

Up to \$ \_\_\_\_\_  
**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**  
**Revenue Bonds**  
**(Baywood Court), Series 2021**

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**BOND PURCHASE AGREEMENT**

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April 27, 2021

California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, CA 92011

Baywood Court  
21966 Dolores Street  
Castro Valley, CA 94546

Ladies and Gentlemen:

The undersigned, of Tri Counties Bank, as purchaser (including its successors and assigns, the "Purchaser"), offers to enter into this Bond Purchase Agreement (this Bond Purchase Agreement, as amended and supplemented from time to time, being herein called the "Bond Purchase Agreement") with the California Municipal Finance Authority (including its successors and assigns, the "Authority") and Baywood Court, a California nonprofit public benefit corporation (including its successors and assigns, the "Corporation"), a California nonprofit public benefit corporation (the "Corporation"), which, upon acceptance, will be binding upon the Authority, the Corporation and the Purchaser. This offer is made subject to the Corporation's and the Authority's acceptance on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice delivered to the Authority and the Corporation at any time prior to such acceptance.

The Authority, the Corporation and the Purchaser acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length, commercial transaction between the Authority and the Purchaser, and approved by the Corporation, in which the Purchaser is acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Authority or the Corporation, (ii) the Purchaser has not assumed any advisory or fiduciary responsibility to the Authority or the Corporation with respect to the transactions contemplated in this Bond Purchase Agreement and the discussions leading thereto (irrespective of whether the Purchaser, or any affiliate of the Purchaser, has provided other services or is currently providing other services to the Authority or the Corporation on other matters), (iii) the only contractual obligations the Purchaser has to the Authority or the Corporation with respect to the transactions contemplated hereby are those set forth in this Bond Purchase Agreement, (iv) the Purchaser has financial and other interests that differ from those of the Authority and the Corporation and (v) the Authority and the Corporation has consulted with

its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

1. Purchase, Sale and Delivery of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Purchaser hereby agrees to purchase, and the Authority hereby agrees to sell to the Purchaser, up to \$\_\_\_\_\_ aggregate principal amount of the California Municipal Finance Authority Revenue Bonds (Baywood Court), Series 2021 (the "Bonds"), dated as of their date of delivery, bearing interest at the rates, maturing on the dates and subject to redemption, as set forth in Exhibit A attached hereto and incorporated herein by this reference. The purchase price for the Bonds shall be \$\_\_\_\_\_ (which consists of the first advance of the Bonds).

The Bonds are being issued to finance six independent living cottages, an administration building and a new dining venue for the Borrower's retirement community located on or near the Borrower's campus at 21966 Dolores Street, in Castro Valley, California.

The Bonds are also being issued to fund capitalized interest on the Bonds through June 1, 2022, and to pay the cost of issuance of the Bonds.

(b) The Bonds shall be substantially in the form described in, shall be executed, delivered and secured under the provisions of, and shall be payable as provided in, that certain Indenture, dated as of May 1, 2021 (as amended and supplemented from time to time, the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The obligation of the Authority to make payments of principal (or redemption price) of and interest on the Bonds is limited exclusively to revenues, payments and moneys and other assets received by the Trustee on behalf of the Authority pursuant to that certain Loan Agreement, dated as of May 1, 2021 (as amended and supplemented from time to time, the "Loan Agreement") between the Authority and the Corporation.

(c) Pursuant to that certain First Amended and Restated Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, dated as of May 1, 2021 (as amended and supplemented from time to time the "Deed of Trust"), the Corporation will grant Chicago Title Insurance Company, as trustee under the Deed of Trust (the "Deed of Trust Trustee"), a first lien on, and security interest in, the Pledged Property (as defined in the Indenture), subject to Permitted Encumbrances (as defined in the Indenture), as security for, among other things, the Loan Payments (as defined in the Indenture) required to be made by the Corporation pursuant to the Loan Agreement. The Bonds will be further secured by an assignment to the Trustee, on behalf of the Owners of the Bonds thereof, of the right, title and interest of the Authority in the Loan Agreement to the Trustee to the extent and as more particularly described in the Indenture. All capitalized terms used herein and not otherwise defined shall have the meaning specified in the Indenture or the Loan Agreement.

(d) At 8:00 A.M., Pacific Daylight time, on May 13, 2021, or at such earlier or later time or date as shall be agreed by the Authority and the Purchaser (such time and date being herein referred to as the "Closing Date"), the Trustee will deliver to the Purchaser the Bonds in the form of a separate single fully registered Bond (which may be typewritten) duly executed by the Authority and authenticated by the Trustee, and in Larkspur, California, the other documents herein mentioned; and the Purchaser will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (a) of this Section 1 by wire transfer of immediately available funds (such delivery and payment being herein referred to as the "Closing"). Upon initial

issuance the ownership of the Bonds shall be registered in the registration books kept by the Trustee.

2. Direct Purchase. The Purchaser represents and warrants to the Authority and the Corporation that:

(a) The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of the Corporation, the collateral and the Bond terms and that the Purchaser will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on Piper Sandler & Co. (the "Placement Agent") or its affiliates, its directors, officers, employees, attorneys or agents.

(b) The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

(c) The Purchaser acknowledges that no official statement has been prepared for the Bonds, and that the Authority will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Bonds. The Purchaser has been offered copies of or full access to all documents relating to the Bonds and all records, reports, financial statements and other information concerning the Corporation and pertinent to the source of payment for the Bonds as deemed material by the Purchaser, which the Purchaser as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

(d) The Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

(e) The Purchaser states that: (i) it is a bank, savings and loan association, insurance company, or registered investment company; or an investment adviser registered either with the Securities and Exchange Commission under section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million; and, (ii) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (iii) it is exercising independent judgment in evaluating: (1) the recommendation of the Placement Agent or its associated persons; and (2) the quality of execution of the Purchaser's transactions by the Placement Agent; and (iv) the Purchaser has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47;

(f) The Purchaser is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control).

