



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



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

October 9, 2014

10:00 a.m.

**League of California Cities
1400 K Street, 3rd Floor
Sacramento, California**

27788 Hidden Trail Road
Laguna Hills, CA 92653

Manchester Grand Hyatt
1 Market Place
San Diego, CA 92101

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the September 23, 2014 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Conduct proceedings with respect to Assessment District 14-01, County of Contra Costa (Emerson Ranch Project) (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):
 - a. Open Assessment District Public Hearing.
 - b. Close Assessment District Public Hearing.
 - c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ __m,
Signed _____ . Please fax signed page to (925) 933-8457.

- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.
- VI. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project) (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):
- a. Open Assessment District Public Hearing.
 - b. Close Assessment District Public Hearing.
 - c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified fees, and confirming unpaid assessment amounts.
 - d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.
 - e. A resolution authorizing the issuance, sale and delivery of not to exceed \$11,000,000 Statewide Communities Infrastructure Program Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project); and the execution and delivery of a trust agreement, an official statement, a bond purchase contract, a continuing disclosure agreement, a fee collection and disbursement agreement; and certain other actions in connection with the issuance and sale of such bonds.
- VII. Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014B (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):
- a. Open Assessment Districts Public Hearing.
 - b. Close Assessment Districts Public Hearing.
 - c. A resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
 - d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

- VIII. Consideration of a resolution authorizing issuance of limited obligation improvement bonds not to exceed \$50 million for the CaliforniaFIRST Commercial program. (Staff: Caitlin Lanctot)
- IX. Consideration of David Taussig & Associates fee schedule as assessment engineer to the Commercial PACE Program. (Staff: Caitlin Lanctot)
- X. Consideration of CaliforniaFIRST program changes. (Staff: Caitlin Lanctot)
- XI. Residential PACE program update.
- XII. Consideration of the issuance of request for proposals for the telecommunication asset monetization program. (Staff: Scott Carper)
- XIII. Public Comment.
- XIV. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:
 - a. Inducement of Butterfield Retirement, LP (Butterfield Retirement), City of Morgan Hill, County of Santa Clara; issue up to \$23 million in multi-family housing revenue bonds.
 - b. Wells Fargo Corporate Trust Services Invoice #1115520 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2011A.
 - c. Approval of modifications to the SCIP Manual of Procedures.
 - d. Resolution ordering judicial foreclosure related to assessment district 07-02 (San Diego)
 - e. Approval of the Town of Corte Madera as Program Participant

Thursday, October 9, 2014

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.

Item II

Consideration of the Minutes of the September 23, 2014 Regular Meeting.

**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)**

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

September 23, 2014

MINUTES

Commissioner Terry Schutten, sitting in for chair Larry Combs, called the meeting to order at 10:02 am.

I. Roll Call.

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

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Nancy Parrish and Laura Labanieh Campbell, CSAC Finance Corporation; Michael Weed, Orrick Herrington & Sutcliffe; and Mark Paxson, State Treasurer's Office. Tricia Ortiz, Richards Watson & Gershon; and Caitlin Lanctot, HB Capital, participated by conference telephone.

II. Approval of minutes—August 21, 2014.

The commission approved the minutes for the regular meeting held August 21, 2014.

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

III. Staff Updates.

Caitlin Lanctot announced that item G is removed from the consent calendar. Dan Mierzwa joined the meeting at this point (10:04 am).

IV. Approval of Consent Calendar.

1. Induce the following projects:
 - a. Community Preservation Partners, LLC (Northwest Manor I Apartments), City of Pasadena, County of Los Angeles; issue up to \$9 million in multi-family housing revenue bonds.
2. Approve the following resolutions ordering judicial foreclosure:
 - a. Assessment district 03-01 (Contra Costa).

- b. Assessment district 05-01 (Placer).
- c. Assessment district 05-01 (San Mateo).
- d. Assessment district 06-01 (Placer).
- e. Assessment district 06-01 (San Mateo).

Motion to approve by Harrison; second by Holly; 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. Indio Family Housing Apartments, LP (Indio Desert Palms Apartments), City of Indio, County of Riverside; issue up to \$16 million in multifamily housing revenue notes. Indio Desert Palms Apartments was constructed on 9.5 acres and is comprised of 10 two-story garden-style residential buildings, four one-story garden-style residential buildings, a leasing office, three laundry rooms and one maintenance building. The rehab will focus on energy and water efficiency improvements, including the installation of a large solar PV array system on roofs, updated landscaping to incorporate desert plants, replacement of exterior windows and sliding glass doors to conserve energy, and replacement of plumbing fixtures with low flow systems and Energy Star products. Units will also receive new flooring, cabinets, countertops, light fixtures and water heaters. The rehab project is expected to begin in October 2014 and will take approximately seven months to complete.

Motion to approve staff recommendation by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

- b. Canyon View Preservation, LP (Canyon View Apartments), City of Colfax, County of Placer; up to \$9 million in multifamily housing revenue notes. Canyon View Preservation, LP has requested the funds to finance the acquisition and rehabilitation of the project (Canyon View Apartments). The project consists of 6.5 acres with 60 one-bedroom and seven two-bedroom units, which are rented to low-income seniors in Colfax. Constructed in 1978, the rehab will replace flooring in kitchen and bathrooms, new wood cabinets with countertops and updated sinks and plumbing, new paint, updated light fixtures, and replacement of windows. Asphalt shingles will be replaced to improve energy efficiency, and the parking lot will be repaired, sealed and striped.

Motion to approve staff recommendation by Mierzwa; second by Harrison; unanimously approved by roll-call vote.

- c. Lynroc Preservation, LP (Lyn-Roc Apartments), City of Rocklin, County of Placer; up to \$11 million in multifamily housing notes. Lynroc Preservation, LP has requested the funds to finance the acquisition and rehabilitation of the project (Canyon View Apartments). The project consists of 5.5 acres with 60 one-bedroom and seven two-bedroom units, which are rented to low-income seniors in Rocklin. Constructed in 1978, the rehab will replace flooring in kitchen and bathrooms, new wood cabinets with countertops and updated sinks and plumbing, new paint,

updated light fixtures, and replacement of windows. Asphalt shingles will be replaced to improve energy efficiency, and the parking lot will be repaired, sealed and striped.

Motion to approve staff recommendation by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

- d. Total Road Improvement Program (TRIP) approval, City of Lake Elsinore, County of Riverside; up to \$10 million in sales tax revenue certificates of participation (COPs). Riverside County Transportation Commission (RCTC) has requested the funds to finance regional and local street improvement projects under an extension to a sales tax increase approved by voters. The COPs are scheduled to be issued as early as October 2014 if approved by the Commission.

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

VI. Approve resolution authorizing the execution and delivery of a supplemental indenture relating to the Casa de Vallejo Apartments Series 2005 AA.

In 2005, CSCDA issued \$9.225 million in multifamily revenue bonds on behalf of Vallejo Housing Partners, LP to finance the acquisition and rehabilitation of the Casa de Vallejo Apartments (Project). The original indenture called for the annual administrative fees through 2020 to be paid up front. The project was sold earlier this year to Legacy at Sonoma Associates, LP (Buyer), who assumed the agreement. As part of the sale, surplus funds were refunded to the original borrower. Buyer has requested an amendment to the indenture to reflect Buyer's agreement with the original borrower, that no monies are to be collected from debt service payments to fund an administrative fee surplus fund and that all amounts in such fund are to be returned to Buyer.

Motion to approve staff recommendation by Harrison; second by Moura; unanimously approved by roll-call vote.

VII. Approve City of Cloverdale Acknowledgement to waive the sixty day notice of prepayment.

In 2000, CSCDA issued \$9.75 million in Water and Wastewater Revenue Bonds on behalf of the City of Cloverdale to finance two projects. The City would like to redeem the bonds next month, but the terms are subject to a 60-day notice. The City is requesting a waiver if the 60-day requirement, in favor of a 30-day notification.

Motion to approve staff recommendation by Harrison; second by Moura; unanimously approved by roll-call vote.

VIII. Approve submitting a request to the California Supreme Court to depublish the Appellate Court decision in the City of San Diego v. Shapiro case.

Michael Weed of Orrick Herrington & Sutcliffe explained that the City of San Diego was sued after forming a Community Facilities District (CFD) to approve special taxes to expand their Convention Center. On appeal, the trial court was reversed and the appellate court certified its decision for publication. Mr. Weed explained the "depublishing" procedure whereby the California Supreme Court may order that a certified appellate court

decision not be published. Mr. Weed indicated letters are being submitted to the California Supreme Court requesting depublication of the decision and requested CSCDA to join.

Motion by Harrison, second by Schutten to approve staff recommendation to draft and send a letter to the Supreme Court of California asking that the appellate court decision in City of San Diego v. Shapiro be depublished; unanimously approved by roll-call vote.

IX. Approve an amended and restated Request for Proposal for CSCDA program origination, program development and management services.

Executive Director Bando explained that the ad hoc committee requests an extension of the deadline to October 3 to accept additional proposals. This would also allow any firm who submitted a proposal to amend or modify it.

Commissioner Mierzwa asked why we would reopen the RFP and whether CSCDA has ever extended an RFP deadline on any other occasion. He also pointed out that, as far as he knows, CSCDA's current partnership is without complaint and it seems unusual that we would extend the deadline, especially without any modification to our approach to market the RFP.

Bando explained that one firm was unable to submit a proposal due to internal reasons, but is now able to do so. This additional competition should be of benefit to CSCDA.

Motion to approve the ad hoc committee's recommendation by Harrison; second by Schutten; approved by 4-1 per roll-call vote.

X. Public Comment.

None.

X. Adjournment.

Commissioner Terry Schutten adjourned the meeting at 10:48 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, October 9, at 10:00 a.m.
in the League of California Cities' office at 1400 K Street, Sacramento, California.*

Item IV

Consent Calendar:

- a. Inducement of Butterfield Retirement, LP (Butterfield Retirement), City of Morgan Hill, County of Santa Clara; issue up to \$23 million in multi-family housing revenue bonds.
- b. Wells Fargo Corporate Trust Services Invoice #1115520 for \$3,000.00 for trustee fees related to CSCDA SCIP Revenue Bonds 2011A.
- c. Approval of modifications to the SCIP Manual of Procedures.
- d. Resolution ordering judicial foreclosure related to assessment district 07-02 (San Diego)
- e. Approval of the Town of Corte Madera as Program Participant

Applicant Information

Primary Contact E-mail: sstrain@sabelhauslaw.com

Name of Developer: **Community Development Partners**

TIN or EIN: **454074364**

Primary Contact

First Name: **Eric**

Last Name: **Paine**

Title: **CEO**

Address:

Street: **3416 Via Oporto**

Suite: **301**

City: **Newport Beach**

State: **California**

Zip: **92663**

Phone: **9494671344**

Ext:

Fax:

Email: **epaine@communitydevpartners.com**

Borrower Description:

Same as developer ?

Name of Borrowing Entity: **Butterfield Retirement LP**

Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **TBD**

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:

Primary Billing Contact

Organization: **Community Development Partners**

First Name: **Eric**

Last Name: **Paine**

Title: **CEO**

Address

Street: **3416 Via Oporto**

Suite: **301**

City: **Newport Beach**

State: **California**

Zip: **92663**

Phone: **9494671344**

Ext:

Fax:

Email: **epaine@communitydevpartners.com**

Project Information

Project Information

Project Name: **Butterfield Retirement**

New Project Name(optional): **Butterfield Retirement**

Facility Information

Facility #1

Facility Name: **Butterfield Retirement**

Facility Bond Amount: **\$19,005,997.00**

Project Address:

Street: **NW of the Intersection of Butterfield Blvd & Barrett Ave.**

City: **Morgan Hill**

State: **California**

Zip: **95037**

County: **Santa Clara**

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

Total Number of Units:

Market: **0**

Restricted: **114**

Total: **114**

Lot size: **4 acres**

Amenities:

Recreation & social room including TV & lounge area, fully staffed kitchen serving 3 meals daily, community laundry room, picnic and BBQ areas. Unit amenities: Exterior entrances, carpeting in living areas, vinyl flooring in kitchen and baths, mini blin

Type of Construction (i.e., Wood Frame, 2 Story, 10 Buildings):

1 Three-story buildings, Type V, Wood-frame Construction, with color cast clay tile roof, stucco exterior and wood trim with accents.

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:

First Name: Andrew

Last Name: Crabtree

Title: Community Development Director

Phone: 4087786480

Ext:

Fax: 4087797236

Email: andrew.crabtree@morganhill.ca.gov

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 60

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	6	956.00	1,912.00	956.00
2.	1 Bedroom	60	54	1,147.00	1,912.00	765.00
3.	2 Bedrooms	50	4	1,147.00	2,294.00	1,147.00
4.	2 Bedrooms	60	30	1,377.00	2,294.00	917.00
5.						

	3 Bedrooms	50	2	1,325.00	2,650.00	1,325.00
6.	3 Bedrooms	60	16	1,590.00	2,650.00	1,060.00

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 #:	State Senate District #:	State Assembly District #:
11	15	27

Financing Information

Financing Information

Maturity 40 Years

Interest Rate Mode:

Fixed Variable

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

(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 None
 Letter of Credit Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Permanent Financing:

Credit Enhancement None
 Letter of Credit Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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Projected State Allocation Pool:

General Mixed Income Rural

Will the project use Tax-Credit as a source of funding? Y N

Sources and Uses

Sources and Uses

Sources of Proceeds

Tax-Exempt Bond Proceeds:	<u>\$19,005,997.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Tax Credits:	<u>\$2,236,383.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Deferred Developer Fee	<u>\$1,800,000.00</u>
Income During Construction	<u>\$345,556.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$23,387,936.00</u>

Uses:

Land Acquisition:	<u>\$2,250,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$14,000,390.00</u>
Cost of Issuance:	<u>\$675,298.00</u>
Capitalized Interest:	<u>\$650,000.00</u>
Reserves:	<u>\$359,384.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$2,500,000.00</u>
Soft Costs	<u>\$2,952,864.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$23,387,936.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick Herrington Sutcliffe, LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Attorney

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 4157735908

Ext:

Fax: 4157735759

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Financial Advisor

Firm Name: Law Office of Patrick R. Sabelhaus

Primary Contact

First Name: Stephen

Last Name: Strain

Title: Attorney

Address:

Street: 1006 4th Street

Suite: 6th Floor

City: Sacramento

State: California

Zip: 95814

Phone: 9164440286

Ext: 270

Fax: 9164443408

Email: sstrain@sabelhauslaw.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Fee Invoice

Corporate Trust Services



Invoice Number 1115520	Billing Date 09/19/2014	Due Date 10/19/2014
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Amount Due \$3,000.00 <i>Please mail or wire payment to:</i>
Mailing Address: Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113
Wire Instructions: ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUS6S Reference: Invoice #, Acct Name, Attn Name
ACH Instructions: ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name

California Statewide Communities Development
Luis Castro
2999 Oak Road, Suite 710

Walnut Creek, CA 94597

Please return this portion of the statement with your payment in the envelope provided:

Please retain this portion for your records

Account Number: 83705200
SCIP Revenue Bonds 2011A

Administration Charges

For the Period 09/28/2014 through 09/27/2015

Trustee Fee \$3,000.00

Total Amount Due: \$3,000.00

Billings past due are subject to an 18% annual finance charge of the balance due.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

“SCIP”

MANUAL OF PROCEDURES

Version ~~2.0~~2.2.1

[Last Revised ~~April 2009~~July 2014]

1.....Workshare Compare comparison of
interwovenSite://NCUSADMS01/USA/260640602/1 and
interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM CONTACT INFORMATION

California Statewide Communities Development Authority

~~James F. Hamill~~Scott Carper
~~2033 North Main Street~~2999 Oak Road, Suite ~~700~~710
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epham@orrick.com

SCIP Foreclosure Counsel

3 Workshare Compare comparison of
interwovenSite://NCUSADMS01/USA/260640602/1 and
interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

Susan Feller

Sherman & Feller, A Law Corporation

1970 Broadway, Lobby

Oakland, California 94612

(510) 452-3222

(510) 452-0295 (fax)

sherfelf@aol.com

Executive Summary

Introduction

Capitalized terms used in this Manual have the meanings given under the tab, “Glossary of Terms.”

The Statewide Community Infrastructure Program (“SCIP”) is a program of the California Statewide Communities Development Authority (the “Authority”). The Authority is a joint powers authority sponsored by the League of California Cities (the “League of Cities”) and the California State Association of Counties (“CSAC”). Membership in the Authority is open to every California city ~~and~~, county and local agency, and most are already members. If your city ~~or~~, county or local agency is not yet a member, the necessary membership materials can be obtained by contacting the Authority (see “Contact Information” preceding this Executive Summary).

SCIP financing is available for development projects (“Projects”) situated within cities or counties which have elected to become SCIP participants (each, a “Local Agency”). Eligibility to become a Local Agency requires only (a) ~~membership in the League of Cities or CSAC, as the case may be,~~ (b) membership in the Authority, and (e) adoption of a resolution making the election (the “SCIP Resolution”).

Participation in SCIP entails the submission of an application (an “Application”) by the property owner (the “Applicant”) of a Project for which development entitlements either have been obtained or are being obtained from a Local Agency. For Projects determined to be qualified, SCIP provides non-recourse financing of either (a) eligible development impact fees payable to the Local Agency (the “Fees”) or (b) eligible public capital improvements (the “Improvements”) or both. Under certain circumstances, to be determined on a case by case basis, development impact fees payable to local agencies other than the Local Agency can be financed.

Applicants benefit from SCIP because it allows them to obtain low-cost, long-term financing of Fees and Improvements, which can otherwise entail substantial cash outlays. The Local Agencies benefit from SCIP because it encourages developers to pay Fees sooner and in larger blocks than they otherwise would. The availability of low-cost, long-term financing also softens the burden of rising Fee amounts and Improvement costs, benefiting both the Applicants and the Local Agencies.

General Structure of SCIP

In general terms, this is how SCIP works. Upon receipt of a completed Application, including the Landowner Information Form (with attachments), the SCIP team reviews it to determine (a) eligibility of the Fees and Improvements for which the Applicant seeks financing and (b) creditworthiness of the Applicant and the Project. Once approved by the SCIP team, the Application is countersigned by the Local Agency. Approved

Applications are aggregated for inclusion in the next round of financing. Periodically, as warranted by the accumulation of approved Applications, the Authority issues tax-exempt revenue bonds (the “Bonds”). The proceeds from the Bonds are used to finance Fees and/or Improvements for qualifying Projects located throughout the state. For projects involving a sufficient amount of financing (generally \$5 million or more) a special series of bonds may be issued to fund the project separately if the timing of issuance of a pooled financing does not suit the project, subject to approval of the Authority.

Revenues to pay debt service on the Bonds are derived by the Authority in one of two ways – namely (1) through the levy of special assessments on the parcels which comprise the participating Projects by establishing one or more assessment districts (each, an “Assessment District”) pursuant to the Municipal Improvement Act of 1913 (the “Assessment Act”) or (2) through the levy of special taxes on the Project parcels by establishing a community facilities district (a “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982 (the “CFD Act”). Absent circumstances which warrant a CFD, the Assessment District format has been and is expected to continue to be the customary format for SCIP financing.

This Manual is generally devoted to the Assessment District format, though many of the topics covered apply to the CFD format as well. Considerations which are specific to the CFD format are not covered and will need to be discussed among the participants for any given proposed use of that format.

Assessment District Format

Under the Assessment District format, the Authority will levy assessments on the Project parcels in each Assessment District, with a separate Assessment District for each county in which Projects are situated. The assessments will be payable in annual installments (“Assessment Installments”) billed and collected on the applicable county property tax roll, and the Assessment Installments will be calculated to be sufficient to pay annual debt service on the Bonds, together with certain administrative costs of SCIP.

The assessment payment obligation is non-recourse to the property owner and follows the parcel upon change of ownership. As with a conventional assessment district, the property owner retains the right to pay off the assessment at any time and thereby discharge the lien which secures payment of the Assessment Installments.

A major advantage of SCIP for Local Agencies is that the Authority handles all of the proceedings for the formation of the Assessment Districts, levy of the assessments, issuance of the Bonds and administration of the Assessment Installment collection and enforcement. Furthermore, the proceeds of sale of the Bonds are administered by a trustee bank (the “Trustee”) until requisitioned by the Local Agency to pay Fees or to acquire completed Improvements, as the case may be.

The duties of staff of Local Agencies are correspondingly reduced and relate primarily to making developers aware of the availability of the SCIP program, making application

forms available to interested developers, confirming the status of Projects for which Applications have been submitted, confirming the Fee and Improvement obligations for qualified Projects, determining when Improvements are completed and therefore ready for acquisition, and submitting requests to the Trustee for disbursement of SCIP funds to pay Fees and to acquire completed Improvements for Projects which have been funded. In addition, when Improvements are financed, the Local Agency will be required to enter into an “Acquisition Agreement” with the Applicant to provide the terms and conditions governing the acquisition of completed Improvements.

When an Application seeks financing of impact fees payable to local agencies other than the Local Agency, staff of the Local Agency, together with the Applicant, will usually need to serve as liaison to the other local agency to establish eligibility of such impact fees for SCIP financing and to establish procedures for monitoring investment earnings on the Fees until expended for purposes authorized by the applicable Fee Statute.

CFD Format

For larger-scale Projects with planned phasing of the Project and the related Improvements, the CFD format may be more suitable, given the added flexibility of the special tax calculated annually to reflect the development status of each taxable parcel, as opposed to the more rigid fixed lien assessment of the Assessment District format, and the related flexibility of phasing the financing through multiple series of bonds to match the phases of Project development and Improvements. Any determination to utilize the CFD format will be made on a case by case basis, in consultation among the SCIP team, the Local Agency and the Applicant. Projects financed with the CFD format are not pooled with projects financed with the Assessment format.

Financing Eligible Impact Fees

To be eligible for SCIP financing, Fees must meet three conditions – namely, (1) they must be payable as conditions of development approval for the Project or otherwise provide special benefit to the Project, (2) they must not have been paid to the fee recipient more than 60 days prior to submission of the completed Application and issuance ~~by the Program Administrator~~ of a Declaration of Official Intent to Reimburse together therewith, and (3) proceeds of the fees must be expended for public improvements which themselves would be eligible for SCIP financing, though the public improvements need not be related to or required for the Project.

Within SCIP, there are two programs for funding eligible Fees, and either or both may be applicable for a given Project. The two programs are (1) the Fee Reimbursement Program and (2) the Fee Prefunding Program.

