

**\$6,500,000**  
**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT**  
**(Santa Clara County, California)**  
**2017 Lease/Purchase Agreement**  
**(New Clean Renewable Energy Bonds)**

**TAX CERTIFICATE**

The Gavilan Joint Community College District (the “Lessee”) hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certificate in connection with the \$6,500,000 Gavilan Joint Community College District (Santa Clara County, California) 2017 Lease/Purchase Agreement (New Clean Renewable Energy Bonds) (the “Obligations”). These representations and covenants are in furtherance of covenants contained in the Lease/Purchase Agreement, between the Lessee and the California Community College Financing Authority, dated as of May 1, 2017 (the “Governing Document”), and in part are made pursuant to Sections 54C, 148, and 54A of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury Regulations promulgated thereunder. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings set forth in the Governing Document.

**I. General Matters.**

(a) Authority for Issuance. The undersigned and other officers and members of the governing body of the Lessee are charged with the responsibility of authorizing and requesting the issuance of the Obligations.

(b) Sale of Obligations. The Obligations are being purchased (through assignment) by Banc of America Leasing & Capital, LLC (the “Assignee”) on the date hereof.

(c) Purpose of Obligations. The Obligations are being sold and delivered for the purpose of financing certain costs of the Gavilan Joint Community College District (the “District”) as described in Exhibit A attached hereto (the “Project”) and paying costs incurred in connection with the execution and delivery of the Obligations. Absent an opinion of nationally recognized bond counsel, the Lessee shall allocate Obligation proceeds as described in the application for the Obligations attached in Exhibit A.

(d) Nature of Issue. All the Obligations are being sold and issued at the same time, have been sold pursuant to the same plan of financing, and are reasonably expected to be paid from substantially the same source of funds. No other governmental obligations which are reasonably expected to be paid from substantially the same source of funds are being sold or issued at substantially the same time and sold pursuant to the same plan of financing as the Obligations.

(e) Status of Lessee. The Lessee is a political subdivision within the meaning of Section 103(c) of the Code.

(f) Designation and Federal Payments. The Obligations are hereby designated as New Clean Renewable Energy bonds for purposes of Section 54C of the Code. The Lessee hereby makes an irrevocable election to have Section 6431(f)(3)(B) of the Code and Section 6431(f) of the Code

apply to the Obligations. Section 6431(f) of the Code authorizes New Clean Renewable Energy Bonds to receive a refundable credit (the “Credit Payment”) under Section 6431 of the Code provided the restrictions of this Tax Certificate are complied with. Instructions regarding receiving the Credit Payment are contained in Exhibit E attached hereto.

## **II. Program Restrictions.**

(a) Nature of Project. The Project exclusively involves capital expenditures incurred by a governmental body, the Lessee, for a qualified renewable energy facility as determined under Section 45(d) of the Code without regard to paragraphs (8) and (10) thereof and without regard to a placed in service date, to be owned by the Lessee.

(b) Expenditure Test. 100 percent of the available project proceeds of the Obligations are to be used for expenditures paid after the date hereof (to an unrelated third party to the Lessee) for the Project (See Exhibit A). The Lessee reasonably expects that 100 percent of the available project proceeds of the Obligations will be expended for the Project within three years of the date hereof (and covenants to spend such monies within such period). The Lessee reasonably expects that the Lessee will incur within six (6) months of the date hereof a substantial binding obligation (i.e., not subject to contingencies within the control of the Lessee or a related party) to a third party to expend at least ten percent (10%) of the available project proceeds of the Obligations on the costs of the Project. The allocation of available project proceeds of the Obligations to expenditures will proceed with due diligence. To the extent that less than 100 percent of the proceeds of the Obligations are expended within three years of the date hereof, the Lessee hereby covenants to redeem Obligations with such excess funds within ninety days of such three year date. The Lessee covenants to consult with Special Counsel in the event that any of the available project proceeds of the Obligations remain unspent on May 24, 2020.

