AGENDA OF THE
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 4, 2014
10:00 a.m.
League of California Cities
1400 K Street, 3rd Floor
Sacramento, California

709 Portwalk Place
Redwood City, CA 94065

County of Butte
7 County Center Drive
Oroville, CA 95965

County of Monterey
168 West Alisal Street
Salinas, CA 93901

I. Call the Roll (alternates designate which member they are representing).

II. Consideration of the Minutes of the November 17, 2014 Special Meeting and the November 20, 2014 Regular Meeting.

III. Staff Updates.

IV. Consideration of the Consent Calendar.

V. Consideration of CSCDA’s 2015 Regular Meeting Calendar.

VI. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

   a. Palmdale TOD Apartments, LP, (Wright Brothers Court Apartments) City of Palmdale, County of Los Angeles; up to $2 million in additional multifamily housing revenue bonds. (Staff: Caitlin Lancot)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on ____________, 2014 at ___:___ m,
Signed _________________________________. Please fax signed page to (925) 933-8457.
VII. Consider the following resolution for separate Statewide Community Infrastructure Program (SCIP) Assessment District:
   a. Resolution of intention to finance the payment of public infrastructure improvements and developments impact fees, including approval of proposed boundary map;
   b. Resolution preliminarily approving engineer’s report, setting public hearing of protests and providing property owner ballots. (Staff: Scott Carper)

VIII. CSCDA Open PACE Program:
   a. Hold a public hearing on the program report for the proposed Open PACE program covering all county members of CSCDA (and incorporated cities therein) and those cities within Los Angeles County that are members of CSCDA.
   b. Consideration of a resolution confirming the program report for the proposed Open PACE program.
   c. Consideration of a resolution authorizing the issuance or one or more series of limited obligation improvement bonds, approving and directing the execution of related documents and approving related documents and actions.
   d. Consideration of a resolution rendering approval under the California Environmental Quality Act for the Open PACE program.

IX. Approval consideration of a Services Agreement between Bridge Strategic Partners and CSCDA and affiliates for CSCDA program development and management services and municipal advisory services.

X. Public Comment

XI. Adjourn.
Item II

Consideration of the Minutes of the November 17, 2014 Special Meeting and the November 20, 2014 Regular Meeting.
Commission chair Larry Combs called the meeting to order at 10:16 am.

I. Roll Call
Commission members present: none. Larry Combs, Irwin Bornstein, Kevin O’Rourke, Dan Harrison, Alternate Commissioner Ron Holly (representing Dan Mierzwa), and Alternate Commissioner Brian Moura (all commissioners representing cities are present, so Commissioner Moura will not vote) participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: Scott Carper, GPM Municipal Advisors.

II. Staff updates.
Scott Carper (GPM Municipal Advisors) indicated that by today’s meeting, the Yucaipa Valley Water District project can close on Wednesday, November 19.

III. Approval of the consent calendar.
1. Approve the Yucaipa Valley Water District as a Program Participant.
2. Induce the following projects:
   a. Portola Irvine, LP (Anton Portola Apartments), City of Irvine, County of Orange; issue up to $38 million in multi-family housing revenue bonds.
   b. UHC 00670 Escondido, LP (The Crossings at Escondido Manor), City of Escondido, County of San Diego; issue up to $7 million in multi-family housing revenue bonds.
   c. La Puente Preservation, LP (La Puente Park Apartments), City of La Puente, County of Los Angeles; issue up to $8 million in multi-family housing revenue bonds.

Motion to approve the resolution by Holly; second by Harrison; unanimously approved by roll-call vote.
IV. Public comment.

None.

V. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:19 am.

Submitted by: Perry Stottlemyer, League of California Cities staff
REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)

California State Association of Counties
1100 K Street, Sacramento, California

November 20, 2014

MINUTES

Commission chair Larry Combs called the meeting to order at 10:01 am.

I. Roll Call.

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein; Terry Schutten; Tim Snellings; Ron Holly, representing Dan Mierzwa; and Brian Moura, representing Kevin O’Rourke, participated by conference telephone.

CSCDA Executive Director, Catherine Bando participated by conference telephone.

Others present included: Perry Stottlemeyer, League of California Cities; Caitlin Lanctot, GPM Municipal Advisors; and Mark Paxson, State Treasurer’s Office. Scott Carper, Amy Stoneham and Mercedes Baumbach, GPM Municipal Advisors; Patricia Eichar and John Myers, Orrick Herrington & Suttcliffe; and Greg Stepanicich, Richards Watson & Gershon, participated by conference telephone.

II. Approval of minutes—November 6, 2014.

The commission approved the minutes for the regular meeting held November 6, 2014.

Motion to approve by Harrison; second by Holly; unanimously approved by roll-call vote.

III. Staff Updates.

None.

IV. Approval of Consent Calendar.

1. Approve the following bill for payment:

   a. Wells Fargo Corporate Trust Services, invoice #1131846.

Motion to approve by Schutten; second by Harrison; unanimously approved by roll-call vote.
V. Approve the financing, all necessary actions, the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

a. The Masters College & Seminary, City of Santa Clarita, County of Los Angeles; issue up to $24 million in revenue bonds.

The Masters College (College) began in 1927 as the Los Angeles Baptist Theological Seminary. In 1946, the College became a graduate-level school and initiated a separate undergraduate liberal arts program. In 1961, the College moved from its original location in downtown Los Angeles to the Placerita Canyon area of Newhall (Santa Clarita). The College received its initial regional accreditation from the Western Association of Schools and Colleges in 1975, and by 2014, US News and World Report ranks the College as a top-tier regional Liberal Arts college. The College employs nearly 60 full-time faculty, as well as hundreds of other staff members.

The College wishes to replace an existing letter of credit to direct purchase of tax-exempt index rate bonds. The refunding will allow the College to avoid increasing fees on the letter of credit. The bonds will be unrated.

Executive Director Bando has reviewed the transaction, and based on the overall project’s public benefit, as well as the financial-related considerations, recommends that the Commission approve the project.

Motion to approve the project, as recommended by Executive Director Bando, by Bornstein; second by Holly; unanimously approved by roll-call vote.

b. IH Alhambra Davis, LLC (The Alhambra at Mace Ranch Apartments), City of Davis, County of Yolo; up to $26.75 million in multifamily housing revenue bonds.

The propped project, The Alhambra at Mace Ranch Apartments (Project), is a 160-unit property located in Davis, California. IH Alhambra Davis, LLC (Borrower) has requested CSCDA to issue $26.75 million in multifamily housing revenue obligations. The Project will provide 24 one-bedroom units, 72 two-bedroom units, 48 three-bedroom units and 16 four-bedroom units to low-income families in Davis. The Project was originally constructed in 1999 and consists of eight buildings of two and three stories. Amenities include a recreation room, computer/technology room, laundry facilities and a pool. Each unit includes ample closet space, heating and air conditioning, window coverings, a mix of vinyl flooring and carpet, private balconies, and washer-dryer hookups. Kitchens include double sink, garbage disposal, sturdy cabinets, range/stove and refrigerator.

The financing includes a light rehabilitation including appliance replacements that are energy-efficient with energy star ratings, window replacements, slurry coating the parking lot, and upgrading the tot lot and clubhouse. This is the Borrower’s second financing with CSCDA.

Based on public benefits and project conformance to CSCDA policies, Executive Director Bando recommends approval of the Project.
Motion to approve the project, as recommended by Executive Director Bando, by Schutten; second by Snellings; unanimously approved by roll-call vote.

c. La Puente Preservation LP (La Puente Apartments), City of La Puente, County of Los Angeles; up to $6.775 million in multifamily housing revenue refunding bonds.

The Authority issued $8.98 million dollar aggregate principal amount of multifamily housing revenue bonds, 2001 Series JJ, in November 2001 to finance the 132-unit multifamily housing development in La Puente. La Puente Preservation LP (Borrower) has requested CSCDA to issue multifamily housing revenue refunding bonds, 2014 Series A, in the aggregate amount of $6.775 million to refund the Series 2001 bonds and save costs of approximately $89 thousand per year for the life of the refunding bonds.

Based on public benefits and project conformance to CSCDA policies, Executive Director Bando recommends approval of the Project.

Motion to approve the project, as recommended by Executive Director Bando, by Harrison; second by Schutten; unanimously approved by roll-call vote.

d. Loma Linda University Medical Center, City of Loma Linda, County of San Bernardino, City of Murrieta, County of Riverside; up to $770 million in revenue bonds.

Loma Linda University Medical Center (LLUMC) is a California religious nonprofit corporation, and operates a healthcare delivery system with over 1,000 licensed beds, serving the southern California counties of San Bernardino, Riverside, Inyo and Mono. Exclusive services in the region include Level 1 Trauma, Level 3 NICU, proton treatment and certain transplant services. LLUMC has the second highest exposure to Medicaid in the country, at 35%.

LLUMC requests financing to: (i) finance the acquisition, construction, improvement, renovation and/or equipping of: (a) a portion of the facilities owned and/or operated by LLUMC, or LLU Children’s Hospital located in the County of San Bernardino, and (b) a portion of the facilities owned and/or operated by LLUMC and/or LLUMC-Murrieta, located in the City of Murrieta, (ii) reimburse for payments made to terminate certain existing swap agreements, and (iii) refinance prior bonds and loans financed for the benefit of LLUMC, LLU Children’s Hospital and/or LLUMC-Murrieta. Due to tax limits on the use of bond proceeds, LLUMC has requested that the Authority issue two separate series, one series for taxable and another for tax-exempt bonds.

Based on public benefits, meeting benefit guidelines for 501(c)(3) Healthcare facilities, as well as project conformance to CSCDA policies, Executive Director Bando recommends approval of the Project.

Motion to approve the project, as recommended by Executive Director Bando, by Snellings; second by Schutten; unanimously approved by roll-call vote.
VI. Approve resolution authorizing the issuance, sale and delivery of not to exceed $15 million Statewide Communities Infrastructure Program Revenue Bonds, Series 2014B; and the execution and delivery of a trust agreement, an official statement, a bond purchase contract, a continuing disclosure agreement; and certain other actions in connection with the issuance and sale of such bonds.

Statewide Communities Infrastructure Program (SCIP) has received application to finance development impact fees and capital improvements. The amount of bonds to be issued will not exceed $15 million with a proposed closing date in December 2014.

SCIP Series 2014B projects include: (i) Orchard Park – Phase II (City of Manteca)—development impact fees, storm drainage fees, well water fees, sewer connection and water meter installation fees, landscaping, street and roadway, sanitary sewer, storm drain and water, collectively totaling $1.224 million; (ii) Vista Del Sur (City of San Diego)—facilities benefit assessments, including Otay Mesa transportation and park fees totaling $4.881 million; (iii) Mar Vista (City of Chula Vista)—sewer participation fees, traffic signal fees, park acquisition and development fees, Western Transportation fees, Sweetwater Authority fees, drainage improvements, water and wastewater improvements, and traffic and surface improvements totaling $233 thousand; (iv) Parkview – Phase II and Two Oaks (City of Rocklin)—local traffic fees, South Placer Regional traffic fees, and street and surface improvements totaling $1.847 million.

Based on the overall project public benefits and finance-related considerations outline above, and compliance with CSCDA general and issuance policies, Executive Director Bando recommends approval of the resolution as submitted.

Motion to approve Executive Director Bando’s recommendation by Moura; second by Harrison; unanimously approved by roll-call vote.

VII. Approve CSCDA financial statement.

The Authority’s auditor has completed their report on CSCDA’s financial statement as of June 30, 2014. The financial statement has a clean opinion and Executive Director Bando recommends the Commission approve as submitted.

Motion to approve Executive Director Bando's recommendation by Bornstein; second by Schutten; unanimously approved by roll-call vote.

VIII. Public comment.

None.
IX. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:28 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

The next regular meeting of the commission is scheduled for
Thursday, December 4, at 10:00 a.m.
in the League of California Cities’ office at 1400 K Street, Sacramento, California.
Item V

Consideration of CSCDA’s 2015 Regular Meeting Calendar.
# 2015 CSCDA Regular Meeting Calendar

All Regular Meetings of the Authority will begin at 10:00 AM. The primary location for the first meeting of each month is the League of California Cities, located at 1400 K Street, 3rd Floor, Sacramento, CA 95814. The primary location for the second meeting of each month is the California State Association of Counties, located at 1100 K Street, Sacramento, CA 95814.

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*January 15 (CSAC) July 9 January 1 - New Year’s Day
January 29 July 23 January 19 - Martin Luther King, Jr. Day
February 12 August 6 February 16 - President’s Day
February 26 August 20 May 25 - Memorial Day
March 12 September 10 July 3 - Independence Day
March 26 September 24 September 7 - Labor Day
April 9 October 8 October 12 - Columbus Day
April 23 October 22 November 11 - Veterans Day
May 7 November 5 November 26 - Thanksgiving Day
May 21 November 19 December 25 - Christmas Day
June 4 December 3
June 18 December 17

Federal holidays highlighted in Red

Regular CSCDA Board Meetings highlighted Yellow
Item VI

Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:

a. Palmdale TOD Apartments, LP, (Wright Brothers Court Apartments) City of Palmdale, County of Los Angeles; up to $2 million in additional multifamily housing revenue bonds. (Staff: Caitlin Lanctot)
SUMMARY AND APPROVALS

DATE: DECEMBER 4, 2014

APPLICANT: PALMDALE TOD APARTMENTS, L.P./BEACON GROUP DEVELOPMENT

AMOUNT: UP TO $2,000,000 OF TAX-EXEMPT MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE CONSTRUCTION OF WRIGHT BROTHERS COURT LOCATED AT 365/405 EAST AVENUE Q IN PALMDALE, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Wright Brothers Court (the “Project”), is a 156-unit property located in Palmdale, California. The Project application was filed on July 22, 2014.

Summary:

Palmdale TOD Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of $2,000,000 (the “Bonds”) for the purpose of financing the construction of the Project. As part of the New Issue Bond Program (“NIBP”), CSCDA issued $21,500,000 on December 15, 2011 to finance the construction of the Project (the “2011 Bonds”). In order to cover increased costs and to meet the 50% test required by using Low Income Housing Tax Credits, the developer is requesting that CSCDA issue additional bond proceeds. The Project was completed in 2013 with the first residents moving in during December 2013.

The property provides 42 one-bedroom units, 58 two-bedroom units and 54 three-bedroom units to low-income families in Palmdale. The Project offers residents access to a community room, computer lab, open courtyard, tot lot, BBQ area, and swimming pool and is conveniently located within the Palmdale Transit Village Community. As part of the City’s Transportation Center, residents are within walking distance of rail, busses and shared ride gathering points.

Wright Brothers Court was the Borrower’s first financing with CSCDA.

Public Benefit:

- Project Affordability
  - 100% of the Project’s units will be income restricted:
    - 13 units reserved for tenants whose income is at or below 40% AMI
    - 12 units reserved for tenants whose income is at or below 50% AMI
    - 129 units reserved for tenants whose income is at or below 60% AMI
    - 2 managers units
  - The term of the income and rental restrictions for the Project will be at least 55 years
• Site Amenities
  o The Project is located within a Public Transit Corridor
  o The Project is located within ½ mile of a park
  o The Project is located within ½ mile of a public school
  o The Project will offer residents an after school program
  o The Project will offer residents instructor-led educational, health and wellness or skill building classes

• Economic Benefits
  o Based upon $47,763,218.00 Project costs using a 1.8 multiplier the Project produces approximately $85,973,792 total economic activity, and at 2.1 jobs per unit produces approximately 328 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: June 1, 2011, City of Palmdale
CDLAC Approval: July 18, 2012 and supplemental allocation on September 17, 2014

Estimated Sources and Uses:

Sources:

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<tr>
<th>Source</th>
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<tr>
<td>2011 Tax Exempt Bond Proceeds</td>
<td>$21,500,000</td>
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<td>2014 Tax Exempt Bond Proceeds</td>
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<td>Other Soft Costs (Marketing, Etc.)</td>
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Finance Team:
- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: Citi Community Capital

Financing Structure:

The short term bonds will have a floating interest rate and will be paid off after approximately 3 months. The Bonds will be privately placed with Citi Community Capital.