Under the Fee Reimbursement Program, payment of the Fees by the Applicant precedes the issuance of the Bonds, usually in connection with obtaining a building permit; provided that, as indicated in the foregoing paragraph, the Fees must not be paid more than 60 days prior to issuance ~~by the Program Administrator~~ of a Declaration of Official Intent to Reimburse. As soon as the fees are paid to the Local Agency, the Local Agency

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pays those moneys to SCIP for deposit in the Local Agency Account. That money is immediately available for requisition by the Local Agency to make authorized fee expenditures. But by holding and investing the money until it is spent, the Authority is able to monitor the investment earnings (which accrue to the Local Agency) for federal tax law arbitrage purposes. SCIP encourages the Local Agency to spend those amounts as quickly as possible, and before any other fee revenues of the Local Agency. Once the proceeds of sale of the Bonds are available, the Applicant applies for reimbursement of the amount of eligible Fees which have been paid. If the fees are paid by the property owner and bonds are never issued, or for any reason reimbursement is not made, the fees are returned to the Local Agency by SCIP. In this way, the Local Agency is never at risk for the receipt of the Fees.

Under the Fee Prefunding Program, the Fees are funded from bond proceeds prior to the Applicant having to pay them. For arbitrage rebate purposes, SCIP will invest and hold the bond proceeds representing the fees. Again, those moneys are immediately available for requisition by the Local Agency to make authorized fee expenditures. Thus the full amount of Fees funded is immediately available to the Local Agency, irrespective of whether any portion of such Fees has yet become payable with respect to the Project. The advantage to the Applicant is that it never has to pay out of pocket any portion of the Fees, and the advantage to the Local Agency is that the full amount of Fees funded is immediately available to spend on qualified public improvements without waiting for any portion of the prefunded Fees to become due from the Applicant.

Financing Eligible Improvements

To be eligible for SCIP financing, Improvements must meet three conditions – namely, (1) they must be required as conditions of development approval for the Project or otherwise provide special benefit to the Project, (2) they must not have been accepted by and the ownership of them already transferred to the Local Agency or other local agency prior to submission of the completed Application and (3) they must be the kinds of public improvements authorized to be financed under the Assessment Act. In practice, most of the public improvements which are required as conditions of Project approvals are eligible under the Assessment Act (e.g., roads, street lights, landscaping, storm drains, water and sewer facilities, and parks).

As mentioned above, the Authority will require that an Acquisition Agreement be entered into between the Local Agency and the Applicant to provide the terms and conditions governing the acquisition of completed Improvements. The Acquisition Agreement is drafted by the SCIP team, using a form of agreement approved by the Local Agency as part of its SCIP Resolution, as modified to suit the particular circumstances and local Agency requirements.

Conclusion

The information and materials which follow in this Manual are intended to assist interested persons in further understanding SCIP and how it might be utilized to finance Fees and Improvements associated with a given Project. As indicated above in this

Executive Summary, the focus in this Manual is on the Assessment District format. Upon request of an Applicant who may have a preference for the CFD format, the SCIP team will review the Applicant's Project and determine, in consultation with the Applicant and the Applicant's consultants, whether the CFD format will be suitable.

Interested parties are invited to contact one or more of the persons listed in "Contact Information" preceding this Executive Summary with questions or requests for clarification.

Table of Contents

<u>Article</u>	<u>Caption</u>	<u>Page</u>
I	Local Agency Participation in SCIP.....	1-1
II	General Eligibility Requirements.....	2-1
III	Application Process & Review.....	3-1
IV	Assessment Proceedings.....	4-1
V	Bonds.....	5-1
VI	Funds Management & Administration.....	6-1
VII	Collection of Assessments.....	7-1
VIII	Property Owner Information.....	8-1
IX	Miscellaneous.....	9-1

Glossary of Terms

Appendices A through V, Inclusive

I Local Agency Participation in SCIP

1.01 Eligibility

Any California city, county or city and county (a “Local Agency”) may participate in SCIP if it meets the following requirements:

- (a) The Local Agency must be or must become a member in good standing of the Authority prior to or concurrently with joining SCIP.
- (b) The Local Agency must have in place a development fee program pursuant to a Fee Statute (for fee financing) and/or desire to allow the financing of Improvements for eligible Projects.
- (c) Upon joining SCIP and upon submitting any Application, the Local Agency must be a member in good standing of the League of California Cities or the California State Association of Counties, as appropriate.

1.02 SCIP Resolution

To participate in SCIP, the Local Agency must adopt a SCIP Resolution in substantially the form attached in Appendix G and must send a certified copy of such resolution to the Program Administrator. The Resolution must remain in full force and effect so long as the Local Agency wishes to participate in SCIP. A sample staff report and form of Notice of Hearing are also included in Appendix G.

1.03 Withdrawal from SCIP

Any Local Agency may elect to withdraw from SCIP at any time by repealing the SCIP Resolution; provided, that such repeal shall not be effective as to any completed Application duly filed with the Program Administrator and not yet funded, without the consent of the Applicant. Upon withdrawal from SCIP, the Local Agency shall send a certified copy of the withdrawal resolution to the Program Administrator.

II General Eligibility Requirements

2.01 General

The following criteria determine threshold eligibility for SCIP financing. Each Application is also subject to review for certain underwriting criteria, as described in Article III.

2.02 Eligible Impact Fees

In order to be eligible for financing under SCIP, impact fees must meet the following criteria:

- (a) Fees must be levied under a Fee Statute.
- (b) Fees must be collected by a Local Agency and levied by either the Local Agency or another governmental entity as a condition of new development or otherwise provide special benefit to the Project as determined by the Assessment Engineer and be payable at time of (i) granting of entitlements, (ii) issuance of a building permit, (iii) connection to a utility system, or (iv) issuance of a certificate of occupancy.
- (c) Fees must only be for the payment of Capital Costs of improvements to be owned by the Local Agency or another governmental entity.
- (d) Improvements to be funded with the fees must be improvements that could be financed under the Assessment Act.
- (e) With respect to fees which are to be financed under the Fee Reimbursement Program, a completed Application must have been submitted and a Declaration of Official Intent to Reimburse ~~issued by the Program Administrator~~ **included therewith** with respect to such fees ~~either prior to or concurrently with~~ **no more than 60 days after** payment of such fees by or on behalf of the Property Owner.

2.03 Eligible Improvements

In order to be eligible for financing under SCIP, public capital improvements must meet the following criteria:

- (a) The public capital improvements must be required as a condition of the development project which is the subject of the Application or otherwise provide special benefit to the Project as determined by the Assessment Engineer.

- (b) The public capital improvements must be authorized under the Assessment Act.
- (c) The public capital improvements must not have been completed and ownership transferred to the Local Agency or another governmental entity prior to submission of a completed Application and issuance, ~~by the Program Administrator~~ in connection therewith, of a Declaration of Official Intent to Reimburse pertaining thereto.

2.04 Eligible Property Owners

In order to apply for participation in SCIP, a Property Owner must meet the following criteria:

- (a) The Property Owner must be a natural person, partnership, limited liability company, or corporation in good standing holding, or with a contractual right to acquire, fee simple title in the proposed Assessed Parcel(s).
- (b) If property is held as community property, tenants in common, or joint tenants, the Application must be signed by all owners or their authorized representative(s).
- (c) The Property Owner may not be any governmental or quasi-governmental entity; provided that on a case by case basis the Authority may approve participation by Projects that are in governmental ownership but intended to be sold to private parties after completion of Improvements and/or funding of fees.
- (d) The Property Owner may not be the subject of any bankruptcy proceeding

2.05 Eligible Property

In order for property to be eligible for SCIP, it must meet the following criteria:

- (a) The property must consist of one or more parcels each of which must be a legal parcel in compliance with the Subdivision Map Act.
- (b) The property must be within the boundaries of the Local Agency approving the Application.
- (c) The property must not be subject to any judgment lien, mechanics lien, or tax lien (other than for taxes levied but not yet due).

III Application Process & Review

3.01 Application

An Applicant who wishes to finance either Eligible Impact Fees or Eligible Improvements (or both) must complete and submit a SCIP Application and a Landowner Information Form (samples of the forms are attached as Appendix A).^{*} The Applicant must submit the completed Application with all attachments and Landowner Information Form (together, the “Application”) to the Program Administrator, along with payment of the application fee as provided in Section 3.02 below. The Program Administrator will confer with Authority staff and if the Application is approved, the Program Administrator will coordinate with the Local Agency to have the Local Agency review and countersign the Application and ~~will~~ issue the Declaration of Official Intent to Reimburse.

The Local Agency shall have no responsibility for determining the sufficiency of the Application except to verify (i) the accuracy of the amounts and categories of the Eligible Impact Fees and the items of Eligible Improvements and related estimated costs, as set forth in the Application, and (ii) that the Project approvals and entitlements described in the Application have been granted by the Local Agency.

^{*} Applicants may also apply on-line at <http://www.cacommunities.org> (follow “Statewide Community Infrastructure Program (SCIP)” hyperlink).

3.02 Application Fees

In order to apply for SCIP, Applicants must pay an application fee (\$1,500 as of ~~March 2009~~ February 2013). The Application Fee may be adjusted from time to time by the Authority and the current fees are available upon request. The application fee must be included with the Application, with the check made payable to “Statewide Community Infrastructure Program,” and is non-refundable. Application fees will be deposited by the Program Administrator in the fund or account established for the payment of Program Administration Costs.

3.03 Application Review and Underwriting Criteria.

Completed Applications will be reviewed by SCIP Counsel and the SCIP Underwriter in accordance with the SCIP Timetable for the applicable Program Series. An Application can be approved, disapproved, or approved for partial funding.

In addition to demonstrating that all criteria are met for Eligible Impact Fees, if any, Eligible Improvements, if any, eligible Property Owners and eligible property, the Application shall demonstrate the following:

- (a) Compliance with the California Environmental Quality Act must be established for the Project.

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- (b) If the Application seeks participation in the Fee Reimbursement Program, the Applicant must be aware that at the time it applies for reimbursement of Fees paid, a copy of each building permit obtained upon payment of the related Fees will be required.

If the Application seeks participation in the Fee Prefunding Program, all discretionary entitlements must be in place, i.e. there must be an approved vesting tentative subdivision map (if the Project involves a major subdivision under the Subdivision Map Act), and/or conditional use permit (if required for the Project), including improvements design plans, as applicable. In addition, the Applicant must provide evidence that all other discretionary permits, such as Army Corps of Engineers Section 404 permits, Fish and Game permits, and Fish and Wildlife permits and any other required permits for the development of the Project have been obtained.

- (c) The Application must be submitted by the Property Owner (developers, contractors or other persons who are not Property Owners may not submit Applications unless they are signed by the Property Owner).
- (d) Applications should be accompanied by a copy of the most recent property tax bill, if available. The Applicant must certify that it has not been more than 30 days delinquent in the payment of any assessment or special tax securing a bond within the last 5 years.
- (e) If there are any fixed lien assessments on any Assessed Parcel at the time the Application is submitted or if any such assessments are levied at any time prior to the adoption of the Resolution Confirming Assessment, either (i) the prepayment cost of such fixed lien assessments will be added to the Assessment and SCIP will prepay such prior assessments on behalf of the Property Owner or (ii) the Property Owner will prepay such assessments in cash no later than the date fixed by the Assessment Administrator.
- (f) Each Assessed Parcel must have a minimum Assessed Value or Appraised Value of at least 3 times the total Assessment. In most cases, the SCIP Underwriter will require an Appraisal by a certified MAI appraiser chosen by the SCIP Underwriter and approved by the Authority, using a bulk sale “as is” valuation, including the value of the Eligible Impact Fees and Eligible Improvements being financed. All Appraisal costs must be paid by the Applicant in advance to the Program Administrator and are non-refundable.
- (g) The Property Owner must not be the subject of any bankruptcy proceeding and must not have been adjudged bankrupt within the last 5 years.
- (h) The Authority, on recommendation from the SCIP Underwriter and SCIP Counsel, reserves the right to reject any Application if it believes, in its sole discretion, that the Assessed Parcel(s), the Project or the Property Owner poses undue credit risks. Each Applicant must authorize the

Program Administrator to obtain a copy of a credit report from one or more nationally recognized credit reporting agencies, and may be required to provide copies of banking statements and/or tax returns.

- (i) If the Project will include the funding of Improvements, the Applicant may be required to pay costs of preparation of the Engineer's Report in advance as determined by the Authority and any such payments shall be non-refundable.

3.04 Approval, Partial Approval and Rejection of Applications

The Program Administrator will advise each Applicant of the status of the Application in accordance with the SCIP Timetable for the applicable Program Series. A sample SCIP Timetable is attached as Appendix H. Applications may either be (i) approved in full, (ii) approved for partial funding or (iii) rejected.

- (a) If an Application is approved in full, the Program Administrator will arrange for the applied-for reimbursement to the Property Owner (to the extent of the Impact Fee Reimbursement Program) and the applied-for funding (to the extent of the Impact Fee Prefunding Program) of all Eligible Impact Fees and the applied-for funding of the estimated cost and expense of Eligible Improvements upon the issuance of the applicable Program Series.
- (b) If an Application is approved for partial funding, the Program Administrator will send the Applicant a notice indicating the amount of funding which has been approved and the reason(s) for partial funding. The Applicant may either (i) accept partial funding or (ii) opt out of the SCIP program.
- (c) If an Application is rejected, the Program Administrator will send a notice of rejection to the Applicant. Any application fees or other charges paid in connection with the Application are non-refundable.

If an approved Application includes Eligible Improvements, SCIP Counsel will initiate the preparation of an Acquisition Agreement substantially in the form attached to the SCIP Resolution of the Local Agency. See Appendix G for the form of SCIP Resolution, to which the form of Acquisition Agreement is attached as Exhibit B. SCIP Counsel will coordinate with the Assessment Engineer to obtain the description and estimated costs pertaining to the Eligible Improvements (Exhibit A to the Acquisition Agreement) and will coordinate with the Applicant and the Local Agency to approve and execute the final form of the Acquisition Agreement.

IV Assessment Proceedings

4.01 Local Agency Requirements

Once the Local Agency has adopted a SCIP Resolution, normally it will not be necessary for the City Council or the Board of Supervisors of the Local Agency, as the case may be, to take any further action. Designated staff of the Local Agency will need to (a) review the Application to perform the verification described in 3.01 above, followed by execution of the Application, (b) coordinate review, finalization and execution on behalf of the Local Agency of the Acquisition Agreement when Eligible Improvements are being financed, (c) monitor progress and completion of construction of Eligible Improvements for purposes of submitting reimbursement requisitions pursuant to the Acquisition Agreement, if any, (d) sign a closing certificate in substantially the form of Appendix N (upon the issuance of each applicable Program Series) and (e) administer the requisition process for disbursement of those Eligible Impact Fees which have been financed by the applicable Program Series.

It may be necessary due to special circumstances or changes in law or in the SCIP procedures for the Local Agency to take some further action to facilitate financing of Eligible Impact Fees and/or Improvements. In such case, all documentation and proceedings will be prepared by SCIP Counsel at no cost to the Local Agency and will be forwarded to the Local Agency for review and approval. For the Impact Fee Prefunding Program, it is possible that further information will be needed from Local Agencies beyond the information in the Application, and by adopting its SCIP Resolution, the Local Agency agrees to cooperate with the Program Administrator, SCIP Underwriter, SCIP Counsel and Assessment Engineer with respect to developing such additional information.

4.02 Property Owner Requirements

Upon satisfaction of the Application requirements of Article III, each Applicant will be sent an Assessment Ballot in substantially the form attached hereto as Appendix B and a Consent and Waiver in substantially the form attached hereto as Appendix C, accompanied by a copy of the preliminary Engineer's Report showing (a) the Eligible Impact Fees, Eligible Improvements and related program costs being financed and (b) the amount of the Assessment being imposed on each of the Applicant's Assessed Parcels. The Assessment Ballot must be marked "Approve" and executed by the Property Owner and the Consent and Waiver must be executed by the Property Owner and returned to the Program Administrator by the deadline indicated in the transmittal letter. Failure to properly complete or return either of these documents will result in the rejection of the Application.

4.03 Assessment Proceedings – General

All proceedings for the establishment of Assessment Districts and the issuance of Local Obligations and Bonds will be conducted by the Authority. Assessment proceedings are

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conducted by the Authority in full compliance with the requirements of Article XIID of the California Constitution (Proposition 2018). Upon determining which Applications have satisfied the requirements of Article III for a Program Series, the Authority will commence the proceedings to establish the Assessment Districts. For each Program Series, the Authority will create a separate Assessment District within each county containing at least one Project being financed by such Program Series. All Projects within a given county will be included in that Assessment District.

4.04 Engineer's Reports

For each Assessment District, the Assessment Engineer will prepare an Engineer's Report containing the items required by Section 10204 of the Assessment Act. The Engineer's Report must be signed by a California registered professional engineer and must be filed with the Authority.

4.05 Assessment Amount

The Assessment for each Assessed Parcel will be calculated as set forth in the Engineer's Report as the sum of the following amounts:

- (a) Total Eligible Impact Fees financed for such Assessed Parcel; plus
- (b) Benefit Share of Estimated Cost and Expense of Eligible Improvements for the Project of which the Assessed Parcel is a part; plus
- (c) Pro-Rata Share of Costs of Issuance; plus
- (d) Pro-Rata Share of Reserve Requirement; plus
- (e) Pro-Rata Share of Capitalized Interest, if any; plus
- (f) Prior assessment liens, if any.

Prior to the mailing of the Notice of Hearing and the Assessment Ballot (see Section 4.06(c) below) the Assessment Engineer will determine the not-to-exceed Assessment amount, which will be included in the Assessment Ballot. The actual amount of the Assessment will ultimately be less than or equal to the Assessment amount shown in the ballot.

4.06 Sequence of Events

Assessment Proceedings will consist of the following legal actions to be taken by the Authority and the Program Administrator, in accordance with the SCIP Timetable for such Program Series:

- (a) Adoption of resolution of intention in substantially the form shown in Appendix I.
- (b) Adoption of resolution preliminarily approving Engineer's Report and calling public hearing in substantially the form shown in Appendix J.
- (c) Mail the Notice of Hearing to each Property Owner at the address shown on the most recent equalized assessment roll of the County or as

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otherwise known to the Assessment Engineer, in substantially the form attached as Appendix K. The Notice of Hearing will include a transmittal letter, the Assessment Ballot, the Consent and Waiver and a copy of the applicable preliminary Engineer's Report.

- (d) Assessment Ballots and Consents and Waivers must be returned to the Program Administrator no later than the deadline identified in the transmittal letter.
- (e) No earlier than 45 days after mailing of the notices, the Authority will conduct a joint public hearing for all Assessment Districts in the Program Series. Any Property Owner, Local Agency representative or member of the general public will be given the opportunity to testify at the hearing. Any Property Owner may withdraw their Assessment Ballot and Consent and Waiver at the hearing, and in such event, the Property Owner will not be included in the Assessment District and the Program Series.
- (f) At the conclusion of the hearing, the Authority will customarily adopt the following Resolutions:
 - (i) Resolution Confirming Assessment in substantially the form attached as Appendix D.
 - (ii) Local Obligation Resolution in substantially the form attached as Appendix E.
 - (iii) Revenue Bond Resolution in substantially the form attached as Appendix F. (See Article V – Bonds.)

However, in some circumstances the Authority may need to defer adoption of the Local Obligation Resolution and the Revenue Bond Resolution to a later date, in which case the resolutions will be considered at such time as circumstances permit. For example, the condition of the municipal bond market in general may warrant deferral of these actions until a later time.

- (g) Within approximately 5 days after the hearing and adoption of the above resolutions, the Assessment Engineer will record the assessment diagram and a notice of assessment against each Assessed Parcel in substantially the form attached as Appendix L and will publish a notice of recording of assessment in newspapers of general circulation within each County containing an Assessment District in substantially the form attached as Appendix M.
- (h) The statute of limitations to challenge any Assessment runs 30 days after the levy of the Assessment, which is the date on which the Resolution Confirming Assessment is adopted.

- (i) In the event the Authority determines to refinance any Program Series, such refinancing shall not have any effect on the Local Obligations or the Assessment Installments levied for such Program Series.

V Bonds

5.01 Financing Structure

Funding of SCIP will be accomplished through a two-step process involving first, the issuance of the Local Obligations under the Assessment Bond Act and second, the issuance by the Authority of Bonds under the Revenue Bond Act. The Bonds for each Program Series will be secured by the Local Obligations issued for all Assessment Districts in the Program Series. By using this approach, the Authority will be pooling all of the Assessments into a blended security which will provide benefits through diversification of credit risk as well as economies of scale. The Local Obligations will be registered in the name of the SCIP Trustee and held as security for the Revenue Bonds. Assessment Installment payments will be applied to the payment of debt service on the Local Obligations, which will in turn be applied by the SCIP Trustee, as holder of the Local Obligations, to the payment of debt service on the Bonds.

5.02 Bond Documents

The Authority will approve a set of Bond Documents for each Program Series. Copies of the draft Bond Documents for each Program Series will be made available for review by any Local Agency or Applicant participating in the Program Series at least 15 days prior to the adoption thereof by the Authority; provided, that the Authority reserves the right to modify such Bond Documents thereafter.

5.03 Local Agency Closing Certificate

Each Local Agency which has Assessments in its jurisdiction for a Program Series will be required to execute and deliver to the Authority a closing certificate, dated as of the Closing Date, in substantially the form attached hereto as Appendix N.

5.04 Arbitrage Rebate

As set forth in Appendix O, the Program Administrator will provide all required arbitrage rebate and yield restriction reporting services with respect to the Bonds, including preparing the necessary Internal Revenue Service (“IRS”) documentation and instructing the SCIP Trustee to make any required arbitrage rebate or yield reduction payments to the IRS.

5.05 Continuing Disclosure

As set forth in Appendix P, the Program Administrator will provide the services necessary to ensure that the Authority will meet its continuing disclosure obligation with respect to the Bonds.

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5.06 Refunding Dividend Program

The Authority reserves the right to refinance the Bonds for any Program Series if the Authority determines in its sole discretion that market conditions will allow the Authority to achieve significant savings from such refinancing after payment of all costs of issuance as determined by the Authority. Local Agencies may be asked to provide certain certifications or agreements in connection with such refunding. Subject to applicable federal tax limitations, all net savings generated from a refunding shall be monetized in the refunding and each Local Agency will receive a pro rata credit for such savings in the appropriate SCIP Trustee account, and such credited amount may be withdrawn by the Local Agency to pay Capital Costs as provided in Article VI. Because all savings are monetized and paid out to Local Agencies (subject to applicable federal tax limitations), no refunding will result in a reduction of any Assessment or Assessment Installment.

VI Funds Management & Administration

6.01 Deposits to SCIP

Payments from the Local Agency to SCIP of Fees paid to it by the Applicants to be reimbursed, and Bond proceeds received by SCIP for prefunded Fees or for acquisition of Improvements, will be deposited with the SCIP Trustee into the Custody Account. The Custody Account will contain a subaccount for each separate Local Agency. That subaccount is known as the "Local Agency Account." Each Local Agency Account will contain separate Fee Accounts (e.g., water, sewer, roadway, etc.) into which moneys allocable to the Local Agency's Fees will be deposited, as described in Section 6.03 and 6.04, below.