(c) Term Requirement. The term of the Obligations (19.95 years) does not exceed the maximum term permitted for qualified tax credit bonds published by the Secretary of the Treasury for the month that includes the sale date of the Obligations (32.00 years). (See Exhibit B).

(d) Allocation. The Lessee has received an allocation of the national limitation on the amount of New Clean Renewable Energy Bonds to be designated equal to not less than \$6,500,000.00 with respect to the Obligations pursuant to Section 54C of the Code.

(e) Credit Rate. The “credit rate” for purposes of Section 54A of the Code is the lesser of (i) 3.136%, which is 70% of the rate (4.48%) published on May 11, 2017, the date on which a binding written contract to sell the Obligations was entered into by the Lessee, and (ii) the amount of interest payable on the Obligations.

(f) Issuance Cost Limit. No more than two percent of the sale proceeds of the Obligations will be utilized to pay issuance costs of the Obligations.

### III. Arbitrage Certifications.

The following states the expectations of the Lessee with respect to the amount and uses of the proceeds of the Obligations and certain other monies or property:

(a) Sources and Uses of Funds. Notwithstanding the provision of any other document, the total proceeds to be derived by the Lessee from the sale of the Obligations, in the aggregate amount of \$6,500,000.00, are expected to be needed and will be fully expended on and allocated to Project costs (\$6,370,000.00) and issuance costs of the Obligations (\$130,000).

(b) No Over-Issuance. The total proceeds to be received by the Lessee from the sale of the Obligations, together with anticipated investment earnings thereon, do not exceed the total amount necessary for the purposes described above.

(c) Reserved.

(d) Working Capital. No operational expenditures are to be financed by the Obligations.

(e) No Reimbursement. No proceeds of the Obligations are to be allocated to Project costs paid prior to the date hereof.

(f) Reserved.

(g) Sinking Funds.

(i) Sinking Funds. The aggregate amounts held to retire the Obligations shall be funded at a rate not more rapid than equal annual installments, and shall not be funded in a manner reasonably expected to result in an amount greater than necessary to repay the Obligations. Amounts utilized to pay debt service the Obligations will be from current year's revenues (and not investment earnings).

(ii) No Other Gross Proceeds. There are no funds or accounts of the Lessee established pursuant to the Governing Document, or otherwise, that are reasonably expected to be used for the payment of principal and interest with respect to the Obligations or that are pledged as collateral for the Obligations and for which there is a reasonable assurance that amounts on deposit therein will be available for the payment of principal and interest with respect to the Obligations if the Lessee encounters financial difficulties. The term of the Obligations is not longer than is reasonably necessary for the governmental purpose of the issue, and the weighted average maturity of the Obligations does not exceed 120 percent of the average reasonably expected economic life of the financed Project.

(iii) No Negative Pledges. There are no amounts held under any agreement to maintain amounts at a particular level for the direct or indirect benefit of the holders of the Obligations or guarantor of the Obligations, if any, excluding for this purpose amounts in which the Lessee (or a substantial beneficiary) may grant rights that are superior to the rights of the holders of the Obligations or guarantor of the Obligations, if any, and amounts that do not exceed reasonable needs for which they are maintained and as to which the required level is tested no more frequently than every six months and that may be spent without any

substantial restriction other than a requirement to replenish the amount by the next testing date.

(h) Reserved.

(i) Investment. The proceeds derived from the sale of the Obligations and the amounts on deposit in the aforementioned funds and accounts may be invested as follows:

(i) Absent an opinion of nationally recognized bond counsel that the status of the Obligations as New Clean Renewable Energy Bonds, for purposes of Section 54C of the Code, will not be adversely affected for federal income tax purposes, any amounts held to repay the Obligations will be invested at a yield not in excess of the yield on the Obligations.

(ii) Proceeds derived from the sale of the Obligations and held to pay Project costs or cost of issuance may be invested at an unrestricted yield for a period of three years from the date hereof.