Policy Compliance:

The Project complies with the following policies:
- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC’s Qualified Residential Rental Program Requirements

Executive Director Approval:

Based on the overall public benefits as outlined in the California Debt Limit Allocation Committee resolution, as described on the attached Exhibit A, approval of the issuance of Bonds by the City of Palmdale, and conformance to the CSCDA Issuance Policies, the Commission shall approve the Resolution as submitted to the Commission, which:

1. Approves the issuance of the Bonds and the financing of the Project;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Attachments:

1. Original application
2. CDLAC Resolution Exhibit A
Applicant Information

Name of Developer: Palmdale TOD Apartments, LP
TIN or EIN: 74-3220998

Primary Contact

First Name: Alexander
Last Name: Pratt
Title: Project Manager
Address:
Street: 315 S. Beverly Blvd
City: Beverly Hills
State: California
Zip: 90212
Phone: (323) 206-2026
Ext: 
Fax: 
Email: apratt@thebeacon-group.net

Borrower Description:
Same as developer?
Name of Borrowing Entity: Palmdale TOD Apartments, LP

Type of Entity:
For-profit Corporation
Non-profit Corporation
Partnership
Other (specify)

Will you be applying for State Volume Cap?
Date Organized: June 26, 2007
No. of Multi-Family Housing Projects Completed in the Last 10 Years:
No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years:

Secondary Contact

First Name:
Last Name:
Title:
Address:
Street: 
City: 
State: 
Zip: 
Phone: 
Ext: 
Fax: 
Email:

Primary Billing Contact

Organization: Palmdale TOD Apartments, LP
First Name: Matthew
Last Name: Tambor
Title: President, Administrative GP, Community Development Associates
Address:
Street: 315 S. Beverly Blvd.
City: Beverly Hills
State: California
Zip: 90212
Phone: (310) 553-6288
Ext: 
Fax: 
Email: mhtambor@sbcglobal.net
**Project Information**

**Project Information**
Project Name: **Palmdale Transit Village**
New Project Name(optional):

**Facility Information**

**Facility #1**
Facility Name: **Palmdale Transit Village**
Facility Bond Amount: **$2,000,000.00**

**Project Address:**
Street or general location: **38832 4th Street East**
City: **Palmdale**  
State: **California**  
Zip: **93550**
County: **Los Angeles**

Is Project located in an unincorporated part of the County? ☐ Y ☐ N

**Total Number of Units:**
Market:  
Restricted: **156**
Total: **156**
Lot size: **2.2 AC**
Amenities:  
Pool, BBQ's, Community Rooms, Tot Lot

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):
Type 5, Wood Frame on Podium Deck, 2 Buildings, 78 units each

**Type of Housing:**
☐ New Construction  
☐ Acquisition/Rehab

**Facility Use:**
☐ Family  
☐ Senior

Is this an Assisted Living Facility? ☐

Has the City or County in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

**Name of Agency:** **City of Palmdale, Department of Neighborhood Services**
First Name: **Sophia**  
Last Name: **Reyes**  
Title: Housing Coordinator
Phone: (661) 267-5126  
Ext:  
Fax:  
Email: SReyes@cityofpalmdale.org

**Public Benefit Info:**
Percentage of Units in Low Income Housing: **100**
Percentage of Area Median Income(AMI) for Low Income Housing Units: **60**

<table>
<thead>
<tr>
<th>#</th>
<th>Bedrooms (Unit Size)</th>
<th>%AMI</th>
<th>No. of restricted units</th>
<th>Restricted rent</th>
<th>Market rent</th>
<th>Expected savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 Bedroom</td>
<td>40</td>
<td>13</td>
<td>626.00</td>
<td>1,015.00</td>
<td>389.00</td>
</tr>
<tr>
<td>2</td>
<td>1 Bedroom</td>
<td>60</td>
<td>29</td>
<td>910.00</td>
<td>1,015.00</td>
<td></td>
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<tr>
<td>3</td>
<td>2 Bedrooms</td>
<td>50</td>
<td>6</td>
<td>932.00</td>
<td>1,228.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>2 Bedrooms</td>
<td>60</td>
<td>52</td>
<td>1,119.00</td>
<td>1,228.00</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>3 Bedrooms</td>
<td>50</td>
<td>6</td>
<td>1,076.00</td>
<td>1,400.00</td>
<td></td>
</tr>
</tbody>
</table>
6. 3 Bedrooms 60 48 1,292.00 1,400.00

Note: Restricted Rent must be least 10% lower than Market Rent and must be lower than the HUD Rent limit.

**Government Information**

**Project/Facility is in:**

Congressional District #: 25  
State Senate District #: 17  
State Assembly District #: 36
Financing Information

Maturity 30 Years

Interest Rate Mode:
- Fixed
- Variable

Type of Offering:
- Public Offering
- Refunding
- New Construction
- Acquisition of Existing Facility
- Private Placement

(Refunding only) Will you be applying for State Volume Cap? Yes ☐ No ☐

Is this a transfer of property to a new owner? Yes ☐ No ☐

Construction Financing:
- Credit Enhancement
- Letter of Credit
- None
- Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: Citibank

Permanent Financing:
- Credit Enhancement
- Letter of Credit
- None
- Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:
- Unrated
- Rated

Moody's: ___________________________ S&P: ___________________________ Fitch: ___________________________

Projected State Allocation Pool:
- General
- Mixed Income
- Rural

Will the project use Tax-Credit as a source of funding? Yes ☐ No ☐
## Sources and Uses

### Sources Of Funding

- **Tax-Exempt Bond Proceeds:** $23,500,000.00
- **Taxable Bond Proceeds:** $
- **Projected Tax Credits:** $7,651,742.00
- **Developer Equity:** $
- **Other Funds (Describe):**
  - **HCD IIG Funds:** $9,950,400.00
  - **City of Palmdale Funds:** $5,990,000.00
  - $
  - $
  - $

**Total Sources:** $47,092,142.00

### Uses:

- **Land Acquisition:** $1,560,000.00
- **Building Acquisition:** $
- **Construction or Remodel:** $29,779,648.00
- **Cost of Issuance:** $598,300.00
- **Capitalized Interest:** $3,714,727.00
- **Reserves:** $622,300.00
- **Other Uses (Describe):**
  - **Legal Fees:** $326,481.00
  - **Soft Costs:** $5,830,811.00
  - **Developer Fee:** $2,500,000.00
  - **Architectural & Engineering:** $2,159,875.00
  - $

**Total Uses:** $47,092,142.00
Financing Team Information

Bond Counsel
Firm Name: Orrick, Herrington & Sutcliffe

Primary Contact
First Name: Justin
Last Name: Cooper
Title: Bond Counsel
Address:
Street: 405 Howard Street
City: San Francisco
State: California
Zip: 94105
Phone: (415) 773-5908
Ext:
Fax:
Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser
Firm Name: Citibank Community Capital

Primary Contact
First Name: Bryan
Last Name: Barker
Title: Director
Address:
Street: One Sansome Street
City: San Francisco
State: California
Zip: 94104
Phone: (415) 627-6484
Ext:
Fax:
Email: bryan.barker@citigroup.com

Financial Advisor
Firm Name:

Primary Contact
First Name:
Last Name:
Title:
Address:
Street:
City:
State:
Zip:
Phone:
Ext:
Fax:
Email:

Rebate Analyst
Firm Name:

Primary Contact
First Name:
Last Name:
Title:
Address:
Street:
City:
State:
Zip:
Phone:
Ext:
Fax:
Email:
RESOLUTION NO. 14-109
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-118
3. Project Sponsor: Palmdale TOD Apartments, L.P. (Better Housing Solutions, Inc., Wright Brothers Michaels, LLC and Community Development Associates, Inc.)
4. Project Management Co.: Interstate Realty Management
5. Project Name: Palmdale Transit Village Apartments (Supplemental)
6. Type of Project: New Construction/Family
7. Location: Palmdale, CA
8. Private Placement Purchaser: Citibank, N.A.
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application. Applicable
10. Total Number of Units: 154 plus 2 manager units
11. Total Number of Restricted Rental Units: 154
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee’s Regulations. Applicable
14. Income and Rental Restrictions:
   For the entire term of the income and rental restrictions, the Project will have:

   At least 25 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.

   At least 129 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.

15. For acquisition and rehabilitation projects, a minimum of $10,000 in hard construction costs will be expended for each Project unit. Not Applicable
16. A minimum of $15,940,000 of public funds will be expended for the Project. Applicable
17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of $0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.
   Not Applicable

18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least 54 three-bedroom or larger units.
   Applicable

19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.
   Not Applicable

20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.
   Applicable

21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.
   Applicable

22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.
   Not Applicable

23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.
   Not Applicable

24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)
   Not Applicable

25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project’s useful life.
   Not Applicable

26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project’s income limits.
   Not Applicable
27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:
   Applicable With Waiver(s)

Section Waived:

- Energy Efficiency
- CALGreen Compliance
- Landscaping
- Roofs
- Exterior Doors
- Appliances
- Window Coverings
- Water Heater
- Floor Coverings
- Paint
- Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:

   a. Leadership in Energy & Environmental Design (LEED) Not Applicable
   b. Green Communities Not Applicable
   c. GreenPoint Rated Multifamily Guidelines Not Applicable

29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:

   a. 17.5% Not Applicable
   b. 20% Not Applicable
   c. 25% Not Applicable

30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/Adaptive Reuse:

   a. LEED for Homes (Silver) Not Applicable
   b. LEED for Homes (Gold) Not Applicable
   c. Green Point Rated (100) Not Applicable
   d. Green Point Rated (125) Not Applicable

31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:

   a. 15% Not Applicable
   b. 20% Not Applicable
   c. 25% Not Applicable
   d. 30% Not Applicable

32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:

   a. Photovoltaic generation that offsets tenants loads Not Applicable
   b. Photovoltaic generation that offsets 50% of common area load Not Applicable
   c. Solar hot water for all tenants who have individual water meters Not Applicable
33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required):
Not Applicable

34. The project will sub-meter centralized hot water systems for all tenants:
Not Applicable
RESOLUTION NO. 14H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF ADDITIONAL MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $2,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS WRIGHT BROTHERS COURT APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized by the Joint Powers Act, commencing with Section 6500 of the California Government Code (the “JPA Law”), and its Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988, as the same may be amended (the “Agreement”), to issue revenue bonds for the purpose of financing, among other things, the acquisition, rehabilitation, construction and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

WHEREAS, pursuant to the New Issue Bond Program of the Housing Finance Agency Initiative announced by the United States Department of the Treasury on October 19, 2009 (the “Program” or “NIBP”), the Act and the Indenture, dated as of December 1, 2009 (the “General Indenture”), as amended and supplemented by the Series Indenture, dated as of December 1, 2009, as amended by a First Amendment to Series Indenture dated as of September 1, 2010, and as amended by a Second Amendment to Series Indenture dated as of December 1, 2010 (as so amended, the “First Series Indenture”) and a First Amendment to Indenture, dated as of June 1, 2010 (the “First Amendment” and, together with the General Indenture and the First Series Indenture, the “Original NIBP Indenture”), each between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Authority previously issued its California Statewide Communities Development Authority Affordable Multifamily Housing Revenue Bonds, 2009 Series A (the “Program Bonds”) in the original aggregate principal amount of $229,820,000 to provide for the financing of multifamily rental housing developments through the;

WHEREAS, Palmdale TOD Apartments, L.P., and entities related thereto (collectively, the “Borrower”), previously requested (i) that the Authority use the proceeds derived from the sale of a portion of the Program Bonds to be released and re-designated “California Statewide Communities Development Authority Affordable Multifamily Housing Revenue Bonds (Wright Brothers Court Apartments Project) 2009 Series A-15” (the “2009 Series A-15 Bonds”), and (ii) that the Authority issue and sell revenue bonds (as more fully described herein, the “2011 Series K Bonds”) to assist in the financing of the construction and development of a 156-unit multifamily housing development located in the City of Palmdale,
California, and to be known as Wright Brothers Court Apartments (the “Project”), and in each case the Authority has done so;

WHEREAS, on September 17, 2014, the Authority received an allocation in the amount of $2,000,000 (the “Additional Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

WHEREAS, the Authority is willing to issue an additional $2,000,000 aggregate principal amount of 2011 Series K Bonds (the “Bonds”), to be privately placed with Citibank, N.A. (the “Bank”) in accordance with the Authority’s private placement policy; and

WHEREAS, the City of Palmdale is a Program Participant (as defined in the Agreement) of the Authority and has previously authorized the issuance of the Bonds;

WHEREAS, there have been prepared and made available to the members of the Commission of the Authority (the “Commission”) the following documents required for the issuance of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended:

1. Amended and Restated Trust Indenture (the “Trust Indenture”) to be entered into between the Authority and Wells Fargo Bank, National Association, as trustee for the Bonds (the “Trustee”), and agreed to and acknowledged by the Borrower and the Bank;

2. Amended and Restated Loan Agreement (the “Loan Agreement”) to be entered into between the Authority and the Borrower;

NOW, THEREFORE, BE IT RESOLVED by the members of the Commission, as follows:

Section 1. The recitals set forth above are true and correct, and the members of the Commission hereby find them to be so.

Section 2. Pursuant to the JPA Law and the Trust Indenture, and in accordance with the Housing Law, the Authority is hereby authorized to issue Bonds designated “California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Wright Brothers Court Apartments Project), 2011 Series K,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Trust Indenture and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Trust Indenture presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds, shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to

OHS WESTED10085.5 2
constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Trust Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Trust Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond October 1, 2056), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Trust Indenture as finally executed.

Section 4. The Authority is hereby authorized to deliver the Bonds to the purchaser thereof pursuant to the terms and conditions of the Trust Indenture.

Section 5. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificates of authentication of the Trustee appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or at the direction of the Bank in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to or at the direction of the Bank upon payment of the purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to any tax certificates, a subordination or intercreditor agreement, a bond purchase agreement in the Authority’s standard form, any endorsement and/or assignment of the deed of trust and such other documents as described in the Trust Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this
resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance and delivery of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Trust Indenture and other documents approved herein.

Section 9. This Resolution shall take effect immediately upon its adoption.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 4, 2014.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By __________________________

Authorized Signatory
Consider the following resolution for separate Statewide Community Infrastructure Program (SCIP) Assessment District:

a. Resolution of intention to finance the payment of public infrastructure improvements and developments impact fees, including approval of proposed boundary map;

b. Resolution preliminarily approving engineer’s report, setting public hearing of protests and providing property owner ballots. (Staff: Scott Carper)
SCIP has received an application in the city of Manteca, County of San Joaquin to finance the payment of impact fees & capital improvements.

The amount of the total assessments will not exceed $3,000,000 with a proposed closing date in the spring of 2015. The Commission is being requested to approve the following:

- The resolution of intention to finance development impact fees & capital improvements including the boundary map prepared by the assessment engineer, David Taussig & Associates;
- Preliminary approval of the engineers report and setting of the public hearing of protests and mailing of ballots.
- Setting of the public hearing of protests for January 29, 2015.

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary map, preliminary engineer’s report and the resolutions have been prepared by Orrick.

Attachment 1 contains the preliminary engineer’s report & Attachment 2 contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission in the coming months after all proceedings have been completed.

Wildwood – City of Manteca

The impact fees financed will be water fees for a total of $533,000. The capital improvements include roadway, curb, gutter, sewer & street lights. Improvements total $1,236,067.
Executive Director Approvals:

Executive Director has reviewed all documents associated with the SCIP assessment & based upon the resolutions submitted and reviewed it is requested that this Commission:

1. Approve all necessary actions and documents;

2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and

3. Set the public hearing for January 29, 2015 at 10:00 a.m. at the California State Association of Counties.
RESOLUTION NO. 14R-___

RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE CAPITAL IMPROVEMENTS AND THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC IMPROVEMENTS IN THE PROPOSED STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-03 (CITY OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA), APPROVING A PROPOSED BOUNDARY MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND DETERMINATIONS CONCERNING RELATED MATTERS, AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, certain capital improvements (the “Improvements”) and the payment of certain development impact fees for public improvements (the “Improvement Fees”) as described in Exhibit A attached hereto and by this reference incorporated herein, all of which are of benefit to the proposed Statewide Community Infrastructure Program Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) (the “Assessment District”); and

WHEREAS, the Commission finds that the land specially benefited by the financing of the Improvements and the Improvement Fees is shown within the boundaries of the map entitled “Proposed Boundaries of California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-03, City of Manteca, County of San Joaquin, California,” a copy of which map is on file with the Secretary and presented to this Commission meeting, and determines that the land within the exterior boundaries shown on the map shall be designated “Statewide Community Infrastructure Program Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California)”;

WHEREAS, the City of Manteca is a member of the Authority and has approved the adoption on its behalf of this Resolution of Intention and has consented to the levy of the assessments in the Assessment District;

NOW, THEREFORE, BE IT RESOLVED that the Commission of the California Statewide Communities Development Authority hereby finds, determines and resolves as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Section 2961 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of the Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIIIID of the California Constitution.
Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of San Joaquin within fifteen (15) days of the adoption of this resolution.

Section 5. The Commission determines that the cost of financing the Improvements and the payment of the Improvement Fees shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the financing of the Improvements and payment of the Improvement Fees. The Commission intends to levy a special assessment upon such lots, pieces or parcels in accordance with the special benefit to be received by each such lot, piece or parcel of land, respectively, from the financing of the Improvements and the payment of the Improvement Fees.

Section 6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto.

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed thirty (30) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. The procedure for the collection of assessments and advance retirement of bonds under the Improvement Bond Act of 1915 shall be as provided in Part 11.1 thereof.

Section 9. Neither the Authority nor any member agency thereof will obligate itself to advance available funds from its or their own funds or otherwise to cure any deficiency which may occur in the bond redemption fund. A determination not to obligate itself shall not prevent the Authority or any such member agency from, in its sole discretion, so advancing funds.

Section 10. The amount of any surplus remaining in the improvement fund after completion of the Improvements and payment of the Improvement Fees and all other claims shall be distributed in accordance with the provisions of Section 10427.1 of the Code.

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this December 4, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By _______________________________
Authorized Signatory
California Statewide Communities Development Authority
EXHIBIT A

DESCRIPTION OF WORK

The payment of development impact fees levied within the District and capital improvements to be acquired and owned by the City of Manteca upon parcels within the District, which are authorized to be financed pursuant to the Municipal Improvement Act of 1913 and as to which the owners of the applicable parcels have applied for participation in SCIP, as more particularly described below.

PAYMENT OF IMPACT FEES

1. Surface Water Fee
2. PFIP Well Water Fees, Low Density
3. Water Meter Installation

CAPITAL IMPROVEMENTS

1. Roadway, Curb/Gutter and Street Light Improvements
2. Sanitary Sewer Improvements
RESOLUTION PRELIMINARILY APPROVING ENGINEER’S REPORT, SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND PROVIDING FOR PROPERTY OWNER BALLOTS FOR CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-03 (CITY OF MANTECA, COUNTY OF SAN JOAQUIN, CALIFORNIA)

WHEREAS, at the direction of this Commission, David Taussig & Associates, as Engineer of Work for improvement proceedings in California Statewide Communities Development Authority Statewide Community Infrastructure Program Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) has filed with the Authority the report described in Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913, hereafter in this resolution referred to as the “Act”), and containing the matters required by Article XIIID of the California Constitution (“Article XIIID”), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report.

