA Governing Board and must be a public agency in the nine-county Bay Area.

Program Member Rules

- Admission is at three-fifths (3/5) vote of ACFA Governing Board.
- Program Members may not withdraw while their financing is still outstanding.
- Program Members may be expelled for default and with three-fifths (3/5) vote of ACFA Governing Board.

Officers

- Chair of the Board: Conducts meetings.
- Vice Chair: Acts in absence of Chair.
- Secretary: Arranges meetings, coordinates agendas, and keeps minutes and the official record.
- Treasurer/Chief Financial Officer: Keeps all financial books and records, administers funds and arranges annual audit.

Other Provisions

- Meetings must be noticed and open in accordance with Brown Act rules.

APPROVAL OF RESOLUTION NO. 2018-001

February 7, 2018

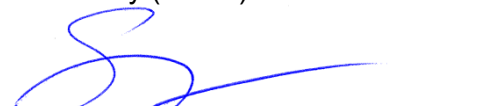
Page 2

- Applicant provides general indemnification for of Board, officers and employees of ACFA.
- In the event the JPA terminates all remaining assets are distributed to ABAG.

The ABAG Executive Board and the ACFA Governing Board will also be requested to adopt resolutions establishing the Bylaws for the Advancing California Finance Authority.

Recommendation

The ABAG FAN Executive Committee is requested to adopt Resolution No. 2018-001 establishing the Bylaws of the Advancing California Finance Authority (ACFA).



Steve Heminger

Attachment

Resolution No. 2018-001

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

**APPROVAL OF BYLAWS FOR THE
ADVANCING CALIFORNIA FINANCE AUTHORITY**

Resolution No. 2018-001

WHEREAS, the Association of Bay Area Governments (“ABAG”), a “public agency” within the meaning of Section 6500 of the California Joint Exercise of Powers Act, consisting of Sections 6500 through 6599.3 of the California Government Code, as amended from time to time (the “Joint Powers Act”), and the ABAG Finance Authority for Nonprofit Corporations (“ABAG FAN”), a “public agency” within the meaning of Section 6500 of the Joint Powers Act, have, pursuant to the Joint Powers Act, entered into a Joint Exercise of Powers Agreement (the “Joint Powers Agreement”) which created the Advancing California Finance Authority (the “Financing Authority”); and

WHEREAS, in addition to the Joint Powers Agreement it will be beneficial for the Financing Authority to have a set of bylaws to guide its administration; and

WHEREAS, it is desirable that ABAG and ABAG FAN, as the two members of the Financing Authority, consider and approve such bylaws; and

WHEREAS, there has been prepared and presented to this meeting a proposed form of bylaws entitled Bylaws of the Advancing California Finance Authority (the “Bylaws”), attached hereto as Attachment A to this Resolution and incorporated herein as though set forth at length; and

WHEREAS, all acts, conditions and things required by the Constitution and the laws of the State of California to exist, to have happened and to have been performed in

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2018-001

connection with the approval of the Bylaws authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and ABAG and ABAG FAN are now duly authorized and empowered, pursuant to each and every requirement of law, to approve the Bylaws and authorize the adoption of the Bylaws by the Financing Authority; now, therefore, be it

RESOLVED, that ABAG FAN specifically finds and declares that the statements, findings and determinations of ABAG FAN set forth in the preambles above are true and correct; and be it further

RESOLVED, that ABAG FAN hereby approves the Bylaws and authorizes adoption of the Bylaws by the Financing Authority's Governing Board (the "Financing Authority Board") in substantially the form presented to this meeting, with such additions thereto or changes therein as the Financing Authority Board may require or approve, the approval of such additions or changes to be conclusively evidenced by the adoption by the Financing Authority Board of the Bylaws; and be it further

RESOLVED, that the officers and agents of ABAG FAN are hereby authorized and directed to take all further actions necessary and convenient to the adoption of the Bylaws by the Financing Authority Board and that all actions heretofore taken by the members of ABAG FAN, committees of ABAG FAN, and officers and agents of ABAG FAN with respect to the Bylaws are hereby acknowledged and affirmed; and, be it further

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2018-001

RESOLVED, that this Resolution shall take effect from and after its adoption.

ABAG FINANCE AUTHORITY FOR
NONPROFIT CORPORATIONS

Charles Lomeli
Chair of the Executive Committee

The above resolution was adopted by the ABAG Finance Authority for Nonprofit Corporations Executive Committee at a properly noticed special meeting held on February 14, 2018 in San Francisco, California at which a quorum was present and acting throughout.

Frederick Castro
Secretary
ABAG Finance Authority for Nonprofit
Corporations Executive Committee

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2018-001

Attachment A

Advancing California Finance Authority Bylaws

BYLAWS

OF THE

ADVANCING CALIFORNIA FINANCE AUTHORITY

adopted
March __, 2018

TABLE OF CONTENTS

	Page
ARTICLE I NAME.....	1
ARTICLE II OFFICES	1
1. Principal Office	1
2. Other Offices	1
ARTICLE III LIMITATION ON AUTHORITY	1
ARTICLE IV MEMBER ENTITIES.....	1
ARTICLE V DEBTS AND LIABILITIES.....	2
ARTICLE VI BOARD MEMBERS.....	2
1. Powers.....	2
2. Board Members and Alternates	2
3. Alternates	2
4. Vacancies	2
5. Regular Meetings	3
6. Special Meetings.....	3
7. Quorum	3
8. Rules of Order.....	3
9. Open Meetings	3
10. Minutes	3
11. Fees and Compensation Board Members	3
12. Delegation of Powers	3
ARTICLE VII COMMITTEES	4
1. Committees	4
2. Meetings and Action of Committees	4
ARTICLE VIII OFFICERS	4
1. Officers	4
2. Removal of Officers.....	5
3. Vacancies	5
4. Resignation of Officers.....	5
5. Responsibilities of Officers.....	5
6. Fees and Compensation	6
ARTICLE IX MEMBER ENTITY INDEMNITY	6
ARTICLE X OBLIGATIONS OF CONTRACTING PARTIES	6
1. Release and Indemnification.....	6
2. Advisors	7
3. Payment of Costs and Expenses	7

TABLE OF CONTENTS
(continued)

	Page
ARTICLE XI MEMBERSHIP	7
1. Founding Members	7
2. Program Members.....	7
ARTICLE XII ADMISSION, WITHDRAWAL AND EXPULSION	7
1. Conditions for Admission of a Program Member.....	7
2. Conditions to Permitting Withdrawal of a Member Entity.....	8
3. Conditions to Permitting Expulsion of a Member Entity	8
ARTICLE XIII FEES	8
1. Membership in Authority.....	8
2. Extraordinary Costs	8
ARTICLE XIV ADMINISTRATIVE AGENCY.....	9
ARTICLE XV PURCHASE OF INSURANCE.....	9
ARTICLE XVI EVENTS OF DEFAULT AND REMEDIES	9
1. Events of Default Defined	9
2. Remedies on Default.....	9
3. No Remedy Exclusive.....	10
4. Agreement to Pay Attorneys’ Fees and Expenses	10
5. No Additional Waiver Implied by One Waiver	10
ARTICLE XVII TERMINATION	10
1. Time of Termination	10
2. Continuing Obligations.....	10
3. Distribution of Assets	11
ARTICLE XVIII AMENDMENTS.....	11
1. Amendment by Board.....	11
ARTICLE XIX RECORDS AND REPORTS.....	11
1. Maintenance of Authority Records.....	11
2. Inspection Rights	11
3. Maintenance and Inspection of JPA Agreement and Bylaws.....	11
4. Inspection by Board Members	12
5. Annual Report.....	12
6. Fiscal Year	12
ARTICLE XX CONSTRUCTION AND DEFINITIONS	12

BYLAWS
OF
ADVANCING CALIFORNIA FINANCE AUTHORITY

ARTICLE I
NAME

The name of this public entity is the Advancing California Finance Authority (the “Authority”).