(g) The Purchaser understands that the Bonds (i) have not been registered under the Securities Act of 1933, as amended (the "Act"), and (ii) have not been registered or qualified under any state securities or "Blue Sky" laws, and that the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

(h) The Purchaser has been furnished with and has examined the Loan Agreement, the Indenture and other documents, certificates and the legal opinions delivered in connection with the issuance of the Bonds.

(i) The Purchaser acknowledges that in connection with the offering of the Bonds: (i) the Placement Agent has acted at arm's length, is not an agent or financial advisor of, and owes no fiduciary duties to the Purchaser or any other person irrespective of whether the Placement Agent has advised or is advising the Purchaser on other matters, and (ii) the Purchaser represents it has had the opportunity to consult with its own legal counsel and to negotiate this Bond Purchase Agreement prior to execution.

(j) The Purchaser understands that the Authority, the Corporation and the Placement Agent and their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

(k) The signatory of this Bond Purchase Agreement is a duly authorized officer of the Purchaser with the authority to sign this Bond Purchase Agreement on behalf of the Purchaser, and this Bond Purchase Agreement has been duly authorized, executed and delivered.

3. Representations and Agreements of the Authority. The Authority represents to and agrees with the Purchaser and the Corporation that:

(a) The Authority is duly organized and existing under the laws of the State of California and has full power and authority to adopt its Resolution No. \_\_\_ (the "Resolution"), and to enter into and to perform its obligations under the Indenture, the Loan Agreement, this Bond Purchase Agreement (collectively, the "Authority Documents"). The Authority has taken all necessary action and has complied with all provisions of the Act required to make the Authority Documents, when executed and delivered by the respective parties thereto, 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 generally or affecting remedies against agencies such as the Authority, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases;

(b) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has authorized and approved the execution and delivery of the Authority Documents and the consummation by the Authority of the transactions contemplated thereby;

(c) 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 the existence or powers of the Authority relating to the sale of the Bonds;

(d) The execution and delivery by the Authority of the Authority Documents and compliance with the provisions on the Authority's part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security

interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents; and

(e) The execution and delivery of this Bond Purchase Agreement by the Authority shall constitute a representation by the Authority to the Purchaser that the representations and agreements contained in this Section 2 are true as of the date hereof; *provided, however*, that as to information furnished by the Corporation, 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 or other counsel to the Authority; 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.

4. Representations and Agreements of the Corporation. The Corporation represents to and agrees with the Purchaser and the Authority that:

(a) The Corporation 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 the Loan Agreement and the Deed of Trust, to agree to and accept this Bond Purchase Agreement (all such documents being collectively referred to herein as the "Corporation Documents") and to carry out and consummate all transactions contemplated by the Corporation Documents and by proper corporate action has duly authorized the execution and delivery of the Corporation Documents.

(b) The officer(s) of the Corporation executing the Loan Agreement and the Deed of Trust and accepting and agreeing to this Bond Purchase Agreement is or are duly and properly authorized to execute the same on behalf of the Corporation.

(c) This Bond Purchase Agreement has been duly accepted and agreed to by the Corporation and this Bond Purchase Agreement constitutes or will constitute, as applicable, and at Closing, the Loan Agreement and the Deed of Trust will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their respective terms (assuming due execution and delivery by the other parties thereto, as applicable); except as enforcement of each of the above-named documents may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, including without limitation, self-help remedies and applicable foreclosure procedures, and by the application of equitable principles and judicial discretion, and except as the enforcement of the indemnification provisions contained herein and therein may be limited by applicable securities laws or held to be against public policy.

(d) The Corporation is not in any material way in breach of or default under any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial position or operations of the Corporation taken as a whole.

(e) The approval of this Bond Purchase Agreement, and at the Closing, the execution and delivery of the Loan Agreement and the Deed of Trust, and the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and

conditions hereof and thereof do not and 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 Corporation, any of its respective bylaws or any applicable law or administrative rule or regulation, or, to the knowledge of the Corporation, 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 Corporation is a party or by which any of them or any of its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance that would materially and adversely affect the consummation of the transactions contemplated by this Bond Purchase Agreement, the Loan Agreement, the Deed of Trust or the Indenture or would materially adversely affect the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings, as to which no representation is made) is necessary in connection with the execution and delivery of the Loan Agreement, the Deed of Trust and the approval of this Bond Purchase Agreement; or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect (or, in the case of the Loan Agreement, the Deed of Trust and the Indenture), will be in full force and effect at the Closing).

(g) There is no action, suit, proceeding, inquiry or investigation before or by any court of federal, state, municipal or other government authority pending or, to the knowledge of the Corporation, threatened against or affecting any of its assets, properties or operations, including, but not limited to, the Facilities, which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Bond Purchase Agreement, the Loan Agreement or the Deed of Trust or would have a material and adverse effect upon the financial condition, assets, properties or operations of the Corporation and the Corporation is not in breach of or default with respect to (i) any applicable law or administrative regulation of the State of California or the United States of America or (ii) any applicable judgment, order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default would materially and adversely affect the consummation of the transactions contemplated by the Loan Agreement, the Deed of Trust or the Indenture or the financial condition, assets, properties or operations of the Corporation.