(iii) Investment earnings on obligations acquired with the amounts described in Subparagraph (ii) may be invested at an unrestricted yield for a period not to exceed the applicable period described in Subparagraph (ii).

(j) Issuance Price. The issue price of the Obligations is \$6,500,000.00 which is equal to the price paid by the first buyer of the Obligations.

(k) Investment Yield. Yield with respect to the obligations allocable to gross proceeds of the Obligations, is that discount rate which when used in computing the present worth of the payments of principal and interest on the obligations produces an amount equal to the purchase price of the obligation.

(l) Investment Contract. In the event the Lessee acquires an investment contract with any of the gross proceeds of the Obligations, the Lessee and the provider of the investment contract will make certain representations in compliance with §1.148-5(d)(6)(iii) of the Treasury Regulations.

(m) No Artifice or Device. The Obligations are not and will not be part of a transaction or series of transactions (i) that attempts to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the regulations promulgated thereunder or under any predecessor thereto, enabling the Lessee or any related person to exploit the difference between tax-advantaged and taxable interest rates to gain a material financial advantage, and (ii) that increases the burden on the market for tax-advantaged obligations in any manner, including, without limitation, by selling bonds that would not otherwise be sold, or selling more bonds, or issuing bonds sooner, or allowing bonds to remain outstanding longer, than otherwise would be necessary.

#### **IV. Rebate Compliance.**

(a) Covenants. The Lessee hereby covenants to comply with the rebate requirements of Section 148(f) of the Code.

The Lessee acknowledges that the United States Department of the Treasury has issued certain regulations with respect to certain requirements relating to compliance with Section 148(f) of

the Code. The Lessee covenants that it will determine precisely what is required with respect to Section 148(f) of the Code and will comply with any requirements applicable to the Obligations.

The Lessee acknowledges that, to the extent that an exception to the rebate requirements of Section 148(f) of the Code is not available with respect to the Obligations, under Section 148(f) of the Code, the federal government must be paid the sum of (i) the excess of the amount earned on all “nonpurpose investments” with respect to the Obligations over the amount that would have been earned had such investments been invested at a rate equal to the yield with respect to the Obligations, plus (ii) any income attributable to the excess described in (i) (the “Rebate Requirement”).

The Lessee acknowledges that currently, unless an exception to the Rebate Requirement is available, compliance with Section 148(f) of the Code generally involves a multi-step process: (1) ascertaining the funds (the “Gross Proceeds”) and investments (the “Nonpurpose Investments”) subject to the Rebate Requirement of Section 148(f) of the Code after applying, if applicable, a universal cap with respect to the Obligations (the “Universal Cap”), (2) creating an investment history cash flow report with respect to the investment of Gross Proceeds of the Obligations, (3) determining the yield with respect to the Obligations (the “Yield”), (4) future valuing receipts and payments in the cash flow report (including certain deemed receipts and payments) using the Yield as the discount factor, and (5) determining the amount of rebatable arbitrage with respect to the Obligations and paying the appropriate amount to the United States Treasury. See Treas. Reg. §§ 1.148-0 through 1.148-11, 1.149(d)-1, and 1.150-1 for rules with respect to rebate compliance methodology. See Subparagraph (b)(i) below for a description of Nonpurpose Investments with respect to the Obligations, Subparagraph (b)(ii) below for a description of Gross Proceeds of the Obligations, Subparagraph (b)(iii) below for the description of a Universal Cap with respect to the Obligations, Subparagraph (b)(iv) below for a description of Yield with respect to the Obligations for purposes of compliance with Section 148(f) of the Code, Subparagraph (d) with respect to permitted investment of Gross Proceeds, and Section V with respect to allocating Gross Proceeds and recordkeeping.

The Lessee also acknowledges that additional or different requirements may be applicable to the Obligations if certain exceptions are satisfied. See Paragraph (c) herein.

(b) Operative Terms.