ARTICLE II
OFFICES

1. Principal Office. The principal office for the transaction of the business of the Authority is located at 375 Beale Street, Suite 800, San Francisco, California. The Authority’s Governing Board (the “Board”) may change the principal office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

2. Other Offices. The Board may at any time establish branch or subordinate offices at any place or places.

ARTICLE III
LIMITATION ON AUTHORITY

The Authority’s exercise of its power under the Advancing California Finance Authority Joint Exercise of Powers Agreement (the “JPA Agreement”) and these Bylaws shall be restricted to the extent required under California Government Code Section 6509. The Association of Bay Area Governments (“ABAG”) is hereby designated pursuant to said Section 6509. This designation may be changed by a two-thirds (2/3) vote of the Board provided that the designated agency must be a public agency located in California.

ARTICLE IV
MEMBER ENTITIES

In addition to the original contracting parties to the JPA Agreement consisting of ABAG and the ABAG Finance Authority for Nonprofit Corporations (“ABAG FAN” and collectively with ABAG, the “Founding Members”), any other public entity, as defined in California Government Code Section 6500, located in the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma may be invited by the Board to join the Authority as a Program Member (each a “Program Member” and collectively with the Founding Members, the “Member Entities”). Any Program Member who withdraws or is expelled pursuant to these Bylaws shall cease to be a Member Entity.

ARTICLE V
DEBTS AND LIABILITIES

The debts, liabilities and obligations of the Authority shall not be the debts, liabilities or obligations of any or all of the Member Entities.

ARTICLE VI
BOARD MEMBERS

1. Powers.

(a) General Powers. The Authority shall have all powers granted to it by the JPA Agreement and the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"). The business and affairs of the Authority shall be managed, and all powers shall be exercised, under the policy direction of the Board.

(b) Specific Powers. Without prejudice to these general powers, the Board shall also have the power to borrow money and incur indebtedness on behalf of the Authority and cause to be executed and delivered for the Authority's purposes, in the Authority's name, promissory notes, bonds, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities and certificates of participation.

(c) Financing Guidelines. The Board may establish guidelines, policies and procedures ("Financing Guidelines") for the types of project financings undertaken by the Authority. Any permanent changes to the Financing Guidelines (i.e., those affecting all future transactions) shall require a [two-thirds] vote of the Board. Any changes, waivers or additions to the Financing Guidelines for one or more specific transactions which are not intended as permanent changes shall require majority vote of the Board.

2. Board Members and Alternates. The Board shall be comprised of the individuals (the "Board Members") designated in Section 3.B. of the JPA Agreement as modified by Section 21 of the JPA Agreement. [Each Board Member may designate in writing to the Chair of the Authority one alternate (an "Alternate") to attend and participate in Board meetings in the event of such Board Member's absence.]

3. Alternates. Alternates may participate and vote in any meeting of the Board only if the Board Member for whom the Alternate serves is absent. Except as otherwise noted, all provisions of these Bylaws relating to Board Members shall also apply to Alternates.

4. Vacancies.

(a) Events Causing Vacancy. A vacancy or vacancies in the Board shall be deemed to exist on the occurrence of the following: (i) the death of any Board Member; (ii) the removal, dismissal or resignation of a Board Member from the position he/she held with the Member Entity at the time he/she became a Board Member; (iii) the declaration by resolution of the Board of a vacancy of the office of a Board Member who has been declared of unsound mind by an order of court or convicted of a felony; (iv) the increase in the authorized number of Board Members; (v) in the case of Alternates, written notice delivered to the Chair from the appointing

Board Member stating that the designation of the Alternate has been revoked effective upon receipt, unless the notice specifies a later time.

(b) Resignations. No Board Member may resign when the Authority would then be left without a Board Member in charge of its affairs.

(c) Vacancies. Any vacancy or vacancies in the Board shall be filled pursuant to Sections 3.B and 21 of the JPA Agreement.

5. Regular Meetings. Regular meetings of the Board shall be held pursuant to Section 3.C of the JPA Agreement.

6. Special Meetings. Special meetings of the Board may be called at any time by the Chair or Vice-Chair of the Board or by two (2) Board Members requesting such meeting in writing. [Two (2) business] days written notice of a special meeting shall be given to all Board Members and to such other persons who requested in writing receipt of such notices. Written notice may be dispensed with as to any Board Member who is actually present at the time the meeting convenes. The notice shall state the time and place of the meeting, and the business to be transacted; provided that, in the event of an emergency meeting, only the minimum notice requirements of the Ralph M. Brown Act must be met. Business transacted at a special meeting of the Board shall be limited to the items set forth in the notice of such meeting.

7. Quorum. A majority of the authorized number of Board Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board Members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, especially those provisions relating to (i) approval of contracts or transactions in which a Board Member has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Board Members. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Board Members, if any action taken is approved by at least a majority of the required quorum for that meeting.

8. Rules of Order. The Board may adopt rules of order to govern the conduct and procedure of Board meetings.

9. Open Meetings. Meetings of the Board shall be open to the public as required by the provisions of the Ralph M. Brown Act and applicable case law.

10. Minutes. The Board shall keep or cause to be kept written minutes of its proceedings, except executive sessions.

11. Fees and Compensation Board Members. Board Members and members of committees may receive such reimbursement of expenses as may be determined by resolution of the Board to be just and reasonable.

12. Delegation of Powers. [The Board may delegate any of its powers.]

ARTICLE VII COMMITTEES

1. Committees. The Chair may designate one or more ad hoc advisory committees, each consisting of two or more Board Members or Alternates, and any other persons appointed by the Chair, to be ratified by and serve at the pleasure of the Board, and to exercise such powers as may be delegated to it by the Chair, except that no committee may:

(a) take any final action on matters which, under the JPA Agreement, requires approval of a majority or more of all the Board Members;

(b) amend or repeal Bylaws or adopt new Bylaws;

(c) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(d) appoint any other committees of the Board or the members of these committees; or

(e) approve any transaction (1) to which the Authority is a party and one or more Board Members have a material financial interest as defined in the California Government Code; or (2) between the Authority and one or more of its Board Members or between the Authority or any person in which one or more of its Board Members have a material financial interest.

2. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VI of these Bylaws, concerning meetings of the Board, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board or the committee seeking to meet. Notice of special meetings of committees shall also be given to any and all Board Members and Alternates, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Authority records.

ARTICLE VIII OFFICERS

1. Officers. The officers of the Authority shall be the Chair, Vice-Chair, Treasurer, Auditor, Executive Director, Deputy Executive Director, General Counsel and Secretary. The Treasurer is also designated as the Chief Financial Officer of the Authority. The holders of such offices shall be as set forth in Sections 3.D. and 21 of the JPA Agreement. The Chair and Vice-Chair shall be Board Members. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the Chair or Vice-Chair of the Board.

2. Removal of Officers. An officer may be removed, with [or without] cause, by a [fourth-fifths (4/5)] [majority] vote of the Board at a regular or special meeting.

3. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that such vacancies may be filled at any regular [or special] meeting of the Board.

4. Resignation of Officers. In the absence of a contrary written agreement, any officer may resign at any time by giving written notice to the Chair or Vice Chair. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

5. Responsibilities of Officers.

(a) Chair of the Board. The Chair of the Board shall preside at meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him/her by the Board or prescribed by the Bylaws.

(b) Vice-Chair of the Board. The Vice-Chair of the Board shall fulfill all the duties of the Chair in his/her absence.

(c) Secretary. The Secretary shall:

(i) Book of Minutes. Keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of Board and committees of the Authority, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.

(ii) Notices and Other Duties. Give, or cause to be given, notice of all meetings of the Board and Committees of the Authority required by the Bylaws and the Ralph M. Brown Act to be given. He or she shall have such other powers and perform such other duties as may be prescribed by the Board.

(d) Treasurer/Chief Financial Officer. In addition to the duties set forth in the Act and the JPA Agreement, the Treasurer/ Chief Financial Officer shall attend to the following:

(i) Books of Account. The Treasurer/Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Authority, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Board Member at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables. The Treasurer/Chief Financial Officer shall deposit all money and other valuables in the name and to

the credit of the Authority with such depositories as may be designated by the Board; shall disburse the funds of the Authority as may be ordered by the Board; shall render to the Board Members, whenever they request it, an account of all of his/her transactions as Treasurer/Chief Financial Officer and of the financial condition of the Authority; and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) Bond. If required by the Board or the Act, the Treasurer/Chief Financial Officer shall give the Authority a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his/her office and for restoration to the Authority of all its books, papers, vouchers, money, and other property of every kind in his/her possession or under his/her control on his/her death, resignation, retirement, or removal from office.