(h) The Corporation is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is not a private foundation as described in section 509(a) of the Code, or corresponding provisions of prior law, and is exempt from federal income taxes under section 501(a) of the Code, except for unrelated business income subject to taxation under section 511 of the Code.

(i) The Corporation is a corporation organized and operated exclusively for charitable purposes, not for pecuniary profit, no part of the net earnings of which inures to the benefit of any private share-holder or individual.

(j) The Corporation has all necessary corporate power and authority to conduct all business now being conducted by it.

(k) The Corporation has good and marketable title to the Facilities free and clear from all encumbrances, other than Permitted Encumbrances.

(l) The Corporation is solvent, and since June 30, 2020, the Corporation has not incurred any material liability, direct or contingent, except in the ordinary course of business, nor has there been any material adverse change in the financial position, results of operation or condition, financial or otherwise, of the Corporation since June 30, 2020, whether or not arising from transactions in the ordinary course of business.

(m) Between the date hereof and the Closing Date, the Corporation will not, without the prior written consent of the Purchaser, incur any material liabilities, direct or contingent, other than in the ordinary course of business.

(n) The Corporation shall pay the reasonable expenses described in Section 7 of this Bond Purchase Agreement

(o) The proceeds of the Bonds will not be used by an “exempt person” in an “unrelated trade or business” within the meaning of section 513(a) of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest with respect to any of the Bonds under section 103 of said Code.

(p) The Corporation has such permits, licenses, franchises, certificates and other approvals or authorizations of governmental or regulatory authorities as are necessary under applicable law to own the Facilities and to conduct its business (including without limitation such permits as are required under such federal, state and other health care laws, and under licensure laws and such insurance laws and regulations, as are applicable thereto), and with respect to those Facilities and other businesses that participate in Medicare and/or Medi-Cal, to receive reimbursement under Medicare and Medi-Cal.

(q) The representations, warranties and covenants of the Corporation contained in the other Corporation Documents to which the Corporation is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference herein as if each and every such representation, warranty, covenant and definition were set forth herein in its entirety, and the representations and warranties made by the Corporation in such sections are hereby made for the benefit of the Purchaser. No amendment to or waiver of such representations and warranties or covenants or definitions made pursuant to the relevant Corporation Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Purchaser.

(r) The Corporation is not (i) an “investment company” or a Person “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940 nor (ii) a “holding company” as defined in, or subject to regulation under the Public Utility Holding Company Act of 1935.

(s) There is no amendment, or to the knowledge of the Corporation, proposed amendment to the Constitution of the State of California or any State of California law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of the Bonds, the security for the Bonds, the creation, organization, or existence of the Corporation or the titles to office of any officers executing any Corporation Document or the Corporation’s ability to repay the Bonds.

(t) The Corporation has no subsidiaries or affiliates.

(u) Neither the Corporation's business nor any Facility is currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), which would have a material adverse effect.

(v) The Corporation is in compliance in all material respects with all federal, state and local laws, regulations, quality and safety standards, accreditation standards and requirements of all federal, state or local governmental authorities including, without limitation, Medicare and Medi-Cal laws and regulations and those relating to the quality and adequacy of medical care, distribution of pharmaceuticals, rate setting, equipment, personnel, operating policies, additions to facilities and services and fee splitting. Without limiting the generality of any other representation or warranty made herein, the Corporation and each of the Facilities and, to any to the best of its knowledge, its licensed employees and contractors (other than contracted agencies) in the exercise of their respective duties on behalf of the Corporation or and each of the Facilities, is in compliance in all material respects with all applicable statutes, laws, ordinances, rules and regulations of any federal, state or local governmental authority with respect to regulatory matters primarily relating to patient healthcare (including without limitation section 1128B(b) of the Social Security Act, as amended, 42 U.S.C. Section 1320a 7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti Kickback Statute," and the Social Security Act, as amended, Section 1877, 42 U.S.C. Section 1395 (Prohibition Against Certain Referrals), commonly referred to as the "Stark Statute" (collectively, "Healthcare Laws")). The Corporation has maintained in all material respects all records required to be maintained by the Food and Drug Administration, Drug Enforcement Agency and State Boards of Pharmacy and the federal and state Medicare and Medi-Cal programs as required by the Healthcare Laws and, to the knowledge of the Corporation, there are no presently existing circumstances which would result or likely would result in material violations of the Healthcare Laws. To the knowledge of the Corporation, there currently exist no material restrictions, deficiencies, required plans of correction actions or other such remedial measures with respect to federal and state Medicare and Medi-Cal certifications or licensure surveys. Each Facility is in compliance in all material respects with all requirements for participation in Medicare and Medi-Cal, including, without limitation, the Medicare and Medicaid Patient Protection Act of 1987; each Facility is in conformance in all material respects in with all insurance, reimbursement and cost reporting requirements, and has a current provider agreement which is in full force and effect under Medicare and Medi-Cal, to the extent that the failure to comply would not result in a material adverse effect on the Corporation.

(w) The Indenture creates an irrevocable first lien on amounts pledged under Section 5.01 of the Indenture.

5. Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations, warranties and agreements on the part of the Corporation contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the Authority, the Corporation and the Trustee of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Indenture, the Loan Agreement and the Deed of Trust shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser and said agreements shall not have been

amended, modified or supplemented, except as may have been agreed to in writing by the Purchaser and there shall have been taken in connection therewith, with the execution and delivery of the Bonds and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as, in the opinion of Quint & Thimmig LLP, bond counsel ("Bond Counsel"), shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date, the purchase price of the Bonds shall not have been materially adversely affected, in the reasonable judgment of the Purchaser, by reason of any of the following:

(i) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, the Secretary of the Treasury or any member of Congress, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed), official statement, press release or other form of notice or communication issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States, by the President or other agency of the federal government or members of Congress with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest as would be received by the Purchaser as the owner of the Bonds;

(ii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency, or there shall have occurred any other outbreak or escalation of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak or escalation, calamity or crisis being such as, in the reasonable opinion of the Purchaser, would affect materially and adversely the ability of the Purchaser to purchase the Bonds;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, commercial banks similar to the Purchaser;

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (A) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (B) the execution and delivery of obligations of the general character of the Bonds, or the execution and delivery of the Bonds, including any or all underlying obligations, as contemplated hereby, is or would be in violation of the federal securities laws as amended and then in effect; or

(vi) there shall have occurred any materially adverse change in the affairs or financial condition of the Corporation.

(c) At or prior to the Closing Date, the Purchaser shall have received the following documents:

(i) The Indenture, the Loan Agreement and the Deed of Trust duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to in writing by the Purchaser;

(ii) An approving opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, together with a reliance letter addressed to the Purchaser and a supplemental opinion, dated the Closing Date and addressed to the Authority and the Purchaser, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(B) this Bond Purchase Agreement has been duly executed and delivered by the Authority and, assuming due authorization, execution and delivery by and validity against the Purchaser and the Corporation, is valid and binding upon the Authority, subject to bankruptcy, insolvency, moratorium and other laws affecting the enforcement of creditors' rights generally, and to the application of such principles of equity as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) An opinion, dated the Closing Date and addressed to the Authority and the Purchaser, of counsel to the Corporation, in substantially the form attached hereto as Exhibit B;

(iv) An opinion of the counsel to the Authority, addressed to the Authority, the Purchaser, in substantially in the form attached hereto as Exhibit C.

(v) A certificate, dated the Closing Date and signed by an authorized official of the Authority, to the effect that:

(A) the Authority has fulfilled or performed each of its obligations contained in the Indenture, the Loan Agreement and this Bond Purchase Agreement required to be fulfilled or performed by it as of the Closing Date; and

(B) the representations and agreements made by the Authority in the Bond Purchase Agreement are true and correct in all material respects on the Closing Date, with the same effect as to the facts as of the Closing Date.

(vi) A certificate of the Chief Executive Officer of the Corporation, or such other officer as is acceptable to the Purchaser, dated the Closing Date, to the effect that:

(A) no litigation is pending or, to the knowledge of such officer, threatened (1) to restrain or enjoin the execution or delivery of any of the Bonds or the collection of Revenues pledged under the Indenture or the payment of Loan Payments, (2) in any way contesting or affecting the authority for the execution and delivery of the Bonds by the Trustee or the validity of the Bonds, the

Indenture, the Loan Agreement, the Deed of Trust or this Bond Purchase Agreement, or (3) in any way contesting the corporate existence or powers of the Corporation in connection with the transactions contemplated by the Bond Purchase Agreement;

(B) no proceedings are pending or, to the knowledge of such officer, threatened in any way contesting or affecting the Corporation's status as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or which would subject any income of the Corporation (other than unrelated business income pursuant to section 511 of the Code) to federal income taxation;

(C) the representations and warranties made by the Corporation in the Loan Agreement, the Deed of Trust and herein are true and correct as of the date hereof; and

(D) all resolutions necessary in connection with the transactions contemplated by this Bond Purchase Agreement, the Indenture, the Loan Agreement and the Deed of Trust have been adopted, have not been amended, modified or rescinded, and are effective as of the Closing Date;

(vii) A certified copy of the resolution of the Authority authorizing the execution and delivery of the Bonds, the Indenture, the Loan Agreement and this Bond Purchase Agreement;

(viii) Certified copies of the articles of incorporation and good standing certificate of recent date, each certified by the Secretary of State of the State of California, for the Corporation;

(ix) A good standing certificate of recent date for the Corporation certified by the Franchise Tax Board of the State of California;

(x) Evidence that the Corporation is an organization described in section 501(c)(3) of the Code and is exempt from California income tax;

(xi) Certified copies of the Corporation's bylaws and resolutions of its board of directors authorizing the execution and delivery of the Indenture, the Loan Agreement, the Deed of Trust and this Bond Purchase Agreement;

(xii) A tax certificate in form satisfactory to Bond Counsel and the Purchaser;

(xiii) An opinion of counsel to the Trustee, addressed to the Authority, in form and substance acceptable to Bond Counsel and the Purchaser;

(xiv) A certificate of the Trustee, dated the Closing Date and signed by an authorized representative of the Trustee, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States of America and has all necessary power and authority to enter into and perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture;

(C) The Bonds have been duly authenticated and delivered by the Trustee;

(D) The execution and delivery of the Indenture and the Bonds and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is or may be bound; provided, however, the Trustee need not make any representations and warranties with respect to compliance with any federal and state securities laws; and

(E) 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, served upon or, to the best of the Trustee's knowledge, threatened against the Trustee, affecting the existence of the Trustee, or the entitlement of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Bonds or the collection of revenues pledged or to be pledged to pay the principal, redemption premium, if any, and interest represented by the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or the Bonds; or contesting the power or authority of the Trustee to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the Bonds;

(xv) Copies of such permits or licenses as are requested by the Purchaser or the Authority and which the Corporation is required to have in order to operate its Facilities;

(xvi) A policy of title insurance in form and substance reasonably acceptable to the Purchaser and Bond Counsel;

(xvii) Certificates of insurance as required by the Loan Agreement;

(xviii) A copy of the completed Form 8038 of the Internal Revenue Service, executed by the Authority; and

(xix) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser or Bond Counsel may reasonably request to evidence compliance by the Authority and the Corporation, with legal requirements of this transaction, the truth and accuracy, as of the Closing Date, of the representations of the Corporation contained herein, and the due performance or satisfaction by the Authority and the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the Corporation.