NOW, THEREFORE, THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this Commission so finds and determines.

Section 2. This Commission preliminarily approves the report without modification, for the purpose of conducting a public hearing of protests as provided in the Act, Article XIIID, and Section 53753 of the California Government Code (“Section 53753”). Said report shall stand as the report for the purpose of all subsequent proceedings under the Act and Section 53753, except that it may be confirmed, modified, or corrected as provided in the Act.

Section 3. This Commission hereby sets 10:00 a.m., or as soon thereafter as the matter may be heard, on January 29, 2015, at the office of the [California State Association of Counties, 1100 K Street, Suite 101], Sacramento, California, as the time and place for a public hearing of protests to the proposed financing of development impact fees and public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees and/or public capital improvements, or to the extent of said assessment district or to said proposed assessment.

Section 4. Staff is hereby directed to cause a notice of said public hearing to be given by mailing notices thereof, together with assessment ballots, in the time, form and manner provided by Section 53753, and upon the completion of the mailing of said notices and assessment ballots, staff is hereby directed to file with the Engineer of Work an affidavit setting forth the time and manner of the compliance with the requirements of law for mailing said notices and assessment ballots.

Section 5. David Taussig & Associates, Engineer of Work, 2250 Hyde Street, 5th Floor, San Francisco, California 94109 (415) 962-1480, is hereby designated to answer inquiries regarding the report and the protest proceedings.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 4th day of December, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By_________________________________
Authorized Signatory
California Statewide Communities
Development Authority
ENGINEER’S REPORT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

ASSESSMENT DISTRICT NO. 14-03
CITY OF MANTECA, COUNTY OF SAN JOAQUIN

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: DECEMBER 4, 2014

PUBLIC HEARING: JANUARY 29, 2015

Prepared by
DAVID TAUSSIG & ASSOCIATES, INC.
2250 Hyde Street, 5th Floor
San Francisco, California 94109
(800) 969-4382
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Scott Carper
California Statewide Communities Development Authority

PROFESSIONAL SERVICES

UNDERWRITER
Robert Williams
RBC Capital Markets Corporation

BOND COUNSEL
John Knox, Esq.
Orrick, Herrington & Sutcliffe LLP

PROGRAM ADMINISTRATOR
Vo Nguyen
BLX Group, LLC

ASSESSMENT ENGINEERING
David Taussig
Stephen A. Runk, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.
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<th>SECTION</th>
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<td>IX</td>
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## APPENDICES

Appendix A: ASSESSMENT ROLL
The undersigned respectfully submits the enclosed Engineer’s Report as directed by the Commission of the California Statewide Communities Development Authority.

Date: _______________________, 2014  
David Taussig & Associates, Inc.

By: ________________________  
Stephen A. Runk, P.E.  
License Number: C23473

I HEREBY CERTIFY that the enclosed Engineer’s Report, together with the Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of ________________, 2014.

By: ________________________  
Assistant to Secretary of the Authority,  
California Statewide Communities Development Authority

I HEREBY CERTIFY that the enclosed Engineer’s Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Commission of the California Statewide Communities Development Authority on the _____ day of ________________, 2014.

By: ________________________  
Assistant to Secretary of the Authority,  
California Statewide Communities Development Authority

I HEREBY CERTIFY that the enclosed Engineer’s Report, together with the Assessment and Assessment Diagram thereto attached, was recorded in my office on the _____ day of ________________, 2014.

By: ________________________  
Superintendent of Streets of the Authority,  
California Statewide Communities Development Authority
David Taussig & Associates, Inc., Assessment Engineer for the California Statewide Communities Development Authority (the “Authority”) (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) hereinafter referred to as “District,” makes this report (hereinafter “Engineer’s Report” or “Report”), as directed by the Commission of the Authority, in accordance with the Resolution of Intention, Resolution No. __________, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.
The fees which are the subject of this Report are briefly described as follows:

**A. Impact Fees**

1. Surface Water Debt Service Fees (City of Manteca Municipal Code, Title 13, Chapter 04, Section 020) – Fees represent development's proportionate share of the capitalized costs of the surface water treatment system and transmission system.


3. Water Meter Installation (effective January 1, 2013) - Fees for new connections to City of Manteca water system, all zones.

**B. Capital Improvements**

The following capital improvements located within the Wildwood project located in the City of Manteca, California will be funded, or partially funded, by proceeds from this bond issuance.

1. Street / Roadway Improvements – Funding for capital improvements including, but not limited to, local streets with related grading; concrete curb, gutter and sidewalk; aggregate base; asphaltic concrete paving; and street lighting improvements.

2. Sanitary Sewer Improvements – Funding for capital improvements for the collection of sewage, including but not limited to, pump station, manholes, gravity mainline, and force mains necessary to meet the project service demands of the Wildwood development.

**C. Reimbursement for Capital Improvements**

Future negotiations and agreements between the City of Manteca (“City”) and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the City for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Wildwood would then be paid, when received by the City, to the developer of Wildwood. Such payments related to public facilities financed by the District would be allocated to the parcels within the District in proportion to their respective original assessments as shown in this Report. As pertains to any of those parcels that the developer of Wildwood may sell, those amounts would be paid to the developer of Wildwood. As pertains to any such parcels still owned by the developer of Wildwood, the City would use those amounts to partially prepay the assessments on those parcels pursuant to Streets and Highways Code Section 8766.5.

Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12.00%) shall be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall not mature more than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.
This Report includes the following sections:

**Plans and Specifications** – Plans and specifications for improvements to be constructed. Plans and specifications are a part of this Report whether or not separately bound.

**Cost Estimate** – An estimate of the cost of the improvements.

**Assessment Roll** – An assessment roll, showing the amount to be assessed against each parcel of real property within this Assessment District and the names and addresses of the property owners. An Assessor’s Parcel number or other designation describes each parcel. Each parcel is also assigned an “assessment number” that links the Roll to the Diagram.

**Method of Assessment** – A statement of the method by which the Assessment Engineer determined the amount to be assessed against each parcel, based on special benefits to be derived by each parcel from the improvements.

**Assessment Diagram** – A diagram showing all of the parcels of real property to be assessed within this Assessment District. The diagram corresponds with the Assessment Roll by assessment number.

**Maximum Annual Administrative Cost Add-on** – Proposed maximum annual assessment per parcel for current costs and expenses.

**Debt Limitation Report** – A debt limitation report showing compliance with Part 7.5 of Division 4 of the Streets and Highways Code.
The plans, specifications, and studies of the improvements and impact fees for this District are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications are on file with the City of Manteca and/or the County of San Joaquin, California.
Summary Cost Estimate

The estimated costs of the fees and improvements have been calculated and are shown below along with other bond financing costs. All fee information has been provided to DTA by the project proponents, the City of Manteca, and the SCIP Administrator.

<table>
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<tr>
<th>Description</th>
<th>Development Impact Fees</th>
<th>Special Benefits Apportioned to Project</th>
<th>Total Amount Due ($)</th>
<th>Amounts Pre-paid by &amp; Reimbursable to Developer</th>
<th>Amount Funded to Agency</th>
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<td>Impact Fees</td>
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<td>Total Assessment</td>
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<td>$1,562,745</td>
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An assessment of the total amount of the costs and expenses of the fees upon the subdivisions of land within the Assessment District, in proportion to the estimated special benefit to be received by the subdivisions from the Impact Fees and Improvements, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, provided in Appendix A, lists the Assessor’s Parcel numbers within this Assessment District by assessment number. The assessment numbers appearing on the Assessment Roll correspond with the subdivisions and parcels of land and their current numbers shown on the Boundary Map. The names and addresses of the property owners are as shown on the last equalized assessment roll for taxes or as known to the Secretary of the Authority.

All parcel information has been provided to DTA by the project proponents, the County of San Joaquin Assessor, and the SCIP Administrator.
A. Background

Assessment District jurisprudence requires that assessments levied pursuant to the Municipal Improvement Act of 1913 be based on the “special benefit” properties receive from the Works of Improvement (i.e., Impact Fees and Capital Improvements). However, the law does not specify the method or formula that should be used to apportion the assessments in Assessment District proceedings. In addition, Article XIIIID of the California Constitution, added in November 1996 through the passage of Proposition 218 by voters of the State of California, requires, inter alia, that (i) only special benefits be assessable, (ii) no assessment may exceed the proportional special benefit conferred on the parcel assessed, and (iii) publicly owned parcels shall not be exempt from assessment unless clear and convincing evidence demonstrates that such publicly owned parcels receive no special benefits from the improvements for which the assessment is levied.

“Special benefit” is a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Importantly, the general enhancement of property value does not constitute special benefit. As such, this Engineer’s Report has been designed to comply with these requirements, as well as to incorporate recent California court decisions such as: *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority* (2008), *Beutz v. County of Riverside* (2010), *Golden Hills Neighborhood Association v. City of San Diego* (2011), and *Concerned Citizens v. West Point Fire Protection District* (2011).

Methodologically, it is necessary and essential to identify the special benefit that the Impact Fees, Capital Improvements, and related improvements will render to the properties within the District. It is also necessary that the properties receive a special and direct benefit as distinguished from benefit to the general public.

All costs associated with the financing of Impact Fees and Capital Improvements are to be fairly distributed among the lots and parcels within the District based upon the special benefit received by each lot and parcel. Additionally, in compliance with the California Constitution Article XIIIID Section 4, each lot’s and parcel’s assessment may not exceed the reasonable cost of the proportional special benefit conferred upon it. In sum, each of the properties benefiting from the Impact Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-03 will be assessed only for the special benefit conferred on such properties.

The Assessment Engineer is appointed for the purpose of analyzing the facts and determining the method and formula for apportionment of the assessment obligation to the benefited properties. For these proceedings, the Authority has retained the firm of David Taussig & Associates, Inc. as the Assessment Engineer.

The Assessment Engineer makes his or her recommendation for the method of apportionment in this Engineer’s Report for consideration at the public hearing. The final authority and action rests with the Authority after hearing all testimony and evidence presented at the public hearing and the tabulation of the assessment ballots. Upon conclusion of the public hearing,
the Authority must make the final action in determining that the assessment has been made in direct proportion to the special benefit received. Ballot tabulation will then be completed, and if a majority of ballots received, weighted by assessment amount, do not protest the assessment, then the Authority may establish the Assessment District.

B. Special Benefit

1. Development Impact Fees

Impact fees are a form of monetary exaction on new development which must be paid as a condition of development approval. Impact fees are neither taxes nor special assessments, nor are these fees permitted to cover ongoing operations and maintenance costs. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners that are seeking to develop property. In this manner, developers, builders, and property owners pay their “fair share” of needed capital facilities.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Development impact fees were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 et. seq., also referred to as the California Mitigation Fee Act (the “Act” or “AB 1600”). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. Again, Government Code, §65913.8 precludes the use of development fees to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts.

The use of development impact fees to finance public facilities necessary to accommodate new growth is a concept that has been used by cities, counties, and public agencies throughout California. The rationale for charging impact fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. Notably, certain fees levied for utility systems are considered capital charges for the privilege of connection to the utility system (hookup fees) and are charged under different legal authority. All capital impact fees and connection charges that are being paid to finance capital improvements and included in this Engineer’s Report provide direct and special benefit to the properties for which the development impact fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

Additionally, it is critical that all fees meet the nexus requirements promulgated under AB 1600 to ensure that they are clearly justifiable and defensible. In order to impose a fee as a condition for a development project, the underlying methodology must accomplish the following:
• Identify the purpose of the fee.

• Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities must be identified.

• Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed.

• Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is being imposed.

  o Implicit in these requirements is a stipulation that a public agency cannot impose a fee to cure existing deficiencies in public facilities or improve public facilities beyond what is required based on the specific impacts of new development.

Accordingly, the finding and allocation of “special benefit” present in this Engineer’s Report is also predicated on the AB 1600 Nexus Studies previously developed for each of the fees outlined in Section III, under the principle that the above AB 1600 “fair share” requirements also comprehensively demonstrate 100% “special benefit.” These AB 1600 Nexus Studies are voluminous and will not be bound in this Report, but by this reference are incorporated as if attached to this Report. The plans and specifications related to the public improvements funded by these impact and connection fees are on file with the City of Manteca, the County of San Joaquin, California, and/or associated public agencies in the region.

2. Capital Improvements

The construction of public infrastructure improvements is typically necessary as a condition of approval to develop a property. Where applicable, the developer is installing these public facilities, which are necessary for the ultimate completion of the projects. The capital improvements financed for the development project included within this Report provide direct and special benefit to the properties being assessed since they could not be developed with building structures without the installation of the District improvements.

  a. Roadway Improvements

Road usage is typically computed on the basis of anticipated trip generation. Any traffic analysis or impact study would need to assume a reasonable trip generation rate for each intended land use to not only determine accumulated traffic volumes but also the relative impact of each proposed land use on proposed mitigations. However, because the Wildwood development project proposes only one land use, single family detached residential, all lots have the same relative impact as any other lot in the development. Ultimately, given
uncertainty regarding future land development, DTA very conservatively and generously assigned a general benefit of 10% to roadway improvements.

b. Sanitary Sewer

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the Wildwood development project consists of all single family detached land use, the relative contribution to total project sewer generation is equal among all lots. The mainline sewer pipes, manholes and lift station are designed to convey sewage from the Wildwood project only. It is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Wildwood project. However, typically the system design incorporates some excess capacity due to incremental sizing of pipes, pumps, and appurtenances. This excess capacity might be used in the future as the design and land uses dictate. Therefore, the general benefit assignment to the sewer system is 5%.

C. Apportionment

The assessments for this development, Wildwood, will be apportioned pro rata on the seventy-five (75) residential lots indicated on the recorded tract maps and Assessor’s Parcel maps for the project. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or re-subdivisions as properties are sold or lots and parcels are created. Upon recordation of subdivision, parcel or lot line adjustment maps, the assessment for the newly created parcels will be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the development comprising this District consisted of seventy-five (75) residential parcels, which encompass a current total acreage of 13.26 acres.

Each parcel will have certain improvements funded through SCIP and will be assessed for such improvements financed through the District. If land uses change or the existing parcels are re-subdivided, the assessment may be allocated to each new assessor’s parcels in proportion to the original assessment based on the net acreage of each new assessor’s parcel.

2. Benefit Analysis

Development Impact Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied development impact fees. The impact fees are imposed on a per lot basis and the fees are in turn based on a Nexus study that also incorporates the principles of strict proportionality.
and fairness and is required to identify and apportion only direct benefits related to the benefit area defined. The per parcel fee, by definition, is the fair share contribution of the parcel to mitigate the impact of that parcel on the defined public facilities. Therefore, with regard to this assessment, the impact fee component of this assessment is considered to be 100% special benefit.

The assessments for this development will be placed onto the currently existing Assessor’s Parcels on which the development is located pro rata, across the seventy-five (75) residential units.

**Capital Improvements**

The method of apportionment established for the Wildwood development reflects the proportional special benefit that each property receives from the improvements. For this residential development, it has been determined that the benefit to each of the seventy-five (75) single family residential lots is identical and that the most appropriate allocation of special benefit assessment is to assign to each property an amount equal to the total assessment amount associated with the single family residential property and divided by the total number of approved single family residential units within the District, or one equivalent benefit unit (EBU) for each proposed single-family residential unit. The assessments for this development will be placed onto the currently existing Assessor’s Parcels on which the development is located.

The construction of the improvements associated with the Wildwood development provides a direct and special benefit to the properties in the development, for the ultimate purposes of ingress/egress, access, utility service, and drainage. The lots in the development could not be created nor the special benefit enjoyed by the ultimate lot owners without the construction of these improvements, which were required in order for the property to be developed.

Because all future lots and parcels within the development which are proposed to have buildings constructed on them benefit from the District improvements, they will be assessed for the portion of the specific costs of the improvements that are attributable to them. Lots or areas which are designed as common lots for parking, landscaping, and/or ingress and egress for the site, and which service the lots with building or storage uses within the development and which are not expected to have buildings located on them, will not be assessed.

Roadway improvements are typically computed on the basis of anticipated trip generation. Because the Wildwood project generally contains 75 residential lots that need West Woodward Avenue and Oleander Avenue access, each of which generates the same average daily trips (“ADT”), the Equivalent Benefit Unit (“EBU”) assigned to each lot is 1.0.

Sewer improvements are typically apportioned based on sewage generation rates. Because the Wildwood development project consists only of single family residential
lots, the relative contribution to total project sewer generation is equal among all lots. Furthermore, the mainline sewer pipes, connector pipes, and manholes are designed to convey sewage from the Wildwood project only. As a result, an EBU factor of 1.0 was assigned to each lot.

D. Conclusion

In conclusion, it is the Assessment Engineer’s opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Impact Fees and identified in Section V, in compliance with the requirements of Article XIIIID of the California Constitution.
A Boundary Map showing the Assessment District, including the boundaries and dimensions of the parcels, lots, or subdivisions of land within the Assessment District as they existed at the time of the passage of the Resolution of Intention, will be filed and recorded at the County of San Joaquin Recorder’s office (Document No: ______________). Each of the subdivisions of land, parcels, or lots has been given a separate number on the Boundary Map that corresponds with the assessment number shown on the Assessment Roll.