6. Fees and Compensation. The officers may receive such reimbursement of expenses as may be determined by resolution of the Board to be just and reasonable.

ARTICLE IX MEMBER ENTITY INDEMNITY

Each Member Entity hereby agrees to indemnify and hold harmless all other Member Entities to the extent any liability is found or imposed against said Member Entity pursuant to California Government Code Section 895.2.

ARTICLE X OBLIGATIONS OF CONTRACTING PARTIES

1. Release and Indemnification. At a minimum the Authority shall require parties with whom it contracts for financings (the "Participants") to indemnify and save it, its members, and the Board Members, officers and employees of each of the foregoing harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of

(a) the use, maintenance, condition or management of, or from any work or thing done on a Project by the Participant or at its direction or request,

(b) any breach or default on the part of the Participant in the performance of any of its obligations under its agreement with the Authority,

(c) any act or negligence of the Participant or of any of its agents, contractors, servants, employees or licensees with respect to the Project,

(d) any act or negligence of any assignee or sublessee of the Participant or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Participant with respect to the Project, or

(e) the acquisition, construction and installation of the Project or the authorization of payment of the costs of acquisition by the Participant or authorization of payment of costs of repairs to the Project.

No indemnification to the Authority or its members will be required to be made by the Participant for willful misconduct or gross negligence by the Authority, its members or their officers, agents, employees, successors or assigns.

2. Advisors. The Authority shall, at its discretion, hire advisors as it deems necessary to evaluate and advise it as to Projects proposed for financing including, but not limited to, the financial position of the Participant, the appropriateness of the financing structure of the Project and the risk involved with the Project. Any and all such costs or fees shall be paid by the Participant whether or not the proposed financing is approved by the Authority or completed.

3. Payment of Costs and Expenses. Participants shall be required to pay any and all costs and expenses involved in or associated in any way with their particular financing transaction. This obligation shall survive termination of the Authority.

ARTICLE XI MEMBERSHIP

1. Founding Members. ABAG and ABAG FAN are the Founding Members of the Authority. The Authority can operate with the Founding Members and no other members are required for the exercise by the Authority of all powers granted it under the JPA Agreement and the Act.

2. Program Members.

(a) Public agencies located within the nine (9) San Francisco Bay Area Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma (the “Bay Area Counties”) shall be eligible to join the Authority upon invitation by [the Board] [ABAG and ABAG FAN].

(b) Eligible nonprofit corporations located within the jurisdictional limits of the Bay Area Counties shall be entitled to apply to the Authority for assistance in obtaining tax-exempt financing for their projects and purposes serving the public interest which qualify for financing under the Authority’s Financing Guidelines.

ARTICLE XII ADMISSION, WITHDRAWAL AND EXPULSION

1. Conditions for Admission of a Program Member. Each applicant for Program Membership in the Authority shall meet the following minimum qualifications:

(a) such new Program Member shall be a public entity located in the Bay Area Counties;

(b) passed a resolution approving entry into the Authority and execution of the JPA Agreement once the Authority has approved membership;

(c) applied for and been approved by at least three-fifths (3/5) of the membership of the Board for admission to the Authority; and

(d) such new Program Member shall have (1) duly executed the JPA Agreement and (2) acknowledged these Bylaws.

2. Conditions to Permitting Withdrawal of a Member Entity. A Member Entity may withdraw provided that the following conditions are satisfied:

(a) such Member Entity shall not be in default of any of its obligations to pay any extraordinary costs or fees assessed by the Board;

(b) not later than thirty (30) days immediately preceding the effective date of such withdrawal, such Member Entity shall have provided written notice to the Authority of its intent to withdraw;

(c) [such withdrawal shall be effective on the first business day after the closing of the last transaction in which said Member Entity is involved;] and

(d) at least two (2) Member Entities shall remain members of the Authority after such withdrawal. In the event fewer than two (2) Member Entities would remain in the Authority, said Member Entity may not withdraw until such time as all principal of and interest on any and all revenue bonds and other evidences of indebtedness issued by the Authority have been paid in full.

Notice to withdraw shall be revocable only at the option of the Authority.

3. Conditions to Permitting Expulsion of a Member Entity. The Authority may expel a Member Entity from the Authority subject to the following conditions:

(a) the Member Entity is in default under the terms of the JPA Agreement, these Bylaws, or the duly-adopted rules and regulations of the Board; and

(b) not later than the thirty (30) days immediately preceding the effective date of such expulsion, three-fifths (3/5) of the membership of the Board shall have consented to such expulsion by written consent filed with the Authority and written notice of such expulsion shall have been given to the Member Entity to be expelled.

ARTICLE XIII FEES

1. Membership in Authority. No fees shall be assessed to join or continue membership in the Authority.

2. Extraordinary Costs. In the event the Authority incurs any extraordinary or unanticipated costs, including but not limited to legal fees and/or litigation expenses, the Member Entities shall be assessed a fee or fees on a pro rata basis as determined by the Board necessary to pay such extraordinary or unanticipated costs. This provision shall survive termination of the Authority and/or each Member Entity's participation in it.

ARTICLE XIV
ADMINISTRATIVE AGENCY

Effective July 1, 2017, all ABAG employees became employees of the Metropolitan Transportation Commission (“MTC”). MTC and its consolidated staff will provide necessary administrative services for the Authority.

ARTICLE XV
PURCHASE OF INSURANCE

In conformance with the procedures and criteria developed by it, the Board may cause the Authority to purchase commercial insurance or reinsurance or terminate commercial insurance or reinsurance upon a majority vote of the Board.

ARTICLE XVI
EVENTS OF DEFAULT AND REMEDIES

1. Events of Default Defined. The following shall be “events of default” under the JPA Agreement and these Bylaws, and the terms “events of default” and “default” shall mean, whenever they are used in the JPA Agreement and these Bylaws, with respect to a Member Entity, any one or more of the following events:

(a) failure by such Member Entity to observe and perform any covenant, condition or agreement on its part to be observed or performed under the JPA Agreement or to comply with these Bylaws, other than as referred to in clause (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to such Member Entity by the Authority; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Member Entity within the applicable period and diligently pursued until the default is corrected;

(b) non-payment of any fees assessed by the Board; or

(c) the filing by such Member Entity of a case in bankruptcy, or the subjection of any right or interest of such Member Entity under the JPA Agreement or these Bylaws to any execution, garnishment or attachment, or adjudication of such Member Entity as a bankrupt, or assignment by such Member Entity for the benefit of creditors, or the entry by such Member Entity into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Member Entity in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar act which may hereafter be enacted.

2. Remedies on Default.

(a) Whenever any event of default referred to in Section 1 of this Article shall have happened and be continuing, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to the JPA Agreement, the Act and these Bylaws.

(b) In the event that the Authority elects to expel any defaulting Member Entity, subject to the conditions described and in the manner provided in Section 3 of Article XI of these Bylaws, the Member Entity nevertheless agrees to pay the Authority all costs, losses or damages arising or occurring as a result of such default and termination, and administrative and legal costs incurred in noticing the default and effecting the expulsion. No such expulsion shall be or become effective by operation of law or otherwise, unless and until the Authority shall have given written notice of such expulsion to the Member Entity; no such expulsion shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided; and no such expulsion shall terminate the obligation of the expelled Member Entity to pay any fees assessed prior to such expulsion.

3. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the JPA Agreement, the Act or these Bylaws, now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in these Bylaws, it shall not be necessary to give any notice, other than such notice as may be required in these Bylaws or by law.

4. Agreement to Pay Attorneys' Fees and Expenses. In the event either the Authority or a Member Entity should be in default under any of the provisions of these Bylaws and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in the JPA Agreement and these Bylaws should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XVII TERMINATION

1. Time of Termination. The Authority may be terminated upon the written consent of all of the Member Entities if the effective termination date and such written consents are delivered to the Authority and the Secretary at least sixty (60) days prior to the effective termination date provided that all principal of and interest on any and all revenue bonds and other evidences of indebtedness issued by the Authority have been paid in full.

