



GOLDEN STATE FINANCE AUTHORITY MULTI-FAMILY HOUSING BOND PROGRAM APPLICATION

Section 3 – FEES AND EXPENSES

By its submission of an application, the Applicant agrees that it will be responsible for and pay all fees and expenses incurred by the Authority, in connection with each bond issued on its behalf. Such expenses, where eligible under the Internal Revenue Code of 1986 (the "Code"), may be financed with tax-exempt Bond proceeds and will be considered part of the bonds authorized for issuance by the Authority. The Code provides that only two percent (2%) of the proceeds of a tax-exempt bond offering may be used to pay "Costs of Issuance." The Applicant commits to pay from other sources any costs of issuance not payable from bond proceeds. The following fees are payable at the times and in the amounts as described below. ALL FEES ARE NON-REFUNDABLE, EXCEPT AS OTHERWISE PROVIDED HEREIN.

Application Fees and TEFRA Hearing Fee: Each application submission shall include a non-refundable Application Fee in the amount of Ten Dollars (\$10.00) per unit, but not less than Twenty-Five Hundred Dollars (\$2,500.00), payable to the Authority, in the form of a cashier's check with such initial application for financing. This amount includes cost of the TEFRA Hearing.

Project Analysis Fee: Simultaneously with each application submission, the Applicant shall forward a non-refundable Project Analysis Fee in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), to the Structuring Agent/Program Manager. The payment shall be in the form of cashiers' check

Credit Underwriting Fee: Each Applicant shall be responsible for the payment to the Credit Underwriter (if required) of a non-refundable Credit Underwriting Fee in the amount specified in the agreement between the Authority and the Credit Underwriter. Such fee shall be payable to the Credit Underwriter, and must be paid prior to the commencement of the credit underwriting. Applicant is also responsible for other costs of credit underwriting, including appraisals, pre-construction analysis and engineering studies.

Costs of Issuing the Bonds: The Applicant will be responsible for payment of all fees of the Authority, including the Authority Counsel, Bond Counsel, Investment Banker and Structuring Agent/Program Manager, in connection with the bond financing. In addition, the Applicant shall pay to the Authority a one-time bond closing fee of one fifteenth of one percent (.15%) of the principal amount of all bonds to be issued for the project, with a minimum Twelve Thousand Dollars (\$12,500). Other costs of issuing the bonds include but are not limited to rating agency fees, printing of the official statement, printing of bonds, trustee's fees and closing expenses. Fees and expenses where eligible under the Code are to be payable from proceeds of the bond issue upon delivery of the bonds. (NOTE: The payment of costs of issuing the bonds from bond proceeds, including the underwriter's discount, is limited by the Code to two percent (2%) of the principal amount of tax exempt bonds issued. All such costs in excess of two percent

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(2%) of the bond proceeds will be paid from other funds of the Applicant. Such costs to be paid by the Applicant are to be deposited in escrow with the trustee prior to bond closing.)

The fee schedule, exclusive of expenses, of Bond Counsel and Structuring Agent/Program Administrator are as follows, with each such entity receiving a negotiated retainer prior to the commencement of efforts to conclude the bond closing:

Bond Counsel — The fees and expenses of Bond Counsel are the obligation of the applicant and will be a minimum fee of Thirty-Five Thousand Dollars (\$35,000.00), plus expenses; also to be included and paid for by the Applicant are the costs of bond closing transcripts. If Bond Counsel anticipates that the fee will be in excess of the minimum, the Applicant will receive a good faith estimate of such fee at the discounted, negotiated rate offered to the Authority.

Structuring Agent/Financial Advisor — \$2.00 per thousand dollars of first \$10,000,000 bonds issued, and \$1.50 for all bonds issued above \$10,000,000, plus expenses, with a minimum fee of Twenty Thousand Dollars (\$20,000.00), plus expenses, not to exceed Two Thousand Dollars (\$2,000.00); also to be included and paid for by the Applicant.

Administrative Fee — For the longer of the Qualified Project Period or final maturity of the bonds the Applicant will incur an Administrative Fee, remitted through the respective bond trustee to the Authority semi-annual on each interest payment date, unless otherwise agreed upon by Issuer and Applicant, in an amount equal to five (5) basis points (.05%) annually of the aggregate principal amount of the bonds outstanding, with a minimum of Four Thousand Dollars (\$4,000.00). The Administrative Fee is to cover the administrative costs of the Authority, exclusive of any extraordinary costs as permitted under the respective bond documents and is exclusive of the trustee's fee, compliance agent fee, rebate analysts' fee, audit fee, independent analyst fee, and any extraordinary costs as permitted under the respective bond documents. Payment of the Administrative Fee is to be covered by bond credit enhancement and/or secured under the first mortgage on the project assigned to the bond trustee. The Authority may require the payment of the Administrative Fee to be guaranteed by the Applicant's principal.

Trustee Fee — The Authority will appoint a bond trustee to administer the funds and accounts pursuant to the trust indenture between the Authority and the trustee bank. The fees and expenses of the trustee are typically payable, semi-annually, in advance. All trustee fees and expenses, including fees of trustee's counsel, will be paid by the Applicant.

Other Professional Fees — The Authority may appoint an auditor to review the financial transactions under the bond documents, a compliance agent to ensure compliance with the Regulatory Agreement, and/or a rebate analyst to perform an analysis of rebate requirements with respect to the issue. Such fees and costs shall be paid by the Applicant.