The Assessment Diagram will be filed with the Final Engineer’s Report at the time of the passage of the Resolution of Formation.
SECTION VIII: ASSESSMENT DIAGRAM/BOUNDARY MAP

PROPOSED BOUNDARIES OF CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICT NO. 14-03 (CITY OF MANTECA, COUNTY OF SAN JOAQUIN) STATE OF CALIFORNIA

LEGEND
- Assessment Number
- Boundary Line

By Deputy, County Recorder, County of San Joaquin

Recorded in the office of the Superintendent of Streets of the Commission of the California Statewide Communities Development Authority on the ______day of __________, 201__.

Superintendent of Streets
California Statewide Communities Development Authority

I hereby certify that the within map showing proposed boundaries of California Statewide Communities Development Authority, Statewide Communities Infrastructure Program, Assessment District No. 14-03 (City of Manteca, County of San Joaquin), State of California, was approved by the Commission of the California Statewide Communities Development Authority at a regular meeting thereof, held on the ________day of __________, 201__, by its resolution No. __________.

Secretary of the Authority
California Statewide Communities Development Authority

City of Manteca, County of San Joaquin
PRELIMINARY Engineer’s Report for CSCDA SCIP Assessment District No. 14-03

November 28, 2014
In addition to or as a part of the assessment lien levied against each parcel of land within the District, each parcel of land shall also be subject to an annual administrative cost add-on to pay costs incurred by the Authority and not otherwise reimbursed which results from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Assessment District will not exceed five percent (5.00%) of the initial annual principal and interest amount, subject to an increase annually by the positive change, if any, in the consumer price index (CPI) for the San Francisco-Oakland-San Jose area. Each parcel’s share of the administrative cost add-on shall be computed based on the parcel’s proportionate share of its annual assessment.
(Compliance with Part 7.5 of Division 4 of the Streets and Highways Code)

Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Commission of the California Statewide Communities Development Authority intends to comply with the requirements of the Special Assessment Investigation, Limitations and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code.

We are not aware of any prior assessment liens for the properties located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) equals $1,562,745.

The County of San Joaquin’s assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) totals $2,571,000.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) totals $1,285,500.

The value-to-lien based on the County of San Joaquin’s assessed value for all properties located in the District is 1.65 to 1.

An appraisal is being performed by the firm of Seevers, Jordan and Ziegenmeyer (SJZ) for the appraised value of the parcels located within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of Manteca, County of San Joaquin, California) and will be incorporated into the Final Engineer’s Report and/or Official Statement for any bonds to be issued that are secured by the District.
Attachment 1

Assessment District No. 14-03
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Manteca, County of San Joaquin
Wildwood Project

Assessment Roll
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[1] Ownership confirmed by Grant Deed Correction (Doc # 2014-114483) processed on November 13, 2014 and provided by Project Developer.
Item VIII

CSCDA Open PACE Program:
  b. Hold a public hearing on the program report for the proposed Open PACE program covering all county members of CSCDA (and incorporated cities therein) and those cities within Los Angeles County that are members of CSCDA.
  c. Consideration of a resolution confirming the program report for the proposed Open PACE program.
  d. Consideration of a resolution authorizing the issuance or one or more series of limited obligation improvement bonds, approving and directing the execution of related documents and approving related documents and actions.
  e. Consideration of a resolution rendering approval under the California Environmental Quality Act for the Open PACE program.
California Statewide Communities Development Authority
Open PACE Program Report
December 4, 2014

1. Introduction

The California Statewide Communities Development Authority ("CSCDA") has established the CSCDA Open PACE Program for the benefit of its county-members (including any incorporated city within those counties) and the cities in Los Angeles County that are members of CSCDA (Los Angeles County is not currently a member of CSCDA). This CSCDA Open PACE Program Report (this "Program Report") outlines the basic design and financing structure of a property assessed clean energy ("PACE") municipal financing program called the CSCDA Open PACE Program (the "Open PACE Program" or "Program").

CSCDA anticipates that there will be multiple program administrators engaged to independently administer and provide financing under the Open PACE Program. Separate Program Handbooks will provide additional details about how the Open PACE Program will operate in respect of a particular program administrator.

1.1 California Statewide Communities Development Authority

The California Statewide Communities Development Authority ("CSCDA") is a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. CSCDA's mission is to provide local governments access to low-cost financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities.

1.2 Purpose of the Open PACE Program

CSCDA is offering the Open PACE Program on a statewide basis to encourage the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure within the existing residential and non-residential building stock. CSCDA will issue assessment-backed bonds that will allow property owners to access competitive interest rates offered by the capital markets.

With the passage of AB 32, the State of California (the "State") set ambitious goals for reducing carbon emissions and building alternative energy use. The California Public Utilities Commission has set a goal of retrofitting over 13 million residences in the State to be at least 30% more energy efficient. Many California cities and counties have also set their own greenhouse gas reduction targets. Similarly, water conservation efforts, including the promotion of water-related improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in the State.

Property owners can help to achieve greenhouse gas reductions and reduce water use and, at the same time, save money by investing in distributed generation renewable energy sources, energy efficiency, and/or water efficiency improvements. The number one barrier to achieving these goals is the large upfront cost. Utilities sell power and water to their customers as a simple pay-as-you-go service. Homes and businesses can be converted to clean energy and reduce water use quickly, but many believe that it can happen only if paying for distributed generation renewable energy sources, energy efficiency improvements and water efficiency improvements becomes simple – like paying a utility bill. The Open PACE Program can make this happen.

Many cities and counties in the State have begun screening properties in their jurisdictions for deficient wood frame construction ("Soft Story") and enacting mandatory seismic retrofit ordinances to address these problems. The Open PACE Program can provide property owners with an efficient means to finance these seismic retrofits and comply with local law.

1.3 Assessment Financing: Contractual Assessments

The Open PACE Program uses a tool that is widely used by local agencies in California to finance public benefit projects: land-secured financing. State law has long provided cities and counties with the power to issue bonds and levy assessments on the county property tax bill to finance public projects such as sewers, parks, and the undergrounding of utilities.
Chapter 29 of the Improvement Act of 1911, commencing with Section 5898.10 of the Streets & Highways Code of the State ("Chapter 29"), authorizes the levy of "contractual assessments" to finance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, and electric vehicle charging infrastructure that are permanently fixed to real property.

A "contractual assessment" is an assessment that is levied by contract, between a public agency and property owner, pursuant to Chapter 29. A draft form of assessment contract is attached to this Program Report as Exhibit A (the "Assessment Contract"). The Assessment Contract is strictly voluntary and will be executed by each participating property owner and CSCDA.

Under the Open PACE Program, a contractual assessment lien is placed on each participating property in an amount necessary to (i) finance the installation of authorized renewable energy, energy efficiency, water efficiency, seismic strengthening or electric vehicle charging infrastructure improvements over a 5-39 year period of time, depending upon the expected useful life of the financed improvements, (ii) pay for costs of issuing bonds (including funding a reserve fund, if required), and (iii) pay the costs of administering the Open PACE Program. The contractual assessment installments are collected on the property tax bill of the county in which the participating property is located. If the owner sells the property, the contractual assessment obligation remains an obligation of the property.

Under the Open PACE Program, if a property owner fails to pay the annual contractual assessment installments, CSCDA is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year.

All property owners participating in the Open PACE Program need to consult their private lenders to determine that the execution of the Assessment Contract will not violate their existing loan agreements. Property owners may wish to obtain written consent or affirmative acknowledgement of existing lenders whose consent or affirmative acknowledgement is required for further encumbrance. The Open PACE Program's consent or affirmative acknowledgement requirement, if any, will be detailed in the Program Handbooks.

The Open PACE Program is completely voluntary, and property taxes for properties that do not choose to participate are completely unaffected by the Open PACE Program. Individual contractual assessments are not affected by other properties participating in the Open PACE Program.

1.4 Purpose of This Program Report

This Program Report constitutes the report required pursuant to Section 5898.22 of Chapter 29 for the Open PACE Program. The Open PACE Program will be offered throughout the State to owners of property that is located within the boundaries of:

a. the unincorporated territory of a county that is a member of CSCDA, and the board of supervisors of that county has adopted an authorizing resolution in compliance with applicable law;

b. the incorporated territory of a city located within a county that is a member of CSCDA, and the legislative body of the city has adopted an authorizing resolution in compliance with applicable law; or

c. a city in Los Angeles County, and the legislative body of the City in Los Angeles County has adopted an authorizing resolution in compliance with applicable law.

1.5 Program Administration and Underwriting

CSCDA has hired third-party administrators to administer the Open PACE Program, initially the AllianceNRG™ Program (delivered by Counterpointe Energy Solutions, Deutsche Bank and Leidos Engineering) and Renovate America, LLC. The administrators will review applications and provide marketing and customer service through a website, email, and a toll-free phone number.

2. Program Requirements

This Program Report identifies the Open PACE Program requirements relating to the types of improvements that can be financed under the Open PACE Program, eligible properties and financing parameters.
2.1 Eligible Products

The Open PACE Program offers financing of the installation of only approved distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure improvements that will be permanently fixed to real property ("Eligible Products").

The Open PACE Program will offer financing for a number of eligible equipment types, energy efficiency measures, water efficiency/conservation improvements, solar systems, seismic strengthening improvements and other innovative, energy-saving, water saving, and energy generation custom products for residential and commercial property owners as specified in the applicable Program Handbook.

Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will “ratchet-up” with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by the applicable program administrator.

Any solar PV system must be eligible for and participate in CSI or an equivalent utility rebate program, unless the property is not connected to the electricity grid or such utility rebate program is not available.

Property owners are responsible for installation, operation and maintenance of the Eligible Products installed as a result of their participation in the Open PACE Program. Property owners must address performance and other system-related issues directly with the contractor according to the terms of the contract between the property owner and the contractor. The Open PACE Program is a financing program only. Neither CSCDA nor its employees or agents are responsible for the Eligible Products or their performance.

2.2 Property Eligibility Criteria

In order to receive financing from the Open PACE Program, the property to be assessed and its owners must meet the following basic requirements. Details on the criteria are provided in the Program Handbooks; the criteria may be modified from time to time by the program administrators (without action by the Commission of CSCDA) in order to conform to changes in law, emerging best practices or otherwise deemed appropriate but the criteria must at all times be in compliance with applicable law.

a. Applicant. Applicant(s) must be the property owner(s) of record.

b. Address. The applicant’s property must be located within the boundaries of a jurisdiction that has authorized the Open PACE Program to operate within its boundaries as described in Section 1.4 of this Program Report.

c. Involuntary Liens. The property must not be subject to involuntary liens, judgments or defaults or judgments in excess of the amount identified in the applicable Program Handbook.

d. Property Taxes. The property owners must be current on their property taxes within the time period specified in the applicable Program Handbook.

e. Mortgage Debt. The mortgage debt on the property must not exceed that certain percentage of the value of the property as set forth in the applicable Program Handbook.

f. Annual Property Taxes. The total annual property tax and assessments, including the contractual assessment, on the property must not exceed 5% of the property’s market value, as determined at the time of approval of the Assessment Contract.

g. Bankruptcy. The property owner must not have declared bankruptcy within the time period specified in the applicable Program Handbook.

2.3 Eligible Contractors

The cost of installation of Eligible Products shall be eligible to be financed under the Open PACE Program only if such installation is completed by a contractor that is registered with the Open PACE Program or by the property owner if self-installing such Eligible Products. A list of contractors that are registered with the Open PACE Program shall also be located on the Open PACE Program website. Registration of a contractor with the Open PACE Program is neither a recommendation of such contractor nor a guaranty of or acceptance of responsibility for such of such contractors by CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America or the City or County in which the property upon which the Eligible Products are installed is located, any of their
respective officers, employees nor agents and none of CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America, the City or County in which the property upon which the Eligible Products are installed is located or any of their respective officers, employees or agents have any responsibility whatsoever for the selection by a property owner of a registered contractor or the work performed by such registered contractor.

2.4 Quality Assurance

Quality assurance protocols serve to prevent improper or low-quality installation of energy and water improvements and protect against fraud and abuse in the Open PACE Program. The Open PACE Program will institute a quality assurance protocol. All quality assurance procedures are subject to review and adjustment based on applicable State and federal standards. Details on the current quality assurance procedures are outlined in the applicable Program Handbook. Despite the presence of these protocols and procedures, the responsibility for the successful operation of any products is that of the property owner and its contractor, and not of CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America or the City or County in which the property upon which the Eligible Products are installed is located, including their respective officers, agents or employees.

3. Financing of the Open PACE Program

3.1 Minimum and Maximum Financing Amounts

Maximum Financing Amount for the Open PACE Program. The maximum aggregate dollar amount of the principal component of contractual assessments to be levied under the Open PACE Program is $41 billion, subject to increase if there is sufficient demand.

Minimum and Maximum Financing Amounts for Each Property. The minimum and maximum financing amount for a single property is defined in the Program Handbooks.

3.2 Financing Structure

CSCDA will finance the installation of Eligible Products by issuing bonds backed by the assessments created by the Open PACE Program. The proceeds from the sale of the bonds will provide capital for the Open PACE Program to finance the Eligible Products. The financing or refinancing of Eligible Products may be in the form of paying for the ownership of the Improvements or, subject to the requirements of Chapter 29, paying or prepaying for the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

3.3 Overview of Application and Financing Process

Applications from property owners for financing will be considered on a first come, first served basis. If an authorized maximum amount is exceeded, then the last property that caused the authorization amount to be exceeded will be ineligible for financing. All applications receive a time stamp in order to evidence priority.

Sample Residential Application and Financing Process

Education. Property owners visit the Open PACE Program website to learn about the Open PACE Program, financing terms and other details, and find approved contractors and products.

Application. Property owners may complete an application over the phone, mail, fax or on-line. Completed applications must include a proposed project and contractor bid. Property owners must agree to the Open PACE Program terms as part of the application.

Review and Approval. The Open PACE Program performs title search to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other Open PACE Program requirements as outlined in this Program Report and the applicable Program Handbook.

Reservation. If CSCDA approves an application, the Open PACE Program will provide a Notice to Proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and to request funding when the property has met all the applicable requirements for funding.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” and “Eligible Contractors” in the applicable Program Handbook.
Financing. Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee; however, where identified in the applicable Program Handbook, progress payments in the form of multiple disbursements may be arranged.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

Sample Non-Residential Application and Financing Process

Education. Property owners visit the Open PACE Program web site to learn about the Open PACE Program, financing terms and other details, and find approved contractors and products. Additional information will be provided to non-residential property owners to determine that they meet the eligibility requirements outlined in the applicable Program Handbook.

Application. Property owners will complete an application over the phone, mail, fax or on-line. Applications must include a proposed project and contractor bid. Property owners must agree to the Open PACE Program terms as part of the application.

Review and Approval. The Open PACE Program performs title work to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other Open PACE Program requirements as outlined in this Program Report the applicable Program Handbook.

Reservation. If CSCDA approves an application, the Open PACE Program will provide a notice to proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and request funding when the property has met all the applicable requirements for funding.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See Eligible Products” and “Eligible Contractors” in the applicable Program Handbook.

Financing. Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee; however, where identified in the applicable Program Handbook, progress payments in the form of multiple disbursements may be arranged.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

3.4 Application; Approval or Denial

Application. All property owners interested in applying to the Open PACE Program must submit a signed application along with other application documents.

Approval or Denial. Based on the eligibility requirements listed in the applicable Program Handbook, CSCDA will approve or deny a residential or non-residential application within the specific time periods identified in the applicable Program Handbook. The applicant will be notified of approval or denial via email. See “Consumer Protection” in Section 4.

3.5 Costs of Issuance and Administrative Costs

The costs of issuing bonds and administering the Open PACE Program will be financed through participant application fees, proceeds of the financing, and an administrative component of the contractual assessment installments.

Financing of Upfront Costs. In addition to financing installation of the Eligible Products, CSCDA may finance certain costs of issuance and administrative costs, including but not limited to, the following amounts, which amounts may be included in the Assessment:

- Program-Related Fees. These include closing fees paid from a portion of bond proceeds to CSCDA, any other entities responsible for program management and administration, and bond counsel to CSCDA, as well as any other related costs of issuance of any bond.
- **Lien Recording Fee.** This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the participating property.

- **Reserve Fund Deposit.** This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by CSCDA to finance installation of the Eligible Products on the property and other properties participating in the Open PACE Program.

- **California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee.** This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the property and other properties participating in the Open PACE Program. The fee will be paid from a portion of bond proceeds. This fee only applies to residential financing.

- **Deposit to Administrative Expense Fund for Foreclosure Expenses.** This is a one-time deposit from a portion of bond proceeds into an account that CSCDA may use to pay the costs of foreclosing on the property and other properties participating in the Open PACE Program as a result of a delinquency in the payment of any contractual assessment installments or administrative expenses.

- **Capitalized Interest.** Each county establishes a deadline for placing contractual assessment installments and related administrative expenses on the county’s tax roll each year. Depending on the date that CSCDA issues a bond to finance installation of Eligible Products on a particular property in relationship to the applicable tax roll deadline of the county in which the related participating property is located a portion of the proceeds of the bond may be used to fund the payment of one or more interest payments on the bond.

**Administrative Expenses.** Pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), CSCDA may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the Open PACE Program.

### 3.6 Amounts That Can Be Financed

**Financing Cost.** In order to receive funding, property owners will agree to pay annual assessment installments in an amount equal to (i) a portion of the principal amount of the contractual assessment (ii) interest on the unpaid principal amount of the contractual assessment, and (iii) ongoing administrative expenses.