2. Continuing Obligations. After the termination date, the Authority shall continue to be obligated to pay, or cause to be paid any amounts due for winding up its affairs, including but not limited to any litigation costs and/or extraordinary costs associated with a financing

transaction. After the effective termination date, each Member Entity has a continuing obligation to pay any fees assessed prior to the effective termination date.

3. Distribution of Assets. In the event any assets remain after winding up the affairs of the Authority, such sums shall be distributed to the Association of Bay Area Governments or its successor.

ARTICLE XVIII AMENDMENTS

1. Amendment by Board. Subject to the limitations set forth below, the Board may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:

(a) If any provision of these Bylaws requires the vote of a larger proportion of the Board than a simple majority, such provision may not be altered, amended or repealed except by vote of such larger number of Board Members.

(b) The Board may not delete or amend Bylaw provisions requiring compliance with the JPA Agreement.

ARTICLE XIX RECORDS AND REPORTS

1. Maintenance of Authority Records. The Authority shall keep:

(a) Adequate and correct books and records of account;

(b) Minutes in written form of the proceedings of its Board, and committees of the Board.

All such records shall be kept at the Authority's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

2. Inspection Rights.

(a) Any Member Entity may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.

(b) Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.

3. Maintenance and Inspection of JPA Agreement and Bylaws. The Authority shall keep at its principal executive office the original or copy of the JPA Agreement and these Bylaws as amended to date, which shall be open to inspection by the Authority or any Member Entity at all reasonable times during office hours.

4. Inspection by Board Members. Every Board Member shall have the absolute right at any reasonable time to inspect all non-confidential books, records, and documents of every kind and the physical properties of the Authority. This inspection by a Board Member may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

5. Annual Report.

(a) Not later than the [January 1st] after the close of the Authority's fiscal year, the Board shall cause an annual report prepared by a Certified Public Accountant to be sent to the governing body of each Member Entity.

(b) The report required by this section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Authority that such statements were prepared without audit from the books and records of the Authority.

6. Fiscal Year. The Authority's fiscal year shall be from July 1 to June 30.

ARTICLE XX CONSTRUCTION AND DEFINITIONS

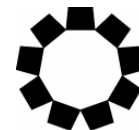
Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code shall govern the construction of these Bylaws. Without limiting the generality of the above, the term "person" includes both the Authority and a natural person and any capitalized term not defined in these Bylaws shall have the meaning ascribed to it in the JPA Agreement.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently appointed and acting secretary of the Advancing California Finance Authority and that these Bylaws were adopted by the Governing Board of the Advancing California Finance Authority at its meeting on _____, 2018.

Dated: _____

[Name], Secretary



Date: February 7, 2018
To: ABAG FAN Executive Committee
From: Executive Director
Subject: **RECOMMENDATIONS ON ACFA BUSINESS TERMS**

Staff requests that the ABAG FAN Executive Committee review and approve the attached policies and procedures for submission to the ACFA Governing Board.

In December, 2017 the ABAG FAN Executive Committee and the ABAG Executive Board approved the Joint Powers Authority (JPA) authorizing the formation of the Advancing California Financing Authority (ACFA). As part of the JPA, the FAN Executive Committee is appointed to act as the ACFA Credit Committee. The job of the credit committee is to review staff information and make recommendations related to the application process, procedures and credit analysis related to ACFA financings.

Attached are a number of documents establishing the rules, procedures and fees relating to future ACFA deals.

Policies and Provisions

The policies and provisions govern the application process the project sponsor will follow in applying for a new financing. The document is prepared by Nixon Peabody who acts as Special Counsel and will coordinate the entire application process.

General Policies and Requirements for ACFA Applicants (Appendix A)

- Borrowers select their own financing team although Bond Counsel must be Red Book registered and financial advisors must comply with MSRB registration requirements as a municipal advisor.
- Timing for Credit Committee review – currently first and third Wednesday of every month.
- Timing for governing board review and approval – currently third Thursday of every other month.
- Demonstration of Public Benefit.
- Requirement Host Jurisdiction be located in the nine-county Bay Area.
- Approval of the Host Jurisdiction.
- Standard indemnification provided by the applicant.

ACFA BUSINESS TERMS

February 7, 2018

Page 2

- Right to engage financial and technical expertise in addition to Legal Counsel and at applicant's expense.
- Credit review by ACFA staff and Credit Committee.
- Required legal opinions and disclosure.
- No gaming facilities allowed.
- Right to request additional information and project site visit.
- Added requirements for:
 - "BBB" rated deals
 - Private placements
 - Requirements for Land Secured Deals
 - Requirements for P3 Deals

Required Documents and Approvals

- Requirement for Public Notice of TEFRA hearing and Host Jurisdiction Resolution (Appendix B)
- Form of Resolution to be adopted by ACFA (Appendix C)
- Standard provisions for loan agreements, indentures, bond forms, sale documents, offering documents and tax certificate (Appendix D)
- Form of Closing Certificate of Authority (Appendix E)
- Form of required annual Disclosure – (15c 2-12) Certificate (Appendix F)
- Opinion of Borrower Counsel (Appendix G)
- Form of closing Certificate related to JPA (Appendix H)
- Form of Authority Counsel Opinion (Appendix I)
- Investor letter (Appendix J)
- Hedge Identification (Appendix K)

Not all information listed will be required of each applicant. Whatever deal specific information is required will all be included in the packet and processed through our special counsel Nixon Peabody.

Fee Schedule

Attached is the proposed fee schedule for ACFA transactions. They are modeled after the California Statewide Communities Development Authority (CSCDA).

Application

The application will describe the transaction and all the participants.

These procedures have been developed with careful consideration of the goal of ACFA: provide efficient access to the capital markets for public agencies in order to facilitate the delivery of important public projects.

The ACFA Governing Board will also be requested to approve the Policies, Procedures and Provisions, as well as the fee schedule, for the Advancing California Finance Authority.

ACFA BUSINESS TERMS

February 7, 2018

Page 3

Recommendation

The ABAG FAN Executive Committee is requested to recommend ACFA Governing Board approval of the ACFA Policies, Procedures and Provisions, as well as the fee schedule, and to authorize staff to forward these findings to the ACFA Governing Board.



Steve Heminger

Attachments

Provisions, Policies and Procedures
Proposed Fee Schedule
Conduit Borrower Application
Meeting Calendar and Approval Process

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January [], 2018

VIA EMAIL

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

Re: Advancing California Finance Authority –
Conduit Financings for 501(c)(3) Borrowers Standard Document
Provisions and Policies; Procedures for Execution of Documents in All
Transactions

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 and Standard Document Provisions and Policies in connection with conduit financings for 501(c)(3) borrowers. **This will further confirm that 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”). In that regard, to the extent “Authority-related” document provisions deviate from the Standard Document Provisions and Policies (as attached), we expect that bond counsel will immediately raise this to our attention and will provide an explanation as to the requests for 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
cwolf@nixonpeabody.com

In order to reduce any miscommunications, misunderstandings or inconsistencies, we ask that all communication 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 important communications.

As Issuer's Counsel, we will (i) review the financing documents covered in this letter 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 501(c)(3) conduit financings. The following pages provide you with certain requirements and Standard Document Provisions that the Authority requests be used for your 501(c)(3) conduit transaction.

Reminders

(1) Please confirm that the cities and counties in which your project(s) is/are located (the "Host Jurisdiction") are within the following nine counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

(2) Bond counsel is responsible for drafting and arranging for publication of TEFRA notices, the TEFRA and Host Jurisdiction approval resolution, and the bond resolution. 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 have made a finding that the financing of the project will provide significant public benefit as defined in Section 6586 of the California Government Code.

(3) 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.

(4) 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.)