(i) Nonpurpose Investments. Subject to the limitation in Subparagraph (b)(iii) below, Nonpurpose Investments are generally securities, obligations, annuity contracts or any other investment-type property that are not acquired to carry out the governmental purpose of the Obligations that are allocated to Gross Proceeds. The term “Nonpurpose Investment” includes any other tax-advantaged obligation.

(ii) Gross Proceeds. Subject to the limitation in Subparagraph (b)(iii) below, “Gross Proceeds” with respect to the Obligations means:

(A) amounts actually or constructively received from the sale (or other disposition) of the Obligations;

(B) amounts actually or constructively received from investing amounts described in (A);

(C) amounts (other than proceeds derived from the sale of the Obligations) that are reasonably expected to be or are in fact used to pay debt service with respect to the Obligations;

(D) amounts pledged as security for the payment of debt service with respect to the Obligations or otherwise serving as a reserve fund with respect to the Obligations;

(E) “transferred proceeds” of the Obligations; and

(F) any other amounts which are replacement proceeds of the Obligations within the meaning of Treasury Regulation § 1.148-1(c).

(iii) Universal Cap. Except as provided below, in no event shall the value of Nonpurpose Investments allocated to Gross Proceeds of the Obligations exceed the Universal Cap of the Obligations computed in accordance with Section 1.148-6 of the Treasury Regulations. The Universal Cap of the Obligations is equal to the value of the outstanding Obligations computed in accordance with Section 1.148-4 of the Treasury Regulations. The value of a Nonpurpose Investment on a date allocated to Gross Proceeds of the Obligations for this purpose is equal to the value of such investment in accordance with Treasury Regulation § 1.148-5(d). The Universal Cap value and the value of Nonpurpose Investments are to be computed as of the first day of each lease year (or lease year) that commences after the second anniversary of the issue date and if the applicable obligations, are a refunding issue, as of each date that, without regard to the Universal Cap, proceeds of any refunded issue become “transferred proceeds” of the Obligations within the meaning of Section 1.148-9 of the Treasury Regulations (a “Cap Computation Date”). Between Cap Computation Dates, Nonpurpose Investments cease to be allocated to the Obligations to the extent they are expended or otherwise cease to be allocated to the Obligations under Section 1.148-6 of the Treasury Regulations. To the extent Nonpurpose Investments cease to be allocated to the Obligations, other investments become so allocated up to the amount of the unused Universal Cap, computed in accordance with Section 1.148-6 of the Treasury Regulations. If on a Cap Computation Date Nonpurpose Investments have a value in excess of the Universal Cap, an amount of such investments necessary to eliminate that excess ceases to be allocated to the Obligations. Nonpurpose Investments cease to be allocated to the Obligations in the following order, within the meaning of Section 1.148-6 of the Treasury Regulations:

(1) first, amounts held in a sinking fund, pledged fund, or reserve or replacement fund for the Obligations (other than proceeds derived from the sale of the Obligations),

(2) second, transferred proceeds, and

(3) third, proceeds derived from the sale of the Obligations and earnings thereon, all within the meaning of Section 1.148-6 of the Treasury Regulations.

A failure to do a Universal Cap calculation on a Cap Computation Date will not result in noncompliance with Section 148(f) of the Code if, in the absence of that failure, the Obligations would have satisfied the Rebate Requirement.

(iv) Yield. The yield on the Obligations, for purposes of this Section IV is calculated as set forth in Section 148 and Section 6431(c) of the Code and Section 1.148-4 of the Treasury Regulations. Thus, yield generally means that discount rate which when used in computing the present value of all unconditionally payable payments representing principal, interest, and the fees of qualified guarantees paid and to be paid with respect to the Obligations reduced by the Credit Payment allowed under Section 6431 of the Code, produces an amount equal to the issue price of the Obligations. The issue price of the Obligations is \$6,500,000.00 which is the price paid by the first buyer of the Obligations. The yield on the Obligations has been computed to be 1.0637%.