6.02 Access to SCIP Funds

Each Local Agency will access its Local Agency Account by submitting a disbursement request to the Program Administrator for Capital Costs. Disbursement requests should be submitted no earlier than the time of payment by the Local Agency for the Capital Costs. The form of disbursement request is as set forth in Appendix Q. All disbursement requests shall be forwarded either by facsimile or e-mail to the Program Administrator. Upon receipt of a disbursement request, the Program Administrator will instruct the SCIP Trustee to disburse the requested funds in accordance with the instructions provided by the Local Agency. For disbursements by wire, each Local Agency will provide the Program Administrator with contact information for the appropriate financial institution, including wire instructions. Disbursements generally will occur within two business days of receipt of a completed disbursement request.

6.03 Account Statements

The Program Administrator will provide each Local Agency with statements identifying the balance in its Local Agency Account and the portion thereof which is allocable to each Fee Account therein (e.g., water, sewer, roadway, etc.), the current market value of its Local Agency Account, interest earnings credited and accrued during the statement period, current investment holdings and cash flow activity. Such statements may be provided monthly or quarterly at the election of the Local Agency.

6.04 Fee Account Allocation

The Program Administrator will record the allocation of funds held for each Local Agency to each Fee Account based on directions provided by each Local Agency upon entering SCIP.

6.05 Management of SCIP Funds

Funds held in SCIP accounts, including Local Agency Accounts, will be invested appropriately at the direction of the Program Administrator. Investment instructions provided to the SCIP Trustee by the Program Administrator will at all times conform with SCIP's investment policy as set forth in Appendix R. Investment earnings will be

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credited to each SCIP Account and subaccount therein for the benefit of the respective Local Agencies.

6.06 Rejected Applications

Any Applicant whose application for Fee reimbursement is rejected will be notified by the Program Administrator that the Fee reimbursement applied for is not eligible for reimbursement. When an application is rejected, the Fees transferred to SCIP by the Local Agency, if any, held in the applicable Local Agency Account, will be returned to the Local Agency and the Local Agency will be responsible for accounting for such funds in the appropriate capital accounts established for the Local Agency's fee programs. Property Owners shall not be entitled to any refund of Fee payments or costs paid in connection with any rejected Application other than as approved by the Local Agency.

6.07 SCIP Record Retention Policy

The Program Administrator will maintain SCIP accounting records on site for not less than 2 years after a Local Agency closes its Local Agency Account and not less than 3 years thereafter at an appropriate off-site location.

6.08 Inspection of SCIP Accounting Records

The Program Administrator will comply with reasonable requests of the Local Agencies to inspect SCIP accounting records during normal business hours and, upon the request of a Local Agency, will provide a Local Agency with a statement of the Local Agency Account.

VII Collection of Assessments

7.01 Annual Posting

For each Assessment District, the Assessment Administrator will annually transmit to each County, no later than the County's deadline, the auditor's record required by Section 8682 of the Assessment Bond Act for posting on the tax roll. The Assessment Installments will appear on the property tax bill mailed by the County to each Property Owner as a separate line item in substantially the following form:

"CSCDA SCIP Assessment District No. [20__ - __] - \$ _____"

7.02 Administrative Cost Assessment

Pursuant to Section 10204(f) of the Assessment Act, the Authority will annually levy an additional assessment to defray the costs of collection and administration of the assessments and the Local Obligations which are not otherwise reimbursed in an amount not to exceed 5% of the Assessment Installment for such year. Such amounts will be applied by the Authority to pay Program Administration Costs and a full accounting will be provided each year upon request to any Local Agency or Property Owner participating in a Program Series. In addition, each County will add up to \$8 per parcel to each semi-annual Assessment Installment pursuant the Assessment Bond Act as an administrative charge to defray the County's costs of collecting assessments on the tax roll.

7.03 Payment of Assessment Collections to Authority

Each County will pay the Assessment Installments (net of the County's administrative charge) collected each year to the Authority and the Authority will immediately deposit such funds as follows:

- (a) Amounts representing Program Administration Costs will be deposited in the Program Administration Fund established by the Program Administrator.
- (b) Amounts representing principal and interest installments of the Assessments will be transferred to the SCIP Trustee for deposit in the Revenue Fund held under the Trust Agreements for the appropriate Program Series.

7.04 Interest Earnings on Funds and Accounts and Assessment Credits

- (a) Program Administration Fund. Earnings on amounts held in the Program Administration Fund will be retained in such fund and applied as a credit against Program Administration Costs.
- (b) Local Agency Accounts. Earnings on amounts in each Local Agency Account shall be retained in each Local Agency Account and will be

available for withdrawal by the Local Agency as provided in Section 6.02.

- (c) Revenue Fund. Earnings on amounts in the Revenue Fund for each Program Series held by the SCIP Trustee under each Trust Agreement shall be retained in such Revenue Fund and applied as a credit on the annual Assessment Installments in the next succeeding fiscal year, except:
- (i) In the case of Refunding Bonds issued pursuant to the Refunding Dividend Program, such earnings may be applied to pay debt service on the Refunding Bonds in the event that prepayments of Assessments require such earnings to be applied to maintain cash-flow balance between the revenue from the Local Obligations and the debt service payments on the Refunding Bonds;
 - (ii) To the extent the portion of the Assessment Installments actually collected by the Authority for Program Administration Costs together with the amounts available in the Program Administration Fund is less than the Program Administration Costs, such earnings may be transferred to the Authority for deposit in the Program Administration Fund to pay Program Administration Costs; and
 - (iii) Notwithstanding the above, to the extent amounts are required to be deposited in the Rebate Fund to pay arbitrage rebate with respect to any Program Series, earnings on amounts in the Revenue Fund and any Local Agency Accounts in excess of the applicable bond yield (calculated pursuant to the Internal Revenue Code and the regulations issued thereunder) may be transferred to the Rebate Fund.

7.05 Prepayment of Assessments

Property Owners shall have the right at any time to prepay their Assessment in part or in full. Payoff quotes may be obtained from the Assessment Administrator. Payoff quotes will be calculated in accordance with the Assessment Bond Act, and assuming that the applicable Assessment is not then delinquent, the payoff quote shall include the unpaid principal amount of the Assessment, plus accrued interest at the rate of interest on the Local Obligations, plus a prepayment premium not to exceed 3% of the unpaid principal amount plus an administrative charge for the prepayment. In the event that the applicable Assessment is then delinquent, an additional amount will be payable with respect to reinstatement of such delinquencies. The Property Owner may be entitled to a credit for a proportionate share of any reserve fund. Payoff quotes and prepayments will require payment of administrative charges as established by the Assessment Administrator.

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7.06 Delinquent Assessment Installments

The Assessment Administrator will monitor the payment of all Assessment Installments and will track any delinquencies in the payment of such Assessment Installments by Property Owners (regardless of the remittance of such installments to the Authority by any County pursuant to the provisions of Revenue & Taxation Code Sections 4717 and following (the so-called “Teeter Plan”). In the event an Assessment Installment is not paid on or prior to December 10 or April 10 of any fiscal year, as the case may be, the Assessment Administrator will take the following steps and any additional steps as directed by the Authority:

- (a) Within 90 days after the December 10 or April 10 due date of such Assessment Installment, the Assessment Administrator shall send a demand letter to the Property Owner in substantially the form set forth in Appendix S. An administrative fee for sending the letter will be charged. If the parcel goes to foreclosure it will be charged to the parcel; if the delinquency is paid before it is stripped from the roll, the fee will simply be an administrative expense of the Authority.
- (b) If the Assessment Installment has not been paid, including any penalties, within 30 days of the date of the initial demand letter, the Assessment Administrator shall send a second letter by certified mail, in substantially the form set forth in Appendix T, indicating that (i) the Assessment Installment remains delinquent and (ii) the Authority will direct Foreclosure Counsel to commence foreclosure proceedings on the Assessed Parcel if payment is not received within 30 days of the receipt of the second letter.
- (c) Concurrently with sending the second demand letter to the Property Owner, the Assessment Administrator shall determine whether there is a mortgage lien on the Assessed Parcel and, if so, shall send a demand letter by certified mail to the lender in substantially the form set forth in Appendix U.
- (d) If the Assessment Installment is not paid within the period specified in the demand letters prescribed by the foregoing steps (b) and (c), then unless the property owner is in bankruptcy or on active military duty, the Assessment Administrator shall, after April 10 (in order to include both installments if both are delinquent), cause a Notice of Intent to Remove Delinquent Assessment Installment(s) from the Tax Roll to be recorded in the office of the appropriate County Recorder, pursuant to Section 8833(a)(1) of the Assessment Bond Act, and then proceed to cause the delinquent installments to be stripped from the County tax roll and submit the delinquent installment information to Foreclosure Counsel

(with a copy to the SCIP Underwriter, the Program Administrator and SCIP Counsel) to commence and prosecute, to the fullest extent permitted by law, Superior Court judicial foreclosure proceedings against the Assessed Parcel in accordance with the Assessment Bond Act and the Local Obligation Resolution.

- (e) Upon notification by the Assessment Administrator and receipt from the Assessment Administrator and SCIP Counsel of the information required for the foreclosure complaint, Foreclosure Counsel may contact the property owner and lender in an additional attempt to collect the stripped assessment installments, penalties, interest, and all costs and expenses, but will, prior to any applicable deadline, take all steps necessary to prepare and file a complaint for judicial foreclosure of the lien of the Assessment and will diligently prosecute such action to judgment and a sheriff's sale.
- (f) Once step (b) of this Section has been reached, the Property Owner shall be required to pay the fees and expenses of the Assessment Administrator and Foreclosure Counsel incurred with respect to the Assessed Parcel, in addition to any delinquent Assessment Installment, penalties and interest assessed by the applicable County, in order to bring the Assessed Parcel current. In addition, if step (b) of this Section has been reached with respect to any Property Owner, such Property Owner will be barred from further participation in SCIP absent a specific waiver approved by the Legislative Body.

7.07 Tenders of Bonds Not Permitted

All of the Local Obligations will be held by the SCIP Trustee for the benefit of the holders of the Bonds. Although Section 8688 of the Assessment Bond Act allows owners of property within assessment districts to tender bonds issued under the Assessment Bond Act for payment of assessment installments, the Bonds are not issued under the Assessment Bond Act and Property Owners who may hold Bonds will not be permitted to tender such Bonds in the payment of Assessment Installments.

VIII Property Owner Information

8.01 Balance and Payoff Information

The Assessment Administrator will maintain a database of information with respect to each Assessed Parcel which will allow the Property Owner or any other interested person to obtain either a current balance or a payoff quote for the Assessment on such parcel. The Assessment Administrator will be permitted to charge a reasonable fee for providing such information as provided in the current schedule of fees of the Assessment Administrator on file with the Program Administrator.

8.02 Disclosure of Assessment

Each Property Owner shall comply with the requirements of applicable law with respect to the disclosure of the Assessment to any purchaser of an Assessed Parcel. The form of disclosure notice to subsequent purchasers is attached as Appendix V. For a reasonable fee in accordance with the schedule of fees maintained by the Assessment Administrator, the Assessment Administrator will supply a completed notice for any individual Assessed Parcel upon request.

8.03 Billing Questions

The Assessment Administrator will maintain a toll free telephone number to respond to inquiries from Property Owners concerning billing of Assessment Installments.

IX Miscellaneous

9.01 Use of this Manual

This Manual is intended to provide guidance to Local Agencies, Applicants, Property Owners and SCIP consultants in the implementation of SCIP's programs. It is not intended to supersede or replace the legal documents which are used in the SCIP programs. In case of any inconsistency between the provisions of this Manual and such legal documents, the legal documents will control. Capitalized terms used in this Manual have the meanings given under the tab, "Glossary of Terms."

9.02 Contact Information

The contact information for SCIP is provided at the beginning of this Manual. Any notice or other correspondence must be sent by first-class mail to the addresses listed and any communication by facsimile or e-mail will not be considered effective unless a copy is also sent by first class mail.

9.03 Limited Liability

In no event will any Local Agency or any of its officers, employees or agents be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP. Neither the Authority nor any of its members, officers, employees or agents will be liable for the payment of Assessments, Assessment Installments, Program Administration Costs, Costs of Issuance or any other fees or expenses in connection with SCIP except from the Assessment Installments or other funds and accounts established pursuant to SCIP.

9.04 Legal Representation

SCIP Counsel will represent only the Authority in connection with the SCIP program and shall not be deemed to have an attorney-client relationship with any Local Agency, Applicant or other participant or party in connection with SCIP or any Program Series. By participating in SCIP, each Local Agency, Applicant or other participant or party agrees that there is no conflict of interest with respect to any other relationship with SCIP Counsel on other matters and, to the extent such conflict is deemed to exist, waives the conflict.

9.05 Interpretation

This Manual is intended to be an operating guide for SCIP, to be used by the Authority, the program consultants and Local Agency participants in implementing and administering SCIP. Interpretation of this Manual will be controlled by the Program Administrator in consultation with SCIP Counsel, subject to final approval by the Legislative Body, whose determinations shall be final and conclusive.

9.06 Revisions to this Manual

SCIP is an ongoing program, and from time to time the Authority may determine that revisions are required to SCIP and this Manual for the purpose of improving the program in the interests of the Authority, the Local Agencies and other parties. This Manual will be updated and revised from time to time as approved by the Legislative Body and revised editions will be posted on the Authority's website at <http://www.cacommunities.org> (follow "Statewide Community Infrastructure Program (SCIP)" hyperlink).

Glossary of Terms

Capitalized terms used in this Manual have the meanings given below, unless the context requires otherwise.

Acquisition Agreement means the agreement between the Local Agency and the Applicant, in substantially the form attached as Exhibit A to the SCIP Resolution, the form of which is attached hereto as Appendix G, and providing the terms and conditions upon which the Applicant will be reimbursed all or a portion of the cost and expense of Eligible Improvements completed by the Applicant, all as more fully provided by and subject to the limitations set forth in the agreement.

Applicant means a person who applies for financing of Eligible Impact Fees and/or Eligible Improvements through SCIP.

Application means a completed application for financing of Eligible Impact Fees and/or Eligible Improvements, submitted by a Property Owner to the Program Administrator. The two forms which must be completed and submitted, together with applicable attachments, to constitute a completed Application, are entitled “SCIP Application” and “SCIP Landowner Information Form,” respectively, and are set forth in Appendix A.

Appraisal means an appraisal of one or more Assessed Parcels prepared by an independent professional appraiser who is a Member of the Appraisal Institute (MAI), and is selected by the Authority from an approved list on file with the Authority.

Appraised Value means the market value of an Assessed Parcel as shown in an Appraisal.

Assessed Parcel means a parcel of land subject to or proposed to be subject to an Assessment. Each Assessed Parcel must be a legal parcel in compliance with the Subdivision Map Act. Individual condominium units in a condominium project will be deemed legal parcels for this purpose once a separate Assessor’s Parcel Number has been assigned to each condominium unit in the condominium project by the County Assessor for the County in which the condominium project is located.

Assessed Value means the assessed value (land and improvements) of an Assessed Parcel as shown on the most recent equalized assessment roll (including any supplemental roll) of the County in which the Assessed Parcel is located.

Assessment means a special assessment levied by the Authority on property pursuant to the Assessment Act.

Assessment Act means the Municipal Improvement Act of 1913, being Division 12 of the Streets & Highways Code of the State.

Assessment Administrator means ~~Willdan Financial Services~~ [David Taussig & Associates](#) or any successor firm appointed by the Authority as the Assessment Administrator for SCIP.

Assessment Ballot means a Property Owner assessment ballot with respect to a proposed Assessment in substantially the form set forth in Appendix B.

Assessment Bond Act means the Improvement Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State.

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Assessment District means an assessment district formed by the Authority pursuant to the Assessment Act for the purpose of financing Eligible Impact Fees and/or Eligible Improvements through the issuance of Local Obligations.

Assessment Engineer means ~~Willdan Financial Services~~ David Taussig & Associates or any successor firm appointed by the Authority as the Assessment Engineer for SCIP.

Assessment Installment means an annual installment payable with respect to an unpaid Assessment and consisting of principal, interest and administrative charges.

Authority means the California Statewide Communities Development Authority, a joint exercise of powers authority duly established pursuant to the laws of the State.

Bond Documents means, with respect to each Program Series, the Revenue Bond Resolution, Trust Agreement, Local Obligation Resolution, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary and final Official Statement, Escrow Agreement (in the case of refundings), and any and all other documents deemed necessary by SCIP Counsel to the authorization, sale and issuance of Bonds.

Bonds means bonds issued by the Authority for SCIP under the Revenue Bond Act, the proceeds of sale of which are applied to the purchase of the Local Obligations of the applicable Program Series.

Capital Costs means costs properly chargeable to a capital account pursuant to generally accepted accounting principles incurred for either (1) public capital improvements legally payable from Eligible Impact Fees or (2) Eligible Improvements.

Closing Date means the date on which the Bonds for a Program Series are initially delivered to the SCIP Underwriter.

Consent and Waiver means a consent and waiver of a Property Owner in substantially the form set forth in Appendix C.

Costs of Issuance means, with respect to each Program Series, all costs of issuing the Bonds and the Local Obligations, including without limitation costs of appraisals, engineer's reports, apportionment fees, absorption studies, credit enhancement (such as bond insurance), rating agency fees, underwriter's discount, legal fees and expenses, Authority fees and expenses, trustee fees and expenses, printing, publication, document reproduction, filing and recording costs and any other cost related to the issuance of the Bonds or the Local Obligations. Costs of issuance may also include an amount calculated by the Authority as the amount necessary to pay Program Administration Costs through the first full fiscal year of each Program Series.

Custody Account means the account established by the SCIP Trustee pursuant to the Trust Agreement for each Program Series and into which is deposited that portion of the proceeds of sale of the Bonds for such Program Series representing (1) Eligible Impact Fees financed under the Fee Prefunding Program and (2) amounts financed on account of Eligible Improvements.

Declaration of Official Intent to Reimburse means the written statement of the ~~Program Administrator, following receipt of a completed~~ Local Agency, received in connection with the Application, declaring the intention to reimburse expenditures made by or on behalf of a Property Owner with respect to Eligible Impact Fees or Eligible Improvements prior to issuance of Bonds of the applicable Program Series.

Eligible Impact Fee means a fee levied or collected by a Local Agency pursuant to a Fee Statute and otherwise meeting the requirements of Section 2.02.

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Eligible Improvement means a public capital improvement authorized by the Assessment Act, together with authorized incidental expenses associated therewith, and otherwise meeting the requirements of Section 2.02.

Engineer's Report means the report prepared by the Assessment Engineer for each Assessment District, which shall contain the information required by Section 10204 of the Assessment Act and shall be signed by a California registered professional engineer.

Fee Account means the separate account for each category of Eligible Impact Fees established by the SCIP Trustee for each Local Agency pursuant to Article VI.

Fee Prefunding Program means that component of SCIP pertaining to the financing of Eligible Fees on behalf of an Applicant, with payment being made directly to the Local Agency or other governmental entity to which the Eligible Fees are payable.

Fee Reimbursement Program means that component of SCIP pertaining to the financing of Eligible Fees which have been paid by an Applicant prior to the Closing Date of the Bonds of a given Program Series.

Fee Statute means the Mitigation Fee Act (California Government Code Sections 66000 and following) or any other State law or local legislation imposing fees on new development to pay for the Capital Costs of public capital improvements.

Foreclosure Counsel means Sherman & Feller, A Law Corporation, or any other attorney or firm of attorneys designated from time to time by the Legislative Body to act as counsel to the Authority in prosecuting foreclosure actions in connection with SCIP.

Legislative Body means the commission of the Authority.

Local Agency means a city, county or city and county which is a member of the Authority and has an effective SCIP Resolution in place.

Local Agency Account means the subaccount established by the SCIP Trustee within the Custody Account, as described in Section 6.01.

Local Obligation Resolution means a resolution of the Authority in substantially the form set forth in Appendix E.

Local Obligations means limited obligation improvement bonds issued by the Authority under the Assessment Bond Act for SCIP and pledged as security for Bonds of a given Program Series.

Program Administration Costs means all costs of administering each Program Series, including fees and expenses of the Program Administrator, Assessment Administrator, SCIP Counsel, Foreclosure Counsel and any other costs or expenses of administering each Program Series.

Program Administration Fund means the fund established by the SCIP Trustee for the payment of Program Administration Costs.

Program Administrator means ~~Bond-Logistix~~**BLX Group** LLC, or any successor firm appointed by the Authority as the Program Administrator for SCIP.

Program Series means an individual series of Bonds to be issued to fund an Application or a group of Applications, as shall be determined by the Authority, or a series of Bonds issued to refund any Program Series.

Project means a development project being undertaken by an Applicant within a Local Agency which has been conditioned upon either (a) payment of impact fees or (b) construction and installation of public capital improvements or both and for which an Application for SCIP financing of Eligible Impact Fees and/or Eligible Improvements has been submitted by an Applicant.

Property Owner means the legal owner(s) of property subject to an Assessment or for which an Application has been filed.

Pro-Rata Share means a percentage determined by dividing the amount of the assessment for an Assessed Parcel by the total amount of assessment being financed in the applicable Program Series.

Rebate Fund means the fund by that name established by the SCIP Trustee for each Program Series for the purposes of holding amounts payable to the United States Treasury pursuant to the requirements of Section 148 of the Internal Revenue Code and the regulations issued thereunder.

Refunding Bonds means Bonds issued pursuant to the Refunding Dividend Program.

Refunding Dividend Program is the SCIP program described in Section 5.06.

Reserve Requirement means, with respect to the Bonds issued for any Program Series, the amount required to be maintained in the Reserve Account within the Revenue Fund for such Program Series. The Reserve Requirement will normally be equal to the maximum annual debt service on the Bonds for the Program Series; however the Authority may determine to establish a lower Reserve Requirement for any Program Series if feasible.

Resolution Confirming Assessment means a resolution of the Authority in substantially the form set forth in Appendix D.

Revenue Bond Act means Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State.

Revenue Bond Resolution means a resolution of the Authority in substantially the form set forth in Appendix F.

Revenue Fund means the fund by that name established by the SCIP Trustee under each Trust Agreement for a Program Series, including the following subaccounts: the Interest Account, the Principal Account and the Reserve Account.

SCIP means the Authority's development impact fee and public capital improvement financing program known as the "Statewide Community Infrastructure Program."

SCIP Counsel means Orrick, Herrington & Sutcliffe LLP, or such other attorney or firm of attorneys who are nationally recognized bond counsel selected and appointed by the Authority.

SCIP Resolution means a resolution of the governing body of a Local Agency in substantially the form attached as Appendix G.