If the Trustee, the Authority or the Corporation shall be unable to satisfy the conditions to the Purchaser's obligations contained in this Bond Purchase Agreement or if the Purchaser's obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall terminate and none of the Purchaser, the Trustee, the Authority, or the Corporation, shall have any further obligation hereunder except as provided in Section 7 hereof.

6. Conditions to the Obligations of the Authority. The obligations of the Authority under the Indenture to prepare, execute and deliver the Bonds on the Closing Date shall be subject to the performance by the Purchaser and the Corporation of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) The Indenture, the Loan Agreement, the Deed of Trust and this Bond Purchase Agreement shall have been executed by the respective parties thereto;

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or execution and delivery of the Bonds as contemplated hereby; and

(c) The documents contemplated by Sections 4(c)(i), (ii), (iv), (xi), (xii), (xiv), (xvi) and (xxii) shall have been delivered substantially in the forms set forth herein to the Authority in form and substance satisfactory to Bond Counsel and counsel to the Authority.

7. Expenses. All reasonable expenses and costs of the Authority (and its counsel) incident to the performance of its obligations in connection with the authorization and sale of the Bonds to the Purchaser, fees and expenses of consultants, California Debt Investment and Advisory Commission fees, reasonable fees and expenses of Bond Counsel, reasonable fees and expenses of counsel to the Purchaser, and reasonable fees and expenses of counsel for the Corporation, and all fees and expenses of the Trustee and the Authority (and its counsel) shall be paid by the Corporation. All fees and expenses to be paid by the Corporation pursuant to this Bond Purchase Agreement may be paid from Bond proceeds to the extent permitted by the Indenture. All out-of-pocket expenses of the Purchaser, including travel and other expenses shall be paid by the Purchaser, except as otherwise agreed between the Purchaser and the Corporation.

8. 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 Agreement or any document or instrument referred to herein or by reason of or in connection with this Bond Purchase Agreement or other document or instrument except to the extent it receives amounts from the Corporation available for such purpose.

9. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing to (a) the Authority at the Authority's address, set forth above, (b) the Corporation at the Corporation's address, set forth above and (c) the Purchaser, Tri Counties Bank, 3700 Douglas Boulevard, Roseville, CA 95661, Attention: Mr. Stephen Cairns, Vice President. The approval of the Purchaser when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Purchaser and delivered to you.

10. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts (including counterparts represented by facsimile copies and/or containing facsimile signatures) and each of such counterparts shall for all purposes be deemed an original, and all shall constitute but one and the same instrument.

11. Parties; Governing Law; Venue. This Bond Purchase Agreement is made solely for the benefit of the Authority, the Corporation and the Purchaser (including the successors or assigns of any of the Purchaser) and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement shall be governed by the laws of the State of California and any action arising out of this Bond Purchase Agreement shall be filed and maintained in San Diego County, unless the Authority expressly waives this requirement.

By TRICOUNTIES BANK, as Purchaser

By \_\_\_\_\_  
Authorized Signatory

Accepted and Agreed to:

CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY

By \_\_\_\_\_  
Authorized Signatory

Approved:

BAYWOOD COURT

By \_\_\_\_\_  
Authorized Signatory

Signature Page to Bond Purchase Agreement -  
California Municipal Finance Authority  
Revenue Bonds (Baywood Court), Series 2021

## LIST OF EXHIBITS TO BOND PURCHASE AGREEMENT

Exhibit A	Maturity dates, principal amounts, interest rates and redemption provisions with respect to the Bonds
Exhibit B	Form of Opinion of Counsel to the Corporation
Exhibit C	Form of Opinion of Counsel to the Authority

## EXHIBIT A

### MATURITY DATE, PRINCIPAL AMOUNT, INTEREST RATES AND REDEMPTION PROVISIONS WITH RESPECT TO THE BONDS

Up to \$ \_\_\_\_\_  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
Revenue Bonds  
(Baywood Court), Series 2021

<u>Maturity (June1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2036	\$ _____	_____ %*

#### REDEMPTION PROVISIONS

*Optional Redemption.* The Bonds are subject to optional redemption prior to their stated maturity, on any date, at the option of the Authority (which option shall be exercised as directed by the Corporation), in whole or in part by lot on any date, upon at least thirty (30) days (or such fewer number of days acceptable to the Trustee in its sole discretion) prior written notice to the Trustee from the Corporation, from any source of available moneys, at a redemption price equal to up to 15% of the outstanding principal amount of the Bonds, together with accrued interest to the date fixed for redemption, without premium.