(5) Please provide drafts of all documents (including the following Standard Document Provisions) for our review **at least [two] weeks prior** to **[consideration by the Credit Committee] [consideration by the Governing Board of the Authority]**, containing all Standard Document Provisions included in this packet. Documents not containing the standard issuer provisions will be returned to the drafter. Any documents submitted to the Authority, including the application, financial statements and draft legal/underwriting documents, may be accessed upon request as public records of a governmental agency. It should be understood that draft legal and underwriting documents need not be submitted to the Authority or its staff, other than Nixon Peabody as Issuer's Counsel, until the draft to be submitted for review and consideration by the **[Credit Committee] [Governing Board]** of the Authority. Although Nixon Peabody will be receiving draft documents, it has not undertaken to review them for consistency with the Authority's Standard Document Provisions and Policies until an approval draft is provided to Nixon Peabody 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 two weeks before submission for Authority **[Governing Board]** approval.

(6) 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.

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

(8) 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.

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

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

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

(12) The Authority will not execute the Official Statement.

(13) 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 501(c)(3) Conduit Borrowers

(1) Attached as APPENDIX B: Form of Notice of Public Hearing and TEFRA and Host Jurisdiction Resolution for each Host Jurisdiction. 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 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 Meeting Procedures for 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.

(3) Attached as APPENDIX J: Form of Investor Letter.

(4) Attached as APPENDIX K: Form of Hedge Identification.

Authority Meeting and Procedures for Document Approval

Before submitting documents 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.

[On the Friday] [One week] [Two weeks] prior to the Authority’s applicable **[Credit Committee] [Governing Board]** approval meeting, one copy of each document to be approved by the Authority, together with the approving resolution of the Authority, shall be delivered (by Bond Counsel and/or Underwriter’s Counsel) electronically to the Authority’s staff, [] ([]) and [] ([]) with a cc: to Charles Wolf (cwolf@nixonpeabody.com) and Angelica Valencia (anvalencia@nixonpeabody.com).

Please include an email address for delivery of the Authority Resolution after adoption. After approval by the Governing Board, Bond Counsel will receive by email at that address 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 or the other responsible attorney 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. Documents for signature by the Authority must be delivered to [] at least **three (3) business days** prior to when 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 the Authority's Executive Director, Treasurer, Authorized Signatory or the Authority's **[Program Manager]**.

Required Items to Accompany Documents for Execution. Any document that does not require notarization must be sent via pdf. Send an email to [] at [] **with a cc to [] ([]), [] ([])** and [] ([]) with the following:

- (1) The execution version or a near final draft 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 originals of the signature pages, please include how many copies of each signature page are needed, **with not more than 5 signature pages**, when such signature pages are needed, and **a return prepaid envelope with instructions or return label for the signature package**.

Required Items to Accompany Documents for Notarization. Any document that requires notarization must be sent to [] at [], Attn: [] in hardcopy, **with not more than 5 signature pages** attached and flagged for signature and notarial acknowledgement. You must also supply **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 [] and [] at [] and [], respectively, to notify the Authority 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.

Closing Procedures

Please ensure that the Authority's fee and our fee as Issuer's Counsel is 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 one CD-ROM of the transaction (if no CD-ROM 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: [_____] , ACFA [Program Manager]
Angelica Valencia

POLICIES

Financing Policy

- General Requirements
- Additional Requirements — Rated “BBB-” or Better
- Additional Requirements — Rated Below “BBB-” or Unrated (and in some instances at the discretion of the Authority, rated “BBB-“)
- Effective Date

Please Note:

This Financing Policy is 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.

General Requirements – All Financings

1. Borrowers may choose their own finance team including financial advisor, bond counsel and underwriter(s) or purchaser. The bond counsel firm must be listed in the Bond Buyer’s Municipal Marketplace Red Book.
2. The Authority’s Credit Committee meets to consider [**applications for financing**] on the [**first and third Wednesday of each month**] [**as such arise throughout the year**]. Applicants shall submit completed applications and all information requested by the Authority staff at least [**fifteen days**] prior to the date desired for consideration. Application forms are available on the Authority’s website.
3. The Authority’s Governing Board meets to consider requests for financing [**on the third Thursday of every other month**] [as such arise throughout the year]. Applicants should submit all necessary information and application materials requested by Authority staff at least [**fifteen days**] prior to the date desired for consideration.
4. 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, and level of services or rental units provided at below market rates.
5. The public agency hosting the proposed project (the “Host Jurisdiction”) must be located within the following nine 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 (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. 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.
8. 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.
9. The Authority's counsel shall conduct a review of the financing documents for consistency with the Authority's Standard Document Provisions and Policies.
10. 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.
11. The Authority's **Executive Director, Treasurer, [Program manager]** and Credit Committee shall conduct a review of the financing and the associated public benefits.
12. If offering material or a disclosure document is required, it shall contain language having the same effect as: "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)".
13. If offering material or a disclosure document is required, the applicant shall have its counsel deliver a 10b-5 opinion 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 customary supplemental opinion of Bond Counsel addressed and delivered to an Underwriter and also be addressed and delivered to the Authority.
15. No gaming facilities are to be financed.
16. From time to time the Authority publishes separate application requirements for financings in various categories; however, Authority staff may require

supplemental information and material before a request is submitted for consideration by the Authority.

17. Authority staff will meet at least once with the applicant and, at the expense of the applicant, visit the applicant's facilities and/or project site.

[Additional Requirements for Financings Rated “BBB” or Better

1. Bonds may be issued and sold through a public offering, private placement or limited public offering with appropriate disclosure or offering materials.
2. Bonds may be issued in \$5,000 or such other minimum denominations at the discretion of the applicant and approved by the Authority.
3. Bonds not sold to an “underwriter” within the meaning of the Securities Act of 1933 (for example, by private placement) shall be sold to purchasers who have executed a sophisticated investor letter in form acceptable to the Authority.

Additional Requirements for Financings Rated Below “BBB” or Unrated

1. Bonds must be sold to purchasers that are “qualified institutional buyers” as generally defined under Rule 144A of the Securities Act of 1933 and/or “accredited investors” as generally defined under Regulation D of the Securities Act of 1933, in each case who have executed a sophisticated investor letter in form acceptable to the Authority.
2. The offering material/disclosure document, if any, shall prominently indicate on the cover that Bonds can only be sold to qualified institutional buyers or accredited investors, as applicable.
3. The face of each Bond shall contain a legend stating to the effect that such Bond can only be sold to qualified institutional buyers or accredited investors, as applicable.
4. The bond documents shall contain provisions that restrict the ability to transfer the Bonds to only qualified institutional buyers or accredited investors, as applicable.
5. Bonds may be issued and sold through a private placement or limited public offering with appropriate disclosure or offering materials.
6. Bonds sold to “qualified institutional buyers” or “accredited investors” as specified above shall be sold in minimum denominations of \$25,000 or greater.]

[Split Ratings]

Requirements for Land Secured Bond Financings

The value of real property subject to either a special tax or special assessment to pay debt service must be at least four times the principal amount of the bonds being sold through the Authority plus all other bonds outstanding that are secured by a special tax or assessment. All special tax or assessment bond financings must be enhanced by a reserve fund in the amount equal to the lesser of (a) 10% of the original proceeds of the bonds, (b) maximum annual debt service on the bonds, and (c) 125% of the average annual debt service on the bonds. The Authority may require additional measures to increase the credit quality of land secured bond issues. Land secured financings will be subject to the issuance requirements below:

1. Bonds may be issued and sold through a public offering, private placement or limited public offering with appropriate disclosure or offering materials.
2. Bonds may be issued in \$5,000 or such other minimum denominations at the discretion of the applicant and approved by the Authority.