**1. Principal Amount.** The principal amount of the contractual assessment may be composed of various costs and deposits including, but not limited to, the following items:

a. **Eligible Costs.** The Open PACE Program may finance the costs of installing Eligible Products, energy-efficiency or water-efficiency audit costs, and related professional services fees for engineering, project management and financing transaction structuring. All local and state rebates received for the project must be deducted from the financed amount prior to approval. The amount of the federal Investment Tax Credit (ITC) that the property may be eligible to receive does not need to be deducted from the financed amount.

b. **Deposit to a Debt Service Reserve Fund.** CSCDA or project investors may require property owners to finance a deposit to a debt service reserve fund; the reserve fund would be used to pay debt service on the bonds in the event of contractual assessment installment delinquencies. The amount of the deposit to a debt service reserve fund will be provided in the applicable Program Handbook.

c. **Deposit to CAEATFA Loss Reserve Fund.** The Open PACE Program may participate in the California Alternative Energy and Advanced Transportation Financing Authority’s Loss Reserve Program that will reimburse mortgage holders on losses experienced as a result of the Open PACE Program lien on foreclosed properties. The amount of the deposit to the Loss Reserve Fund will be provided in the applicable Program Handbook.

d. **Deposit to Administrative Expense Fund for Foreclosure Expenses.** CSCDA may require property owners to finance a deposit to an account that will cover CSCDA’s costs to initiate judicial foreclosure for properties that are delinquent on payment of their assessment contract. The amount of such deposit will be provided in the applicable Program Handbook.

e. **Capitalized Interest.** Because each county has established a deadline for placing the contractual assessments on its property tax bill, the principal component of the contractual assessment may also include the interest on the related bonds for one or more interest payment dates.
f. **Costs of Issuance and Administrative Costs.** Initial administrative costs and the costs of issuing any bonds are built into the principal component of the contractual assessment. The costs to be included in the principal component are provided in the applicable Program Handbook. See Costs of Issuance of Administrative Costs in Section 3.5.

2. **Interest Rate.** The rate of interest on the contractual assessment will be a fixed interest rate. The rate will be fixed at the time of a completed application for each assessment contract.

3. **Ongoing Program Administrative Fees.** Ongoing administrative costs are reflected in the administrative component of the annual contractual assessment installments and subject to increase by CSCDA. See “Costs of Issuance and Administrative Costs” in Section 3.5.

### 3.7 Payment Terms

Payment of the Open PACE annual contractual assessment installments is made through the addition of a line item on the property tax bill. Payment terms range from five to 39 years, depending on the average expected useful life of the installed Eligible Product.

Contractual assessments may be prepaid in full or in part at any time and may or may not be subject to a prepayment penalty. The prepayment penalty will be identified in the Assessment Contract.

### 3.8 Transfer or Resale of Property

The contractual assessment obligation remains an obligation of the subject property following the sale of the subject property. Successor property owners will receive disclosure of the contractual assessment as a result of the two statutory notices recorded in the real property records: the “Notice of Assessment” and the “Payment of Contractual Assessment Required.” In addition, sellers of property are obligated by California law to disclose the contractual assessment obligations to prospective purchasers.

### 4. Consumer Protection

The Open PACE Program is subject to certain State and federal laws designed to protect consumers. Among other things, these laws require CSCDA to disclose information to property owners and, only during the three-day period following execution of the Assessment Contract, guarantee certain residential property owners the right to rescind the Assessment Contract without penalty (including the return of the application fee, if applicable). CSCDA will comply with all applicable State and federal laws in connection with the Open PACE Program.

### 5. Duration

The Open PACE Program will continue as long as there is sufficient demand and there is a positive regulatory environment.

### 6. Public Agency Official

CSCDA will, from time to time, authorize certain representatives to execute Assessment Contracts on its behalf; the current authorized representative is:

Name: Norman Coppinger  
Title: Administrative Director  
Phone: (916) 658-8277  
Email: ncoppinger@acities.org  
Address: 1400 K Street, Suite 400  
Sacramento, CA 95814

### 7. Changes to the Report

CSCDA may make changes to this Report and the other Open PACE Program documents from time to time in its absolute discretion. No such changes will affect the amounts payable by a property owner under an existing Assessment Contract.
8. Program Handbooks

CSCDA has prepared Program Handbooks to communicate the Open PACE Program details to property owners and other interested parties. The Program Handbooks will be amended from time to time to reflect the details of the Open PACE Program.

9. Schedules and Exhibits

Schedule I: List of County-Members
Schedule II: List of City-Members Within Los Angeles County
Exhibit A: Form of Assessment Contract
Exhibit B: Open PACE Program Boundary Maps
### SCHEDULE I

#### LIST OF COUNTIES

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SCHEDULE II

LIST OF CITIES WITHIN LOS ANGELES COUNTY

Agoura Hills  Gardenia  Paramount
Alhambra  Glendale  Pasadena
Arcadia  Glendora  Pico Rivera
Artesia  Hawaiian Gardens  Pomona
Avalon  Hawthorne  Rancho Palos Verdes
Azusa  Hermosa Beach  Redondo Beach
Baldwin Park  Huntington Park  Rolling Hills Estates
Bell  Industry  San Dimas
Bell Gardens  Inglewood  San Gabriel
Bellflower  La Mirada  San Marino
Beverly Hills  La Verne  Santa Clarita
Burbank  Lakewood  Santa Fe Springs
Calabasas  Lancaster  Santa Monica
Carson  Lomita  South Gate
Claremont  Long Beach  South Pasadena
Commerce  Los Angeles  Temple City
Compton  Lynwood  Torrance
Covina  Maywood  Vernon
Cudahy  Monrovia  Walnut
Culver City  Montebello  West Covina
Downey  Monterey Park  West Hollywood
Duarte  Norwalk  Westlake Village
El Monte  Palmdale  Whittier
El Segundo  Palos Verdes Estates
EXHIBIT A

FORM OF ASSESSMENT CONTRACT

[ATTACHED]
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
OPEN PACE PROGRAM
ASSESSMENT CONTRACT

This Assessment Contract (this "Contract") is made and entered into as of this ___ day of ____., 20___, by and between the California Statewide Communities Development Authority (the "Authority"), and the record owner(s), ____________ (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CSCDA Open PACE Program (the "Program") to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the City or County identified in Exhibit A (the "Participating Entity"); and

WHEREAS, the Authority has appointed ______, as a program administrator (together with any successors or assigns, the "Program Administrator") for the Program as it pertains to this Contract; and

WHEREAS, the Property is located in the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction (the "Participating Property Owners") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance or refinance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance or refinance the installation of the Authorized Improvements described in Exhibit A (the "Improvements") and the Authority would agree to provide financing, all on the terms set forth in this Contract;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

OHSUSA:759329692.3
AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Contract for the purpose of financing or refinancing the installation of the Improvements identified on Exhibit A.

Section 2. The Property. This Contract relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Contract on behalf of the Property Owner.

Section 3. Contract to Pay Assessment; Prepayment; Non-Completion Assessment

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the assessment set forth on Exhibit B (the "Assessment"). The Authority will not provide financing in an amount in excess of the Assessment. Interest will accrue on the Assessment at the interest rate set forth on Exhibit B beginning on the date on which the Authority issues bonds to finance or refinance the installation of the Improvements. Except as otherwise set forth in this Contract, the Assessment will be paid in the installments set forth in Exhibit B.

(b) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Assessment in order to pay for the costs of collecting the Assessment, the annual administration of the Assessment, the annual administration of bonds secured by the Assessment and other administrative costs (the "Annual Assessment Administrative Fee").

(c) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least $[2,500], at any time upon the payment of (a) the amount of any delinquent installments of principal or interest on the Assessment, together with penalties accrued to the date of prepayment, plus (b) the whole or, subject to the minimum amount set forth in this subsection, a portion of the unpaid non-delinquent principal of the Assessment (the "Assessment Prepayment Amount"), plus (c) interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made, plus (d) an amount equal to the redemption premium, if any, necessary to redeem the principal amount of bonds corresponding to the amount of the Assessment Prepayment Amount, plus (e) a reasonable fee, if charged by the Authority or Program Administrator, for the cost of administering the prepayment and the redemption of bonds.

(d) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind in the event that the Improvements fail to perform in any way or for any reason, the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment, the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, and the Annual Assessment Administrative Fee shall constitute a lien against the Property until they are paid and shall be collected and, as set forth in Chapter 29, such lien shall be coequal to and independent of the lien for general taxes.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have such delinquent installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges
that, if bonds are sold to finance the Improvements, the Authority may pledge and assign this Contract and the related Assessment and lien as security for the bonds and obligate itself, through a covenant with the owners of such bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment installments under circumstances specified in such covenant.

Section 5. Financing or Refinancing of the Improvements.

(a) **Contract to Finance or Refinance Improvements.** The Authority hereby agrees to use the Assessment, together with the Annual Assessment Administrative Fee, to finance or refinance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing or refinancing established by the Authority. Such financing or refinancing may be in the form of paying for the ownership of the Improvements or, subject to the requirements of Chapter 29, paying or prepaying for the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

(b) **Assessment Installments.** The Property Owner agrees to the issuance of bonds by the Authority to finance or refinance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its sole discretion that the Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance or refinance installation of the Improvements is lower than the interest rate specified in Exhibit B or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B. The Authority's determination shall be final and conclusive.

Section 6. Term: Contract Runs with the Land: Subdivision.

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable Law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Contract.

Section 9. Waivers, Acknowledgment and Contract. Because this Contract reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution.
or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated, maintained or perform as expected.

The Property Owner hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Property Owner with the financing or refinancing of the installation of the Improvements, and that the Authority and the Participating Entity has no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

[Remainder of Page Intentionally Left Blank]
To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

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<th>Property Owner 1 Initials:</th>
<th>Property Owner 2 Initials:</th>
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<td>Property Owner 3 Initials:</td>
<td>Property Owner 4 Initials:</td>
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The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Contract.

**Section 10. Indemnification.** The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 10 shall survive the termination of this Contract.

**Section 11. Right to Inspect Property.** The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.
Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority or its assignees.

Section 13. Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Contract may be modified only by the written agreement of the Authority and the Property Owner.

Section 15. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The Authority intends to delegate certain of its functions under this Contract to the Program Administrator and may pledge and assign this Contract to a trustee as security for the bonds issued to finance or refinance the Improvements. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority’s rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 17. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 19. Governing Law; Venue. This Contract shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Contract shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento; provided, however, that actions to foreclose delinquent installments of the Assessment will be filed and maintained in the Superior Court of California in the County identified in Exhibit A.

Section 20. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 21. Monitoring and Recording of Telephone Calls. The Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the Program recorded.
Section 22. Electronic Signatures.

(a) The parties hereto acknowledge and agree that this Contract may be executed by one or more electronic means (hereinafter referred to as “Electronic Signatures”). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Contract by such party to all other parties to or relying on this Contract. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Contract as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Contract as: (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Contract and (iii) constituting this Contract an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Contract, each party hereto hereby accepts the terms of, and intends and does sign, this Contract by its Electronic Signature hereto.

Section 23. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and the Authority includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the “Contract Documents”).

By executing this Contract Property Owner acknowledges and agrees that:

a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions of the Authority that Property Owner may have regarding such Contract Documents.

b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in [Appendix B] to the Program Handbook (as defined in Exhibit B to this Contract, the “Program Handbook”).

c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner’s application and the Program Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owners Acknowledgments and Disclosures contained in the (a) Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Program Handbook

Owner(s) must execute and return this Contract to the Authority at the address set forth in the “Notice Information” section of Exhibit A hereto so that it is received by the Authority not later than __________. If the Property Owner(s) fail to return the signed Assessment Contract to the Authority by the indicated date, the Program reserves the right to require the Property Owner(s) to enter into a new Contract. All signatures of the Owner(s) must be notarized by a duly licensed notary unless all Owner(s) have previously successfully completed the identity verification process approved by the Authority.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date.
The "Effective Date" is defined as the last date entered with the signatures of the parties below.
Owner 1:

_________________________, Signature

Date: ___________________________ Identity Verification Code:

Month/Day/Year

Owner 2:

_________________________, Signature

Date: ___________________________ Identity Verification Code:

Month/Day/Year

Authority: Authorized Signatory:

_________________________

Name (Please Print)

_________________________  _______________________

Signature                   Date of Execution by Authority
EXHIBIT A

DESCRIPTION OF PROPERTY, DESCRIPTION OF THE IMPROVEMENTS, AND NOTICE INFORMATION

Description of Property:
Property Owner(s) Name(s):
Property Address:
APN:
Participating Entity:
County:

Description of Improvements:
The Improvements include the following:

Notice Information:
[Open PACE Program Notice Information]
[Property Owner Notice Information]
EXHIBIT B

LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND
SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL,
INTEREST AND ANNUAL ASSESSMENT ADMINISTRATIVE FEE

List of Contract Documents:

The Contract shall consist of the following documents:

- This Contract and the exhibits hereto;
- The Application;
- The Completion Certificate;
- The Assessment Cost and Payment Summary;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required;
- The Program Handbook (Program), Version ___, dated ______; and
- The Program website located at ____________.

Disbursement:

The Maximum Disbursement Amount is $__________.

The Estimated Disbursement Date(s) will be no later than ________, which date(s) are used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

1. The Authority disburses the Maximum Disbursement Amount.

2. Interest totaling a maximum of $______ will accumulate until your first Payment. That amount will be added to the Maximum Disbursement Amount.

3. The Authority disburses [the Maximum Disbursement Amount] [$_____] on [each of] the Estimated Disbursement Date(s).

4. The Assessment Interest Rate is ___%.

5. The Annual Percentage Rate (APR) of your assessment is ____%. APR is the Effective Cost of Credit in consumer loans and real estate loans expressed as a percentage interest rate. The annual percentage rate is the interest rate the borrower actually pays, including fees required in order to participate in the Program.

6. The total administrative fees, recording fees and other fees and costs added to your assessment is $______.
<table>
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<tr>
<th>Tax Year (commencing July 1)</th>
<th>Interest</th>
<th>Principal</th>
<th>Total Assessment</th>
<th>Current Annual Administrative Assessment Fee***</th>
<th>Total Estimated Contractual Assessment Payment</th>
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*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date(s). The actual Initial Tax Year will be based upon the actual Disbursement Date(s).

*** Subject to change

Following the disbursement of the disbursement amount, the Program Administrator will adjust the assessment and the estimated maximum annual assessment installments, if necessary, to reflect the actual assessment based upon the actual disbursement amount, the actual disbursement date(s), and the actual amount of interest due and payable before the first payment added to the disbursement amount. The actual amount of the assessment and schedule of annual assessment installments shall be specified in the "payment of contractual assessment required" to be recorded by the authority in the office of the county recorder of the county of __________.

Prepayment:

You have the right to pay off your assessment lien amount at any time in full, or in any amount of at least $[2,500] pursuant to Section 3(c) of this Contract. However, if you do so, you will have to pay any delinquent installments of the Assessment together with any penalties thereon, the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount"), interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made, an amount equal to the redemption premium, if any, necessary to redeem a principal amount of bonds corresponding to the amount of the Assessment Prepayment Amount and any other charges associated with such prepayment as specified in Section 3(c) of this Contract.
EXHIBIT B
OPEN PACE PROGRAM BOUNDARY MAPS
[ATTACHED]
This map shows the boundaries of the CSCDA Open PACE Program, State of California, within the counties (including the incorporated cities therein) highlighted in green (each, a "Covered Jurisdiction"). Pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways code of the State of California, the Commission of the California Statewide Communities Development Authority ("California Communities") has determined that it would be convenient, advantageous, and in the public interest to designate an area encompassing the entire geographic territory within the boundaries of each Covered Jurisdiction, within which, subject to the consent of the legislative body thereof, California Communities and property owners may enter into contractual assessments to finance or refinance the installation of distributed generation renewable energy sources, energy or water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure that are permanently fixed to real property.
Boundaries of CSCDA Open PACE Program

This map shows the boundaries of the CSCDA Open PACE Program, State of California, within the cities colored in green herein (each, a "Covered Jurisdiction"). Pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, the Commission of the California Statewide Communities Development Authority ("California Communities") has determined that it would be convenient, advantageous, and in the public interest to designate an area encompassing the entire geographic territory within the boundaries of each Covered Jurisdiction, within which, subject to the consent of the legislative body thereof, California Communities and property owners may enter into contractual assessments to finance or refinance the installation of distributed generation renewable energy sources, energy or water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure that are permanently fixed to real property.
RESOLUTION NO. 14R-66

A RESOLUTION CONFIRMING REPORT RELATING TO THE FINANCING OR REFINANCING OF THE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY IMPROVEMENTS, WATER EFFICIENCY IMPROVEMENTS, SEISMIC STRENGTHENING IMPROVEMENTS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND OTHER WORK, INFRASTRUCTURE OR IMPROVEMENTS AUTHORIZED BY LAW AND APPROVING, DIRECTING AND ORDERING OTHER RELATED MATTERS

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”) (the “Authorized Improvements”); and

WHEREAS, Chapter 29 authorizes the Authority to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the counties (including the incorporated cities therein) listed on Schedule I (each, a “County”) and the cities in Los Angeles County listed on Schedule II (each, a “City in Los Angeles County” and, collectively with the Counties, the “Covered Jurisdictions”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions; and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, prior to entering into contractual assessments to finance or refinance the installation of Authorized Improvements, the Authority will require the following:

(i) if the real property to be assessed is located in the unincorporated territory of a County, the County’s board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention;

(ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city’s legislative body must have consented by adopting a
resolution in substantially the form set forth in Exhibit A to the Resolution of Intention; and

(iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the “Executive Director”) to prepare or cause to be prepared and to file with the Commission a report (the “Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a draft contract (the “Contract”) between the Authority and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, the Report is on file with the Secretary of the Commission and contains all the matters required by Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, the Resolution of Intention ordered a public hearing to be held on this date for the purposes of allowing interested persons to object to or inquire about the proposed Program or any of its particulars; and

WHEREAS, as required by Section 5898.24(a) of Chapter 29 and the Resolution of Intention, the Authority caused publication of a notice of public hearing for the purpose of allowing interested persons to object to or inquire about the proposed Program or any of its particulars; and

WHEREAS, on this date, the Commission of the Authority held a noticed public hearing as required by Chapter 29 at which the Report was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed Program, the extent of the area proposed to be included within the Program, the terms and conditions of the draft Contract attached as an exhibit to the Report, and the proposed financing provisions; and

WHEREAS, as required by Section 5898.24(b) of Chapter 29, the Authority caused written notice of the proposed Program to be provided to all water or electric providers within the boundaries of the Covered Jurisdictions not less than 60 days prior to this date;

NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. The above recitals are true and correct and the Commission so finds and determines.