The Bonds are subject to optional redemption prior to their stated maturity, on any date, at the option of the Authority (which option shall be exercised as directed by the Corporation), in whole or in part by lot on any date, upon at least thirty (30) days (or such fewer number of days acceptable to the Trustee in its sole discretion) prior written notice to the Trustee from the Corporation, from any source of available moneys, at a redemption price equal to an amount in excess of 15% the principal amount of the Bonds, together with accrued interest to the date fixed for redemption, plus the following redemption premium:

<u>Redemption Period</u>	<u>Redemption Premium</u>
Dated Date through May 31, 2023	5%
June 1, 2023 through May 31, 2024	4
June 1, 2024 through May 31, 2025	3
June 1, 2025 through May 31, 2026	1
June 1, 2026 and thereafter	0

*Redemption from Insurance or Condemnation Proceeds.* The Bonds are also subject to redemption prior to their respective stated maturities at the option of the Authority (which option shall be exercised as directed by the Corporation) in whole or in any part (in such amounts and of such maturities as may be specified by the Corporation, or if the Corporation fails to designate such maturities, in inverse order of maturity and by lot) on any date, upon forty-five (45) days prior written notice to the Trustee from the Corporation. Such redemption will be effected with moneys required to be deposited in the Special Redemption Account, which the Corporation has received from insurance or condemnation proceeds, in an amount equal to the principal amount of the Bonds redeemed plus accrued interest to the date fixed for redemption, without premium.

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\* If the Taxable Rate or the Default Rate (as such terms are defined in the Indenture) is in effect, interest will be computed by applying such alternate rate.

*Redemption from Mandatory Sinking Fund Payments.* The Bonds are also subject to redemption, in part, by lot, from mandatory sinking fund installments at the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium, on the following dates and in the following amounts:

Mandatory Sinking Account Payment Date	Mandatory Sinking Account Payment	Mandatory Sinking Account Payment Date	Mandatory Sinking Account Payment	Mandatory Sinking Account Payment Date	Mandatory Sinking Account Payment
9/1/22		3/1/27		12/1/31	
12/1/22		6/1/27		3/1/32	
3/1/23		9/1/27		6/1/32	
6/1/23		12/1/27		9/1/32	
9/1/23		3/1/28		12/1/32	
12/1/23		6/1/28		3/1/33	
3/1/24		9/1/28		6/1/33	
6/1/24		12/1/28		9/1/33	
9/1/24		3/1/29		12/1/33	
12/1/24		6/1/29		3/1/34	
3/1/25		9/1/29		6/1/34	
6/1/25		12/1/29		9/1/34	
9/1/25		3/1/30		12/1/34	
12/1/25		6/1/30		3/1/35	
3/1/26		9/1/30		6/1/35	
6/1/26		12/1/30		9/1/35	
9/1/26		3/1/31		12/1/35	
12/1/26		6/1/31		3/1/36	
		9/1/31		6/1/36†	

†Maturity

## EXHIBIT B

### FORM OF OPINION OF CORPORATION COUNSEL

[Closing Date]

California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, California 92011

Tri Counties Bank  
3700 Douglas Boulevard  
Roseville, California 95661

Re: Up to \$\_\_\_\_\_ California Municipal Finance Authority Revenue Bonds (Baywood Court)  
Series 2021

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Ladies and Gentlemen:

I have acted as special counsel to Baywood Court (the "Corporation"), a California nonprofit public benefit corporation, in connection with the issuance and delivery by California Municipal Finance Authority (the "Authority") of its up to \$\_\_\_\_\_ Revenue Bonds (Baywood Court) Series 2021 (the "Bonds"). The Bonds are being sold pursuant to a bond purchase agreement, dated April 27, 2021 (the "Bond Purchase Agreement"), by and among the Authority and Tri Counties Bank (the "Purchaser") and the Corporation. Capitalized terms used herein, unless otherwise defined, shall have the meanings set forth in the Bond Purchase Agreement.

In connection with this opinion, I have assumed the authenticity of all records, documents, and instruments submitted to me as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents, and instruments submitted to me as copies. I also have assumed that there are no facts or circumstances relating to any other parties that might prevent the other parties from enforcing any of the rights to which our opinion relates (for example, lack of due incorporation, regulatory prohibitions, or failure to qualify to do business in the State of California). I have based our opinion upon our review of the following records, documents and instruments:

- (a) An executed counterpart of the Bond Purchase Agreement.
- (b) An executed counterpart of the Indenture.
- (c) An executed counterpart of the Loan Agreement.
- (d) Executed counterparts of the Deed of Trust.
- (e) The UCC-1 Financing Statement.
- (f) Executed counterparts of the various closing certificates of the Corporation, including the Corporation's Officer's Certificate, delivered at Closing.

(g) The Articles of Incorporation and the Bylaws of the Corporation, each as amended to date, and certified by the Secretary of the State of California and by an officer of the Corporation, respectively.

(h) Resolution adopted by the Authority authorizing the execution and delivery of the Bonds.

(i) Resolutions (the "Corporation's Resolutions") relating to the transactions herein referred to, adopted by the Board of Directors of the Corporation.

(j) A letter from the Internal Revenue Service (the "IRS"), dated \_\_\_\_\_, confirming that the Corporation is exempt from federal income taxes pursuant to section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Code section 501(c)(3), and determining that the Corporation is not a private foundation within the meaning of Code Section 509(a).

The documents and instruments listed in items (a) through (e) above are collectively referred to herein as the "Transaction Documents."

Where my opinion relates to my "knowledge," such knowledge is based upon my examination of the records, documents, instruments, and certificates enumerated or described above and my actual knowledge. With your consent, I have not examined any records of any court, administrative tribunal or other similar entity in connection with our opinion expressed in paragraphs 5 and 7 below. Except as described herein, I have undertaken no investigation or verification of such matters and any limited inquiry undertaken by me during the preparation of this opinion letter should not be regarded as such an investigation.

Based upon the foregoing and my examination of such questions of law as I have deemed necessary or appropriate for the purpose of this opinion, and subject to the limitations and qualifications expressed below, it is my opinion that:

1. The Corporation (a) is a nonprofit public benefit corporation duly incorporated and validly existing under the laws of the State of California, (b) has all requisite corporate power and authority to conduct the business that is now being conducted by it and as contemplated by the Transaction Documents, and (c) has all requisite corporate authority to execute and deliver the other Transaction Documents, and to carry out and consummate all transactions contemplated therein.