[Criteria for Ownership (P3) Structure

1. Sponsor would agree to include structural and document protections of the Authority, set out in an outline prepared by Nixon Peabody LLP based on its prior experience designing and implementing this structure. These protections will include (a) Disclaimers of contractual liability of any kind with respect to the bonds and all the other agreements to which the Authority is a party, (b) Disclaimer of responsibility for information contained in any disclosure document (other than the “Authority” and “Litigation” sections), (c) Adequate indemnifications or Indenture provisions for the funding of accounts with enough revenues from the project to cover any expenses the Authority may incur for any reason (budgeted and unbudgeted), and (d) Delegation as much as possible to the Bond Trustee, the Manager or the Financial Consultant of any additional responsibilities the Authority might otherwise have as a result of its ownership of the project.
2. Nixon Peabody would be Issuer and Bond Counsel, and in such capacity would report to the Governing Board any material adverse deviations prior to authorization of bonds and documents by the Governing Board.
3. In the event a disclosure document is prepared, any opinion rendered by disclosure or underwriters counsel would also be addressed to the Authority.
4. In event of private placement or limited offering, an investor letter would be required in connection with the original sale in form satisfying #1 and 2 above.
5. The Authority would select an Insurance Consultant, and the insurance required with respect to the project would meet or exceed the recommendations of the insurance consultant.
6. The Authority would not select, but would review the qualifications and concur in the selection of, the Facilities Manager.
7. The Authority would engage a Financial Consultant to act as the Authority’s fiduciary financial consultant on the transaction, and post-closing to oversee performance of the Facilities Manager, including formulation of budgets and

- approving disbursements, performing other tasks of the Authority as owner that are specified in accordance with #1d above, review post-issuance rebate and other tax and disclosure compliance, and report annually to the Governing Board on the foregoing.
8. The Authority will, at its discretion, annually review the Insurance Consultant, Facilities Manager and Financial Consultant, and make any changes it deems appropriate, including replacement of any such party if it is in default or otherwise not performing satisfactorily, provided that the Authority will not seek to change the Facilities Manager without concurrence of the Bond Trustee and any ground lessor, donee of the project or other holder of residential interests in the project, and subject to any conditions set out in the bond documents.
 9. The foregoing are in addition to the usual provisions and procedures the Authority applies to approving traditional conduit financings.]

Effective Date

Financing Policy as set forth herein shall be effective immediately upon its adoption. [Date when the policy has been adopted]

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 policy.]

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 nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

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]

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 California nonprofit public benefit corporation (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 “Code”) and] Section 6586.5 of the California 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 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 Code and the requirements of] Section 19 of the Joint Exercise of Powers Agreement, dated as of November 16, 2017 (the “Agreement”), 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 Code and] Section 6586.5 of the California 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;

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 constitute approval of the issuance of the Bonds and Refunding Bonds by the Authority and of the financing of the Project, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of the issuer of the Bonds and the governmental unit having jurisdiction over the area in which the Facilities are [to be] located, in accordance with said Section 147(f) and (b) Section 19 of the Agreement.

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”), a number of California public agencies (each, a “Program Member”) 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 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, the Authority is authorized by a resolution adopted [, 2018], 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 organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the “Eligible Organizations”);

[WHEREAS, pursuant to the provisions of the Act, the public agencies which 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;]

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 the Eligible Organizations 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 the Eligible Organizations;

WHEREAS, the [Name of Borrower], a California nonprofit [public benefit] corporation (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 *[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, the Bonds will be offered for sale to [Qualified Institutional Buyers][Accredited Investors] (as defined in the Indenture) through a limited offering memorandum;]

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) 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 and the Indenture, 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 or the manual signature of any member of the Governing Board of the Authority or their administrative delegates duly authorized pursuant to Resolution No. [] of the Authority, adopted on [], or any other resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of 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 any member of the Governing Board, 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 any member of the Governing Board, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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 Agent Agreement/Purchase Contract*], in substantially said form, with such changes and insertions therein as any member of the Governing Board, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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 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 7. The Chair, the Vice Chair, the Secretary, the Treasurer, 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 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, 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 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the [*ADD ALL TEFRA JURISDICTIONS HERE*] has/have held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and [*has/have*] approved the issuance of the Bonds as may be required thereby and in accordance with Section 6586.5 of the Government Code of the State of California and Section 9 of the Agreement to provide financing [*refinancing*] for the Project.

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 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):

375 Beale Street, Suite 800
San Francisco, CA 94105-2066
Attention: Chair

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*], [**being a program member of the Authority (the “Program Member”)**], 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 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 will [provide description of what the Project will promote], 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

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”), a number of California public agencies 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 by a resolution adopted [], 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 Eligible Organizations; (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 Eligible Organizations; (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 the Eligible Organizations; (vii) the Borrower qualifies as an Eligible Organization; (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 nonprofit [*public benefit*] corporation duly incorporated 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.

(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 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 is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code, and is not a private foundation as described in Section 509(a) of the Code.

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

(k) 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.

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

(m) 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.

(n) 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 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*].

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 of [0.02]% of the 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 arrears, on each respective Principal Payment Date (deeming, for purposes of calculating the fee to be paid, any principal to be paid on or as of such Principal Payment Date as no longer Outstanding) and shall be made as an Additional Payment in accordance with this Section and Section __ of the Indenture.

[NOTE: Payments to the Authority should be no more often than semiannually, and in the case of variable rate transactions, the payments should align with mandatory sinking account payments or principal payments, in order to give the Borrower the benefit of a reduced Authority fee].

*** [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 and negotiated 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) by a person that is not a 501(c)(3) Organization or a Governmental Unit or by a 501(c)(3) Organization (including the Borrower) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

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 copy 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](s)), 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](s) 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](s) 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]s, 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;

(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 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]s 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 California nonprofit public benefit corporation (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*, **being a program member of the Authority (the “Program Member”)**], 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

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 any member of the Governing Board 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.

“Eligible Organization” means an organization described in Section 501(c)(3) of the Code which is determined by the Authority to satisfy the criteria set forth in the resolution of the Authority adopted on [], authorizing the issuance of bonds, notes, or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or operated by such organizations.

“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.

“501(c)(3) Organization” means an organization described in Section 501(c)(3) of the Code.

“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 Amended and Restated Joint Exercise of Powers Agreement, dated June 1, 1988, relating to the formation of the Authority, among certain public agencies in the State of California, including the [Public Agency][s].

“Remittance Address” means, (i) for payment of the Authority’s annual fee by check, Advancing California Finance Authority, Dept. [], [], 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 Bond Terms – Transfer Restrictions for Financings Rated Below BBB- or Unrated (Indenture):

SECTION _____. Terms of the Bonds. The Bonds shall be issued in denominations of [at least \$25,000] or any amounts in excess thereof in even \$5,000 increments. The Bonds shall be registered in the name of the initial Holder thereof which shall be [a Qualified Institutional Buyer][an Accredited Investor]. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except to a Qualified Institutional Buyer, as set forth in this Article ____.

SECTION _____. Restrictions on Registration and Transfer of Bonds. Notwithstanding any other provision hereof, the Bonds may not be registered in the name of, or transferred to, any person except a Qualified Institutional Buyer; provided however, pursuant to Section __ **[Book-Entry]**, Bonds registered in the name of the [*Securities Depository*] or its nominee shall be deemed to comply with this Section so long as each beneficial owner of the Bonds is a Qualified Institutional Buyer. **[NOTE: if selling to Accredited Investors use or add the definition of Accredited Investor in Regulation D of the Securities Act of 1933]**

“Qualified Institutional Buyer” means an institution which meets at least one of the following criteria:

1. Any of the following entities, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:
 - (A) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of

1940 (the “Investment Company Act”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

- (B) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;
 - (C) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
 - (D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;
 - (E) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;
 - (F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph (1)(D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;
 - (G) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
 - (H) Any organization described in Section 501(c)(3) of the Code, corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and
 - (I) Any investment adviser registered under the Investment Advisers Act.
2. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.
 3. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended, acting in a riskless principal transaction on behalf of a Qualified Institutional Buyer.

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a Qualified Institutional Buyer without itself having to be a Qualified Institutional Buyer.

4. Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other Qualified Institutional Buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. “Family of investment companies” means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, that, for purposes of this section:
 - (A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act [17 CFR 270.18f-2]) shall be deemed to be a separate investment company; and
 - (B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company’s adviser (or depositor) is a majority-owned subsidiary of the other investment company’s adviser (or depositor).
5. Any entity, all of the equity owners of which are Qualified Institutional Buyers, acting for its own account or the accounts of other Qualified Institutional Buyers.
6. Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other Qualified Institutional Buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under Rule 144A of the Securities Act of 1933 in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements;

securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

For purposes of this section, “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a Qualified Institutional Buyer, including another dealer acting as riskless principal for a Qualified Institutional Buyer.