Section 2. The provisions of the Resolution of Intention are hereby incorporated in this Resolution by this reference.
Section 3. The Report and the component parts thereof, including each exhibit to the Report, is hereby approved and confirmed. The Executive Director is hereby authorized to make such changes to the matters addressed by the Report, including but not limited to the description of Authorized Improvements, draft Contract and plan for financing or refinancing the installation of the Authorized Improvements, as the Executive Director determines are appropriate in connection with implementation of the Program within the boundaries of each Covered Jurisdiction.

Section 4. The Authority hereby establishes the Program within the boundaries of each Covered Jurisdiction and orders its implementation consistent with the provisions of the Report and this Resolution.

Section 5. The Authority hereby approves the form of Contract attached to the Report, with such additions thereto and changes therein as any Authorized Signatory of the Authority (as designated from time to time by separate resolution of the Commission), in consultation with counsel to the Authority, deems necessary, desirable or appropriate, the execution of which by an Authorized Signatory shall be conclusive evidence of the approval of any such additions and changes. Any Authorized Signatory is hereby authorized and directed to execute Contracts with property owners in order to provide for the levy of contractual assessments to finance or refinance the installation of Authorized Improvements. The Authority hereby authorizes the performance by the Authority of its obligations under such Contracts.

Section 6. California Communities hereby orders that the Authorized Improvements identified in the Contracts be made and confirms the contractual assessments to finance or refinance the installation of the Authorized Improvements to be levied by the Contracts.

Section 7. In connection with execution of a Contract with a property owner participating in the Program, the Secretary of the Authority or the designee thereof (the “Secretary”) is hereby directed to cause to be recorded in the office of the County Recorder for each Covered Jurisdiction the various notices and other documents required by Chapter 29 and other applicable laws.

Section 8. The Executive Director is hereby authorized and directed to prepare the auditor’s record for the Program and transmit the auditor’s record to the County Auditor for each Covered Jurisdiction.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution and the Report are hereby approved, confirmed and ratified, and the proper officers of the Authority, including any Authorized Signatory, are hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution and the Report.
Section 10. The Commission hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 4th day of December, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By: ____________________________

Authorized Signatory
California Statewide Communities Development Authority
## SCHEDULE I

### LIST OF COUNTIES

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RESOLUTION NO. 14R-67

A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS IN ONE OR MORE SERIES FROM TIME TO TIME, APPROVING AND DIRECTING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND APPROVING RELATED DOCUMENTS AND ACTIONS

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”) (the “Authorized Improvements”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions (as defined in the Resolution of Intention and herein, the “Covered Jurisdictions”); and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the “Executive Director”) to prepare or cause to be prepared and to file with the Commission a report (the “Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, the Report was filed with the Secretary of the Commission prior to December 4, 2014; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the “Resolution Confirming Report”), the Commission of the Authority confirmed the Report and established the Program in the Covered Jurisdictions; and

WHEREAS, prior to entering into contractual assessments to finance or refinance the installation of Authorized Improvements, the Authority will require the following:
(i) if the real property to be assessed is located in the unincorporated territory of a County (as defined in the Resolution of Intention, and herein a “County”), the County’s board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention;

(ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city’s legislative body must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention; and

(iii) if the real property to be assessed is located in a City in Los Angeles County (as defined in the Resolution of Intention, and herein a “City in Los Angeles County”), the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Report, the Authority is authorized to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, pursuant to the Resolution of Intention, the Commission of the Authority has provided for the issuance of one or more series of improvement bonds pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Law”); and

WHEREAS, pursuant to one or more Master Indentures (including the form of Issuance Certificate attached thereto) (each a “Master Indenture”), the Authority will issue limited obligation improvement bonds in one or more series from time to time to be designated generally as “California Statewide Communities Development Authority Open PACE Limited Obligation Improvement Bonds” (the “Bonds”) for the purpose, among others, of financing or refinancing the installation of Authorized Improvements; and

WHEREAS, there have been made available to the Commissioners of the Authority the following documents and agreements:

(1) A proposed form of the Master Indentures; and

(2) A proposed form of one or more Electronic Signature Agreements (each an “Electronic Signature Agreement”) to be entered into by the Authority in connection with the Bonds.

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the Bond Law;
NOW THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. Pursuant to Chapter 29, the Bond Law and the Master Indentures, the Authority is hereby authorized to issue one or more series of the Bonds. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Master Indentures. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to resolution of the Authority (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or of any Authorized Signatory.

Section 2. The proposed form of Master Indenture, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver one or more Master Indentures (including any Issuance Certificate) in substantially said form, with such changes and insertions therein as any member of the Commission, with advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Master Indentures (including any Issuance Certificate), as finally executed.

Section 3. The proposed form of Electronic Signature Agreement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver one or more Electronic Signature Agreements in substantially said form, with such changes and insertions therein, as any member of the Commission, with advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 5. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the actions which the Authority has approved in this Resolution are hereby ratified, confirmed and approved.
Section 6. The Commission hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 7. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 4th day of December, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By: __________________________
   Authorized Signatory
   California Statewide Communities Development Authority
RESOLUTION NO. 14R-68

A RESOLUTION RENDERING APPROVAL
UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT
FOR THE OPEN PACE PROGRAM

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”) (the “Authorized Improvements”); and

WHEREAS, Chapter 29 authorizes the Authority to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the counties (including the incorporated cities therein) listed on Schedule I (each, a “County”) and the cities in Los Angeles County listed on Schedule II (each, a “City in Los Angeles County” and, collectively with the Counties, the “Covered Jurisdictions”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions; and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth in the Resolution of Intention, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the “Executive Director”) to prepare or cause to be prepared and to file with the Commission a report (the “Report”) addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, the Report was filed with the Secretary of the Commission prior to December 4, 2014; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-66 (the “Resolution Confirming Report”), the Commission of the Authority confirmed the Report and established the Program in the Covered Jurisdictions; and

WHEREAS, the California Environmental Quality Act (“CEQA”) requires that a public agency consider the environmental impacts of a “project” (for purposes of CEQA) for which it issues a discretionary approval, and the approval (“CEQA Approval”) may consist of (i) a
determination that the project is exempt or otherwise not subject to CEQA, (ii) a determination of no significant impact (a negative declaration), (iii) a determination of no significant impact based upon mitigation measures (a mitigated negative declaration), or (iv) the review and approval of the findings of an environmental impact report that assesses and approves environmental impacts, but may include limitations and requirements applicable to the project; and

WHEREAS, the Authority has considered the environmental impacts of the Program and wishes to render its CEQA Approval based on its findings;

NOW THEREFORE, BE IT RESOLVED by the Commission of California Statewide Communities Development Authority, as follows:

Section 1. Under CEQA Guideline Section 15378(b)(4), the Program (including, but not limited to, entering into contractual assessments and the issuance of bonds to finance or refinance the installation of Authorized Improvements) is not a project for purposes of CEQA because it is a government funding mechanism or other government fiscal activity that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. Any project or activity approved or funded under the Program may be modified or not implemented at all depending upon a number of factors, including CEQA environmental review. In addition, the Authorized Improvements to be financed or refinanced by the Program are generally of a type that will not result in a direct or reasonably foreseeable indirect physical change in the environment and are, therefore, not a “project” for purposes of CEQA. 14 Cal. Code Regs. § 15060(c)(2) or are otherwise exempt from CEQA.

Section 2. The Executive Director is hereby authorized to file or cause to be filed a Notice of Exemption for the Program or any specific Authorized Improvement in each Covered Jurisdiction if the Authority determines it is prudent to do so.

Section 3. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions consistent with the purposes of this Resolution.

Section 4. This Resolution shall take effect immediately upon its adoption.
PASSED AND ADOPTED by the California Statewide Communities Development Authority this 4th day of December, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By: __________________________
Authorized Signatory
California Statewide Communities Development Authority
SCHEDULE I

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Kern
Kings
Lake
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Madera
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Mariposa
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Solano
Sonoma
Stanislaus
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Tehama
Trinity
Tulare
Tuolumne
Ventura
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# SCHEDULE II

**LIST OF CITIES WITHIN LOS ANGELES COUNTY**

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Item IX

Approval consideration of a Services Agreement between Bridge Strategic Partners and CSCDA and affiliates for CSCDA program development and management services and municipal advisory services.
Background

In accordance with a letter agreement by and among CSCDA, the California State Association of Counties (CSAC), the League of California Cities (LCC) and the California State Treasurer, CSCDA conducted a Request for Proposal (RFP) process for its program development and management services. In March, 2014 an Ad Hoc Committee (AHC) of the CSCDA Commission (Commission) was formed to conduct the RFP process. Members of the AHC are Larry Combs, Dan Harrison (replacing Dwight Stenbakken in June 2014) and Kevin O’Rourke. Staff support to the Commission was provided by CSCDA Executive Director, Cathy Bando and CSCDA General Counsel, Greg Stepanich. The AHC also consulted with the CSAC Executive Director, Matt Cate and LCC Executive Director, Chris McKenzie on the RFP process.

RFP Process

A Request for Proposals (RFP) was approved by the Commission on May 8, 2014. Proposals were due on June 24, 2014. Four proposals were received from: BLX, LLC; CSG Advisors (CSG); HB Capital Resources, Ltd. (HBCR); and Impacts USA Advisory Services. The AHC interviewed two of the proposing firms, CSG and HBCR on July 31, 2014. During the month of September the AHC entered into further negotiations with CSG and scheduled an appointment for negotiations with HBCR.

On September 23, 2014 the Commission approved an Amended and Restated CSCDA Program Manager RFP. Proposals were due on October 3, 2014. Two additional proposals were received from Bridge Strategic Partners LLC (BSP) and from Columbia Capital Municipal Advisors, and a proposal revision was received from HBCR.

During the months of October and November, 2014, the AHC interviewed BSP and entered into contract negotiations with BSP and HBCR. CSAC and the LCC did not participate in the fee negotiations and HBCR engaged legal counsel to represent them in the negotiations.

Summary of BSP Proposal Terms compared to Current and Proposed Terms with HBCR

The most significant financial factor in the BSP Services Agreement is that there is no obligation to pay annual administrative fees on an on-going basis after the BSP contract terminates. In addition to this consideration, BSP agreed to advantageous terms compared to the current services agreement.
with HBCR. A comparison of the major components\(^1\) of the final fee arrangement with BSP to CSCDA’s current fee arrangement with HBCR, expressed as a percent of fee revenue received, is summarized in the following table:

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<td>BSP</td>
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<td>HBCR</td>
</tr>
<tr>
<td>Private Activity</td>
<td>70%</td>
<td>60%</td>
<td>-10%</td>
<td>70%</td>
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<tr>
<td>Public Agency</td>
<td>33%</td>
<td>33%</td>
<td>0%</td>
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<tr>
<td>PACE</td>
<td>40%</td>
<td>40%</td>
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<tr>
<td>NMTC</td>
<td>75%</td>
<td>60%</td>
<td>-15%</td>
<td>75%</td>
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</table>

A comparison of HBCR’s final mutually-exclusive offer compared to BSP’s final offer is provided below:

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<tr>
<th>Program</th>
<th>Origination</th>
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<td>HBCR</td>
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<td>Private Activity</td>
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<td>Public Agency</td>
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<td>NMTC</td>
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<td>60%</td>
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BSP’s final offer was slightly higher for Public Agency Programs than HBCR. Because the majority of CSCDA’s revenues are currently attributed to Private Activity Bond programs, the reduced costs in the BSP Services Agreement in the area of Private Activity Bond programs are expected to be more significant over time than the reduced costs that would have been derived from the HBRC proposal for Public Agency programs.

During the negotiations the AHC considered engaging two firms as joint program managers. Under this scenario HBCR proposed a limited exclusivity and non-exclusive services option to CSCDA. HBCR proposed mutual-exclusivity on NMTC, PACE and the SCIP program with the remaining programs non mutually-exclusive. Under this scenario, HBCR agreed to receive its share of annual administrative fees as long as it maintained a contract with CSCDA, but not beyond the term of the new contract. HBCR affirmed that the new contract would not change its existing claim on on-going fees as long as the related bonds under the existing contract remain outstanding. HBCR proposed the following non-exclusive terms compared to BSP:

---

\(^1\) There are slight variations within the details of the major program components that are not material for purposes of the comparative analysis.
Additional Components of the Fee Proposals

The BSP Services Agreement for Housing Compliance Monitoring Fees is higher than the current contract and final proposed fees with HBCR. Fees payable to BSP start at $2,500 for projects with 75 or fewer units, increasing to a cap of $4,000 for projects with 101 or more units. The current and final proposed HBCR contract terms for Housing Compliance Monitoring Fees begin at $2,000 for projects with fewer than 50 units, and increases by $300 for each additional 50 units, with no cap.

BSP will be paid a fixed fee of $2,000 per month for municipal advisory services. The municipal advisory fee will be paid from the Authority’s Professional Services Reserve Fund and is limited to the availability of funds in the Reserve Fund.

In HBCR’s final mutually exclusive proposal, they offered to reduce HBCR’s annual administration fees on programs where it currently collects 70% or greater to 65% for private borrowers (and CaLease borrowers) and to reduce its fees on other programs to 20% of the fees charged to CSCDA’s corresponding public borrowers. HBCR calculated that these reductions would amount to an expected total decrease in payments to HBCR equal to $2 million over a three-year contract term. HBCR’s final mutually exclusive proposal required that annual administration fees on new bond issues be paid to HBCR through the life of the respective bonds, even in the event the contract with HBCR is terminated or not renewed. There would be no obligation to pay annual administration fees to BSP after the termination of the BSP contract.

The AHC established a priority to eliminate any future claim on annual administration fees by the program administrator. On this basis, HBCR’s final mutually exclusive proposal was not acceptable.

BSP Qualifications and Proposed Term of Contract

In addition to the overall economic advantages of the BSP proposal, the AHC is confident that BSP will provide exemplary services to continue the long tradition of CSCDA’s service excellence. James Hamill and Jon Penkower, Principals with BSP, have considerable experience working with CSCDA and have demonstrated a commitment to continue to develop existing and new programs for CSCDA.

The BSP contract term is scheduled to commence on July 1, 2015 with a termination date of December 31, 2018. The purpose of the December 31 termination date is to shift the term of the contract to coincide the normal cycle of CSCDA business which usually peaks at the end of the calendar year. BSP and CSCDA may mutually agree to renew the services agreement for up to two successive one year terms in writing prior to the expiration of the services agreement.

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</table>

1 HBCR’s Annual Administration Fees for Private Activity Programs were proposed to decline to 60% in Year 2 and to 50% in Year 3 of the Non-Exclusive contract.
A Word of Thanks

The AHC recognizes the significant contributions and services HBCR has provided to CSCDA over the last 26+ years in developing and managing CSCDA’s programs. The AHC sincerely thanks HBCR for their efforts and for the services they have provided. CSCDA’s membership grew to include over 500 local governments in California. Under HBCR’s management CSCDA issued nearly $50 billion in debt providing substantial public benefit to California local governments. Personal relationships with HBCR’s principals, Steve Hamill and Jerry Burke, were forged that we hope to continue at the conclusion of the contract for origination services. We give special thanks to Mike LaPierre who led the HBCR program development and origination team with Scott Carper and Caitlin Lancot providing day to day origination services support and Christine Gilbert who provides marketing services support. HBCR also has provided CSCDA with considerable accounting services and IT staff support led by Richard Watson, whom we greatly appreciate. In particular, we thank accounting staff members Luis Castro, Amy Stoneham, and Huiling Ren, and IT team members Andrew Jacobson, Alan Cui and Poonam Arora.

Transition

CSCDA is working on a transition plan with HBCR and expects to smoothly transition CSCDA’s future program management and origination services to BSP over the next several months. HBCR is currently expected to continue to serve as the CSCDA Program Manager until the conclusion of their contract on June 30, 2015. Under the terms of the proposed agreement, BSP will begin duties on July 1, 2015, or an earlier date by mutual agreement.

AHC Recommendation

The AHC conducted a thorough and thoughtful RFP process, providing proposers and the finalists with ample opportunity to compete for CSCDA’s program management services. As demonstrated in the comparative summary of proposed terms provided above, the AHC conducted a robust negotiation process with the final two firms. The AHC recommends the approval of a Services Agreement with BSP. As Executive Director to the Commission, I concur with this recommendation. The Services Agreement has been reviewed and approved by General Counsel to the Commission, Greg Stepaniceh, of Richards, Watson and Gershon.