2. The Corporation's Resolutions authorizing the Transaction Documents were duly adopted at meetings of the Corporation's Board of Directors with all notice required by law and under its bylaws at each such meeting a quorum was present and continuous throughout and have not been amended or rescinded.

3. The Transaction Documents have each been duly authorized by all necessary corporate action and duly executed and delivered on behalf of the Corporation, and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents will constitute the valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their respective terms.

4. Neither (a) the execution and delivery by the Corporation of the Transaction Documents, nor (b) the consummation of the transactions therein contemplated and the fulfillment of or compliance by the Corporation with the terms and conditions thereof, will in any material respect (i) conflict with or constitute a violation or breach of or a default (with the giving

of notice or the passage of time or both) under the Articles of Incorporation or Bylaws of the Corporation, or, to our knowledge, any applicable corporate law or administrative rule or regulation (except for state or federal blue sky or securities laws, as to which I express no opinion), or, to our knowledge, any applicable court or administrative decree or order or any material contract, agreement or instrument to which any Corporation is a party or by which it or its properties are otherwise subject or bound and of which I am aware, or (ii) to our knowledge, result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation, except for the liens created under the Transaction Documents, 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 the Transaction Documents.

5. To our knowledge, no consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery by the Corporation of the other Transaction Documents, or the consummation by the Corporation of any transaction therein contemplated, except as have been obtained or made and as are in force and effect. I express no opinion as to any approvals, obligations or consents as may be required under any state or federal blue sky or securities laws.

6. To our knowledge, (a) there is no action, suit, proceeding, inquiry or investigation pending before or threatened by any court or federal, state, municipal or other governmental authority against the Corporation or the assets, properties or operations of such entity, which, if determined adversely to its interests, would have a material and adverse effect upon (i) the consummation of the transactions contemplated by, or the validity of, the Transaction Documents, (ii) the consummation of the transactions contemplated by the Bonds, (iii) the financial condition, assets, properties or operations of the Corporation, or (iv) the security for payment of the Bonds, and (b) the Corporation is not in 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 the Transaction Documents.

7. The Corporation has been determined by the Internal Revenue Service to be an organization described in section 501(c)(3) of the Code and as such is exempt from federal income taxation under section 501(a) of the Code, with the exception of taxation of any income deemed to be unrelated business taxable income subject to taxation under section 511 of the Code. The Corporation has received a letter from the Internal Revenue Service confirming that it is an organization described in section 501(c)(3) of the Code, which letter, to our knowledge, has not been modified, limited, or revoked.

8. Pursuant to the Loan Agreement, the Corporation has granted a security interest in the Gross Revenues (as defined in the Indenture) to secure payment of the Loan Payments (as defined in the Indenture) and entered into a UCC-1 Financing Statement related to the Gross Revenues.

9. The Deed of Trust are in the proper form for recording in the real estate records of the appropriate counties, the only offices in which they are required to be recorded. Upon recording, the Deed of Trust will create valid liens on the real property as described therein as security for the payment of Obligations of the Corporation as defined therein.

10. The loan evidenced and secured by the Transaction Documents is not usurious under the laws of the State of California.

11. The Resolution of the Corporation authorizing the Transaction Documents was duly adopted at a meeting of the Corporation's Board of Directors with all notice required by law and under its bylaws at which a quorum was present and continuous throughout.

This opinion is limited to the federal laws of the United States of America and the laws of the State of California. I disclaim any opinion as to the laws of any other jurisdiction and I further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body. This opinion is based upon the law in effect on the date hereof, and I assume no obligations to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise. In connection with this opinion letter, I also have assumed the following: (a) consideration has been duly given under the Transaction Documents, (b) the Corporation is the legal, beneficial and record owners of the collateral described in any Transaction Documents and the descriptions of collateral in the Transaction Documents sufficiently describe the collateral intended to be covered by such documents, (c) any lien documents are in suitable form, notarized if required, and duly filed or recorded with the appropriate government offices, (d) the Transaction Documents accurately describe the mutual understanding of the parties thereto, and that there are no oral or written statements that modify, amend, or vary, or purport to modify, amend, or vary, any of the terms of the Transaction Documents, (e) the information, factual matters, representations and warranties contained in the Transaction Documents, records, certificates and other documents I have reviewed are true, correct and complete and (f) the other parties to Transaction Documents have the proper authority to engage in the transactions contemplated thereunder and at all times have complied and will comply with the Transaction Documents and related documents and with all applicable requirements governing their actions and will act in a commercially reasonable manner.

In connection with this opinion, I advise you that:

A. Enforceability is subject (i) to bankruptcy, insolvency, reorganization, arrangement, moratorium, and other laws of general applicability relating to or affecting creditors' rights, (ii) to general principles of equity, whether such enforcement is considered in a proceeding in equity or at law, (iii) to limitations imposed by applicable law or public policy on the enforceability of the indemnification provisions, and (iv) to the qualification that certain waivers, procedures, remedies, and other provisions of the Transaction Documents may be unenforceable under or limited by applicable law.

B. The enforceability of the Transaction Documents is further subject to the effect of general principles of equity. These principles include, without limitation, concepts of commercial reasonableness, materiality, good faith and fair dealing. These principles require the parties to act reasonably, in good faith and in a manner that is not arbitrary or capricious in the administration and enforcement of the Transaction Documents and will preclude them from invoking penalties for defaults that bear no reasonable relation to the damage suffered or that would otherwise work a forfeiture.