SCIP Timetable means the time schedule for each Program Series as approved by the Authority. A sample SCIP Timetable is provided in Appendix H and a specific SCIP Timetable will be established by the Authority, in consultation with the SCIP Underwriter, for each Program Series.

SCIP Trustee means Wells Fargo Bank, National Association, or any successor appointed by the Authority as Trustee for SCIP.

SCIP Underwriter means RBC Capital Markets or any successor firm(s) appointed by the Authority as the underwriter(s) for SCIP.

State means the State of California.

Subdivision Map Act means the provisions of Division 2 of Title 7 of the Government Code of the State, commencing at Section 66410.

Trust Agreement means a trust agreement, indenture, or similar instrument which secures and provides the terms for issuance and administration of a given Program Series.

Appendices

Appendix	Description
A	Form of Application and Landowner Information
B	Form of Assessment Ballot
C	Form of Property Owner Consent and Waiver
D	Form of Resolution Confirming Assessment
E	Form of Local Obligation Resolution
F	Form of Revenue Bond Resolution
G-1	Form of SCIP Resolution, with attachments: <ul style="list-style-type: none">• Form of CSCDA Resolution of Intention• Form of Acquisition Agreement• SCIP Contacts
G-2	Sample Staff Report
G-3	Form of Notice of Public Hearing
H	Sample SCIP Timetable
I	Form of Resolution of Intention
J	Form of Resolution Preliminarily Approving Engineer's Report
K	Form of Notice of Hearing
L	Form of Recorded Notice of Assessment
M	Form of Published Notice of Recording of Assessment
N	Form of Local Agency Closing Certificate
O	Arbitrage Rebate Services
P	Continuing Disclosure Services
Q	SCIP Disbursement Form
R	SCIP Investment Policy
S	Form of Initial Demand Letter of Delinquent Property Owner
T	Form of Second Letter of Delinquent Owner
U	Form of Lender Demand Letter
V	Form of Disclosure Notice to Subsequent Purchasers

APPENDIX A
Form of Application and Landowner Information

SCIP APPLICATION

Applicant Information

Name of Project: _____

Location/Address of Project Site: _____

Name of Developer: _____

Contact Information

Name: _____ Title: _____

Address: _____ City: _____

Zip Code: _____

Email: _____ FAX: _____

Applicant Acknowledgment

One of the following is true and correct: (A) The undersigned represents the owner(s) of the project, including a joint owners by tenancy in common, community property, joint tenancy or otherwise, or (B) the undersigned has this project under option.

Signed: _____ Dated: _____

Social Security Number or Taxpayer ID Number: _____

Local Agency Information

Local Agency Name: _____

MailingAddress
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

I hereby certify that I am an authorized representative of the Local Agency, and that I have been authorized by the Local Agency to execute this Preliminary Application for CSCDA financing.

Signed: _____ Dated: _____

SCIP LANDOWNER INFORMATION

FOR THE CITY OR COUNTY OF: _____

THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”) INTENDS TO ISSUE TAX-EXEMPT BONDS (THE “BONDS”) TO FINANCE CERTAIN IMPACT FEES FOR THE CITY/COUNTY. UNDER FEDERAL AND STATE SECURITIES LAWS, THE CITY/COUNTY IS REQUIRED TO DISCLOSE ALL MATERIAL FACTS TO THE PURCHASERS OF THE BONDS. FOR THIS REASON, IT IS IMPORTANT THAT YOU ANSWER EACH OF THE FOLLOWING QUESTIONS COMPLETELY AND ACCURATELY. YOUR PROMPT AND COMPLETE RESPONSE TO THIS QUESTIONNAIRE IS CRITICAL TO THE CSCDA’S ABILITY TO ISSUE BONDS TO FINANCE YOUR DEVELOPMENT IMPACT FEES.

OWNERSHIP

Name of Landowner:

Please describe the ownership structure of the Landowner (i.e., individuals, family trust, partnership, corporation, etc.). Please include resumes of key individuals responsible for making decisions for Landowner. Please include a copy of relevant formation documents (partnership agreement, articles of incorporation and bylaws, family trusts, etc.)

Name of Developer: (if different from Landowner).

Evidence of Legal Title (please include copy of a grant deed or title report)

PROPERTY INFORMATION

For the (the “Property”) within the proposed Assessment District, please list the following:

Number of gross acres owned:

Number of acres proposed for development:

Number of acres developed to date, if any:

List the Assessor’s Parcel Numbers for the Property:

How long have you owned the Property?

DEVELOPMENT IMPACT FEES TO BE FINANCED BY SCIP

(Attach Fee Schedule or list below)

Type (water, sewer, road, etc.)	Amount
TOTAL:	

Have you entered into any option or other form of agreement to sell all or a portion of the Property?

YES ____ NO ____ . If YES, please describe the arrangement and attach a copy of agreements describing the arrangement.

Describe the proposed land use of the Property:

Is the Property proposed for residential, commercial retail, industrial or a combination of different land uses?

Please state the total number of residential units proposed (single family or multi family), and the total land acreage and building square footage for commercial, retail, or industrial development proposed.

Describe the expected timing for development of the Property: If available, please list projected sales or leasing information.

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What is the status of land use approvals, maps and EIR's for the Property (i.e., briefly describe the current zoning and the status of any Development Agreements, Specific Plans, tentative maps or final maps for the Property)?

Will any impact fees be owing after funding by SCIP as a condition to develop the Property? YES _____ NO _____. If YES, please explain.

Is any development currently underway on the Property? YES _____ NO _____. If YES, please give a general description and provide information as to estimated construction or permit value.

Are there any existing trust deeds/loans on the Property? Please state the name, address and telephone number of the lending institution and the approximate loan amount.

Has construction financing been obtained? YES _____ NO _____. If YES, please describe the source and amount of such loan. Please provide any other information on how the project is to be financed.

Has the developer or any partner or related entity of the landowner ever filed for bankruptcy or been declared bankrupt? YES _____ NO _____. If YES, specify date and location of court where bankruptcy action took place:

Are there any other foreseeable circumstances not described above that could prevent or significantly delay the proposed development of the Property? YES _____ NO _____. If YES, please explain. Please attach a copy of the most recent tax bill for the Property and evidence that current installments due have been paid.

PAYMENT OF TAXES/ASSESSMENTS

What is the current status of property taxes, special taxes and assessments on the Property (paid/owing/delinquent). If any property taxes or assessments on the Property are delinquent or have been delinquent at any time during the past 3 years? If YES, please explain. Attach a copy of the latest tax bill.

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interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

Describe the source of funds that you will use to pay any taxes/assessments to be levied on your Property in connection with the Assessment District (i.e., bank savings, land sale proceeds, loan proceeds, etc.).

Do you foresee any difficulty in your ability to make timely payment of your taxes/assessments? YES_____ NO_____. If YES, please explain.

EXPERIENCE OF LANDOWNER AND DEVELOPMENT GROUP

Describe the development experience of the Landowner developer or affiliated construction entity. Briefly describe any current or recently completed developments undertaken by the Landowner. Please provide corporate literature and sales brochures, if available.

NOTICE REGARDING DISCLOSURE

In 1994, the Securities and Exchange Commission adopted amendments (the "Amendments") to Rule 15c2-12 under the Securities Exchange Act of 1934 relating to certain required disclosure information that must be made available to prospective purchasers of municipal bonds. Under the Amendments and other federal and state securities laws, certain material information must be disclosed

(i) in connection with the initial offering of bonds with respect to material persons"; and (ii) on an ongoing basis with respect to obligated persons."

Whether a property owner/developer might be a material person or an obligated person will depend on all of the facts and circumstances. If the information you provide in response to this questionnaire indicates this might be the case, the financing team will review with you the information that may need to be disclosed to potential Bond investors in order to satisfy the Amendments and other federal and state securities laws.

If information on the proposed development of your property is disclosed in connection with the sale of the Bonds, you will be required to certify at that time that the information is true and correct and does not omit to state any material fact.

If we have additional questions regarding your Property, who is the appropriate person to contact?

Name: _____

Title: _____

Address: _____

Phone Number: _____

Thank you for your assistance in providing the above information, which is essential to enable SCIP to move forward with the proposed financing.

SUBMITTAL INSTRUCTIONS

Please mail or fax a copy of this Landowner information with the Application to the following people. Also, please mail the \$1,500 application fee to CSCDA-SCIP attn: Daniel Chang. The application and landowner information form can also be filled out and sent by going online to SCIP at www.cacommunities.org

Statewide Community Infrastructure Program
c/o Orrick, Herrington & Sutcliffe
~~405 Howard Street~~
~~400 Capitol Mall, Suite 3000~~
~~San Francisco, CA 94105-2669~~ ~~Sacramento,~~
~~CA 95814~~
Attention: ~~Daniel Bort~~ Patricia Eichar
Phone: ~~(415)916-773-5438~~ 329-7917
Fax: ~~(415)916-773-5759~~ 329-4900
Email: ~~dbort~~ peichar@orrick.com

Statewide Community Infrastructure Program
RBC ~~Dain Rauscher~~ Capital Markets
345 California Street, Suite 2800
San Francisco, ~~CA 94104~~ California 94111
Attention: Bob Williams
Phone: (415) 445-8674
Fax: (415) 445-8679
Email: bob.williams@~~rbedain~~ rbccm.com

Statewide Community Infrastructure Program
c/o ~~Bond Logistic~~ BLX Group LLC
777 South Figueroa Street, Suite ~~3200~~ 800
Los Angeles, ~~CA~~ California 90017
~~Attention: Daniel Chang~~
Phone: (213) 612-2205
Fax: (213) 612-2499
~~Email:~~
dchang@bondlogistic blxgroup.com

APPENDIX B Form of Assessment Ballot

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

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interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT

This assessment ballot is for the use of the property owner of the parcel identified below, which parcel is located within the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California). Please advise _____, Assessment Administrator for SCIP, at (____) ____-____ if the name set forth below is incorrect or if you are no longer the owner of this parcel.

This assessment ballot may be used to express either support for or opposition to the proposed assessment district. **In order to be counted, this assessment ballot must be marked (“Yes” or “No”), dated and signed below by an owner or, if the owner is not an individual, by an authorized representative of the owner.** The ballot must then be delivered to the California Statewide Communities Development Authority (the “Authority”) either by mail or in person, as follows:

Mail Delivery: If by mail, place ballot in the self-addressed, return envelope provided for delivery to _____, Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA 94105.

Personal Delivery: If in person, to California Statewide Communities Development Authority, in care of _____ at the above address in San Francisco, at any time up to 4:30 p.m. on _____, 20__ (the day before the _____ hearing) , or at the protest hearing itself scheduled for _____.m. on _____ or any continuation thereof at the offices of _____, _____ Street, Suite _____, Sacramento, California.

However delivered, this ballot must be received by the California Statewide Communities Development Authority prior to the close of the public hearing, whether on _____, 20__, or any date to which the public hearing is continued, to be counted.

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL ASSESSMENT BALLOT

Property Owner Name: _____

<u>Assessment No.</u>	<u>Parcel No.</u>	<u>Amount of Assessment</u>
_____	_____	\$ _____

ASSESSMENT BALLOT MEASURE

Shall the California Statewide Communities Development Authority establish the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), levy an assessment not to exceed the amount set forth above on the parcel identified, issue bonds in the amount of unpaid assessments, and proceed with the proposed funding of eligible development impact fees and/or public capital improvements? Yes _____ No _____

Date : _____

Owner Signature(s) : _____

APPENDIX C
Form of Property Owner Consent and Waiver

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

CONSENT AND WAIVER

The undersigned hereby certifies, consents and waives as follows:

1. The undersigned acknowledges receipt of (a) the Notice of Public Hearing and Assessment Ballot Procedure, (b) the Official Property Owner Assessment Ballot and (c) the Engineer's Report pertaining to the Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), for which the public hearing is scheduled for _____, 20__, at the time and place set forth in the notice.
2. The undersigned is/are the owner(s) or an authorized representative of the owner(s) of the parcel(s) identified in Exhibit ___ of the Engineer's Report as Assessment No. _____, with a proposed assessment to be levied on said property in the amount of _____.
3. The undersigned hereby consents to the levy of assessments upon the above-mentioned parcel(s) in said amount by action of the California Statewide Communities Development Authority following the close of the public hearing on _____, 20__.
4. The undersigned hereby expressly acknowledges that the assessment installments payable with respect to the above-mentioned parcels shall not be subject to reduction, offset, or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.
5. The undersigned expressly waive each of the following:
 - (a) any and all defects in notice or procedure in the conduct of the public hearing and the assessment ballot procedure, whether known or unknown;
 - (b) the entitlement to pay all or any portion of the assessments levied upon the above-mentioned parcel(s) in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of the unpaid assessments;
 - (c) the entitlement to file any lawsuit or other proceeding to challenge any aspect of the proceedings of the California Statewide Communities Development Authority relative to Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), including without limitation, the assessment ballot proceeding, the levy of the assessments or the issuance, sale and delivery of bonds, which entitlement would otherwise extend 30 days beyond levy of the assessments (currently scheduled to occur on _____, 20__) pursuant to Section 10400 of the California Streets and Highways Code;
 - (d) the right to notice and a hearing on any modifications or changes to the Engineer's Report between the preliminary approval thereof on _____, 20__, and the final approval thereof following the close of the public hearing on _____, 20__;
 - (e) in the case of any changes to the configuration of the parcel(s) between the preliminary approval of the Engineer's Report on _____, 20__ and the final approval thereof on _____, 20__, which results in increase in the assessment(s) to be levied in the above-mentioned parcel(s), the undersigned hereby consents to the increased assessment(s) and hereby waives any and all mailed notice or further hearing which would otherwise be required by law in order for the California Statewide Communities Development Authority to consider such increase in assessment; and

(f) mailed notice of recording of assessments.

This waiver and each part of it is given for the express purpose of enabling and inducing the California Statewide Communities Development Authority to expedite the issuance, sale and delivery of bonds.

Executed at _____, California, on _____, 20__.

[NAME OF PROPERTY OWNER]

By _____
(signature)

(print name and title of signer)

NOTE: If this form is signed by an authorized representative (other than an officer) of the property owner(s) of the parcel(s), please attach evidence of authorization to sign on behalf of the property owner(s).

APPENDIX D
Form of Resolution Confirming Assessment

RESOLUTION NO. _____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY APPROVING FINAL ENGINEER'S
REPORTS, LEVYING ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED
DEVELOPMENT IMPACT FEES AND PUBLIC CAPITAL IMPROVEMENTS,
CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND DIRECTING
RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain development impact fees (the "Fees"), the proceeds of which will be used to pay the cost of certain public capital improvements, and preliminary to ordering the direct financing of certain public capital improvements (the "Improvements"), in each case eligible to be funded under the 1913 Act, which Fees and Improvements are described in the Final Engineer's Reports (as defined below) approved by this Resolution, said fees to be charged to the parcels of land with respect to which the Fees are payable, and said Improvements to be charged to the parcels of land according to benefit, and the related incidental expenses to be charged on a pro rata basis, all, in connection with the proposed development of said parcels of land that are situated within one of the _____ assessment districts (the "Districts") to be denominated as set forth in Exhibit A attached hereto and by this reference incorporated in this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and public capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP," and

WHEREAS, on _____, 20__, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on _____, 20__, _____ separate reports containing the information regarding the Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by _____ separate resolutions duly adopted on _____, 20__ (the "Resolutions of Preliminary Approval"), corresponding to the _____ proposed Districts, preliminarily approved the reports, and fixed ____ [a.m./p.m.], or as soon thereafter as the matter might be heard, on _____, 20__, at the offices of the _____, _____, Suite ____, _____, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution ("Article XIID"), together with the property owner assessment ballots themselves; and

WHEREAS, the administrator (the "Program Administrator") of SCIP has filed with the Authority _____ separate certificates setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the time, form and manner required by Article XIIIID; and

WHEREAS, said public hearing was duly convened by this Commission as a consolidated public hearing for all _____ of the Districts at said time and place specified in the notice of public hearing, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the _____ proposed Districts; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer's reports due to certain changes to some of the parcels in the Districts and/or the Fees and Improvements to be financed by the Assessments; and

WHEREAS, on the basis of the foregoing, the Engineer of Work has prepared and filed with the Authority for consideration _____ Final Engineer's Reports relating to the Districts (the "Final Engineer's Reports"); and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each of the Final Engineer's Reports, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Reports by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIIIID, and this Commission hereby overrules all protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer's Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

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Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Reports.

Section 6. This Commission hereby orders the financing of the Fees and Improvements as detailed in the Final Engineer's Reports.

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, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not later than twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the Program Administrator a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on _____, 20__ and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for each of the Districts, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which the applicable District is located. The assessment installments for the initial series of bonds issued for the Districts shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 10. The Program Administrator is hereby directed to record the Final Engineer's Report with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and notices of assessment in the office of the County Recorders of the Counties within which the Districts are located and to publish notices of assessment in appropriate newspapers of general circulation in such Counties, all in the time, form and manner as required by law.

Section 11. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____,
20__.

EXHIBIT A

	District Name (County)	Assessment/Local Obligation Amount
1.		
2.	[List Separate Assessment Districts]	[Amount]
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

APPENDIX E
Form of Local Obligation Resolution

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF ____ SEPARATE SERIES OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission, on _____, 20__, adopted its Resolutions of Intention (the "Resolutions of Intention") relating to the financing of certain development impact fees and public capital improvements in ____ assessment districts (collectively, the "Districts") designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") and provided that serial and/or term bonds to represent unpaid assessments (the "Assessments") would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

WHEREAS, the written engineer's reports relating to the proposed Districts (in their final form, the "Engineer's Reports") were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the offices of the County Recorders of the Counties in which the Districts are located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amount set forth in Exhibit A to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and the provision of certain public capital improvements, as shown in the Engineer's Reports; and

WHEREAS, notices of the levy and recording of the Assessments have been authorized to be duly given by publication in the time, form and manner required by law, and the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

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WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of unpaid Assessments for each of the Districts is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of development impact fees and public capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue ___ separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, with one of the separate series relating to each of the Districts (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), dated as of _____, 20__, by and between the Authority and Wells Fargo Bank, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount equal to the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission has determined to authorize and issue its Statewide Community Infrastructure Program Revenue Bonds, Series _____ (the "Revenue Bonds") pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds to RBC Capital Markets, as underwriter (the "Underwriter"), with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Reference Manual" adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide Communities Development

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Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority.

Section 4. The proposed form of the Trust Agreement, as presented to this meeting, is hereby approved. Any member of this Commission or their administrative delegates duly authorized pursuant to ~~Resolution No. 09R-2 of the Authority (“Resolution No. 09R-2”), adopted January 21, 2009 (each, an “Authorized Signatory”)~~ [active delegation resolution] is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. ~~Any Authorized Signatory~~ The Chair of the Authority is hereby authorized and directed to execute each of the Local Obligations on behalf of the Authority, and the Secretary is hereby authorized and directed to countersign each of the Local Obligations, manually or by use of ~~such Authorized Signatory’s~~ engraved, printed or lithographed facsimile signatures. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case any ~~Authorized Signatory~~ officer whose signature appears on the Local Obligations shall cease to be ~~an Authorized Signatory~~ such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though ~~such Authorized Signatory had remained a member of this Commission or had remained authorized pursuant to Resolution No. 09R-2~~ the officer had remained such officer of the Authority until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits thereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered thereunder and are entitled to the benefits thereof.

Section 6. Any Authorized Signatory 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 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____, 20__.

EXHIBIT A

District Name (County)

Local Obligation Amount

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

[List of Individual Assessment Districts]

[Amount]

APPENDIX F
Form of Revenue Bond Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$_____ OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES _____; APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") in connection with the formation of ___ assessment districts identified in said proceedings (the "Districts"); and

WHEREAS, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act") to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the "Local Obligations") upon the security of the recorded and unpaid assessments (the "Assessments") of the Districts; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law") to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and

WHEREAS, this Commission has determined to issue ___ separate series of Local Obligations, one series for each Assessment District (collectively, the "Local Obligations"), to be issued pursuant to that certain Trust Agreement, dated as of _____, 20__ (the "Trust Agreement") between the Authority and Wells Fargo Bank, National Association, as Trustee (the "Trustee"), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund the payment of certain development impact fees (the "Fees"), which will in turn fund public capital improvements, as well as the direct acquisition of certain public improvements (the "Improvements"); and

WHEREAS, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority's Statewide Community Infrastructure Program Revenue Bonds, Series _____ (the "Bonds"), to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance (the "Financing Program"); and

WHEREAS, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$_____; and

WHEREAS, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement, the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above;
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets, the underwriter (the "Underwriter"), agrees to purchase the Bonds;
- (c) a Preliminary Official Statement, describing the Bonds and the Local Obligations; and
- (d) a Continuing Disclosure Agreement, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission; and

WHEREAS, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the Financing Program in the manner and upon the terms herein provided; and

WHEREAS, the requisite local agencies with jurisdiction over the areas encompassed by the Assessment Districts have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$_____; provided, however, that (a) the true interest cost on the Bonds shall not exceed __%, and (b) the maximum term of any maturity shall not extend beyond the year 20__.

Section 3. The proposed form of the Trust Agreement is hereby approved. Any member of the Commission or their administrative delegates duly authorized pursuant to ~~Resolution No. 09R-2 of the Authority, adopted on January 21, 2009 (each, an "Authorized Signatory")~~ [active delegation resolution] is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes and insertions therein as any member of

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the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. (a) The proposed form of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed "final" for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, in consultation with Disclosure Counsel, to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such Member as necessary to cause the information contained therein to conform to facts material to the Bonds or to the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute the Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. Any Authorized Signatory 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 8. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____,
20__.