Attachment:

- Services Agreement between Bridge Strategic Partners LLC and the California Statewide Communities Development Authority for Program Development, Management and Municipal Advisory Services.
SERVICES AGREEMENT

This SERVICES AGREEMENT ("Agreement"), dated as of _____________, 2014, is made and entered into by and between BRIDGE STRATEGIC PARTNERS LLC, a California limited liability company ("BSP") and CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a California joint powers authority organized pursuant to Section 6500 et. seq. of the California Government Code ("Authority") (collectively the "Parties" and each individually a "Party").

RECITALS

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, a number of California cities, counties and special districts entered into a joint exercise of powers agreement pursuant to which the Authority was organized;

WHEREAS, the purpose of the Authority is to serve as a public conduit issuer for public benefit and municipal financings, to manage a community development entity through its affiliate, the California Statewide Communities Development Corporation ("CSCDC"), and to promote the economic and social well-being of local government agencies and citizens through the development of innovative new programs;

WHEREAS, BSP, a registered municipal advisor, provides consulting, strategic advisory, and program management services to both the public and private sector;

WHEREAS, on September 23, 2014, the Authority issued an Amended and Restated Request for Proposal ("RFP") for program origination, program development and management services;

WHEREAS, BSP submitted a written response to the RFP indicating its desire to provide comprehensive program origination, development and management services, as well as municipal advisory services to the Authority and its Affiliates; and

WHEREAS, the Authority desires to engage BSP, and BSP desires to accept such engagement, to provide comprehensive program origination, development and management services, as well as municipal advisory services to the Authority and its Affiliates, according to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, representations, and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. RECITALS. Each of the foregoing Recitals is true and correct and incorporated by reference as if fully set forth herein.

2. DEFINITIONS. For purposes of this Agreement, in addition to the bold capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings given to them below:

2.1 "Affiliate" means, with respect to a party, any person or entity, directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with, such party. For purposes of this definition, "control" means the possession, directly or indirectly, of the
power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, common governing bodies, by contract or otherwise.

2.2 "Annual Administrative Fees" means those certain annual administrative fees payable to the Authority or its Affiliate by a Borrower in connection with any Authority Programs pursuant to the Authority's then current Annual Administrative Fee schedule.

2.3 "Authority Programs" means the financing and economic development programs administered by the Authority and its Affiliates, including, but not limited to its current public agency programs, energy finance programs, private activity bond programs, new markets tax credit programs, housing bond post-issuance compliance, public-private partnerships, and single family housing bonds.

2.4 "Borrower" means the public agency, private entity or individual responsible for repayment of any bonds, loans or other transactions in connection with any Authority Programs.

2.5 "BSP Fees" means, collectively, the Municipal Advisory Fees, Program Management Fees and Compliance Monitoring Fees.

2.6 "Compliance Monitoring Fees" means those certain fees paid to BSP in exchange for BSP’s performance of Compliance Monitoring Services as set forth in Exhibit B to this Agreement.

2.7 "Compliance Monitoring Services" means those certain Program Management Services provided in connection with affordable housing bonds as set forth in Exhibit A to this Agreement.

2.8 "Effective Date" means July 1, 2015 or such earlier date as may be mutually agreed upon by the parties in writing.

2.9 "Issuance Fees" means those certain fees payable to the Authority or its Affiliate by a Borrower at the closing of any financing transaction in connection with any Authority Programs pursuant to the Authority's then current Issuance Fee schedule.

2.10 "Municipal Advisory Fees" means those certain fees paid to BSP in exchange for BSP’s performance of the Municipal Advisory Services as set forth in Exhibit B to this Agreement.

2.11 "Municipal Advisory Services" has the meaning given in Section 5.1.

2.12 "Program Management Fees" means those certain fees paid to BSP in exchange for BSP’s performance of the Program Management Services as set forth in Exhibit B to this Agreement.

2.13 "Program Management Services" has the meaning given in Section 5.1.

2.14 "Reserve Fund" means a custody account maintained by BSP for the benefit of the Authority with a financial institution acceptable to the Authority for the purpose of payment by BSP on behalf of the Authority of marketing, legal, legislative representation, accounting, public relations, consulting, professional and other service fees incurred by BSP in connection with any Authority Programs or otherwise in connection with this Agreement, as further described in Section 7.4.

2.15 "Services" has the meaning given in Section 5.1.
2.16 "Sponsorship Services Providers" means the entities that perform certain sponsorship services in connection with the Authority Programs. As of the Effective Date, the Sponsorship Services Providers are the League of California Cities ("LCC"), the California State Association of Counties ("CSAC") and the CSAC Finance Corporation.

2.17 "Term" has the meaning given in Section 4.

3. APPOINTMENT. The Authority hereby appoints BSP on an exclusive basis during the Term (as more particularly described in Section 10.1) to perform the Program Management Services and Municipal Advisory Services pursuant to this Agreement, and BSP hereby accepts such appointment.

4. TERM. This Agreement shall commence on the Effective Date and shall continue thereafter until December 31, 2018, unless earlier terminated in accordance with the terms of this Agreement (the "Initial Term"). The Parties may mutually agree to renew the Agreement for up to two (2) successive one (1) year terms (each a "Renewal Term" and together with the Initial Term, the "Term") by exercising such Renewal Term in writing prior to the expiration of the then current Term.

5. OBLIGATIONS OF BSP.

5.1 Services. BSP agrees to perform for the Authority, during the Term of this Agreement, program origination, program development and management services (collectively, the "Program Management Services") and municipal advisory services (the "Municipal Advisory Services" and together with the Program Management Services, the "Services") described in Exhibit A. BSP shall perform the Services (a) in a professional manner; (b) in accordance with all applicable laws, rules, and regulations; and (c) according to the terms of this Agreement. Nothing in this Agreement shall require BSP to perform or cause to be performed any of the Services in any manner that would constitute a violation of applicable laws, rules, or regulations. BSP shall not be required to perform or cause to be performed any of the Services for the benefit of any parties other than the Authority and its Affiliates.

5.2 Other Service Providers. BSP may engage certain third parties to assist BSP in connection with BSP’s provision of the Services required under this Agreement. In the event that BSP engages any third parties to assist BSP with the provision of Services, BSP shall remain solely responsible to the Authority for the performance of all Services.

6. OBLIGATIONS OF AUTHORITY.

6.1 Access. The Authority shall provide BSP, and its Affiliates, agents, representatives, employees and contractors, with reasonable access to staff, documents, information, materials, facilitates, and offices of the Authority as reasonably necessary or appropriate for BSP to perform the Services (including, but not limited to, documents or information in the custody of Authority’s predecessor program manager).

6.2 Reserve Fund Contributions. The Authority shall require that contributions to the Reserve Fund shall continue to be made from Annual Administrative Fees received in connection with all of the Authority’s outstanding financing transactions closed prior to the Effective Date.

6.3 Marketing Events. The Authority shall use its best efforts to provide admission and booth space to BSP at no cost to BSP or the Authority at all LCC, CSAC and CSAC Finance Corporation sponsored conferences and events for the purpose of marketing the Authority Programs.
7. FEES; RESERVE FUND.

7.1 Municipal Advisory Fees. In consideration of the Municipal Advisory Services described in Exhibit A, BSP shall receive the Municipal Advisory Fees as set forth in Exhibit B.

7.2 Program Management Fees. In consideration of the Program Management Services described in Exhibit A, BSP shall receive the Program Management Fees as set forth in Exhibit B.

7.3 Compliance Monitoring Fees. As a part of the Program Management Services, BSP shall perform certain compliance services for affordable housing projects financed in connection with any Authority Programs as contemplated by this Agreement. In consideration of the performance of the compliance services, BSP shall receive the Compliance Monitoring Fees set forth in Exhibit B.

7.4 Reserve Fund. BSP shall maintain the Authority’s existing Reserve Fund for the benefit of the Authority and the Sponsorship Services Providers. The Authority hereby authorizes BSP to manage the Reserve Fund according to the terms of this Agreement, including, without limitation, making payments to service providers. The Reserve Fund shall be utilized for marketing, legal, legislative representation, accounting, public relations, consulting, professional and other service fees incurred in connection with the Authority or Authority Programs. The Reserve Fund shall be funded with five percent (5%) of the gross Issuance Fees and Annual Administrative Fees collected from Borrowers until it reaches a total of five hundred thousand dollars ($500,000). Such contributions to the Reserve Fund shall be made from all new and outstanding Authority Program transactions except for New Markets Tax Credit transactions facilitated by CSCDC. At such time as the balance in the Reserve Fund falls below five hundred thousand dollars ($500,000), Issuance Fees and Annual Administrative Fees shall again be allocated to and deposited in the Reserve Fund.

8. DEFAULTS.

8.1 BSP Defaults. The occurrence of any of the following events (each a "BSP Default") shall constitute a default of BSP under this Agreement:

8.1.1 BSP fails to perform any covenants, Services, agreements, or obligations under this Agreement and (i) such failure is not consented to in writing or waived in writing by the Authority, (ii) such failure is not excused by any event of Force Majeure as defined herein; and, (iii) such failure has a material adverse effect on the Authority or the Authority Programs; and (iv) such failure has not been cured within sixty (60) calendar days after BSP receives a reasonably detailed written notice of such failure from the Authority, or within such longer cure period (not to exceed one hundred eighty (180) calendar days) as is reasonably necessary therefore so long as BSP is diligently proceeding to cure such failure.

8.1.2 BSP (i) ceases operations of its business in the ordinary course, (ii) is adjudicated bankrupt or becomes insolvent, (iii) winds up or liquidates its business voluntarily or otherwise, (iv) applies for, consents to, or suffers the appointment of, or the taking of possession of by, a receiver, custodian, assignee, trustee, liquidator, or similar fiduciary of itself or of all or any substantial portion of its assets, (v) makes a general assignment for the benefit of creditors, or (vi) commences a voluntary case under any state or federal bankruptcy laws.
8.2 **Authority Defaults.** The occurrence of any of the following events (each an "Authority Default") shall constitute a default of the Authority under this Agreement:

8.2.1 The Authority fails to perform any covenants, agreements, or obligations under this Agreement if (i) such failure is not consented to or waived in writing by BSP, (ii) such failure is not excused by any event of Force Majeure, (iii) such failure has a material adverse effect on BSP or the BSP Fees to be received by BSP hereunder; and (iv) such failure has not been cured within sixty (60) calendar days after the Authority receives a reasonably detailed written notice of such failure, or within such longer cure period (not to exceed one hundred eighty (180) calendar days) as is reasonably necessary therefore so long as the Authority is diligently proceeding to cure such failure.

9. **TERMINATION.**

9.1 **Termination for BSP Default.** Upon the occurrence of a BSP Default, the Authority shall have the right to terminate this Agreement immediately upon written notice to BSP, whereupon the Term shall end.

9.2 **Termination for Authority Default.** Upon the occurrence of an Authority Default, BSP shall have the right to terminate this Agreement immediately upon written notice to the Authority, whereupon the Term shall end.

9.3 **Mutual Agreement to Termination.** The Parties may terminate this Agreement by mutual express consent in writing duly signed by authorized representatives of both Parties.

9.4 **Nonrenewal.** This Agreement shall terminate at the end of the Initial Term or a Renewal Term, as applicable, if the parties do not mutually agree to renew this Agreement in accordance with Section 4.

9.5 **Rights of Parties after Expiration or Termination.**

9.5.1 The terms and provisions of this Agreement that, by their sense and context, are intended to survive the completion or termination of this Agreement shall so survive the completion of performance and termination of this Agreement including, without limitation, Sections 1, 2, 7, 11, 12, 13, 14 and 15.

9.5.2 Upon termination or expiration of this Agreement, BSP shall receive the portion of all accrued, unpaid BSP Fees to which it is entitled as of the effective date of such termination or expiration.

9.5.3 Upon termination or expiration of this Agreement, BSP shall receive Annual Administrative Fees and Compliance Monitoring Fees for a period not to exceed six (6) months beyond the effective date of the Agreement’s termination or expiration in connection with Authority Program transactions closed during the Term of this Agreement for which Services were provided by BSP during the Term.

10. **EXCLUSIVITY.**

10.1 **Exclusive Appointment.** During the Term of this Agreement, BSP shall be the sole and exclusive provider of the Services for all current and future Authority Programs. The Authority shall not participate with a third party in any business arrangement that would conflict or interfere with the right of BSP to perform the Services and receive BSP Fees as set forth in this Agreement. BSP
acknowledges that the contract with the prior program manager provides for the payment of on-going annual administrative fees to the prior program manager for projects financed during the term of such contract.

10.2 **Exclusive Dealings.** During the Term of this Agreement, BSP shall not establish or otherwise participate in programs that directly compete with the Authority Programs without the prior written consent of the Authority. Notwithstanding the foregoing, in the event that either Party provides notice to the other Party of its intent not to enter into a Renewal Term, or in the event that the last remaining Renewal Term under the Agreement has been exercised, BSP shall be permitted to enter into or solicit any contract, agreement, or other arrangement for services that may compete with one or more Authority Programs, so long as the effective date for performance under such contract, agreement, or other arrangement is after the Term of the Agreement has ended.

11. **REPRESENTATIONS AND WARRANTIES.**

11.1 **General Representations and Warranties.** Each Party represents and warrants to the other that (a) it has full authority to enter into this Agreement, and to fully perform its obligations hereunder; (b) it possesses the necessary rights in order to make the grant of rights, licenses, and permissions, if any, that such party has made herein; (c) it shall not act in any manner which conflicts or interferes with any existing commitment or obligation of such party, and that no agreement previously entered into by such party will interfere with such party's performance of its obligations under this Agreement; and (d) it shall perform its obligations hereunder in compliance with any applicable laws, rules, and regulations of any governmental authority.

11.2 **Mutual Disclaimer.** NO PARTY HERETO MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY THE PARTIES IN THIS AGREEMENT AND EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED.

12. **RELIANCE ON INFORMATION.** The Authority acknowledges that in the performance of its Services hereunder, BSP may from time to time obtain information from a Borrower (or from other sources deemed reliable) about the Borrower or the project being financed or any other matter with respect to a financing transaction in connection with any Authority Programs, and may use such information in performing its Services or transmit such information to the Authority or its representatives or to any underwriter, trustee or bond counsel involved in such transaction. The Authority agrees that BSP may rely upon such information without independent inquiry or verification and shall not be responsible or liable to the Authority or any person or entity for, or be deemed to make any representations or warranties to the Authority or any other person or entity as to, the truth, accuracy or completeness of such information unless BSP has actual knowledge that such information is untrue, inaccurate or incomplete.

13. **LIMITATION OF LIABILITIES; INDEMNIFICATION; INSURANCE.**

13.1 **Limitation of Liabilities.** IN NO EVENT SHALL THE AUTHORITY OR ITS OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, AND MEMBERS ON THE ONE HAND, OR BSP OR ITS AFFILIATES OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, AND MEMBERS ON THE OTHER HAND, BE LIABLE TO THE OTHER PARTY, IN CONTRACT OR IN TORT, OR UNDER ANY OTHER LEGAL THEORY (INCLUDING STRICT LIABILITY), FOR (I) ANY PUNITIVE, EXEMPLARY, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR SIMILAR
DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIM, OR (II) ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT TO THE EXTENT THAT THE AGGREGATE AMOUNT OF SUCH DAMAGES EXCEEDS THE AGGREGATE AMOUNT OF BSP FEES PAID BY THE AUTHORITY TO BSP UNDER THIS AGREEMENT DURING THE SIX (6) MONTHS PRIOR TO THE DATE SUCH CLAIM AROSE. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO ANY CLAIM THAT ARISES OUT OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD.

13.2 **Indemnification, Hold Harmless and Duty to Defend.** BSP shall defend, indemnify, and hold the Authority, its officials, officers, employees, volunteers and agents serving as independent contractors in the role of Authority officials free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of the gross negligence, willful misconduct or fraud of BSP, its employees, or its agents in connection with the performance of this Agreement, including without limitation the payment of all punitive, exemplary, special, incidental or consequential damages and attorneys’ fees and other related costs and expenses. BSP shall reimburse the Authority, its directors, officials, officers, employees, or its agents for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. BSP’s obligation to indemnify shall not be restricted to insurance proceeds, if any, received by BSP, the Authority, its directors, officials, officers, employees, or its agents. All duties of BSP under this Section shall survive termination of this Agreement.

13.3 **Insurance.** BSP shall not commence work under this Agreement until it has provided evidence reasonably satisfactory to the Authority that BSP has secured all insurance required under this Section. BSP shall furnish the Authority with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms reasonably satisfactory to the Authority. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. BSP shall receive and approved by the Authority before work commences. The Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.3.1 BSP shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of this Agreement. Insurance is to be placed with insurers with a current A.M. Best’s rating no less than A:VIII and licensed to do business in California. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (2) Employer Non-Owned Automobile Liability (ENOL). BSP shall maintain limits no less than: (1) General Liability: $1,000,000 per occurrence and $2,000,000 in the aggregate for bodily injury, personal injury and property damage; and (2) Employer Non-Owned Automobile Liability (ENOL): $500,000 per accident for bodily injury and property damage.