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 or the manual signature of any Authorized Signatory, and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual 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 Legend for Bonds for Financings Rated Below BBB- or Unrated (or, at the discretion of the Authority, rated BBB-) (Bonds):

[Either of the following are acceptable to the Authority:]

BY POSSESSION OF THIS BOND, THE HOLDER CERTIFIES THAT IT IS [A "QUALIFIED INSTITUTIONAL BUYER"] [AN "ACCREDITED INVESTOR"] AS DEFINED IN THE INDENTURE. THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, ACKNOWLEDGES THAT THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, [A QUALIFIED INSTITUTIONAL BUYER] [AN ACCREDITED INVESTOR].

[or]

THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, [A "QUALIFIED INSTITUTIONAL BUYER"] [AN "ACCREDITED INVESTOR"] AS DEFINED IN THE INDENTURE.

Form of Letter of Credit Language (for LC-backed transaction for financings with underlying rating below BBB- or unrated) (Loan Agreement):

The Letter of Credit may be replaced by an Alternate Letter of Credit complying with the provisions of Section ___ of the Indenture. The Borrower shall at all times maintain a Letter of Credit securing the Bonds which causes the Bonds to be rated at least "BBB-" or better by a Rating Service and shall at any time the Bonds are no longer rated at least "BBB-" or better by a Rating Service use its bests efforts to replace the existing Letter of Credit with an Alternative Letter of Credit pursuant to Section ____ of the Indenture which will cause the Bonds to be rated at least "BBB-" or better by a Rating Service.

[Letter of Credit requirement may be removed upon conversion to long-term or fixed rate if the Indenture requires that the Bonds then be rated BBB- or higher for conversion to occur]

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][S] 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][s]), 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][s] 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]

Form of Language Describing Authority (Official Statement):

The Authority is a joint powers agency organized pursuant to a Joint Powers Agreement among a number of California public agencies entered into 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 is authorized to participate in financings for the benefit of certain organizations described under Section 501(c)(3) of the Internal Revenue Code of 1986 (the "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*]¹ 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*]¹ 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,

¹ The Authority will provide coverage of the preliminary official statement or preliminary offering memorandum only if the Borrower also does the same.

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 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 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, County of Sacramento.

CERTIFICATE OF THE AUTHORITY

Re: [Name of Bonds]

The undersigned, an Authorized Signatory (defined below) of the Governing Board of the Advancing California Financing 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>
Chair	
Vice Chair	
Treasurer	
Secretary	
Member	
Member	
Member	

The undersigned further certifies that [], [], [], [], [], [], [] and [] are each appointed as administrative delegates of the members of the Governing Board pursuant to the Delegation Resolution (defined below) and that each such person and each of the foregoing members of the Governing Board (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 are full, true and correct copies of (i) Resolution No. _____ adopted at a regular meeting of the Authority held on _____, 20__, and (ii) Resolution No. [], adopted at a regular meeting of the Authority held on [] (the “Delegation Resolution”), at each of which meetings a quorum was present. The undersigned further certifies that said copies are full, true and correct copies of the original resolutions adopted at said meetings and entered in the respective proceedings thereof; and that said resolutions have not been amended, modified or superseded in any manner since the dates of their respective adoption, and the same are 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 AND DELEGATION 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 _____, 200_ (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 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 [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 statements and information contained in the [*Preliminary Official Statement/Preliminary Offering Memorandum*] as of that date 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*], nothing had 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 as of that date and as of the date hereof 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*], any difference in information contained therein compared to what is contained in the [*Official Statement/Offering Memorandum*] whether or not related to pricing or sale of the Bonds, 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 __*), as of the date of the Official Statement or as of the date hereof, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.”

* Appendices may include Borrower’s audit, 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 November 16, 2017 (the “Agreement”) relating to the formation of the Authority; and

(2) that, with the exception of adding additional parties to the Agreement, 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.²

² 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 sentences.” Additionally, the following should be added in the last paragraph, after the first sentence: “The

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

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.”

FORM OF INVESTOR LETTER

[Closing Date]

Advancing California Finance Authority
375 Beale Street, Suite 800
San Francisco, CA 94105

Ladies and Gentlemen:

The undersigned, authorized representative of _____, a _____
(the “Purchaser”), does hereby represent and agree, as follows:

1. [Brief Description of Transaction]
2. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.
3. The Purchaser is a [“Qualified Institutional Buyer”][“Accredited Investor”] within the meaning of the Indenture, which has sufficient knowledge and experience in financial and business matters, including purchase and ownership of [type of] revenue bonds, to be able to evaluate the risks and merits of the investment represented by the Bonds, and which can bear the economic risk of its investment in the Bonds. The Bonds are a financially suitable investment for the Purchaser consistent with its investment policies, needs and objectives. The Purchaser understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, as there may be no market for the Bonds.
4. The Bonds are being acquired by the Purchaser for its own account for investment purposes and not with a view to or for resale thereof.
5. The Purchaser understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; [and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) are not being rated by any national securities rating agency, and (d) will be delivered in a form which may not be readily marketable].
6. The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Bonds and security therefor, that it has received the documents executed or adopted by the Issuer in connection with the Bonds and other documents it has requested, and that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would

consider important in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower and the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bonds. The Purchaser acknowledges that it has not relied upon the Issuer for any information in connection with the Purchaser's decision to purchase the Bonds.

7. The Purchaser acknowledges that the Bonds may be sold and transferred by the Purchaser only in accordance with terms and conditions of the Indenture (including sales limited to ["Qualified Institutional Buyers"] ["Accredited Investors"] as defined in the Indenture in the minimum denominations set forth therein). The Purchaser acknowledges that it is solely responsible for compliance, and covenants and agrees with the Issuer that it will comply, with the Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Bonds, including disclosure of material information (without involving the Issuer in any manner). The Purchaser agrees to indemnify the Issuer for any liabilities or costs incurred by the Issuer (including attorney fees) in connection with any sale, transfer or other disposition of the Bonds by the Purchaser in violation of such restrictions or laws.

8. The Purchaser acknowledges that the Bonds are limited obligations of the Issuer, payable solely from [Revenues][the Trust Estate] (as defined in the Indenture), which consists of payments made by the Borrower pursuant to the Loan Agreement. The Issuer shall not be directly, indirectly, contingently or morally obligated to pay the principal of the Bonds or the interest thereon, or any other expenses related to the Bonds, except from funds provided under the Indenture, including payments under the Loan Agreement, and neither the faith and credit or the taxing power of the State of California nor any political subdivision thereof (including the Issuer) is pledged to the payment of the principal of or interest on the Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

[NAME OF INVESTOR]

By: _____

Its: _____

FORM OF HEDGE IDENTIFICATION

HEDGE RECORDATION ACKNOWLEDGMENT
Advancing California Finance Authority

[*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.

[*Name of Borrower*] (the “Borrower”) has stated its desire for the Authority to issue [*Name of Bonds*] (the “Bonds”) for the benefit of the Borrower, as further described in the attached hedge identification certificate (the “Certificate”) executed by or upon direction of the Borrower. The Authority hereby records the following in accordance with Treasury Regulation Section 1.148-4(h)(2) in order to satisfy certain of the requirements for the hedge (the “Hedge Transaction”) described in the Certificate to be a qualified hedge within the meaning of said regulation with respect to the Bonds. The Authority acknowledges receipt of the Certificate and will retain the Certificate with its books and records for the Bonds, when and if issued.

All information set forth in the Certificate is submitted by or on behalf of the Borrower. The Authority is not obligated by the receipt of the Certificate or the execution of this Acknowledgment in any manner whatsoever with respect to the approval, sale or issuance of the Bonds or with respect to the Hedge Transaction.