(c) Rebate Exception.

(i) Reserved.

(ii) Expenditure Exception. Proceeds of the Obligations held to pay Project costs prior to expenditure during the three year period described in II(b) are not subject to the Rebate Requirement.

(d) Prohibited Investments and Dispositions. The Lessee acknowledges that compliance with Section 148(f) of the Code may involve taking no action to artificially reduce the Rebate Requirement by the manner of investing Gross Proceeds. The Lessee covenants that absent an opinion of nationally recognized bond counsel that the status of the Obligations as new clean renewable energy bonds, for purposes of Section 54C of the Code, will not be adversely affected, it will comply with the rules of this Subsection to assure compliance with Section 148(f) of the Code.

(i) No Nonpurpose Investment may be acquired with Gross Proceeds for an amount in excess of the fair market value of such Nonpurpose Investment. No Nonpurpose Investment may be sold or otherwise disposed of for an amount less than the fair market value of the Nonpurpose Investment.

(ii) The fair market value of any Nonpurpose Investment is the price which a willing buyer would pay to a willing seller to acquire the Nonpurpose Investment in a bona fide, arm's length transaction, with no amounts paid or received to artificially reduce or increase the yield on the Nonpurpose Investment. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). The purchase or sales price of a Nonpurpose Investment is not adjusted (except as provided below) to take into account any administrative costs of the Nonpurpose Investment. For calendar year 2017, a brokerage commission or similar fee for an investment contract and for investments for a yield restricted defeasance escrow is included as a receipt to the extent the commission exceeds the lesser of (A) \$39,000 and (B) 0.2% of the computational base or, if more, \$4,000; provided, a broker's fee or similar fee is included as a receipt to the extent all brokers' fees or similar fees of the issue of Obligations exceed \$111,000. For purposes of this Tax Certificate "computational base" means (A) for a guaranteed investment contract, the amount of Gross Proceeds to be deposited in the contract, and (B) for investments (other than guaranteed investment contracts) to be deposited in a yield restricted defeasance escrow, the amount of Gross Proceeds initially invested in those investments. For subsequent calendar years, the dollar limits described in this Subsection may be increased for cost of living adjustments. See Treas. Reg. § 1.148-5(e)(2)(iii). Certain administrative costs, including reasonable direct

administrative costs, other than carrying costs, such as brokerage commissions or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs, may be taken into account in computing the Rebate Requirement with respect to investments. See Treas. Reg. § 1.148-5. General overhead costs and similar indirect costs of the Lessee such as employee salaries and office expenses and costs of computing rebatable arbitrage may not be taken into account. The following provisions provide guidelines as to when the Nonpurpose Investment will be deemed to be acquired for its fair market value. Other methods may be used, however, to establish fair market value.

(iii) Nonpurpose Investments that are investment contracts will be considered acquired for an amount equal to the fair market value of such obligations if the following Subsections are satisfied:

(A) The Lessee makes a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers.

(2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the investment.

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Lessee or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Lessee or any other person for purposes of satisfying the requirements of paragraph (B)(1) or (2) below.

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment. For example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Lessee reasonably requires.

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Lessee's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid.



(7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(B) The bids received by the Lessee meet all of the following requirements:

(1) The Lessee receives at least three bids from providers that the Lessee solicited under a bona fide solicitation meeting the requirements of paragraph (A) of this section and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (B)(1) of above is from a reasonably competitive provider, within the meaning of paragraph (A)(7) of this section.

(3) If the Lessee uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(C) The winning bid meets the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other investments. If the investment is not a guaranteed investment contract, the following requirements are met:

a. The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or, if the Lessee compares the bids on an investment by investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Lessee from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of paragraph (iii) is taken into account in determining the lowest cost bid.

b. The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications.

c. If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of (C)(2)(b) is not required.