13.3.2 The insurance policies shall contain the following provisions, or BSP shall provide endorsements on forms supplied or approved by the Authority to state: (1) coverage shall not be suspended, voided, reduced or canceled except after 30 days prior written notice by certified mail, return receipt requested, has been given to the Authority; (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the Authority, its directors, officials, officers, (3) coverage shall be primary insurance as respects the Authority, its directors, officials, officers, employees or its agents, or if excess, shall stand in an unbroken chain of coverage excess of the BSP’s scheduled underlying coverage and that any insurance or self-
insurance maintained by the Authority, its directors, officials, officers, employees, agents and volunteers shall be excess of the BSP’s insurance and shall not be called upon to contribute with it; (4) for general liability insurance, that the Authority, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the services or operations performed by or on behalf of BSP, including materials, parts or equipment furnished in connection with such work; and (5) for employer non-owned automobile liability, that the Authority, its directors, officials, officers, employees, and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any automobile owned or leased by an employee of BSP and used on behalf of BSP.

13.3.3 All insurance required by this Section shall contain standard separation of insureds provisions and shall not contain any special limitations on the scope of protection afforded to the Authority, its directors, officials, officers, employees, agents, and volunteers.

13.3.4 Any deductibles or self-insured retentions shall be declared to and approved by the Authority.

14. **NOTICES.** All notices between the Parties shall be in writing and shall be deemed to have been given if personally delivered or sent by overnight courier to the other Party's address set forth below or such other address as is provided by notice as set forth herein. Notices shall be deemed effective upon receipt if personally delivered, or one (1) business day after it was sent if by overnight courier.

**BSP**

Bridge Strategic Partners LLC  
1700 North Broadway, Suite 330  
Walnut Creek, CA 94596

**AUTHORITY**

California Statewide Communities Development Authority  
c/o CSAC  
1100 K Street  
Sacramento, CA 95814

15. **MISCELLANEOUS.**

15.1 **Necessary Acts, Further Assurances.** Upon reasonable request by a Party, the other Party shall execute and deliver such further documents and instruments and shall take such other actions as may be reasonably necessary or appropriate to evidence or carry out the intent and purposes of this Agreement or to show the ability to carry out the intent and purposes of this Agreement.

15.2 **Independent Contractors.** BSP is an independent contractor in all its operations and activities hereunder. BSP and the Authority agree that BSP will render Services according to BSP’s own means and methods and is subject to the Authority's control only with regard to the BSP’s final product or result. The Authority shall not exercise direct control or supervision over the means that BSP uses to accomplish BSP’s work. The Parties understand and agree that BSP is not an employee of the Authority and nothing contained herein shall be deemed to create a joint venture, partnership, or any other relationship, other than that of an independent contractor.

15.3 **Force Majeure.** Neither Party shall be responsible or liable for delays or failures in performance resulting from acts of God, strikes, lockouts, riots, acts of war and terrorism, embargoes, unanticipated changes in governmental regulations, epidemics, fire, communication line failures, power failures, earthquakes, other disasters, or any other reason where failure to perform is beyond the control of, and not caused by, the non-performing party or its vendors, service providers, or suppliers (each, an event of "Force Majeure"). If a claim by a party for release of its obligations under this Section 15.3
exceeds ninety (90) calendar days, then the other party shall have the right to terminate this Agreement, whereupon the Term shall end. Neither Party is entitled to relief under this Section 15.3 to the extent that any event otherwise constituting an event of Force Majeure results from the gross negligence or willful misconduct of the applicable party or its vendors, service providers, or suppliers.

15.4 **Governing Law.** This Agreement and any disputes hereunder shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of laws provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

15.5 **Dispute Resolution.** In the event of any dispute concerning the validity, interpretation, enforcement or breach of this Agreement, the parties unconditionally and irrevocably agree that the dispute will be resolved by arbitration (and accordingly they hereby consent to personal jurisdiction over them) in Sacramento, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The arbitration will be heard and determined by a single arbitrator. The arbitrator shall be bound to apply the applicable governing law set forth herein to each dispute. The arbitrator shall decide in accordance with the express terms of this Agreement, and is not empowered to alter, amend, modify or change any of the terms of this Agreement. The dispute resolution proceedings and discovery shall be conducted as expeditiously as reasonably possible. Unless appealed as provided herein, the arbitrator's decision in any such arbitration will be final and binding upon the Parties and may be enforced in any court of competent jurisdiction. The prevailing Party (as determined by the arbitrator) will be entitled to recover its attorneys' fees and arbitration costs from the other Party. Either Party may appeal the arbitrator's award to three (3) neutral arbitrators ("Appellate Arbitrators") by filing with the AAA within twenty (20) calendar days after transmittal of the award, a written brief stating the reasons why the arbitrator's decision should be reversed or modified. The opposing party shall file with the AAA and serve on the appealing party, within twenty (20) calendar days after receiving the appeal brief, an opposition brief. The Appellate Arbitrators shall be selected in accordance with the AAA Commercial Arbitration Rules and shall all be retired judges of a court of record in California. Either Party may request oral argument, which must be conducted within fourteen (14) calendar days following the submission of the final brief. The Appellate Arbitrators shall have full authority to review the arbitrator's opinion and award, both as to questions of law and fact, to the same extent as would a state court of appeal in the state in which the arbitration was held. The Appellate Arbitrators shall render a written decision affirming, reversing, modifying, or remanding the arbitrator's decision within twenty (20) calendar days after receiving the final appellate submissions. The Appellate Arbitrators may reverse, modify, or remand the matter for further proceedings by the arbitrator. The Appellate Arbitrators decision shall be final and binding (unless remanded to the arbitrator) as to all matters of substance and procedure. The Parties agree that except as may otherwise be required by applicable laws, rules or regulations, the arbitration and any appellate arbitration will be kept confidential and the existence of the proceeding and any element of it (including, without limitation, any pleadings, briefs or other documents submitted or exchanged and any testimony or other oral submissions and awards) will not be disclosed to any person or entity other than the arbitrator, the Appellate Arbitrators, and the Parties and their respective employees, agents and representatives who have a need to know such information. Notwithstanding the foregoing, the binding arbitration provisions of this Section shall not apply to any breach of Section 10.2 of this Agreement or any other conduct involving the gross negligence, willful misconduct or fraud of a Party. The nonbreaching or harmed Party in such circumstances may pursue any legal or equitable remedy available to it.

15.6 **Assignment.** Without limiting the provisions of Section 5.2, BSP shall not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the Authority; provided, however, that BSP shall have the right to assign this
Agreement to any of its Affiliates that agrees in writing to assume all of BSP’s obligations hereunder. The Authority may not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of BSP; provided, however, that the Authority shall have the right to assign this Agreement to any of its Affiliates or statutory successor that agrees in writing to assume all of the Authority’s obligations hereunder. Any prohibited assignment by a party without such consent shall be null and void. This Agreement will be binding upon and will inure to the benefit of a Party’s permitted successors and assigns.

15.7 Trademark License. Subject to the terms of this Agreement, the Authority hereby grants to BSP and its Affiliates during the Term a limited, non-exclusive, worldwide, fully paid, royalty free, license and right to use the current and future names, trademarks, logos, and other brand elements associated with the Authority for the sole purpose of performing the Services hereunder.

15.8 Conflict Laws. BSP and all persons employed by BSP shall comply with all applicable conflict of interest laws and regulations applicable to the Services provided under this Agreement.

15.9 Severability. If any provision of this Agreement is held unlawful or invalid by court or administrative decision, it shall be deemed severable and such unlawfulness or invalidity shall not in any way affect any other provision of this Agreement which can be given effect without the unlawful or invalid provision.

15.10 Waiver. Any failure of a party to enforce, for any period of time, any of the provisions under this Agreement shall not be construed as a waiver of such provisions or of the right of said party thereafter to enforce each and every provision under this Agreement.

15.11 Construction. The language in and provisions of this Agreement shall in all cases be simply construed according to their fair meaning and not strictly construed for or against BSP or the Authority.

15.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which, when so executed, shall be deemed an original, but all of which counterparts together shall constitute one and the same document.

15.13 Entire Agreement; Amendments. This Agreement constitutes the entire understanding and agreement of the parties respecting the subject matter of this Agreement and no modification, change, or amendment of this Agreement shall be binding upon the parties, except by mutual express consent in writing of subsequent date duly signed by the authorized representatives of each of the parties. The Exhibits to this Agreement are a part of this Agreement and are incorporated herein by this reference.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date by their duly authorized representatives as set forth below.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By __________________________________
Name: __________________________________
Title: __________________________________

BRIDGE STRATEGIC PARTNERS LLC

By __________________________________
Name: __________________________________
Title: __________________________________

Acknowledged and Agreed to:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

By __________________________________
Name: __________________________________
Title: __________________________________
EXHIBIT A

(Services)

1. PROGRAM MANAGEMENT SERVICES. During the Term, BSP shall provide the following Program Management Services:

- Program origination, program development and management services for all existing Authority Programs, including, but not limited to the Authority’s Public Agency Programs, Energy Finance Programs, Private Activity Bond Programs, New Markets Tax Credits, Housing Bond Post-Issuance Compliance and New Financing Programs.

- Research, development and implementation of new Authority Programs consistent with the Authority’s powers and purpose of providing public benefits to cities, counties and citizens of California.

- Create all marketing materials and serve as primary marketing agent for all Authority Programs to finance professionals and eligible borrowers throughout California.

- Communicate with and provide information to local agencies statewide, in coordination with the Authority’s Executive Director, LCC, CSAC and CSAC Finance Corporation as necessary, and provide additional administrative support necessary to assist the Authority’s Executive Director in the success of the Authority Programs.

- With respect to each Authority Program, create and maintain the Authority’s website to (1) facilitate receipt of online financing requests, (2) provide backend database capabilities to record public benefit information, transaction history, and project fees and deposit tracking, (3) comply with requirements of California SB 99 (Chapter 557, Statutes of 2009), and (4) serve as a general marketing and educational tool for all Authority Programs and policies.

- Provide management and oversight of each Authority Program project financing request, including:
  - Review each borrower application for compliance with the Authority’s policies and procedures.
  - Assist borrowers to apply and complete necessary issuer documents to receive an award of private activity bond volume cap (if applicable).
  - Coordinate all activities of the finance team members of a particular financing, including bond counsel, underwriter, trustee, issuer counsel, and credit enhancement provider.
  - Coordinate local TEFRA hearings and approval documents (if applicable).
  - Represent the Authority at TEFRA hearings and state allocation meetings as necessary (if applicable).
  - Make recommendations to the Authority’s Executive Director and the Authority on all project financing requests based on the Authority’s established policies.
  - Facilitate post-issuance finance restructuring, workouts, or other necessary Authority approvals in accordance with financing documents.
  - Collect and maintain all relevant project finance documents, including bond transcripts, trustee statements, and volume cap applications.

- Provide management and oversight of all post-issuance compliance matters relative to each Authority Program project financing, including:
Respond to requests from the Internal Revenue Service and any other local, state, or federal regulatory agency.

Complete and file transaction activity report with State Controller’s Office Division of Accounting and Reporting annually.

Educate borrowers on all post-issuance requirements and filing deadlines.

- Coordinate meetings of the Authority and CSCDC and perform the following:
  - Confirmation of Authority/Board meeting attendance and quorums.
  - Prepare Authority/Board meeting agendas in accordance with Brown Act requirements.
  - Confirmation of necessary Authority/Board meeting notice postings.
  - Create and maintain online bond document repository for Authority/Board member review.
  - Post all Authority/Board meeting agendas, minutes, and staff reports to the Authority’s website.
  - Propose Authority/CSCDC policy and procedure changes for review and approval by the Authority’s Executive Director and Authority based on changing market conditions.
  - Respond to public records requests in coordination with the Authority’s General Counsel and its Executive Director.
  - Engage outside legal counsel, financial advisors, or consultants at the direction of the Authority and its Executive Director, as necessary.
  - Manage annual financial audit of the Authority for review by the Authority’s Executive Director and approval by the Authority. Responsible for distribution to State Controller’s Office and all of the Authority’s program participants as required by the Authority’s governing documents.
  - Manage collections of all Authority and CSCDC issuance and annual administrative fees, including working with all trustees and private borrowers to ensure timely collection of amounts due and follow up on amounts delinquent.
  - Manage trustee’s disbursement of fees and provide an accounting of all fees collected on behalf of the Authority.
  - Manage the Authority’s insurance and bonding requirements.
  - Communicate and coordinate management responsibilities with the Authority’s Executive Director.
  - Coordinate closely with LCC, CSAC and CSAC Finance Corporation in the provision of their sponsorship and administrative responsibilities, including legislative advocacy on behalf of the Authority.
  - Administer the collection and dissemination of all reports required to be filed with the State of California Fair Political Practices Commission on behalf of the Authority’s staff, Authority Commissioners and BSP’s staff.

For New Markets Tax Credits ("NMTC"), establish CSCDC protocols and processes for NMTC investment activity, including project intake, project evaluation and selection, project underwriting, investment committee review and approval, CSCDC Advisory Board review and approval, NMTC financial closing procedures, project hand off from CSCDC investment staff to CSCDC asset management staff, and the following additional responsibilities:

  - Sourcing all NMTC transactions and manage the financing process from project intake through closing.
  - Serving as liaison with the U.S. Treasury Department in connection with CSCDC's status and tax credit allocations.
  - Coordinate with CSCDC's Advisory Board and the Authority’s Executive Director.
- Manage project underwriting consultants.

- Provide management and oversight of all post-issuance compliance matters relative to the CSCDC NMTC Program, including:
  - Select, retain, manage, and evaluate on behalf of CSCDC all outside consultants, attorneys, accountants and other professionals providing services to CSCDC.
  - Continue to liaise with the U.S. Treasury Department in connection with CSCDC’s status and future tax credit allocations.
  - Coordinate all tax, audit, compliance, and asset management procedures with internal staff and outside consultants.
  - Provide ongoing marketing activities including engagement with banks, tax credit investors, consultants and advisors.
  - Cultivate and recommend projects that have the highest and best probability of supporting future allocations for CSCDC in light of the highly competitive process.
  - Lead and manage a team of attorneys, consultants and lenders to pursue subsequent year NMTC applications.
  - Manage asset management, loan servicing, reporting and compliance for all projects.

- For affordable housing bonds issued by the Authority after the Effective Date (the following services being “Compliance Monitoring Services”):
  - Ensure compliance with federal, state, and local income and rent limits relative to affordable housing project financings.
  - Collect and submit the California Debt Limit Allocation Committee Certificate of Compliance for each of the projects annually.

2. **MUNICIPAL ADVISORY SERVICES.** During the Term, BSP shall provide the following Municipal Advisory Services:

- Upon request by a finance transaction’s underwriter, serve as the Authority’s independent registered municipal advisor for that particular transaction.

- Make recommendations to the Authority and Authority’s Executive Director regarding new finance programs and opportunities.
EXHIBIT B
(BSP Fees)

1. MUNICIPAL ADVISORY FEES. As consideration for the Municipal Advisory Services, the Authority shall pay to BSP a monthly fee of Two Thousand Dollars ($2,000) (the "Municipal Advisory Fees") during the Term of the Agreement. The Municipal Advisory Fees shall be due and payable to BSP on the first business day of each calendar month during the Term of the Agreement.

2. PROGRAM MANAGEMENT FEES. As consideration for the Program Management Services, the Authority shall pay to BSP the percentage of Issuance Fees and Annual Administrative Fees (net of contributions to the Reserve Fund, if applicable) received by the Authority during the Term of the Agreement for each Authority Program as detailed below:

   - **Public Agency Programs** (including CaLease, SCIP, Delinquent Property Tax Program, TRAN, and Asset Securitization Programs) – Thirty-three and one-third percent (33.3%) of Issuance Fees and Annual Administrative Fees.
   
   - **Energy Finance Programs** (including Sustainable Energy Bond Program, Residential PACE, and Commercial PACE) – Forty percent (40%) of Issuance Fees and Forty percent (40%) of Annual Administrative Fees if an Annual Administrative Fee is charged for a particular program.
   
   - **Private Activity Bond Programs** (including 501c3 Nonprofit Bonds, Multi-family Housing Bonds, Industrial Development Bonds, Exempt Facility/Solid Waste Bonds, Taxable Bonds and Other Private Activity Projects) – Sixty percent (60%) of Issuance Fees and forty percent (40%) of Annual Administrative Fees. Multi-family Housing Bond Annual Administrative Fees are net of the Compliance Monitoring Fees paid to BSP as set forth below.
   
   - **New Markets Tax Credits (CSCDC)** – Sixty percent (60%) of Issuance Fees (net of fee distributions to third party consultants and professionals) and forty percent (40%) of Annual Administrative Fees (net of fee distributions to third party consultants and professionals).
   
   - **New Financing Programs** (including Single Family Housing Bonds and Public Private Partnership Financings) – sixty percent (60%) of Issuance Fees and forty percent (40%) of Annual Administrative Fees.

Program Management Fees shall be due and payable to BSP within thirty (30) days of receipt of the corresponding Issuance Fees and Annual Administrative Fees by the Authority.

3. COMPLIANCE MONITORING FEES. As consideration for the Compliance Management Services, the Authority shall pay to BSP Compliance Monitoring Fees. The Compliance Monitoring Fee with regard to a particular Affordable Housing Project will be paid to BSP from the first dollars received as Annual Administrative Fees from the applicable Affordable Housing Project Borrower prior to any distributions of Annual Administrative Fees pursuant to the Program Management Fees set forth above in this Exhibit B.
As of the Effective Date, the Compliance Monitoring Fees are as follows:

<table>
<thead>
<tr>
<th>Project Size</th>
<th>Compliance Monitoring Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 75 units</td>
<td>$2,500</td>
</tr>
<tr>
<td>Between 76 and 100 units</td>
<td>$3,500</td>
</tr>
<tr>
<td>101 or more units</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

Compliance Monitoring Fees shall be due and payable to BSP within thirty (30) days of receipt of the corresponding Annual Administrative Fees for Affordable Housing Projects by the Authority.