C. The enforceability of any Transaction Documents is also subject to the effects of (i) section 1301 of the California Uniform Commercial Code (the "UCC"), which provides that obligations of good faith, diligence, reasonableness and care prescribed by the UCC may not be disclaimed by agreement, although the parties may by agreement determine the standards by which the performance of such obligations is to be measured if those standards are not manifestly unreasonable, (ii) section 1304 of the UCC, which imposes an obligation of good faith in the performance or enforcement of a contract and (iii) California Civil Code section 1670.5, which provides that a court may refuse to enforce, or may limit the enforcement of, a contract or any

clause of a contract that a court finds as a matter of law to have been unconscionable at the time it was made.

D. The effectiveness of indemnities, rights of contribution, exculpatory provisions and waivers of the benefits of statutory provisions may be limited on public policy grounds.

E. Section 1717 of the California Civil Code provides that, in any action on a contract where the contract specifically provides that attorneys' fees and costs incurred to enforce that contract shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing in the action, whether that party is the party specified in the contract or not, shall be entitled to reasonable attorneys' fees in addition to other costs.

F. Any provisions of the Transaction Documents requiring that waivers must be in writing may not be binding or enforceable if a non-executory oral agreement has been created modifying any such provision or an implied agreement by trade practice or course of conduct has given rise to a waiver.

G. Any security interest granted by the Corporation under the UCC shall be limited to the collateral described in the Transaction Documents in which a security interest may attach under Division 9 of the UCC.

H. Perfection of a security interest in proceeds of any collateral may be limited as provided in section 9306 of the UCC and a security interest in collateral acquired after the respective dates of the applicable security documents will not be perfected unless the security interest attaches to such collateral and (ii) a deposit account may be limited under section 9314 of the UCC.

I. The continued perfection of the security interests created by the Transaction Documents and perfected by the filing of the UCC-1 Financing Statement will depend upon the filing of periodic continuation statements relating to the UCC-1 Financing Statement in accordance with the UCC and may depend upon (i) the continued location of the collateral in the State of California; (ii) the continuation of the Corporation's present corporate name, identity and corporate structure; and (iii) the continued location of the Corporation in the State of California within the meaning of the UCC.

J. Any provisions of the Transaction Documents regarding another party's right to apply proceeds of fire or other casualty insurance policies or awards of damages in condemnation proceedings against the Corporation's secured obligations will not be enforceable unless application of such proceeds or damages is reasonably necessary to protect such security interests.

K. I assume that in the enforcement of any lien documents, all parties will act in accordance with applicable statutory and other legal requirements, including applicable case law and that enforcement of rights or remedies thereunder may be limited when imposing fees and charges in the event of default, upon acceleration of the Corporation's obligations for transfers of interests, leases, or grants of junior encumbrances, attempting to secure a deficiency claim before exhausting the secured property or other remedies, among other things.

L. In rendering our opinion, I have relied upon representations that the Corporation has complied with and will at all times continue to comply with the requirements of Code section

501(c)(3), and that the activities of the Corporation have been and will continue to be conducted strictly in accordance with such Corporation's Articles of Incorporation and Bylaws and the provisions of California nonprofit corporation laws. I have further relied on certain representations, warranties and covenants of the Corporation in the Transaction Documents and given at Closing. Any variations may affect the opinions I am giving.

M In connection with our opinion, I have not reviewed and express no opinion on (i) financial statements or covenants, financial or audit reports or the consents related thereto or similar provisions requiring financial calculations or determinations, (ii) provisions relating to the occurrence of a "material adverse effect" or similar words, or (iii) parol evidence bearing on interpretation or construction.

I express no opinion as to: (a) the priority of any lien or security interest created, or purported to be created, by any of the Transaction Documents; (b) any securities, tax (except as provided in paragraph 7 above), anti-trust, land use, export, safety, environmental, hazardous materials, choice of law, insurance company or banking laws, rules or regulations; (c) applicable interest rate limitations of California law for loans or forbearances; or (d) the effect on the Corporation's obligations, and any other party's rights, under the Transaction Documents of laws relating to fraudulent transfers and fraudulent obligations set forth in sections 544 and 548 of the federal Bankruptcy Code and sections 3439 et seq. of the California Civil Code.

In rendering our opinion, I am expressing no opinion on the validity of the Bonds.

I furnish this opinion as counsel to the Corporation and only the addressees and Quint & Thimmig LLP may rely upon it. This letter shall not be used, quoted, distributed, circulated or relied upon by any other person or entity for any purpose, without our prior written consent.

Respectfully submitted,

**EXHIBIT C TO**  
**FORM OF OPINION OF COUNSEL TO THE AUTHORITY**

California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, California 92011

Re: Up to \$\_\_\_\_\_ California Municipal Finance Authority Revenue Bonds (Baywood Court)  
Series 2021

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Ladies and Gentlemen:

We have acted as special counsel to the California Municipal Finance Authority (the "Authority") in connection with the issuance and delivery of the above-referenced Bonds (the "Bonds"). In such connection, we have reviewed the resolution adopted by the Authority on April 30, 2021 (the "Resolution"), with respect to, among other things, the Bonds, certificates of the Authority and others as to certain factual matters, and such other 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. 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 was limited to the matters expressly covered by the 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. Finally, we undertake no responsibility for any offering materials that may be prepared with respect to the Bonds.

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 exercise of powers authority 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 board 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 any other party by virtue of this letter (other than the Authority). This letter is solely for the benefit of the addressee hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purposes. This

letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

A Professional Law Corporation