APPENDIX G -1
Form of SCIP Resolution

RESOLUTION NO. _____

RESOLUTION OF THE [CITY COUNCIL/BOARD OF SUPERVISORS] OF THE _____ AUTHORIZING THE _____ TO JOIN THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT SPECIAL ASSESSMENT PROCEEDINGS AND LEVY ASSESSMENTS WITHIN THE TERRITORY OF THE _____; APPROVING FORM OF ACQUISITION AGREEMENT FOR USE WHEN APPLICABLE; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the _____ [the “City”/”County”]; and

WHEREAS, the Authority has established the Statewide Community Infrastructure Program (“SCIP”) to allow the financing of certain development impact fees (the “Fees”) levied in accordance with the Mitigation Fee Act (California Government Code Sections 66000 and following) and other authority providing for the levy of fees on new development to pay for public capital improvements (collectively, the “Fee Act”) through the levy of special assessments pursuant to the Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the “1913 Act”) and the issuance of improvement bonds (the “Local Obligations”) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “1915 Act”) upon the security of the unpaid special assessments; and

WHEREAS, SCIP will also allow the financing of certain public capital improvements to be constructed by or on behalf of property owners for acquisition by the _____ or another public agency (the “Improvements”); and

WHEREAS, the _____ desires to allow the owners of property being developed within its jurisdiction (“Participating Developers”) to participate in SCIP and to allow the Authority to conduct assessment proceedings under the 1913 Act and to issue Local Obligations under the 1915 Act to finance Fees levied on such properties and Improvements, provided that such Participating Developers voluntarily agree to participate and consent to the levy of such assessments; and

WHEREAS, in each year in which eligible property owners within the jurisdiction of the _____ elect to be Participating Developers, the Authority will conduct assessment proceedings under the 1913 Act and issue Local Obligations under the 1915 Act to finance Fees payable by such property owners and Improvements and, at the conclusion of such proceedings, will levy special assessments on such property within the territory of the _____;

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by the Authority in connection with such assessment proceedings (the “ROI”), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for SCIP (provided that each Participating Developer consents to such assessment) shall be coterminous with the _____’s official boundaries of record at the time of adoption of each such ROI (the “Proposed Boundaries”), and reference is hereby made to such boundaries for the plat or map required to be included in this Resolution pursuant to Section 10104 of the Streets and Highways Code; and

WHEREAS, there has also been presented to this meeting a proposed form of Acquisition Agreement (the “Acquisition Agreement”), a copy of which is attached hereto as Exhibit B, to be approved as to form for use with respect to any Improvements to be constructed and installed by a Participating Developer and for which the Participating Developer requests acquisition financing as part of its SCIP application; and

WHEREAS, the _____ will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Local Obligations or any other bonds issued in connection with SCIP; and

WHEREAS, pursuant to Government Code Section 6586.5, notice was published at least five days prior to the adoption of this resolution at a public hearing, which was duly conducted by this [Council/Board] concerning the significant public benefits of SCIP and the financing of the Improvements and the public capital improvements to be paid for with the proceeds of the Fees;

NOW, THEREFORE, BE IT RESOLVED by the [City Council/Board of Supervisors] of the _____ as follows:

Section 1. The _____ hereby consents to the conduct of special assessment proceedings by the Authority in connection with SCIP pursuant to the 1913 Act and the issuance of Local Obligations under the 1915 Act on any property within the Proposed Boundaries; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI; and

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

Section 2. The _____ hereby finds and declares that the issuance of bonds by the Authority in connection with SCIP will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and the more efficient delivery of local agency services to residential and commercial development within the _____.

Section 3. The Authority has prepared and will update from time to time the “SCIP Manual of Procedures” (the “Manual”), and the _____ will handle Fee revenues and funds for Improvements for properties participating in SCIP in accordance with the procedures set forth in the Manual.

Section 4. The form of Acquisition Agreement presented to this meeting is hereby approved, and the [Mayor/Board Chair] is authorized to execute and the [City Clerk/Clerk of the Board] is authorized to attest the execution of a completed Acquisition Agreement in substantially said form and pertaining to the Improvements being financed on behalf of the applicable Participating Developer.

Section 5. The appropriate officials and staff of the _____ are hereby authorized and directed to make SCIP applications available to all property owners who are subject to Fees for new development within the _____ and/or who are conditioned to install Improvements and to inform such owners of their option to participate in SCIP; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The staff persons listed on the attached Exhibit C, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for the Authority in connection with the SCIP program.

Section 6. The appropriate officials and staff of the _____ are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents, including but not limited to such documents as may be required by Bond Counsel in connection with the participation in SCIP of any districts, authorities or other third-party entities entitled to own Improvements and/or to levy and collect fees on new development to pay for public capital improvements within the jurisdiction of the _____, as are reasonably required by the Authority in accordance with the Manual to implement SCIP for Participating Developers and to evidence compliance with the requirements of federal and state law in connection with the issuance by the Authority of the Local Obligations and any other bonds for SCIP. To that end, and pursuant to Treasury Regulations Section 1.150-2, the staff persons listed on Exhibit C, or other staff person acting in the same capacity for the _____ with respect to SCIP, are hereby authorized and designated to declare the official intent of the _____ with respect to the public capital improvements to be paid or reimbursed through participation in SCIP.

Section 7. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority.

* * *

PASSED AND ADOPTED this ____ day of _____, 20__ by the following vote, to wit:

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____

EXHIBIT A TO FORM OF SCIP RESOLUTION

**FORM OF RESOLUTION OF INTENTION
TO BE ADOPTED BY CSCDA
(SEE APPENDIX I)**

EXHIBIT B TO FORM OF SCIP RESOLUTION

FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN

AND

[DEVELOPER]

Dated as of _____, 20__

ACQUISITION AGREEMENT

Recitals

A. The parties to this Acquisition Agreement (the "Agreement") are the _____, (the "Local Agency"), and [DEVELOPER], a [here indicate type of legal entity] (the "Developer").

B. The effective date of this Agreement is _____, 20__.

C. The Developer has applied for financing of certain public capital improvements (the "Acquisition Improvements") and capital facilities fees through the Statewide Community Infrastructure Program ("SCIP") administered by the California Statewide Communities Development Authority (the "Authority") and such application has been approved by the Local Agency.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements, and the portion of the proceeds of such bonds allocable to the cost of the Acquisition Improvements to be constructed and installed by the Developer, together with interest earned thereon prior to such acquisition, is referred to herein as the "Available Amount".

F. SCIP will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A are descriptions of the Acquisition Improvements, which descriptions are subject to modification by written amendment of this Agreement, subject to the approval of the Authority.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. In consideration of Recitals A through H., inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

"Acceptable Title" means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer in his sole discretion not to interfere with the intended use and therefore are not required to be cleared from the title.

"Acquisition Improvements" shall have the meaning assigned to such term in Recital C and are described in

Exhibit A.

“Acquisition Price” means the amount paid to the Developer upon acquisition of all of the Acquisition Improvements as provided in Section 2.03.

“Actual Cost” means the cost of construction of all of the Acquisition Improvements, as documented by the Developer to the satisfaction of the Local Agency, as certified by the Local Agency Engineer in an Actual Cost Certificate.

“Actual Cost Certificate” shall mean a certificate prepared by the Developer detailing the Actual Cost of all of the Acquisition Improvement to be acquired hereunder, as revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of _____, 20__.

“Assessment District” means the assessment district established by the Authority pursuant to SCIP which includes the Developer’s property for which the Acquisition Improvements are being funded.

“Authority” means the California Statewide Communities Development Authority.

“Available Amount” means the amount of funds deposited in the Developer Acquisition Account by the Authority pursuant to SCIP, together with any interest earnings thereon.

“Code” means the Streets and Highways Code of the State of California.

“Developer” means [Developer], a [here indicate type of legal entity].

“[Developer] Acquisition Account” means the account by that name established by the Authority pursuant to SCIP for the purpose of paying the Acquisition Price of the Acquisition Improvements.

“Local Agency” means the _____.

“Local Agency Engineer” means the Director of Public Works of the Local Agency (the “Director”) or the designee of the Director, who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the land development program of the Developer pertaining to the Developer’s property in the Assessment District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within or adjacent to the Assessment District.

“SCIP” means the Statewide Community Infrastructure Program of the Authority.

“SCIP Requisition” means a requisition for payment of funds from the [Developer] Acquisition Account in substantially the form attached hereto as Exhibit B.

“SCIP Trust Agreement” means the Trust Agreement entered into by the Authority and the SCIP Trustee in connection with the financing for the Acquisition Improvements.

“SCIP Trustee” means Wells Fargo Bank, National Association, as trustee under the SCIP Trust Agreement.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements) necessary or convenient to the operation, maintenance, rehabilitation and improvement by the Local Agency of that Acquisition Improvement (including, if necessary, easements for ingress and egress) and a Bill of Sale or similar instrument evidencing transfer of title to that Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

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Section 1.02. Participation in SCIP . Developer has applied for financing ~~through~~through SCIP of the Acquisition Improvements and capital facilities fees, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Developer Acquisition Account, neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of the SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount .

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the [Developer] Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in accordance with SCIP procedures upon completion of the Acquisition Improvements within 30 days (or as soon thereafter as reasonably practicable) of receipt by the Local Agency of the certification of the Local Agency Engineer required by Section 2.03 of this Agreement, and subject to satisfaction of all other conditions precedent to such acquisition pursuant to Section 2.04 of this Agreement, to pay the Acquisition Price of such completed Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the [Developer] Acquisition Account (less any amount determined by the Local Agency as necessary to reserve for claims against such account) (i) shall be applied to pay the costs of any additional improvements or fees eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, and thereafter (ii) shall be applied by the Authority as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the Assessment District.

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements not completed prior to the adoption of the Authority's Resolution of Intention shall be constructed as if they were constructed under the direction and supervision of the Local Agency. ~~In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, The Developer agrees this requires the~~ payment of prevailing wages as specified by the Labor Code of the State of California. The Developer agrees to comply with the guidelines of this requirement and to certify such compliance to the Local Agency in its Actual Cost Certificates, and to comply with any guidelines provided by the Local Agency for letting and administering

~~said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.~~ contracts. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency the Acquisition Improvements to be constructed by Developer (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvements, to the extent not already publicly owned) when such Acquisition Improvements are completed to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvements. Exhibit A, attached hereto and incorporated herein, contains a list of each Acquisition Improvement. At the time of completion of each Acquisition Improvement, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate and executed Title Documents for the transfer of the Acquisition Improvement, where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and the related Acquisition Improvement, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If such further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items, and such determination shall be final and conclusive.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the [Developer] Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the [Developer] Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the [Developer] Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the [Developer] Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment by the Local Agency to the Developer from the [Developer] Acquisition Account of the Acquisition Price for an Acquisition Improvement shall be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that such Acquisition Improvement is all complete and ready for acceptance by the Local Agency, and shall be further conditioned upon prior satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency as evidence that the property which is subject to the special assessment liens of the Assessment District is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) ~~The Developer shall be current in the payment of all~~ All due and payable property taxes and installments ~~for the~~ of special assessments ~~of the Assessment District~~ shall be current on property owned by the Developer or under option to the Developer that is subject to the special assessment liens of the Assessment District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers, directors, employees or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Local Agency:

Director of Public Works

[Address]

If to the Developer:

[Developer]

[Address to Come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged

breach of, or dispute which arises out of, this Agreement.

[~~THE REST~~ REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

By _____

~~ATTEST:~~
Mayor/Board Chair

ATTEST:

City Clerk/Clerk of the Board

By _____

[DEVELOPER],
a [here indicate type of legal entity]

By _____

(Signature)

(Print Name)

Exhibit A to Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

	<u>ACQUISITION IMPROVEMENTS</u>	<u>BUDGETED AMOUNTS</u>
1.		\$
2.		
3.		
4.		

BUDGETED AMOUNTS

Exhibit B to Acquisition Agreement

FORM OF SCIP REQUISITION

To: ~~Bond Logistics~~ BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Daniel Chang
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the _____ hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]
Name of Developer: [Developer]
Withdrawal Amount: [Insert Acquisition Price]
Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]
Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the [Developer] Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the _____, pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Developer Acquisition Account listed above in the amount listed above.

By : _____
Title: _____

EXHIBIT C TO FORM OF SCIP RESOLUTION

_____ CONTACTS FOR SCIP PROGRAM

Primary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

Secondary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

[Add additional contacts as needed]

APPENDIX G-2

Sample Staff Report Resolution to Join SCIP

Note to Staff: The following is suggested language for use in a staff report to accompany the SCIP Resolution. Of course this is only a suggestion and you should feel free to edit as you see fit. This action requires a public hearing with notice published once in your regular official notice newspaper at least 5 days prior to the hearing. If you need assistance with this Notice, or if you would like SCIP to review your staff report, final resolution or agenda item, feel free to contact us and we will be happy to help.

Description: This item includes a brief staff presentation regarding participation in the Statewide Community Infrastructure Program (“SCIP”), which is sponsored by the California Statewide Communities Development Authority (“CSCDA”), followed by [Council/Board] discussion, a public hearing to take public testimony on SCIP and bonds to be issued by the ~~Authority~~CSCDA, and consideration of a resolution making certain findings and authorizing certain matters necessary to participate in SCIP.

Background: CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately ~~356~~367 cities ~~and all 58, 56~~ counties and 86 other local agencies throughout California, including the [City of _____/County of _____] (the “[City/County]”).

SCIP was instituted by CSCDA in 2002 to allow owners of property in participating cities and counties to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and the development impact fees owed to the [City/County] will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property and the public capital improvements benefiting the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance, and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. In the former case, the [City/County] is required to pay the fees over to SCIP, and in the latter case, SCIP holds the bond proceeds representing the fees. In both cases the fees are subject to requisition by the [City/County] *at any time* to make authorized fee expenditures. But by holding and investing the money until it is spent, SCIP is able to monitor the investment earnings (which come to the [City/County]) for federal tax law arbitrage purposes. SCIP encourages the [City/County] to spend those amounts *before* any other fee revenues of the [City/County]. If the fees are paid by the property owner and bonds are never issued, the fees are returned to the [City/County] by SCIP. In this way, the [City/County] is never at risk for the receipt of the impact fees.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- Instead of paying cash for public capital improvements and/or development impact fees, the property owner receives low-cost, long-term tax-exempt financing of those fees, freeing up capital for other purposes.
- The property owner can choose to pay off the special assessments at any time.
- For home buyers, paying for the costs of public infrastructure through a special assessment is superior to having those costs “rolled” into the cost of the home. Although the tax bill is higher, the amount of the mortgage is smaller, making it easier to qualify. Moreover, because the special assessment financing is at tax-exempt rates, it typically comes at lower cost than mortgage rates.
- Owners of smaller projects, both residential and commercial, can have access to tax-exempt financing of infrastructure. Before the inception of SCIP, only projects large enough to justify the formation of an assessment or communities facilities district had access to tax-exempt financing.

The benefits to the [City/County] include:

- As in conventional assessment financing, the [City/County] is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating [city/county] can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.

- Providing tax-exempt financing helps participating cities and counties cushion the impact of rising public capital improvement costs and development impact fees on property owners.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating [city/county] immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating [city/county] for use on public infrastructure, subject to applicable federal tax limitations.

The proposed resolution authorizes CSCDA to accept applications from owners of property within our planning jurisdiction to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within our [City's/County's] boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the [City/County] and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

Attached to the resolution as Exhibit A is a "Form of Resolution of Intention to be Adopted by CSCDA". This is for informational purposes and does not require action by this Council.

Recommended Action: After Council discussion and questions, open the public hearing to order and invite any interested members of the public to provide testimony regarding SCIP and the proposed action. Upon the close of the hearing, if the [Council/Board] wishes to join SCIP and become a participating member agency in this program, it should adopt the proposed resolution. The resolution requires only a simple majority vote. If the resolution is approved, the Clerk should forward a certified copy to SCIP, c/o ~~Michael Eng~~Christina King, Orrick, Herrington & Sutcliffe LLP, 405 Howard St., San Francisco, CA 94105.

APPENDIX G-3
Form of Notice of Public Hearing

[Instructions to Staff: a completed notice in this format (but with all blanks filled in and bracketed language deleted) must be published once in a newspaper of general circulation, at least 5 calendar days prior to the meeting date. SCIP will require the newspaper's affidavit confirming the date of its publication. If you need help completing the notice, please contact SCIP.]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on _____ [*insert date of Council or Board meeting*], a public hearing will be held with respect to the proposed participation by the _____ [*insert name of City or County*] (the "_____") [*insert "City" or "County" as appropriate*] in the Statewide Community Infrastructure Program of the California Statewide Communities Development Authority. Participation in said program will enable property owners to finance public capital improvements and/or development impact fees for public capital improvements imposed on new development. Said public capital improvements, if financed, will be among the public capital improvements required in connection with a given development project. Said development impact fees, if financed, will be used by the _____ [*insert "City" or "County" as appropriate*] to pay for public capital improvements which will serve the _____ [*insert "City" or "County" as appropriate*], and which will be of a type and nature authorized under the Municipal Improvement Act of 1913 (codified at California Streets and Highways Code Sections 10000 *et seq.*). Participation in said program does not itself authorize the _____ [*insert "City" or "County" as appropriate*] to impose additional public capital improvements or new or additional development impact fees on any property owner.

The hearing will commence at _____ [*insert time of hearing*], or as soon thereafter as the matter can be heard, and will be held at _____ [*insert street address and room number or name*], _____, California. Interested persons wishing to express their views on the participation in such program and the financing of public capital improvements and/or development impact fees as described above will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to _____ [*insert mailing address*], Attention: _____ [*insert title of person designated to receive written comments*].

Dated: _____ [~~Insert~~ **insert** *date of publication.*]

[CITY/COUNTY] OF _____

[Name]
[City Clerk/Clerk of the Board]

APPENDIX H
Sample SCIP Timetable

Date	Action (Responsible Party)
January	Approve SCIP Resolution (Local Agency) Accept Applications for Funding (SCIP)
February/March	SCIP Due Diligence on Applications (SCIP) Set up SCIP Local Agency Account (SCIP)
April	Final Cut Off Date for SCIP Applications (SCIP) SCIP Consultants Approve Applications (SCIP)
May	Finalize Engineer's Reports (SCIP) CSCDA Adopts Resolution of Intention (SCIP) Notice Public Hearing (SCIP)
July (first two weeks)	Hold Public Hearing (SCIP) Conduct Landowner Protest Ballot Procedure (SCIP) Confirm Assessments (SCIP) Authorize the Sale of Bonds (SCIP)
July (last two weeks)	Sell and Close Bond Issue (SCIP)
August	Place on Tax Roll (SCIP)

**APPENDIX I
FORM OF RESOLUTION OF INTENTION
TO BE ADOPTED BY CSCDA**

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE IMPROVEMENTS
AND/OR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR PUBLIC
CAPITAL IMPROVEMENTS IN THE PROPOSED ASSESSMENT DISTRICT NO.
_____ (COUNTY OF _____, 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 Commission (the "Commission") of the California Statewide Communities Development Authority (the "Authority") intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public capital improvements (the "Fees") and to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the _____ or another local agency (the "Improvements"), both of which are described in Exhibit A attached hereto and by this reference incorporated herein, and all of which are of benefit to the property within the proposed Assessment District No. _____ (County of _____, California) (the "Assessment District"); and

WHEREAS, the Commission finds that the land specially benefited by the Fees and Improvements is shown within the boundaries of the map entitled "Proposed Boundaries of Assessment District No. _____ (County of _____, 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 "Assessment District No. _____ (County of _____, California)";

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

1. The above recitals are true and correct, and the Commission so finds and determines.
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 California Streets and Highways Code, the Commission hereby declares its intent to comply with the requirements of the 1931 Act by complying with Part 7.5 thereof.
3. The Commission has or will designate 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 Streets and Highways Code, as supplemented by Section 4 of Article XIID of the California Constitution.
4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the California Streets and Highways 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 _____ within fifteen (15) days of the adoption of this resolution.
5. The Commission determines that the cost of the Fees and Improvements shall be specially assessed against the lots, pieces or parcels of land within the Assessment District benefiting from the payment of the Fees and the provision of the Improvements. 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 payment of the Fees and the provision of the Improvements.
6. The Commission intends, pursuant to subparagraph (f) of Section 10204 of the California Streets and Highways Code, to provide for an annual assessment upon each of the parcels of land in the proposed assessment

1.....Workshare Compare comparison of interwovenSite://NCUSADMS01/USA/260640602/1 and interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

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.

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, Streets and Highways 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.

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, Division 10, of the Streets and Highways Code of the State of California.

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.

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

11. To the extent any 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.

[End of Form of Resolution of Intention]

[Attach Exhibit A—description of development impact fees and public capital improvements. This exhibit will be prepared by Developer's Engineer, subject to SCIP review.]

APPENDIX J
Form of Resolution Preliminarily Approving Engineer's Report

RESOLUTION NO. _____

**RESOLUTION PRELIMINARILY APPROVING ENGINEER'S REPORT,
SETTING DATE FOR PUBLIC HEARING OF PROTESTS AND
PROVIDING FOR PROPERTY OWNER BALLOTS FOR STATEWIDE
COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT
DISTRICT NO. _____ (COUNTY OF _____, CALIFORNIA)**

WHEREAS, at the direction of this Commission, _____, as Engineer of Work for improvement proceedings in Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, 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 XIID of the California Constitution ("Article XIID"), and it is appropriate for this Commission to preliminarily approve said report and to schedule the public hearing of protests respecting said report; and

WHEREAS, a brief description of the development impact fees and public capital improvements to be financed as described in said report is attached hereto as Exhibit A;

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

Section 1. The foregoing recitals are true and correct, and the 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 XIID, and Section 53753 of the California Government Code. 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 _____ o'clock, or as soon thereafter as the matter may be heard, on _____, 20__ at _____, 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 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 Assessment Engineer 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. _____, Assessment Engineer, _____, _____, California 9____, (____) ____-____, is hereby designated to answer inquiries regarding the protest proceedings.

Section 6. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this ____ day of _____, 20__.

[Attach Exhibit A—description of development impact fees and public capital improvements. This exhibit will be derived from and possibly identical to Exhibit A of the CSCDA Resolution of Intention, Appendix I herein]

APPENDIX K
Form of Notice of Hearing

California Statewide Communities Development Authority
Statewide Community Infrastructure Program
Assessment District No. _____
(County of _____, California)

Notice of Public Hearing and Assessment Ballot Procedure

Pursuant to the provisions of the Municipal Improvement Act of 1913 (California Streets and Highways Code Sections 10000 and following, hereafter referred to as the "1913 Act"), Section 53753 of the California Government Code, and Section 4 of Article XIID of the California Constitution, the California Statewide Communities Development Authority (the "Authority") hereby gives notice as follows:

1. At _____.m. on _____, at _____, the Commission of the Authority (the "Commission") will hold a public hearing respecting the proposed Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California) (the "Assessment District") to hear and consider objections and protests respecting (a) a program for the financing of certain development impact fees and public capital improvements (the "Program") imposed upon parcels of land within the Assessment District by levying special assessments upon such parcels, which receive special benefit from the financing of such fees and improvements, (b) the extent of the Assessment District, (c) the estimated cost and expense of the Program, (d) the amounts of the assessments proposed to be levied upon the benefited parcels, and (e) the method or formula by which benefit has been estimated and any other aspect of the proposed Assessment District to which any interested person may want to object or protest.
2. The applicable development impact fees, public capital improvements and the incidental costs and expenses of Program implementation, legal proceedings, and bond financing which are the subject of the proposed Assessment District are described in the enclosed Engineer's Report for the proposed Assessment District. Said Engineer's Report is on file with the Assessment Engineer, _____ at _____, (____) _____. The estimated cost and expense to be assessed to the benefited parcels also includes related engineering expenses, fees for various professional services related to formulation and implementation of the Assessment District, and costs of issuance respecting the proposed tax-exempt improvement bonds. Please refer to the enclosed report for further information on the details of the Program and the estimated cost and expense.
3. A brief description of the development impact fees and public capital improvements to be financed through the Program is set forth on pages ____ of the enclosed report. Please see Exhibit ____, page ____ of the enclosed report for the amount of the assessment proposed for your parcel or parcels. The reason that an assessment is proposed for your parcel or parcels is that the Authority has determined, preliminarily, that such property is specially benefited by the financing of the public capital improvements and the development impact fees imposed upon your parcel or parcels. The basis upon which the amount of the proposed assessment was calculated is set forth in Exhibit ____ of the enclosed report.