(D) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(E) The Lessee retains the following records with the bond documents until three years after the last outstanding bond is redeemed:

(1) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation.

(2) The receipt or other record of the amount actually paid by the Lessee for the investments, including a record of any administrative costs paid by the Lessee, and the certification under paragraph (D) above.

(3) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(4) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation. For example, if the Lessee purchases a portfolio of investments for a yield restricted defeasance escrow and, in order to satisfy the yield restriction requirements of Code Section 148, an investment in the winning bid is replaced with an investment with a lower yield, the Lessee must retain a record of the substitution and how the price of the substitute investment was determined. If the Lessee replaces an investment in the winning bid portfolio with another investment, the purchase price of the new investment is not covered by the safe harbor unless the investment is bid under a bidding procedure meeting the requirements of paragraph (iii).

(5) For purchases of investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted pursuant to the terms of the bid specifications.

(iv) Nonpurpose Investments that are certificates of deposit with a fixed interest rate, a fixed principal payment schedule, a fixed maturity, and a substantial penalty for early withdrawal, will be considered acquired for their fair market value if the following requirements are satisfied:

(A) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(B) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public.

(v) Except as otherwise provided in paragraph (d), any Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code §1273, shall be rebuttably presumed to be acquired or disposed of for an amount that is not equal to the fair market value of the Nonpurpose Investment.

(vi) The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(e) Lease Year. For purposes of this Certificate, Lease Year ends on each May 24 and begins on each May 25; provided that the first Lease Year begins on the date hereof and the last Lease Year ends on the date no Obligations are outstanding.

## V. Recordkeeping and Allocation.

(a) Recordkeeping. The Lessee will maintain or cause to be maintained sufficient records to support compliance with the provisions of this Tax Certificate and to support the status of the Obligations as new clean renewable energy bonds for purposes of Section 54C of the Code for federal income tax purposes, including, but not limited to, the following:

(i) basic records relating to the Obligations (e.g., indenture, loan agreement, and opinions);

(ii) documentation evidencing expenditure of Obligation proceeds;

(iii) documentation evidencing use of Obligation financed property (e.g., management and service contracts);

(iv) documentation evidencing sources of payment and security for Obligations; and

(v) documentation pertaining to the investment of Obligation proceeds (including rebate calculations).

In particular, the Lessee will maintain or cause to be maintained detailed records with respect to each security, obligation, annuity contract, or an other investment-type property allocated to Gross Proceeds, including: (i) purchase date, (ii) purchase price, (iii) information establishing fair market value on the date such investment is allocated to Gross Proceeds, (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date. The Lessee shall establish separate sub-accounts or take other accounting measures in order to account fully for all Gross Proceeds. The Lessee shall maintain books and records with respect to the allocation of Gross Proceeds in accordance with this Tax Certificate. All records required to be maintained pursuant to this Tax Certificate must be kept as long as the Obligations are outstanding plus three years after all Obligations are retired, and with respect to obligations refunded by the Obligations, for the same period required for the Obligations.