Dated: _____

ADVANCING CALIFORNIA FINANCE
AUTHORITY

BY: _____
Authorized Signatory

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Advancing California Finance Authority

Fee Schedule¹

Bond Program	Application Fee (Non-Refundable)	Issuance Fee		Annual Fee ²
		Up to \$20 million	Over \$20 million	
Affordable Housing	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps	5 bps (Minimum \$5,000)
501(c)3 Non-Profit Corporations (Private School, Healthcare)	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps	2 bps (Minimum \$2,500)
General Government or School District	\$5,000	5 bps (Minimum \$10,000)	5 bps	None (Minimum \$2,500)
Essential Services Utility (Water, Sewer, Electric)	\$5,000	5 bps (Minimum \$10,000)	5 bps	None (Minimum \$2,500)

NOTES:

- 1) Fee schedule is based on new issuance of bonds. The Authority does not anticipate charging for simple administrative changes to documents after the issuance of bonds. However, the Authority reserves the right to charge up to \$10,000 plus consultant fees for more substantial changes to documents or requiring the delivery of the Authority Resolution and/or Governing Board approval.
- 2) Annual fees, which include compliance monitoring, are due in advance for each year and are based on original issue amount. The minimum annual administration fee for housing bond issuance is \$5,000 per project. A \$5,000 annual compliance monitoring fee will replace the existing annual administration fee throughout the California Debt Limit Allocation Committee ("CDLAC") compliance period after the qualified project period has expired. The minimum annual fee for all other transactions will be \$2,500.

Advancing California Finance Authority

Fee Schedule¹

Affordable Housing

Conduit Issuer	Application Fee (Non-Refundable)	Issuance Fee		Annual Fee
		Up to \$20 million	Over \$20 million	
Advancing California Finance Authority	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps	5 bps (Minimum \$5,000)
ABAG FAN (CURRENT)	\$5,000	10 bps (Minimum \$10,000)	\$30,000 + 3 bps over \$20 MM (Minimum \$10,000)	5 bps (Minimum \$5,000)
California Statewide Communities Development Authority	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps over \$20 MM	5 bps
California Municipal Finance Authority	\$2,500	18.75 bps	\$37,500 + 5 bps	5 bps (Minimum \$4,000)
Public Finance Authority (National)	\$5,000	25 bps (Minimum \$25,000)	\$50,000 + 12.5 bps over \$20 MM	12 bps (Minimum \$7,500)

501(c)3 Non-Profit Corporation

Conduit Issuer	Application Fee (Non-Refundable)	Issuance Fee		Annual Fee
		Up to \$20 million	Over \$20 million	
Advancing California Finance Authority	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps	2 bps (Minimum \$2,500)
ABAG FAN (CURRENT)	\$2,500	10 bps (Minimum \$10,000)	\$30,000 + 3 bps over \$20 MM (Minimum \$10,000)	2 bps (Minimum \$2,500)
California Statewide Communities Development Authority	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps over \$20 MM	1.5 bps
California Municipal Finance Authority	\$2,500	20 bps on first \$10 million 5 bps on amounts above \$10 million (Maximum fee of \$75,000 per transaction)		1.5 bps (Minimum \$500)
Public Finance Authority (National)	\$5,000	20 bps (Minimum \$15,000)	\$40,000 + 5 bps over \$20 MM	3 bps

Advancing California Finance Authority

Fee Schedule¹

General Government and School District

Conduit Issuer	Application Fee (Non-Refundable)	Issuance Fee		Annual Fee
		Up to \$20 million	Over \$20 million	
Advancing California Finance Authority	\$5,000	5 bps (Minimum \$10,000)	5 bps	None (Minimum \$2,500)
ABAG FAN (CURRENT)	\$2,500	5 bps (Minimum \$10,000)	\$25,000 + 1.5 bps over \$20 MM (Minimum \$10,000)	2 bps (Minimum \$2,500)
California Statewide Communities Development Authority	\$5,000	15 bps (Minimum \$10,000)	\$30,000 + 2.5 bps over \$20 MM	None
California Municipal Finance Authority	\$2,500	5 bps	5 bps	None
Public Finance Authority (National)	\$5,000	15 bps (Minimum \$7,500)	\$30,000 + 2.5 bps over \$20 MM	2 bps

Essential Services Utility

Conduit Issuer	Application Fee (Non-Refundable)	Issuance Fee		Annual Fee
		Up to \$20 million	Over \$20 million	
Advancing California Finance Authority	\$5,000	5 bps (Minimum \$10,000)	5 bps	None (Minimum \$2,500)
ABAG FAN (CURRENT)	\$2,500	5 bps (Minimum \$10,000)	\$25,000 + 1.5 bps over \$20 MM (Minimum \$10,000)	2 bps (Minimum \$2,500)
California Statewide Communities Development Authority	\$5,000	15 bps (Minimum \$10,000)	\$30,000 + 2.5 bps over \$20 MM	None
California Municipal Finance Authority	\$2,500	5 bps	5 bps	None
Public Finance Authority (National)	\$5,000	15 bps (Minimum \$7,500)	\$30,000 + 2.5 bps over \$20 MM	2 bps

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Advancing California Financing Authority
Conduit Borrower Application

APPLICANT: _____

DATE RECEIVED: _____

APPLICANT INFORMATION		
Date Submitted:	Legal Name of Applicant:	Date Applicant Established;
Applicant Contact Information: Name: _____ Title: _____ Address: _____ County: _____ Email: _____ Phone: _____		Other Contact Information: Name: _____ Title: _____ Firm: _____ Address: _____ County: _____ Email: _____ Phone: _____ Relationship to Applicant: _____
TRANSACTION INFORMATION		
Principal Amount: \$ _____	Tax-Exempt Amount: \$ _____	Taxable Amount: \$ _____
Expected Financing Date: _____	Average Life: _____ years	Final Maturity: _____
Type of Offering: <i>(check)</i> Competitive: _____ Negotiated: _____ Private or Direct Placement: _____	Purpose of Offering: New Money: _____ Refunding: _____	Denomination: \$ _____
If Private of Direct Placement, Parties _____ _____		If Refunding, Bonds Refunded _____ _____
If New Money, Project Description _____ _____ _____		
Security and Pledge _____ _____		

Advancing California Financing Authority
Conduit Borrower Application

APPLICANT: _____

DATE RECEIVED: _____

<p align="center">If Credit Enhanced, Credit Provider(s)</p> 	<p align="center">Ratings</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"></td> <td align="center">Unenhanced</td> <td align="center">Enhanced</td> </tr> <tr> <td>Moody's</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>S&P</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>Fitch</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>Other</td> <td align="center">_____</td> <td align="center">_____</td> </tr> </table>		Unenhanced	Enhanced	Moody's	_____	_____	S&P	_____	_____	Fitch	_____	_____	Other	_____	_____
	Unenhanced	Enhanced														
Moody's	_____	_____														
S&P	_____	_____														
Fitch	_____	_____														
Other	_____	_____														
FINANCE TEAM INFORMATION																
<p align="center">Lead Underwriter/Placement Agent</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>	<p align="center">Bond Counsel</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>															
<p align="center">Underwriters' Counsel</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>	<p align="center">Disclosure Counsel</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>															
<p align="center">Financial Advisor</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>	<p align="center">Trustee</p> <p>Firm: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>															
Underwriting Syndicate																
<p>Firm</p> <p>_____</p> <p>_____</p>	<p>Role</p> <p>_____</p> <p>_____</p>	<p>Firm</p> <p>_____</p> <p>_____</p>	<p>Role</p> <p>_____</p> <p>_____</p>													
<p align="center">Other Consultant</p> <p>Firm: _____ Role: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>	<p align="center">Other Consultant</p> <p>Firm: _____ Role: _____ Name: _____ Title: _____ Address: _____</p> <p>Email: _____ Phone: _____</p>															

Advancing California Finance Authority

2018 Regular Meeting Calendar and Approval Process

January 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2018						
S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2018						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- Federal Holidays
- Authority's Credit Committee Meetings (First and Third Wednesday of Each Month)
- Governing Board Meetings (Third Thursday of Every Other Month)

APPROVAL PROCESS

- 1) Bond Counsel is responsible for drafting and arranging for publication of TEFRA notices, the TEFRA and Host Jurisdiction approved resolution, and the Bond resolution.
- 2) 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 ("CDLAC").
- 3) The Authority's Credit Committee meets every first and third Wednesday of each month to consider applications. Applicants shall submit completed applications and all information requested by the Authority's staff at least [two weeks] prior to the date desired for consideration.
- 4) The Governing Board meets every third Thursday of each month to approve the financing. Applicants shall submit all necessary information and application materials requested by the Authority's staff at least [two weeks] prior to the date desired for consideration.

EXECUTION OF DOCUMENTS

Documents for signature by the Authority must be delivered at least [three business days] prior to when you wish them returned.