Reference is made to Exhibit ____ of the enclosed report for an Assessment Diagram showing the individual parcels proposed to be assessed.
4. Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Authority intends to comply with the requirements of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code. Please see Exhibit ____ of the enclosed report for the information showing that the total true value of the parcels of land and improvements which are proposed to be assessed is at least twice the total amount of (i) unpaid assessments already levied against the property to be assessed, together with (ii) the amount of the proposed assessment for that property.
5. The Authority intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize 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, in an amount not to exceed five percent (5.0%) of the annual installment of assessment levied upon each parcel in said assessment district. This annual assessment shall be in addition to any fee charged pursuant to Sections 8682 and 8682.1 of the Streets and Highways Code. Please see Exhibit ___ of the enclosed report on this topic.

6. It is the intention of the Authority that any delinquent assessment installment shall be subject to the same penalties and interest as are applicable to general property taxes, and that the Tax Collector of the County of _____ shall collect such penalties with and as a part of such delinquent assessment installments, and all penalties collected shall be deposited into the bond redemption fund for such bonds.
7. Assuming the Authority levies assessments as intended, property owners will be provided an opportunity to pay all or any part of such assessments in cash unless this entitlement is waived in writing by 100% of such property owners. Following the termination of the cash payment period, bonds representing unpaid assessments and bearing interest at a rate not to exceed twelve percent (12.0%) per annum shall be issued by the Authority pursuant to the Improvement Bond Act of 1915 (Division 10, Streets and Highways 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. These estimates are subject to change, and the actual duration of payments and interest rate will be determined only at the time of the bond sale.
8. For further particulars, you may refer to the Resolution of Intention and the Engineer's Report, both of which are on file with the Assessment Engineer. Inquiries about the assessment proceedings will be answered by _____, Assessment Administrator, at (____) _____.
9. As provided by Section 4 of Article XIID of the California Constitution and Section 53753 of the California Government Code, an Official Property Owner Assessment Ballot has been enclosed with this notice, along with a self-addressed, return envelope by which the assessment ballot may be returned to the Program Administrator. Please note that THIS IS THE OFFICIAL ASSESSMENT BALLOT AND NOT A SAMPLE BALLOT. No further assessment ballot will be provided to you. This assessment ballot may be used by the owner or owners of any parcel to express either support for or opposition to the proposed assessment. Please see the assessment ballot for instructions respecting the alternatives methods for submitting the ballot either by mail (which may be done using the enclosed envelope) or by personal delivery, either prior to or at the time of the public hearing of protests, including continuations of said public hearing. See enclosed ballot for further instructions.

Immediately following the close of the public hearing of protests, whether on _____ or at the conclusion of any continuation of said hearing to a later date or to later dates, the returned assessment ballots will be tabulated, both in support of and in opposition to the assessment, with assessment ballots being weighted in accordance with the amount of the proposed assessment, and the results will be announced; provided that, in the event the Authority requires opportunity to determine (a) whether any assessment ballot has been properly signed by an owner or authorized representative of an owner or (b) any other matter respecting any assessment ballot and its proper treatment in the assessment ballot procedure, the Authority reserves entitlement to continue the matter of announcing results to provide the Authority with such opportunity.

In the event that assessment ballots in opposition exceed assessment ballots in support, there will be a "majority protest," and the Authority will be precluded from proceeding with the proposed assessment.

10. Property owners wishing to preserve the opportunity to file a lawsuit challenging the assessment, if levied, are required by law to file a written protest with the Authority (in care of the Program Administrator) and to state therein the specific grounds of protest. Any grounds of protest not stated in a written protest filed with the Authority (in care of the Program Administrator) prior to the close of the public hearing of protests are deemed waived in any subsequent lawsuit and may not be raised in such lawsuit.

DATED: _____

Secretary, California Statewide Communities
Development Authority

Enclosures: Engineer's Report
 Official Property Owner Assessment Ballot
 Return Envelope

APPENDIX L
Form of Recorded Notice of Assessment

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

--

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
STATE OF CALIFORNIA)

Pursuant to the requirements of Section 3114 of the Streets and Highways Code of the State of California, the undersigned Secretary of the California Statewide Communities Development Authority (the "Authority") hereby gives notice that a Diagram and Assessment were recorded in the office of the Superintendent of Streets of said Authority, as provided in said Section, and relating to the following described property:

The lots, pieces or parcels of land as shown on the Assessment Diagram for the California Statewide Communities Development Authority Assessment District No. _____ for the County of _____, State of California, which was filed for record in the office of the County Recorder of the County _____ on _____, 20__, in Book _____ of Maps of Assessment and Community Facilities Districts at Page(s) _____ thereof.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the several assessments assessed upon the lots, pieces or parcels of land shall become a lien upon the lots or portions of lots assessed, respectively.

Reference is made to the Assessment Diagram hereinabove referred to and the Assessment Roll recorded in the office of the Superintendent of Streets of the Authority on _____, 20__. The Assessment Roll recorded in the office of the Superintendent of Streets is referred to in order to determine the amount of each assessment levied against each parcel of land shown upon the assessment diagram.

A list of the names of the assessed owners as they appear on the latest secured assessment roll, or as known to the undersigned Secretary, is attached hereto and made a part hereof.

NOTICE IS FURTHER GIVEN that, pursuant to Section 10204(f) of the Streets and Highways Code, the Authority has reserved entitlement to impose an annual assessment, which is in addition to the installment otherwise payable on account of each unpaid assessment, to pay costs incurred by the Authority and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any associated bonds and the reserve fund or other related funds; provided that such additional annual assessment shall not exceed the maximum amount prescribed therefor in the written engineer's report for these assessment proceedings.

Dated:

_____, Secretary
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
STATE OF CALIFORNIA

<u>Assessment No.</u>	<u>Assessor Parcel Number</u>	<u>Name of Property Owner</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

APPENDIX M
Form of Published Notice of Recording of Assessment

NOTICE OF ASSESSMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ASSESSMENT DISTRICT NO. _____
FOR THE COUNTY OF _____
STATE OF CALIFORNIA

On _____, special assessments for the financing of public improvements in the California Statewide Communities Development Authority (the "Authority") Assessment District No. ___ for the County of _____, State of California (the "Assessment District"), were recorded in the office of the Superintendent of Streets of the Authority. The property owners within the Assessment District have waived their entitlement to pay all or any portion of the assessments levied upon their property in cash within thirty days after the recordation of the assessments in the office of the County Recorder of the County of _____. These assessments affect only certain property, the owners of which have voluntarily participated in the Authority's Statewide Community Infrastructure Program. Bonds will be issued according to the Improvement Bond Act of 1915 representing unpaid assessments and bearing interest at a rate not to exceed 12% per year. Thereafter, unpaid assessments will be payable in installments of principal and interest over a period of not to exceed thirty (30) years.

Dated:

_____, Secretary,
California Statewide Communities Development
Authority

APPENDIX N
Form of Local Agency Closing Certificate

LOCAL AGENCY CLOSING CERTIFICATE
([City of ____/County of ____])

California Statewide Communities Development Authority
Statewide Community Infrastructure Program Revenue Bonds
Series 20__

This Local Agency Closing Certificate is executed and delivered by the undersigned on behalf of the [City of ____/County of ____] (the “Local Agency”) with respect to the financing pursuant to the Statewide Community Infrastructure Program (“SCIP”) of certain public capital improvements required (the “Improvements”) and certain development impact fees levied by the Local Agency (the “Eligible Impact Fees”) for certain development projects (the “Projects”) located on real property within the planning jurisdiction of the Local Agency (the “Assessed Parcels”), all as described in Schedule I.

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

In connection with the issuance of the above referenced bonds (the “Bonds”), the Local Agency hereby represents, warrants and certifies as follows:

1. With respect to each Assessed Parcel and the Projects to be constructed thereon, each of the following is true to the best knowledge of the undersigned without undertaking any investigation or inquiry:
 - a. The Projects have been approved by the Local Agency and have received all discretionary development permits and approvals required to be issued by the Local Agency.
 - b. There is no legal impediment or limitation which would prevent the Projects from going forward as approved in a timely fashion.
 - c. The provisions of the California Environmental Quality Act have been complied with in connection with the approvals described in subparagraph (a) above.
 - d. There is no litigation pending or to the knowledge of the Local Agency threatened which challenges the development of the Projects or the Local Agency’s participation in SCIP nor is there any basis therefor.
 - e. The owners of the Assessed Parcels are not delinquent in the payment of any tax, assessment, fee or charge levied by the Local Agency on or as a result of the ownership or development of the Assessed Parcels.
2. The resolution of the Local Agency by which it joined SCIP was duly adopted by the governing body of the Local Agency, has not been amended, modified, repealed or rescinded and is in full force and effect as of the date hereof.
3. The Local Agency is a ~~member in good standing~~ Program Participant of the ~~League of California Cities or the California State Association of Counties, as applicable~~ California Statewide Communities Development Authority.
4. The Tax Certifications attached hereto as Exhibit A are true and correct.

5. To the best knowledge of the undersigned, Schedule I is accurate and complete.

Dated: [Program Series Closing Date]

[CITY OF ____/COUNTY OF ____]

Authorized Representative

SCHEDULE I

Name of Local Agency: [City of ____/County of ____]

SCIP Program Series: Series 20__

County Location: [County]

<u>Property Owner Name(s)</u>	<u>Assessed Parcel (APN)</u>	<u>Assessment Liens Imposed*</u>	<u>Building Permit Issued?</u>
		\$	
	TOTAL:	\$	

Allocation Between Improvement Costs and Eligible Impact Fees (per Exhibit B of the Engineer's Report for the County of [County]):

1. Improvement Costs \$
2. Eligible Impact Fees \$

*Not to exceed

EXHIBIT A

LOCAL AGENCY TAX CERTIFICATION

The Local Agency hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the "Program") Revenue Bonds, Series 20__, in an aggregate amount not to exceed \$_____ (the "Participation"). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the "Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

1.1 Use of Facilities. The proceeds of the Participation (the "Proceeds") will be used to finance the construction or acquisition of certain public improvements (the "Facilities"). The Local Agency or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent the Local Agency wishes to sell any of the Facilities to an entity that is not a state or local government agency prior to the retirement of the Local Obligations, the Local Agency will comply with the directions of SCIP Counsel as far as they pertain to Federal Tax Law. The Local Agency will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency.

The average expected useful life of the Facilities is at least ___ years.

1.2 Timing of Expenditures. The Local Agency reasonably expects that all of the Proceeds will be spent for the governmental purpose of the Participation within three years. In addition, the Local Agency reasonably expects that at least 5% of the Proceeds will be spent, or that the Local Agency will incur a binding obligation to a third party involving an expenditure of such amount, within six months. The Local Agency reasonably expects that construction or acquisition of the Facilities will proceed with due diligence to completion and that the allocation of proceeds to expenditures for the Facilities will proceed with due diligence. None of the Proceeds will be used to pay principal of or interest on any obligations.

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Fee Accounts either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days after the transfer or (b) to a third party at the direction of the Local Agency to pay the cost of the Facilities. To the extent Proceeds or other deposits under the Program are transferred to the Local agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, such costs were originally paid no earlier than 55 days before the date of such transfer.

APPENDIX O

Arbitrage Rebate and Yield Restriction Services

The Program Administrator will provide the following services (the “Arbitrage Services”) to the Authority, subject to the conditions and limitations set forth herein.

The Program Administrator will calculate the amount of arbitrage rebate and yield restriction liability with respect to the Bonds once per year as of the end of each bond year and as of the final maturity or redemption of the Bonds (each such date on which an arbitrage rebate and/or yield restriction calculation is performed is referred to herein as a “Calculation Date”) applying regulations of the United States Department of the Treasury in effect on such Calculation Date.

Within 60 days of each Calculation Date, the Program Administrator will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate liability report (“Rebate Report”) and a yield restriction report (“Yield Restriction Report”), if applicable, addressed to the Authority, as to the amount of the rebate liability and yield restriction liability as of such Calculation Date. Each Rebate Report and Yield Restriction Report will include a legal opinion provided by SCIP Counsel to the effect that such report is based on calculations performed in accordance with applicable federal law and regulations.

The Program Administrator is not obligated to undertake any of the following: (1) independently determine whether there were “prohibited payments” or “imputed receipts” within the meaning of the Treasury Regulations; (2) perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; (3) review the tax-exempt status of interest on the Bonds or any other aspect of the Bonds except to the extent of the Arbitrage Services set forth in this Appendix; and (4) except as otherwise set forth herein, update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report.

In addition, the Program Administrator will be entitled to rely entirely on information provided by the Authority and/or its agents and assigns without independent verification for the purpose of providing the Arbitrage Services.

APPENDIX P

Continuing Disclosure Services

SERVICES PROVIDED BY AUTHORITY

The Authority will provide or cause to be provided to the Program Administrator prompt notice of any one of the following Specified Events as and when they occur: (1) non-payment related defaults; (2) adverse tax opinions or events affecting the tax-exempt status of the Bonds (provided, however, that notice to bond counsel of information regarding any Internal Revenue Service inquiry regarding the Bonds shall be sufficient transmission of information regarding this specified event); and (3) modifications to rights of bondholders (provided, however, that notice to bond counsel of information regarding such proposed modifications to rights of bondholders regarding the Bonds shall be sufficient transmission of information regarding this specified event).

The Authority will also provide to the Program Administrator all information required by the Continuing Disclosure Agreement or requested by the Program Administrator in order to provide the services specified herein; any certifications the Program Administrator may request regarding the accuracy, completeness and fairness of such information or of any Disclosure; and any other assistance reasonably requested by the Program Administrator. Whether or not any such certifications are requested or cover any specified information, the Authority represents that all information provided to the Program Administrator will be accurate, complete and fair, and the Program Administrator shall be entitled to rely, without independent investigation, entirely on the accuracy, completeness and fairness of all information provided by the Authority and/or its officers, employees, agents, attorneys, accountants, engineers and consultants.

SERVICES TO BE PROVIDED BY PROGRAM ADMINISTRATOR

The Program Administrator will provide the following services on behalf of the Authority, subject to the conditions and limitations set forth herein.

I. With respect to each Annual Report:

- (1) Determine from the Continuing Disclosure Agreement what categories of information are required to be included in the Annual Report, about which obligated persons, by whom and by when it must be provided to the Municipal Securities Rulemaking Board (the "MSRB").
- (2) Assist the officers or employees of the Authority designated with responsibility for continuing disclosure to assemble information necessary for the Annual Report.
- (3) Review material compiled to determine whether it covers the categories referred to in (1) above. Make appropriate follow-up inquiries based on the information compiled.
- (4) Circulate proposed form of Annual Report to the SCIP Trustee and the Authority for review and comment; make appropriate revisions.
- (5) Prepare and circulate for execution appropriate certifications of the Authority and others regarding information included in the Annual Report.
- (6) Submit or confirm submission of the Annual Report to the MSRB.
- (7) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report submitted to the MSRB.

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II. *With respect to each of the events specified in the Continuing Disclosure Agreement (each, a “Specified Event”) requiring timely reporting ~~if material~~ and subject to the provisions contained in the introductory part of this Appendix regarding the transmission of prompt notice of certain specified events to the Program Administrator:*

- (1) Upon request by the Authority or SCIP Trustee, assist in determining whether an event brought to the attention of the Program Administrator by the Authority or the SCIP Trustee is a Specified Event requiring reporting pursuant to the Continuing Disclosure Agreement if material and, if so, whether such Specified Event is material.
- (2) Provide appropriate instructions to the SCIP Trustee or other person designated by the Continuing Disclosure Agreement to provide notice of Specified Events determined to be material.
- (3) Assist in preparation of the notice concerning any Specified Event determined to be material.
- (4) After appropriate execution by the Authority, submit or confirm submission of the material Specified Event notice to the MSRB.
- (5) Maintain, or cause to be maintained, for at least six (6) years, a record of the Specified Event notice submitted to the MSRB.

APPENDIX Q
SCIP Disbursement Form

To: ~~Bond Logistics~~ BLX Group LLC
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Daniel Chang
Fax: 213-612-2499
Phone: 213-612-2205

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the [LOCAL AGENCY] hereby requests a ~~withdrawal~~ disbursement from the [SCIP LOCAL AGENCY ACCOUNT], ~~as follows~~ associated with the above captioned financing and certifies that the amounts of development impact fees financed thereby and listed below have been or will be spent by the _____ for public capital improvements as of the date indicated below or within 5 days thereafter:

~~Request Date:~~ _____

~~Fee Sub-account to be drawn from:~~ _____

~~Withdrawal~~ Accounts Amount

\$ _____

TOTAL: \$ _____

Wiring Instructions:

The undersigned hereby certifies as follows:

1. The ~~Withdrawal is being made in accordance with~~ use to which these funds have been or will be put is a permitted use ~~of such monies~~ pursuant to the ~~[SCIP GOVERNING DOCUMENTS]~~, ~~and the Withdrawal fees indicated for public capital improvements, and this disbursement~~ is not being made for the purpose of reinvestment.
2. None of the ~~items~~ expenditures for which payment is requested have been reimbursed previously from other sources of funds.
3. If the ~~Withdrawal Amount~~ Total amount above is greater than the funds held ~~in by~~ SCIP on behalf of the [LOCAL AGENCY], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the ~~Withdrawal~~ disbursement is being made prior to the date the bonds have been issued ~~on behalf of SCIP~~, this ~~withdrawal~~ disbursement form serves as the declaration of official intent of the [LOCAL AGENCY], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect expenditures made from the ~~Fee Fees~~ Sub-account listed accounts referenced above in the amount ~~listed above~~ requested.

Unless amended by prior written notice to the Program Administrator, the ~~Withdrawal Amount~~ disbursement amount shall be forwarded to the financial institution and account provided to the Program Administrator as part of the [LOCAL AGENCY's] SCIP enrollment materials.

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Dated: [DATE]

[LOCAL AGENCY]

By : _____

Title: _____

APPENDIX R

~~Chapter 2~~ SCIP Investment Policy

Chapter 2 ~~Chapter 3~~

Introduction

The purpose of this Investment Policy (the “Policy”) is to establish cash management and investment guidelines for the Program Administrator, who is responsible for the prudent investment of public funds held in SCIP. All investments will comply with Federal and State investment regulations and bond covenants applicable to any debt issued as part of SCIP.

Scope

This Policy applies to all SCIP-related funds.

Standard of Care

California Government Code Section 53600.3 states that “... all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

The Program Administrator in the management of SCIP funds shall use the “Prudent Investor” standard. The Program Administrator acting in accordance with this Policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for individual security’s credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment reports to the Authority, and appropriate action is taken to control adverse developments.

The Program Administrator and its employees shall refrain from all personal business activity that could conflict with the management of the investment program. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing SCIP funds, the Program Administrator shall act with the care, skill, prudence and diligence to meet the aims of the Investment Objectives listed in order in “Investment Objectives,” below.

Investment Objectives

SCIP funds shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific investment objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk. The Program Administrator may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions.

2. Liquidity

Investments shall provide sufficient liquidity and flexibility to enable the Program Administrator to provide funds to the participating Local Agencies for permissible governmental purposes on an as requested basis. Flexibility may be achieved in a number of ways, which may include purchasing sufficient short-maturity investments, purchasing investments that are readily marketable to a large number of securities dealers, etc.

3. Yield

The Program Administrator will take prudent steps to maximize the retainable earnings of all SCIP monies after meeting the requirements of safety and liquidity.

Permitted Investments

1. Direct Obligations of the United States of America

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. Federal Agency Obligations

Federal Agency obligations shall be limited to obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, the Federal Home Loan Bank Board, the Tennessee Valley District, or in obligations, participations, or other instruments of, or issued by, or guaranteed as to principal and interest by the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.

3. Negotiable Certificates of Deposit

Negotiable Certificates of Deposits shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's rating agencies with a maximum maturity of one year.

4. Commercial Paper

Commercial paper rated in the highest short-term rating category, as provided by Moody's Investors Service, Inc. and Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

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Purchases of commercial paper may not exceed 15 percent of SCIP's portfolio; provided, however, that an additional 15 percent, or a total of 30 percent of the SCIP's investment portfolio, may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

5. Bankers' Acceptances

Bankers' Acceptances shall be limited to issuers with the highest short-term ratings by both Standard & Poor's and Moody's. The maximum maturity shall be 180 days or less. A maximum of 40% of SCIP's funds may be invested in Bankers' Acceptances, with a maximum of 20% of SCIP's funds in Bankers' Acceptances of any one commercial bank.

6. Money Market Mutual Funds

Shares of beneficial interest shall be limited to shares issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) as long as the company shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

7. Repurchase Agreements

Repurchase Agreements shall be limited to the following conditions:

- With any domestic bank the long term debt of which is rated "AA" or better by S&P and "Aa2" by Moody's (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank rated at least "AA" by S&P and "Aaa" by Moody's or "AAA" by S&P and at least "Aa" by Moody's.
- With (i) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least "AA" by S&P and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investor's Protection Corp. (SIPC);
- With any corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least "AA" by S&P and "Aa" by Moody's; provided that;
- The market value of the collateral is maintained for United States Treasury Obligations and Government National Mortgage Association Obligations at 104% of the invested balance, and for Federal National Mortgage Association Senior debt obligations and Federal Home Loan Mortgage Corporation Senior debt obligations at 105% of the invested balance, such collateral must also meet the Further Collateral Requirements below;
- Failure to maintain the requisite collateral percentage will require the Program Administrator or the SCIP Trustee to liquidate the collateral;
- The SCIP Trustee, or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
- The repurchase agreement states, and an opinion of counsel is rendered to the effect, that the SCIP Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in case of bearer securities, this means the Holder of the Collateral is in possession);
- The transferor represents that the collateral is free and clear of any third-party liens or claims;
- An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code;

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- There is or will be a written agreement governing every repurchase transaction;
- The SCIP Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and
- The SCIP Trustee receives an opinion of counsel (which opinion shall be addressed to the SCIP Trustee) that such repurchase agreement is legal, valid and binding and enforceable against the provider in accordance with its terms.

8. Local Agency Investment Fund (LAIF)

9. State Obligations

State obligations shall be limited to the following:

- Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A2" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.
- Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated "A-1+" by S&P and "Prime-1" by Moody's.
- Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above rated "AA" or better by S&P and "Aa2" or better by Moody's.