(b) Allocation. The Lessee may use any reasonable, consistently applied accounting method to account for Gross Proceeds of the Obligations in accordance with Treasury Regulation § 1.148-6; for purposes of allocating Gross Proceeds to capital expenditures intended to be financed pursuant to this Tax Certificate after the date of issue of the applicable tax-advantaged obligation, and paid to unrelated third parties (“Qualified Capital Expenditures”), the Lessee may use the following accounting methods: “specific tracing,” “gross-proceeds-spent-first,” “first-in, first-out,” or a ratable allocation method. The Lessee covenants to consult with nationally recognized bond counsel with respect to the applicable method of allocation of Gross Proceeds to expenditures that are not Qualified Capital Expenditures. In addition, the accounting method applied must account uniformly for (i) Gross Proceeds commingled with other moneys in excess of \$25,000 and such other commingled moneys and (ii) Gross Proceeds for each fiscal year or interim fiscal period therein during which the issue is outstanding. Another accounting method may, however, be utilized for moneys if it is for a bona fide purpose unrelated to federal income tax restrictions. If Gross Proceeds are commingled with other moneys (other than in an open-end regulated investment company) in an amount in excess of \$25,000 (a “Commingled Fund”), the following additional requirements must be satisfied. First, all payments and receipts with respect to investments in the Commingled Fund must be allocated among the different moneys ratably based upon either (i) average daily balances during a “Computation Period” (as defined below) or (ii) the average of the beginning and ending balances of the amounts in the Commingled Fund for a Computation Period that does not exceed one month. A Commingled Fund may use as its Computation Period any consistent time period within its fiscal year that does not exceed three months. Not less frequently than at the end of each Computation Period, the Commingled Fund must compute and allocate to different types of moneys all payments, receipts, income, gain or losses realized, and expenditures. Second, except as provided below, the Commingled Fund must treat all of its investments as if sold at fair market value on the last day of the fiscal year or as of the last day of each Computation Period, and so allocate net gains or losses from such deemed sales (the “Mark-to-Market Requirement”). A Commingled Fund need not satisfy the Mark-to-Market Requirement if (i) the remaining weighted average maturity of all investments held by the Commingled Fund during a fiscal year does not exceed eighteen months and such investments consist exclusively of debt obligations, (ii) the Commingled Fund serves as a common reserve fund or sinking fund for two or more issues of the same issuer or (iii) the Lessee (and any related party) do not own more than twenty-five percent of beneficial interests in the Commingled Fund. Common reserve funds or sinking funds for two or more issues must be ratably allocated (not less frequently than once every five years and on each date a new issue is added or retired (if relative original principal amounts are used to so allocate)) in accordance with (i) the value of the bonds under Treasury Regulation § 1.148-4(e), (ii) the relative amounts of the remaining maximum annual debt service payable on the issues, or (iii) the relative original stated principal amounts of the

outstanding issues. Notwithstanding any other provision of this Tax Certificate, the allocation methodology applied must be consistent for all purposes of this Tax Certificate.

The Lessee must account for the allocation of Gross Proceeds to expenditures not later than eighteen months after the later of the date the expenditure is paid and the date the applicable Project is placed in service and in any event, by the date sixty days after the fifth anniversary of the issue date of the Obligations or the date 60 days after the retirement of the Obligation if earlier.

## **VI. Concluding Matters.**

(a) Information Reporting. In accordance with Notice 2010-35, the Lessee will file Form 8038-TC with respect to the Obligations.

(b) Prohibition on Financial Conflicts of Interest. The Lessee hereby certifies that applicable state and local law requirements governing conflicts of interest are satisfied with respect to the Obligations, and if the Secretary prescribes additional conflicts of interest rules governing the appropriate Members of Congress, Federal, State, and local officials, and their spouses, such additional rules are satisfied with respect to the Obligations.

(c) Prevailing Wage. The Lessee shall, and shall cause the District to, comply with the requirements of Subchapter IV of Chapter 31 of Title 40, United States Code with respect to the Project financed by the Obligations.


(d) Reliance. The expectations of the Lessee concerning certain uses of Obligation proceeds and certain other moneys described herein and other matters are based in whole or in part upon representations of other parties as set forth in this Tax Certificate or the exhibits attached hereto. The Lessee is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representations made in this Tax Certificate or exhibits attached hereto.

(e) Authority. The undersigned is an authorized representative of the Lessee, and is acting for and on behalf of the Lessee in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

(f) Amendment. Notwithstanding any provision of this Tax Certificate, the Lessee may amend this Tax Certificate and thereby alter any actions allowed or required by this Tax Certificate if such amendment is based on an opinion of nationally recognized bond counsel that the treatment of the Obligations as new clean renewable energy bonds, within the meaning of Section 54C of the Code, will not be adversely affected.

