

COSTS OF ISSUANCE CUSTODIAN AGREEMENT

This Costs of Issuance Custodian Agreement (this "Agreement") is dated as of _____, 2016 and is entered into between the City of Hayward (the "City") and CoBiz Public Finance, Inc., as costs of issuance custodian (the "Custodian").

The City hereby appoints the Custodian to act as custodian for the payment of certain costs of issuance relating to the execution and delivery of a Lease Agreement dated as of the date hereof (the "Lease Agreement"), by and between the City and the Hayward Public Financing Authority, which provides for the refinancing of certain Prior Lease Payments and Prior Certificates, as further described therein. This Agreement sets out the terms and conditions of said appointment.

The City and the Custodian agree as follows:

1. The City shall arrange for a portion of the proceeds of the Lease Agreement in the amount of \$_____ to be sent directly by CoBiz Public Finance, Inc. to the Custodian on the date hereof. Upon receipt, the Custodian shall deposit such funds in a custody account (the "Costs of Issuance Account") established with the Custodian in the name of the City.

2. The Custodian will pay costs of issuance relating to the Lease Agreement as directed by the City from time to time via a written order executed by the Assistant City Manager of the City. Exhibit A hereto constitutes the first such written order and the Custodian is directed to pay such costs. The Custodian is not responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such written order on behalf of the City or responsible for whether or not any payment so directed to be paid is an authorized cost of issuance.

3. Funds held hereunder shall be the property of the City, subject only to the claims for payment of authorized costs of issuance relating to the Lease Agreement as provided in paragraph 2 hereof. Unless otherwise directed by the City in accordance with Section 4, the Custodian shall hold such funds in cash, uninvested. Any balances remaining in the Costs of Issuance Fund (including any earnings) on _____, 2016 will be disbursed to the City.

4. The Custodian shall not invest any cash held hereunder in the absence of timely and specific written direction from the City. In no event shall the Custodian be liable for the selection of investments or for investment losses incurred thereon. The Custodian shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the City to provide timely written investment direction. The Custodian may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Agreement. The Custodian may conclusively rely upon such written direction from the City as to both the suitability and legality of the directed investments. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the City specifically waives compliance with 12 C.F.R. 12 and hereby notifies the

Custodian that no brokerage confirmations need be sent relating to the security transactions as they occur.

5. This Agreement will terminate on the earlier of the date when all funds deposited hereunder have been spent, or on _____, 2016.

6. This Agreement shall be governed by the laws of the State of California.

7. The liability of the Custodian is limited to the duties listed above, and no implied covenants or obligations shall be read into this Agreement against the Custodian. The Custodian will not be liable for any action taken or omitted to be taken by it under this Agreement or in connection herewith except to the extent caused by the Custodian's gross negligence or willful misconduct. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised of the likelihood of such loss or damage and regardless of the form of action.

Executed as of the date first above written.

CITY OF HAYWARD

By _____
Assistant City Manager

Custodian:

COBIZ PUBLIC FINANCE, INC.

By: _____
Authorized Representative

EXHIBIT A

REQUISITION NO. 1 FROM COSTS OF ISSUANCE FUND

Payee

Purpose

Amount