10. Forward Purchase Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Forward Purchase Agreements subject to the following requirements:

- Each Forward Purchase Agreement shall comply with any applicable provisions of law or of the bond documents;
- The Program Administrator may provide letters of direction and representation to the SCIP Trustee and to the provider of each Forward Purchase Agreement; and
- Each Forward Purchase Agreement shall only provide for the purchase by the SCIP Trustee of investments described under paragraphs 1, 2 and 4 of Permitted Investments above, at the times and in the amounts appropriate for the applicable bond reserve or debt service fund.

11. Investment Agreements

With regard solely to the investment of proceeds of the Bonds, the Program Administrator may direct the SCIP Trustee to enter into Investment Agreements subject to the following requirements:

- Each Investment Agreement will limited to agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or in the case of a guaranteed corporations the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company t the claims paying ability of the guarantor, is rated at lest "AA" by S&P and" Aa2" by Moody's; provided, that prior written notice of an investment in the investment agreement is provided to S&P and Moody's and, provided, further, by the terms of the investment agreement.
- Interest payments are to be made to the SCIP Trustee at times and amounts as necessary to pay debt service on the Bonds;
- the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in the SCIP Manual of Procedures other than acquisition of alternative investment property upon not more than seven days prior notice;

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- the Investment Agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- the SCIP Trustee and the Authority shall receive the opinion of domestic counsel (which opinion shall be addressed to the Authority) that such Investment Agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);
- the Investment Agreement shall provide that if during its terms (a) the provider's or the guarantor's rating by either S&P or Moody's is withdrawn or suspended or falls below "AA" or "Aa2", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Authority or the SCIP Trustee within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the SCIP Trustee or a Holder of the Collateral, United States Treasury Obligations at 104% of the invested balance which are free and clear of any third-party liens or claims and which meets the Further Collateral Requirements below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the SCIP Trustee), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A", or, with respect to a foreign bank, below, "AA" or "Aa2" by S&P or Moody's, as appropriate, the provider must, at the direction of the Program Administrator or the SCIP Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Program Administrator or SCIP Trustee.
- The investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the SCIP Trustee has perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the SCIP Trustee is in possession); and
- The investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Program Administrator or the SCIP Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate.

Prohibited Investments

This Policy specifically prohibits the investment of any funds in the following derivative securities as defined in Gov. Code Sec. 53601.6:

Any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, and mortgage derived interest or principal only strips.

Reporting Requirements

The Program Administrator shall submit quarterly investment reports to the Authority. The Reports shall include, at a minimum, the following information for each individual investment:

- Description of investment instrument

5.....Workshare Compare comparison of
interwovenSite://NCUSADMS01/USA/260640602/1 and
interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

- Issuer Name
- Yield on cost
- Purchase Date
- Maturity Date
- Purchase Price
- Par Value
- Current market value and the source of the valuation

The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance. The quarterly report shall be submitted within thirty days following the end of the quarter.

The Program Administrator shall also provide quarterly reports to the Local Agencies detailing each Local Agency's funds on deposit with SCIP.

Safekeeping and Custody

The assets of SCIP shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. All securities transactions shall settle "delivery versus payment" through the safekeeping agent.

Review of Policy

The Policy and compliance of the investment portfolio with the Policy shall be reviewed annually by the Authority.

Delegation of Authority

Responsibility for the implementation of the investment program is hereby delegated to the Program Administrator, who shall establish and act in accordance with written procedures and internal controls for the operation of the investment program consistent with this investment policy. The Program Administrator shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate officials, including the establishment of an investment committee. The Program Administrator may also retain and consult with legal, financial and other investment professionals and advisors.

APPENDIX S
Form of Initial Demand Letter of Delinquent Property Owner

Date

Property Owner Name

Address

City, State ZIP

Re: **California Statewide Communities Development Authority**
 Statewide Community Infrastructure Program
 CSCDA SCIP Assessment District No. _____
 County of _____ **Assessor's Parcel Number** _____

Dear Property Owner:

Your property identified by the referenced assessor's parcel number (the "Parcel") is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the **Municipal Improvement Act of 1913** and sold bonds under the **Revenue Bond Act** to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the first [and/or second] installment of the _____ tax year assessments for the Parcel were not paid as of _____. If you have recently paid this installment to the County, please disregard this reminder.

If, however, this installment is still unpaid, kindly remit payment of same to the County Tax Collector's Office, [Address], or you may pay on-line at www._____. For information about your tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (____) _____.

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX T
Form of Second Letter of Delinquent Owner

Date

Property Owner Name

Address

City, State ZIP

Re: **California Statewide Communities Development Authority**
 Statewide Community Infrastructure Program
 CSCDA SCIP Assessment District Number _____
 County of _____ Assessor's Parcel Number _____

Dear Property Owner:

Your property, identified by the referenced assessor's parcel number (the "Parcel"), is part of the referenced Assessment District. The **California Statewide Communities Development Authority** (the "Authority") formed the Assessment District under the **Municipal Improvement Act of 1913** and sold bonds under the **Revenue Bond Act** to finance improvements benefiting the Parcel, and each year your assessment for these improvements is placed on your **County** (the "County") property tax bill. Please notify this office immediately if you no longer own the Parcel.

According to data obtained from the County Tax Collector's Office, the installment(s) of your Tax Bill for the Parcel for the _____ tax year, were not paid as of _____. If you have recently paid these installment(s) to the County Tax Collector, please disregard this demand. If, however, these installment(s) are still unpaid, you are being advised that if payment is not made to the County Tax Collector within **thirty (30) days** from the date of this letter, the Authority may authorize the removal of the delinquent special assessment portion of your Tax Bill from the County tax roll in order to start a judicial foreclosure action against the Parcel to collect the special assessment portion of your Tax Bill, in accordance with applicable law. The costs of the removal and the legal fees and expenses occasioned by the judicial foreclosure action are substantial, and will be added to the amounts required for you to redeem (cure) the delinquent special assessments. It is to your advantage to pay your taxes promptly so that you will not incur these expenses.

You can prevent the removal and foreclosure from taking place by paying your entire Tax Bill to the County Tax Collector within **thirty (30) days** from the date of this letter. Kindly remit your tax payment to the County Tax Collector's Office, [Address], or you may pay on-line at www._____. For information about your tax bill, please contact the County Tax Collector at [Phone Number].

Your immediate attention to this matter is urged. Should you need further assistance, please contact the undersigned at (____) _____.

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX U
Form of Lender Demand Letter

Date

Lender Name
Address
City, State ZIP

Re: *California Statewide Communities Development Authority*
 Statewide Community Infrastructure Program
 CSCDA SCIP Assessment District Number _____
 County of _____, *Assessor's Parcel Number* _____

Ladies and Gentlemen:

Our firm is the special assessment administrator of the California Statewide Communities Development Authority (the "Authority") with respect to the [name of assessment district] (the "District"). The property described above is subject to a lien in the District that is delinquent in the amount of \$ _____. The Authority has issued bonds secured by this lien, and has covenanted for the benefit of the bondholders to foreclose any delinquent assessment liens in order to provide funds to pay debt service on the bonds.

Official records show that you have made a loan to the owner of this property, which is secured by a mortgage or deed of trust on the property. We have sent reminder and demand letters to the owner of record of this property on [dates] and the delinquency remains unpaid. We hereby inform you that if the delinquent amount is not cured within 30 days of the date of this letter, the Authority will engage counsel and commence a foreclosure action in Superior Court to enforce the lien. **This assessment lien is senior to your mortgage or deed of trust by operation of law, and if the lien is foreclosed, your mortgage or deed of trust will be extinguished.** If the Authority is forced to commence foreclosure, there will be immediate legal, title and filing costs attached to this lien in an amount estimated to be approximately \$ _____, and further legal and other costs will be incurred as the foreclosure process continues. All of these costs are recoverable in the foreclosure judgment and will be added to the delinquent assessment amount. In addition, the delinquent assessment bears interest at the rate of 1.5% per month (18% per year).

Should you wish to cure this delinquency and forestall the actions described above, you can pay the delinquent amount and remain free to proceed against your borrower. For information about your borrower's tax bill, please contact the County Tax Collector at [Phone Number]. If you have any other questions, please contact the undersigned at (____) _____.

Please take prompt action in order to avoid additional fees and expenses and protect your security interest in the property.

Sincerely,

[Assessment Administrator]

Cc: [Property Owners]

APPENDIX V
Form of Disclosure Notice to Subsequent Purchasers

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. _____
(COUNTY OF _____, CALIFORNIA)

TO: The prospective purchaser of the real property known as:
Lot No. _____ Tract No. _____.

THIS IS A NOTIFICATION TO YOU PROVIDED PRIOR TO, OR AT THE TIME OF, PURCHASE OF THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE, AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

The California Statewide Communities Development Authority has established an Assessment District which includes the area in which the new home you are considering purchasing is located. The purpose of the Assessment District is to pay for certain public capital improvements and certain development impact fees imposed as a condition to the development of your prospective new home. Those fees have paid or will pay for the design and construction of major infrastructure such as streets, sewers, storm drain improvements, water systems, parks, a fire station, utilities, and other improvements which benefit the community in general, and the property you are considering purchasing in particular. These improvements may not yet have been constructed or acquired and it is possible that some may not be constructed or acquired.

The amount of the Assessment District lien is directly proportional to the estimated benefit your property receives from the public capital improvements plus the amount of the development impact fees which were imposed on your prospective new home and which were financed through the Assessment District. The Assessment District lien is in addition to the regular property taxes and other charges and benefit assessments on the parcel. The Assessment District lien will be added to the real estate property tax bill distributed annually to each property owner within the Assessment District boundary. The maximum annual amount of this assessment in fiscal years 20__ to 20__ and following will be approximately \$_____. If you fail to pay the Assessment District lien when due, the property may be foreclosed upon and sold.

The estimated total principal amount of Assessment District lien applicable to your home (approximately \$_____) will be fully amortized over a period of _____ years through payments on your real estate tax bill with interest at a rate equal to approximately ____% per year [insert bond rate]. This assessment is used to finance the above mentioned public capital improvements and development impact fees, which were required to be paid in order to allow development on your parcel and which were used to pay for public capital improvements. **YOU SHOULD TAKE THIS LIEN AND THE BENEFITS FROM THE PAYMENT OF THE DEVELOPMENT IMPACT FEES, PUBLIC CAPITAL IMPROVEMENTS AND THE PUBLIC FACILITIES INTO ACCOUNT IN DECIDING WHETHER TO PURCHASE THIS PROPERTY.**

You have the option to pay off the total amount of the Assessment District lien at any time, plus a bond redemption fee. If you wish to pay off the lien in total prior to escrow closing, please notify your escrow officer. If an impound account for taxes and assessments is a requirement of your home loan, you should notify your lender of the total annual amount of the assessment. The annual cost of the special assessments when added to other amounts on your consolidated property tax bill, may exceed the amount collected for the impound account.

You may contact the Authority by calling its Assessment Administrator, _____ at telephone number (____) _____ for information concerning the Assessment District or about early assessment district lien retirement after escrow closing.

Please acknowledge receipt of this information at or prior to the time of purchase by signing your name in the space provided below.

Acknowledged:

Date

Prospective Buyer

Date

Prospective Buyer

Lot No. _____

Tract No. _____

Document comparison by Workshare Compare on Friday, October 03, 2014
12:44:12 PM

Input:	
Document 1 ID	interwovenSite://NCUSADMS01/USA/260640602/1
Description	#260640602v1<USA> - SCIP Manual 2009/SCIP Manual Appendices
Document 2 ID	interwovenSite://NCUSADMS01/USA/260640602/5
Description	#260640602v5<USA> - SCIP Manual 2014/SCIP Manual Appendices
Rendering set	ohs strikethrough with moves with change bars

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	158
Deletions	172
Moved from	3
Moved to	3
Style change	0
Format changed	0
Total changes	336

3.....Workshare Compare comparison of
interwovenSite://NCUSADMS01/USA/260640602/1 and
interwovenSite://NCUSADMS01/USA/260640602/5. Performed on 10/3/2014.

RESOLUTION NO. 14_ - ____

**RESOLUTION OF THE COMMISSION OF THE CALIFORNIA
STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ORDERING
JUDICIAL FORECLOSURE OF DELINQUENT ASSESSMENT
INSTALLMENTS LEVIED WITHIN ASSESSMENT DISTRICT NO. 07-02
(SAN DIEGO) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF
1913 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED
WITH THOSE INSTALLMENTS**

WHEREAS, Assessment District No. 07-02 (San Diego) (the “Assessment District”) of the California Statewide Communities Development Authority (“CSCDA”) has levied special assessments for the payment of bonds (“Special Assessments”) pursuant to the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the “Municipal Act”) and incurred bonded indebtedness pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the “Bond Act”); and

WHEREAS, pursuant to the provisions of the Municipal Act and Bond Act, the County Tax Collector has duly and regularly levied and recorded the Special Assessments, which Special Assessments, and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

WHEREAS, certain Special Assessments have not been paid when due, and certain Special Assessments may not be paid in the future; and

WHEREAS, pursuant to provisions of the Bond Act, this Commission of the California Statewide Communities Development Authority, acting in its capacity as the legislative body of the Assessment District (“Commission”), is authorized, not later than four (4) years subsequent to the last maturity of the principal of bonds secured by the assessment, to order the delinquent Special Assessments to be collected by an action brought in the superior court to foreclose the lien of those Special Assessments; and

WHEREAS, pursuant to the provisions of the Bond Act, CSCDA covenanted for the benefit of bondholders to commence and diligently prosecute any foreclosure action regarding delinquent installments of any assessments which secure the bonds that were issued by the Assessment District; and

WHEREAS, the Commission has determined that public convenience and necessity require prompt action to initiate foreclosure proceedings; and

WHEREAS, pursuant to the provisions of the Bond Act, when an action is ordered to foreclose on a lien of delinquent Special Assessments, the County Tax Collector shall be credited upon the current assessment roll with the amount charged against the delinquent account, including applicable penalties, interest and costs, and to be relieved of further duty in regard thereto; and

WHEREAS, the Commission previously retained Stradling, Yocca, Carlson & Rauth, a Professional Corporation (“Special Counsel”), to prosecute such judicial foreclosure actions;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY THAT:

Section 1. The Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. All delinquent Special Assessments on parcels listed in Exhibit A attached hereto and incorporated herein, and all future Special Assessments on said parcels which are not paid when due, along with all delinquent penalties, interest and fees, shall be collected by action brought in the Superior Court of San Diego County to foreclose the liens thereof pursuant to the California Streets and Highways Code.

Section 3. All costs and attorneys’ fees incurred in the collection of the delinquent Special Assessments shall be sought in the foreclosure action pursuant to the California Streets and Highways Code. Special Counsel is authorized to require the payment of costs and attorneys’ fees as a condition of any pre-judgment or post-judgment redemption.

Section 4. Special Counsel in conjunction with CSCDA personnel and consultants are authorized and directed as applicable, pursuant to Streets and Highways Code Section 8833(a):

- a) To record notices of intent to remove the delinquent special assessment installments from the tax rolls; and
- b) To request that the applicable County officials remove current and future delinquent assessment installments from the tax rolls.

Section 5. All inquiries regarding payment of the delinquent Special Assessments shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority on September 23, 2014.

* * * * *

I, the undersigned, a duly appointed, and qualified Authorized Signatory of the Commission of the California Statewide Communities Development Authority, **DO HEREBY CERTIFY** that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on September 23, 2014.

By: _____,
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

Parcel	Owner's Name	District	Tax Year	Installments
6462407919	MANAGEMENT SECURITY ADVISER L L C	AD 07-02 (San Diego)	2012/13	2nd
6462407923	MANAGEMENT SECURITY ADVISER L L C	AD 07-02 (San Diego)	2012/13	2nd

RESOLUTION NO. 29/2014

RESOLUTION AUTHORIZING THE TOWN OF CORTE MADERA TO APPROVE, AUTHORIZE AND DIRECT EXECUTION OF AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

WHEREAS, the Town of Corte Madera, California (the "Town"), has expressed an interest in participating in the economic development financing programs (the "Programs") in conjunction with the parties to that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Agreement"); and

WHEREAS, there is now before this Town Council the form of the Agreement; and

WHEREAS, the Town proposes to participate in the Programs and desires that certain projects to be located within the Town be financed pursuant to the Programs and it is in the public interest and for the public benefit that the Town do so; and

WHEREAS, the Agreement has been filed with the Town Clerk, and the members of the Town Council of the Town, with the assistance of its staff, have reviewed said document;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CORTE MADERA AS FOLLOWS:

Section 1. The Agreement is hereby approved and the Mayor of the Town is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by said Town Council, and the Town Clerk is hereby authorized and directed to affix the Town's seal to said document and to attest thereto.

Section 2. The Mayor of the Town, the Town Manager, the Town Clerk and all other proper officers and officials of the Town are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. The Town Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to:

Kathleen Jacobe
Orrick, Herrington & Sutcliffe LLP
400 Capital Mall, Suite 3000
Sacramento, California 95814

Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED by the Town Council of the Town of Corte Madera at a regular meeting of said Town Council held on the 16th day of September 2014, by the following vote:

AYES: Councilmembers: Bailey, Condon, Furst, Lappert, Ravasio

NOES: None

ABSENT: None

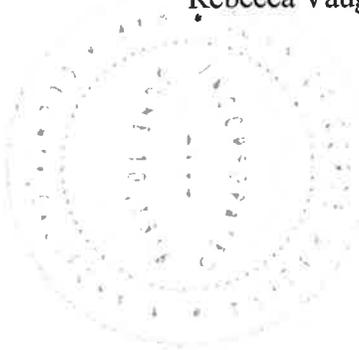


Michael Lappert, Mayor

ATTEST:



Rebecca Vaughn, Town Clerk



Item V

Conduct proceedings with respect to Assessment District 14-01, County of Contra Costa (Emerson Ranch Project) (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):

- a. Open Assessment District Public Hearing.
- b. Close Assessment District Public Hearing.
- c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts.
- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

SUMMARY AND APPROVALS

PROGRAM: STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
PURPOSE: NO. 14-01 CITY OF OAKLEY, COUNTY OF CONTRA COSTA ASSESSMENT DISTRICT
1. RESOLUTION APPROVING FINAL ENGINEER’S REPORT FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.
PRIMARY ACTIVITY: FINANCE THE PAYMENT OF PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received an application in the city of Oakley, County of Contra Costa to finance the payment of capital improvements.

The amount of bonds to be issued will not exceed \$16,000,000 with a proposed closing date in the spring of 2015. The Commission is being requested to approve the following:

- Final approval of the engineers report, levying assessments, ordering the financing of specified capital improvements, and confirming unpaid assessment amounts.

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

Attachment 1 contains the final engineer’s report & Attachment 2 contains copies of the resolutions and their attachments.

Emerson Ranch – City of Oakley / Ironhouse Sanitary District / Diablo Water District

The capital improvements include roadway, street lights, sanitary sewer, storm drain & water. Improvements total \$12,414,968.

Approvals:

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

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01
COUNTY OF CONTRA COSTA**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: AUGUST 7, 2014

PUBLIC HEARING: OCTOBER 9, 2014

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
2250 Hyde Street, 5th Floor
San Francisco, California 94109
(800) 969-4382

Public Finance
Public Private Partnerships
Urban Economics

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**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
Alfredo Ayuyao, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

TABLE OF CONTENTS

SECTION	PAGE
I CERTIFICATES	1
II ENGINEER'S REPORT	2
III DESCRIPTION OF WORK	3
IV PLANS AND SPECIFICATIONS.....	5
V COST ESTIMATE	6
VI ASSESSMENT ROLL	7
VII(A) METHOD OF ASSESSMENT.....	8
VII(B) SPECIAL BENEFIT	9
VII(C) APPORTIONMENT	11
VII(D) CONCLUSION	12
VIII ASSESSMENT DIAGRAM/BOUNDARY MAP.....	13
IX ADMINISTRATION.....	15
X DEBT LIMITATION REPORT.....	16

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

By: _____
Alfredo Ayuyao, P.E.
License Number: C34306

By: _____
David Taussig, President

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. 14-01 (County of Contra Costa, 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 Resolution No. 14R-15 (the "Original Resolution of Intention"), as amended and restated by the Amended and Restated Resolution of Intention, Resolution No. 14R-36 , and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID of the California Constitution, which was added in November 1996 through the passage of Proposition 218 by voters of the State of California.

The following public agencies are parties to the District:

- City of Oakley ("City")
- Ironhouse Sanitary District ("Sanitary District")
- Diablo Water District ("Water District")

The following capital improvements located within the District (alternatively known as “Emerson Ranch” or “Project”) located in the County of Contra Costa, 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. Notably, Sellers Road and Cypress Road have been addressed separately and independently within this Report.
- 2 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps. In an effort to be conservative, Storm Drainage improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 3 Sanitary Sewer Improvements (Ironhouse Sanitary District) – 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 Emerson Ranch project. Also in an effort to be conservative, Sanitary Sewer improvements have been bifurcated into local and more regional elements, and both have been evaluated independently.
- 4 Potable Water Improvements (Diablo Water District) – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the potable and non-potable residential water needs of the Emerson Ranch project.
- 5 Landscaping - Funding for capital improvements including, grading, ground cover, irrigation, and recreational elements for the Emerson Ranch project and its residents.

Reimbursement for Capital Improvements

Future negotiations and agreements between the City, Sanitary District, and Water District (collectively, the “Public Agencies”), and the project developer may outline a mechanism whereby the developer of a “benefited” property would pay the Public Agencies for that property’s share of the costs of certain public facilities. Such payments related to public facilities privately financed by the developer of Emerson Ranch would then be paid, when received by the Public Agencies to the developer of Emerson Ranch. 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 Emerson Ranch may sell, those amounts would be paid to the developer of Emerson Ranch. As pertains to any such parcels still owned by the developer of Emerson Ranch, the Public Agencies 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 Assessment Roll to the Assessment 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.

Administration – 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, the Sanitary District, the Water District, and/or the County of Contra Costa, California.

Summary Cost Estimate

The estimated costs of the 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, the Sanitary District, the Water District, the County of Contra Costa, and the SCIP Administrator. All public improvements listed below will be dedicated to the City except where specifically noted.