Dated: May 24, 2017

GAVILAN JOINT COMMUNITY COLLEGE DISTRICT

By:   
Frederick E. Harris  
Vice President of Administrative Services

**EXHIBIT A**

**DESCRIPTION OF PROJECT COSTS PAID OR TO BE  
PAID FROM PROCEEDS OF THE OBLIGATIONS**

(Attached)

## EXHIBIT B

### TERM LIMIT AND CREDIT RATE

5/16/2017

Qualified Tax Credit Bond Rates



#### Qualified Tax Credit Bond Rates

**Important message:**

Please use the buttons and links we've provided on each page. Using your browser to navigate (including the back, forward, and refresh buttons) may produce inconsistent results.

[CSV FORMAT](#)

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Section 54A of the Internal Revenue Code (IRC) provides rules for the issuance and use of qualified tax credit bonds including new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds. For rates on clean renewable energy bonds issued under Section 54 of the IRC, check our [CREB page](#).

#### QTCB Historical Rates from May 11, 2017 to May 11, 2017

Date	Rate	Maturity	PSFY*
May 11, 2017	4.48%	32 years	2.23%

\*Permitted Sinking Fund Yield - The maximum permitted yield for the sinking fund expected to be used to repay the issue under section 54A(d)(4)(C) of the IRC. The permitted sinking fund yield is equal to 110% of the long-term adjusted applicable federal rate (AFR), compounded semiannually. The permitted sinking fund yield is updated monthly.



**EXHIBIT C**  
**INFORMATION REPORTING**  
**FORM 8038-TC**

**Please see index number 14.**

**EXHIBIT D**

**\$6,500,000**  
**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT**  
**(Santa Clara County, California)**  
**2017 Lease/Purchase Agreement**  
**(New Clean Renewable Energy Bonds)**

**CERTIFICATE OF THE ASSIGNEE**

This Certificate is furnished by Banc of America Leasing & Capital, LLC as assignee (the “Assignee”) regarding the obligation created pursuant to the above-captioned agreement (the “Obligations”). The Assignee hereby certifies and represents the following, based upon the information available to it:

1. Purchase Price.

1.1 The Assignee has purchased the Obligations for its own account and has no present plans or intentions to sell or assign any interest in the Obligations to any party, other than assignment to an affiliate of the Assignee who is a related party to the Assignee and which assignment is not for any consideration paid to the Assignee for any such assignment.

All terms not defined herein have the meanings ascribed to those terms in the attached Tax Certificate.

Dated: May 24, 2017

BANC OF AMERICA LEASING & CAPITAL, LLC,  
as Assignee

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT E**

**\$6,500,000**

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
(Santa Clara County, California)  
2017 Lease/Purchase Agreement  
(New Clean Renewable Energy Bonds)**

**CREDIT PAYMENT PROCEDURES**

Until further guidance is released, and in accordance with Notice 2010-35 and Instructions for Form 8038-CP, the Lessee shall follow the following procedures to request Credit Payment. The Lessee shall file Form 8038-CP, in accordance with the Instruction for Form 8038-CP with respect to each interest payment on the Obligations, no earlier than 90 days and no later than 45 days before the applicable interest payment date on the Obligations. Form 8038-CP shall be filed with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201-0020. Assuming the Obligations are not retired early, the attached schedule has information which could be utilized to complete Form 8038-CP.

**EXHIBIT F**

**\$6,500,000**

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
(Santa Clara County, California)  
2017 Lease/Purchase Agreement  
(New Clean Renewable Energy Bonds)**

**NOTICE OF ISSUANCE AND VOLUME CAP AWARD LETTER**

*(Attached)*

**EXHIBIT G**

**\$6,500,000**

**GAVILAN JOINT COMMUNITY COLLEGE DISTRICT  
(Santa Clara County, California)  
2017 Lease/Purchase Agreement  
(New Clean Renewable Energy Bonds)**

**FEDERAL TAX COMPLIANCE CALCULATIONS**

*(Attached)*