Cost Estimate County of Contra Costa - Emerson Ranch							
Description	Capital Improvement Expenses	Commercial	Capital Improvement Expenses less Commercial	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Public Improvements Funded (Phase 1)							
Roadway & Street Lights	\$5,778,262	\$0	\$5,778,262	50.00%	\$2,889,131	\$0	\$2,889,131
Storm Drain	\$1,765,150	\$1,090,100	\$675,050	99.00%	\$668,300	\$0	\$668,300
Storm Drain (Regional)	\$1,972,625	\$0	\$1,972,625	25.00%	\$493,156	\$0	\$493,156
Sanitary Sewer - Ironhouse Sanitary District	\$948,400	\$105,057	\$843,343	90.00%	\$759,009	\$0	\$759,009
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$1,282,400	\$0	\$1,282,400	25.00%	\$320,600	\$0	\$320,600
Water - Diablo Water District	\$1,254,400	\$0	\$1,254,400	90.00%	\$1,128,960	\$0	\$1,128,960
Landscaping and Other	\$4,326,554	\$0	\$4,326,554	90.00%	\$3,893,898	\$0	\$3,893,898
<i>Off-Site Improvements (Cypress Rd.)</i>	\$1,800,000	\$0	\$1,800,000	0.00%	\$0	\$0	\$0
Public Improvements Funded (Phase 2)							
Roadway & Street Lights	\$2,999,075	\$0	\$2,999,075	50.00%	\$1,499,538	\$0	\$1,499,538
Storm Drain	\$766,965	\$0	\$766,965	99.00%	\$759,295	\$0	\$759,295
Storm Drain (Regional)	\$0	\$0	\$0	25.00%	\$0	\$0	\$0
Sanitary Sewer - Ironhouse Sanitary District	\$541,400	\$0	\$541,400	90.00%	\$487,260	\$0	\$487,260
Sanitary Sewer (Regional) - Ironhouse Sanitary District	\$223,750	\$0	\$223,750	25.00%	\$55,938	\$0	\$55,938
Water - Diablo Water District	\$685,300	\$0	\$685,300	90.00%	\$616,770	\$0	\$616,770
Landscaping and Other	\$1,607,349	\$0	\$1,607,349	90.00%	\$1,446,614	\$0	\$1,446,614
<i>Off-Site Improvements (Cypress Rd. and Sellers Rd.)</i>	\$2,504,500	\$0	\$2,504,500	0.00%	\$0	\$0	\$0
Developer Contribution	(\$2,603,500)	\$0	(\$2,603,500)	100.00%	(\$2,603,500)	\$0	(\$2,603,500)
Subtotal	\$25,852,629	\$1,195,157	\$24,657,473	NA	\$12,414,968	\$0	\$12,414,968
Emerson Ranch							
Assessment Engineer	\$45,000		100.00%	100.00%	\$45,000	\$0	\$45,000
Appraiser	\$5,000		100.00%	100.00%	\$5,000	\$0	\$5,000
District Administration	\$10,000		100.00%	100.00%	\$10,000	\$0	\$10,000
Subtotal	\$60,000			NA	\$60,000	\$0	\$60,000
Financing Costs							
Bond Reserve Fund	8.00%			NA	\$1,224,687	-	-
Capitalized Interest	6.00%			NA	\$918,515	-	-
Legal	1.00%			NA	\$153,086	-	-
Issuer	1.50%			NA	\$229,629	-	-
Underwriter	2.00%			NA	\$306,172	-	-
Contingency	0.01%			NA	\$1,531	-	-
Subtotal	18.51%			NA	\$2,833,620	-	-
Total Assessment					\$15,308,588		

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, as shown below 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 City, the Sanitary District, the Water District, and the County of Contra Costa Assessor.

Assessment Roll							
County of Contra Costa - Emerson Ranch							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Emerson Ranch	037-192-026	\$23,045,781	140.25	Brookfield Emerson Land LLC 500 La Gonda Way #100 Danville, CA 94526	\$15,308,588	\$15,308,588
Total			\$23,045,781	140.25		\$15,308,588	\$15,308,588

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 XIII D 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 XIII D 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. 14-01 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

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.

1. 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 District proposes only one land use, single family detached residential, all lots have the same relative impact as any other lot in the development for streets within the District. On the same parcel, however, there exists a potential commercial land use which needs to be similarly allocated trip counts.

Street improvements outside the District/commercial land use parcel are required by the governing agency for the Project to satisfy tentative map conditions – the specific traffic improvements are to regional roads, Sellers Road, and Cypress Road. If the Seller and Cypress improvements were included in the District, the cost of the improvements would be considered more “general” than “specific benefit,” therefore, in an effort to be incredibly conservative, these improvements to Sellers Road and Cypress Road and their associated costs have been **entirely excluded** from the allocation herein.

Ultimately, given uncertainty regarding future land development, and the exclusion of Sellers Road and Cypress Road improvements, DTA very conservatively and generously assigned general benefit to the roadway and street light system of 50%. Please see Table 1 for additional information.

2. Stormwater/Drainage Facilities

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the

various tributary drainage areas that impact the property. However, because the Emerson Ranch project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same. The exception is the potential commercial element, which will likewise benefit from these improvements. Accordingly, the potential commercial element's allocatable share of associated stormwater facility costs has been deducted, at the outset, from the District's total capital improvement budget.

The storm drain improvements are designed based on a drainage area consistent with the Emerson Ranch project boundary. On its face, these improvements would provide 100% special benefit to Emerson Ranch residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from neighboring communities may enjoy the use of these improvements. Therefore, a general benefit of 1% of the costs for drainage is assigned to in-tract stormwater drainage facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

3. Sanitary Sewer (Ironhouse Sanitary District)

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the District 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 Emerson Ranch project only. Except for the potential commercial element, it is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Emerson Ranch 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. Additionally, the potential commercial element's allocatable share of associated sanitary sewer facility costs has been deducted, at the outset, from the District's total capital improvement budget.

Accordingly, the general benefit assignment to the sewer system is 10% for the costs of in-tract sanitary sewer facilities. Additionally, a very generous *general* benefit of 75% has been assigned to the more regional sanitary sewer improvements as outlined in Table 1 and on record with the Assessment Engineer and the Civil Engineer of Record.

4. Potable & Non Potable Water (Diablo Water District)

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the District consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements

would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to Potable and Non-Potable Water.

5. Landscaping, Park, & Other

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Emerson Ranch development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent neighborhoods, or residents outside of the Project, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage analysis, a general benefit of 10% has been assigned to the park facilities.

C. Apportionment

The District is located in the City of Oakley in the County of Contra Costa, California and is bounded by a Contra Costa Water District canal on the north, Sellers Avenue to the east, Cypress Road to the south, and existing communities and homes to the west. The District site plan consists of a total of 567 single-family residential dwelling units.

The assessments for this District with Phase 1 consisting of 331 single-family residences and Phase 2 planned for 236 single family lots; each phase may be apportioned equal special benefit on a pro rata basis. 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 may be apportioned as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the District plan was comprised of 567 single-family detached residential homes.

Each parcel will have certain improvements funded through the District and will be assessed for such improvements financed through the District. At the time this Report was prepared, the Emerson Ranch final map had not been recorded and was being processed. If land uses change or the existing parcels are re-subdivided, the assessment will 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

The method of apportionment established for the District 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 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 future subdivided Assessor's Parcels on which the development is located.

The construction of the improvements associated with the Emerson Ranch 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 and circulation system improvements are typically computed on the basis of anticipated trip generation. Due to each future parcel having the same land use, each lot generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0.

The storm drainage and sanitary sewer improvements are typically apportioned by area, as discussed above. Though not part of the District, the potential commercial element will derive benefit from these improvements. Therefore, since the potential commercial element is much larger than the size of the typical lot in this project, the commercial element's potential utilization of the improvements has previously been deducted from the capital improvement budget by the Civil Engineer of Record. Finally, the water and landscaping/park improvements are apportioned by parcel, as discussed above.

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. 14-01 (County of Contra Costa, 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 XIID 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 Original Resolution of Intention, was filed and recorded at the County of Contra Costa Recorder's office on June 9, 2014 (Document No: 2014-93216). 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.

SHEET 1 OF 1

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
(COUNTY OF CONTRA COSTA)
STATE OF CALIFORNIA**



Assessment Number	Assessor Parcel Number
1	037-192-026

For particulars of lines and dimensions of Assessor's parcels reference is made to the maps of the Contra Costa County Assessor, California.

LEGEND

Ⓝ	Assessment Number
-----	Boundary Line

Filed this _____ day of _____, 201____, at the hour of _____ o'clock _____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of Contra Costa, State of California.

By Deputy,
County Recorder, County of Contra Costa

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 201____.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 201____; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 201____. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 201____.

Superintendent of Streets of the
California Statewide Communities Development Authority

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

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. 14-01 (County of Contra Costa, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) equals \$15,308,588.

The County of Contra Costa's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$23,045,781.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (County of Contra Costa, California) totals \$11,522,890.50.

The value-to-lien based on the County of Contra Costa's assessed value for all properties located in the District is 1.51.

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. 14-01 (County of Contra Costa, 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.

[http://localhost:9010/resources/Clients/CSCDA/Emerson_Ranch_AD/Engineer's_Report/CSCDA_AD_No._14-01_\(Contra_Costa_County\)_Engineer's_Report_Final_\(10.03.2014\).docx](http://localhost:9010/resources/Clients/CSCDA/Emerson_Ranch_AD/Engineer's_Report/CSCDA_AD_No._14-01_(Contra_Costa_County)_Engineer's_Report_Final_(10.03.2014).docx)

Attachment 1

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
County of Contra Costa

Assessment Roll

(Please See Section VI)

DTA DAVID TAUSSIG
& ASSOCIATES

Public Finance
Public Private Partnerships
Urban Economics

2250 Hyde Street
5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING ENGINEER'S REPORT, LEVYING ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED CAPITAL IMPROVEMENTS, CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND DIRECTING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements (the "Improvements"), eligible to be funded under the 1913 Act, which capital improvements are described in the Engineer's Report (as defined below) approved by this Resolution, said capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Improvements are to be located in connection with the proposed development of said parcels of land which are situated within the assessment district (the "District") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on April 17, 2014, this Commission approved the boundary map for the District and adopted a resolution of intention relating to the District (the "Original Resolution of Intention"), and such boundary map was thereafter filed for record in the office of the County Recorder of the County in which the District is located; and

WHEREAS, in accordance with the direction of this Commission provided in the Original Resolution of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on August 7, 2014, a report containing the information regarding the District required by Section 10204 of the Streets and Highways Code of the State of California, which report was duly presented to this Commission for preliminary consideration (the "Original Report"); and

WHEREAS, due to changes requested by the developer and sole landowner within the District, the Commission ratified and readopted the Original Resolution of Intention (as ratified and readopted, the "Resolution of Intention"); and

WHEREAS, in accordance with the direction of this Commission provided in the Resolution of Intention, the Engineer of Work, prepared and filed with the Authority on August 7, 2014, a revised report containing the information regarding the District required by Section 10204 of the Streets and Highways Code of the State of California, which report was duly presented to this Commission for preliminary consideration in lieu of the Original Report; and

WHEREAS, this Commission, by resolution duly adopted on August 7, 2014 (the "Resolution of Preliminary Approval"), corresponding to the proposed District, preliminarily approved the report; and

WHEREAS, this Commission, by the Resolution of Preliminary Approval duly adopted on August 7, 2014, fixed 10:00 a.m., or as soon thereafter as the matter might be heard, on October 9, 2014, respectively, at the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Improvements, to the extent of the District and to the levy of the assessments therein (the “Assessments”); and

WHEREAS, the public hearings with respect to the financing of the Improvements, to the extent of the District and to the levy of the Assessments was opened on October 9, 2014; and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution (“Article XIID”), together with the property owner assessment ballots themselves; and

WHEREAS, there have been filed with the Authority a certificate setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notice of the public hearing and assessment ballot procedure and (b) the property owner assessment ballot, as required by Article XIID; and

WHEREAS, the property owners have waived all irregularities in the proceedings and have made and filed no objection to the timing of the notice at or before the public hearing; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the time, form and manner required by Article XIID; and

WHEREAS, this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the proposed District; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessments for the parcel to which each such assessment ballot pertains; and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each of the Engineer’s Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to the modifications made to the applicable Engineer’s Report between the preliminary approval thereof and approval of the Engineer’s Report by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the

entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a “majority protest,” as said term is defined by Article XIID, and this Commission hereby overrules any protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Engineer’s Report and the component parts thereof, including each exhibit incorporated by reference in the report.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Engineer’s Report, has fairly and properly apportioned the cost of the financing of the Improvements to each parcel of land in the District in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Engineer’s Report.

Section 6. This Commission hereby orders the financing of the Improvements as detailed in the Engineer’s Report.

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, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to any changes to the Engineer’s Report between the preliminary approval thereof on April 17, 2014, and the approval of the Engineer’s Report by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the administrator of SCIP (the “Program Administrator”) to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for the District, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which the District is located. The assessment

installments for the initial series of bonds issued for the District shall be apportioned among the parcels in the District having an unpaid Assessment.

Section 10. The Program Administrator is hereby directed to record the Engineer's Report with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Engineer's Report and notices of assessment in the office of the County Recorder of the County within which the District is located in the time, form and manner as required by law.

Section 11. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Assessment/ Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California)	\$15,308,588

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission, on April 17, 2014, adopted its Resolution of Intention (the "Resolution of Intention") relating to the financing of certain capital improvements in the assessment district (the "District") designated by the name set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolution of Intention was adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") and provided that serial and/or term bonds to represent unpaid assessments (the "Assessments") would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), reference being hereby made to the Resolution of Intention for further particulars of such bonds; and

WHEREAS, the written engineer's report relating to the proposed Districts (in its final form, the "Engineer's Report") were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Assistant to the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the District, and the assessment diagrams and related notices of assessment shall be recorded in the office of the County Recorder of the County in which the District is located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the District in proportion to the estimated benefits to be received by such subdivisions, respectively, from certain public capital improvements, as shown in the Engineer's Report; and

WHEREAS, the owners of all of the property which has been assessed in the District or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which

entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of unpaid Assessments for each of the Districts is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement") by and between the Authority and Wells Fargo Bank, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount equal to the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission will issue revenue bonds (the "Revenue Bonds") pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds to RBC Capital Markets LLC, as underwriter (the "Underwriter"), with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Manual of Procedures" adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for the District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolution of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds," with appropriate series and sub-series designations as determined by the Authority.

The Local Obligations may be issued pursuant to the same Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority and the Secretary of the Authority are hereby authorized and directed to execute each of the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. 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, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (City, County)	Assessment/ Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (County of Contra Costa, California)	per Engineer's Report, not to exceed \$15,308,588

Item VI

Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project) (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):

- a. Open Assessment District Public Hearing.
- b. Close Assessment District Public Hearing.
- c. A resolution approving final engineer's report, levying assessments, ordering the financing of specified fees, and confirming unpaid assessment amounts.
- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.
- e. A resolution authorizing the issuance, sale and delivery of not to exceed \$11,000,000 Statewide Communities Infrastructure Program Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project); and the execution and delivery of a trust agreement, an official statement, a bond purchase contract, a continuing disclosure agreement, a fee collection and disbursement agreement; and certain other actions in connection with the issuance and sale of such bonds.

SUMMARY AND APPROVALS

PROGRAM: STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

PURPOSE: NO. 14-01 CITY OF CALIMESA, COUNTY OF RIVERSIDE ASSESSMENT DISTRICT
1. RESOLUTION APPROVING FINAL ENGINEER’S REPORT FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.

PRIMARY ACTIVITY: FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received an application in the City of Calimesa, County of Riverside to finance the payment of impact fees.

The amount of bonds to be issued will not exceed \$12,000,000 with a proposed closing date in November 2014. The Commission is being requested to approve the following:

- Final approval of the engineers report, levying assessments, ordering the financing of specified fees, and confirming unpaid assessment amounts.

Orrick, Herrington & Sutcliffe and CSCDA staff has reviewed the final 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.

Yucaipa Valley Water District

The impact fees include water reservoir facilities fees. Fees total \$8,254,000

Approvals:

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

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-01
YUCAIPA VALLEY WATER DISTRICT
COUNTY OF RIVERSIDE**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: AUGUST 7, 2014

PUBLIC HEARING: OCTOBER 9, 2014

Prepared by

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Public Finance
Public Private Partnerships
Urban Economics

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San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**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.

TABLE OF CONTENTS

SECTION	PAGE
I CERTIFICATES	1
II ENGINEER'S REPORT	2
III DESCRIPTION OF WORK	3
IV PLANS AND SPECIFICATIONS.....	4
V COST ESTIMATE	5
VI ASSESSMENT ROLL	6
VII(A) METHOD OF ASSESSMENT.....	7
VII(B) SPECIAL BENEFIT	8
VII(B)(1) DEVELOPMENT FEES	8
VII(C) APPORTIONMENT	8
VII(D) CONCLUSION	10
VIII ASSESSMENT DIAGRAM/BOUNDARY MAP.....	11
IX ADMINISTRATION	14
X DEBT LIMITATION REPORT.....	15

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. 14-01 (Yucaipa Valley Water District, County of Riverside, 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. 14R-38, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID 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. Development Fees

- 1 Water Reservoir Facilities Fee (*South Calimesa Water Study, Zone 12, dated July 10, 2014*) – Water development fees to fund capital improvements to the Yucaipa Valley Water District’s water storage system.

At this time, there are no capital improvements which are the subject of this Report.

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 Assessment Roll to the Assessment 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.

Administration – 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 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 Yucaipa Valley Water District (“Water District”) and/or the County of Riverside, 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 Yucaipa Valley Water District, and the SCIP Administrator.

Cost Estimate					
Yucaipa Valley Water District, City of Calimesa, County of Riverside					
Developer/Description	Development Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
San Gorgonio Land	\$3,657,000	100%	\$3,657,000	\$0	\$3,657,000
Oak Valley Partners	\$638,000	100%	\$638,000	\$0	\$638,000
Mesa Verde Estates	\$3,438,000	100%	\$3,438,000	\$0	\$3,438,000
Northlight	\$521,000	100%	\$521,000	\$0	\$521,000
Subtotal	\$8,254,000		\$8,254,000	\$0	\$8,254,000
Professional Services					
San Gorgonio Land					
Assessment Engineer	\$19,454		\$19,454	\$0	\$19,454
Appraiser	\$14,590		\$14,590	\$0	\$14,590
District Administration	\$24,317		\$24,317	\$0	\$24,317
Oak Valley Partners					
Assessment Engineer	\$1,496		\$1,496	\$0	\$1,496
Appraiser	\$1,122		\$1,122	\$0	\$1,122
District Administration	\$1,871		\$1,871	\$0	\$1,871
Mesa Verde Estates					
Assessment Engineer	\$18,209		\$18,209	\$0	\$18,209
Appraiser	\$13,657		\$13,657	\$0	\$13,657
District Administration	\$22,762		\$22,762	\$0	\$22,762
Northlight					
Assessment Engineer	\$841		\$841	\$0	\$841
Appraiser	\$631		\$631	\$0	\$631
District Administration	\$1,051		\$1,051	\$0	\$1,051
Subtotal	\$120,000		\$8,374,000	\$0	\$120,000
Financing Costs					
Bond Reserve Fund	8.00%		\$893,346	-	-
Capitalized Interest (24 Mos.)	12.00%		\$1,340,019	-	-
Legal	1.00%		\$111,668	-	-
Issuer	1.50%		\$167,502	-	-
Underwriter	2.50%		\$279,171	-	-
Contingency	0.01%		\$1,117	-	-
Subtotal	25.01%		\$2,792,822	-	-
Total Assessment			\$11,166,822		

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 Fees, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as 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 Riverside 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., Development 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 XIID 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 Development 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 Development 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 XIID 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 Development Fees, Capital Improvements, and related improvements proposed for Assessment District No. 14-01 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 Fees

Development fees are neither taxes nor special assessments. Because development 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 use of development 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 these fees is based on the premise that new development should pay its “fair share” of the costs associated with growth. All capital development 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 fees or connection charges are being paid by ultimately allowing for the orderly development of those parcels.

C. Apportionment

The assessments for each of the four (4) developments –San Gorgonio Land, Oak Valley, Mesa Verde, and Northlight – will be apportioned by each respective development’s initial assessment burden, as shown in Section VI (Assessment Roll), and then on a pro rata basis within each development based on the projected acreage/square feet of any residential and non-residential land uses within such development as described on the following pages.

1. Benefiting Properties within the District

At the time this Report was prepared, the four (4) developments comprising this District – San Gorgonio Land, Oak Valley, Mesa Verde, and Northlight - consisted of the Assessor’s Parcels as specified in Section VI and Appendix A, which encompass a current total gross acreage of 852.40 acres. The developments can be generally described as follows:

- A. San Gorgonio Land – The project is potentially expected to encompass up to 1,365 residential units when completed and will be broken down into a mixed use development of single family detached and attached dwelling units.

- B. Oak Valley – The property is zoned community commercial. The portion of the property in the Zone 12 fee area is 30+ acres net of streets and right-of-way dedications.
- C. Mesa Verde – For purposes of this analysis, the project is expected to encumber 1,083 residential dwelling units when completed and will be broken down into three (3) phases that cover a total of four (4) parcels. Phase 1 will consist of 234 units, Phase 2 will be the largest component with 518 units, and Phase 3 will complete the project with the remaining 331 units.
- D. Northlight – The project is a 16+ acre retail development, consisting of seven (7) parcels.

Each parcel will have certain fees funded through SCIP and will be assessed for such fees financed through the District. If building plans change or the existing parcels are not subdivided as planned, the assessment may be allocated to each new assessor’s parcels in proportion to the original assessment based on the acreage of each assessor’s parcel.

2. Benefit Analysis

Development Fees

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed fees. The assessments for this development will be apportioned onto the existing Assessor’s Parcels on which the development is located based: first, on each development’s projected share of the overall development fee burden, and thus the initial District assessment; and second, pro-rata by development, based on the projected acreage/square feet noted in the Project documentation, as referenced in Section IV.

The assessments for this development will be initially placed onto the currently existing Assessor’s Parcels on which the development is located based on the percentages specified in the South Calimesa Water Study, Zone 12 Potable Water Storage (Storage Requirements and Cost Allocation), dated July 10, 2014, as prepared by the Water District’s hydrology engineer Krieger & Stewart, Inc. Key elements of this study are as follows:

Entity	Total EDU's	Total Storage Gallons	% of Total to Each Party	% of Cost to Each Party
San Geronio Land	1,157	2,284,909	38.08%	\$3,657,000
Oak Valley Partners	89	398,727	6.65%	\$638,000
Mesa Verde Estates	1,083	2,147,909	35.80%	\$3,438,000
Northlight	50	325,727	5.43%	\$521,000
YVWD	0	842,727	14.05%	\$1,349,000
	2,379	5,999,999	100.00%	\$9,603,000

If the existing parcels are subdivided at a future date, the assessments will be apportioned between the new Assessor's Parcels in proportion to the new acreage/square feet in each parcel and within each development, subject to the initial bifurcation of the assessment burden between the four (4) projects. In the absence of land use information at the time of the reapportionment, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

D. Conclusion

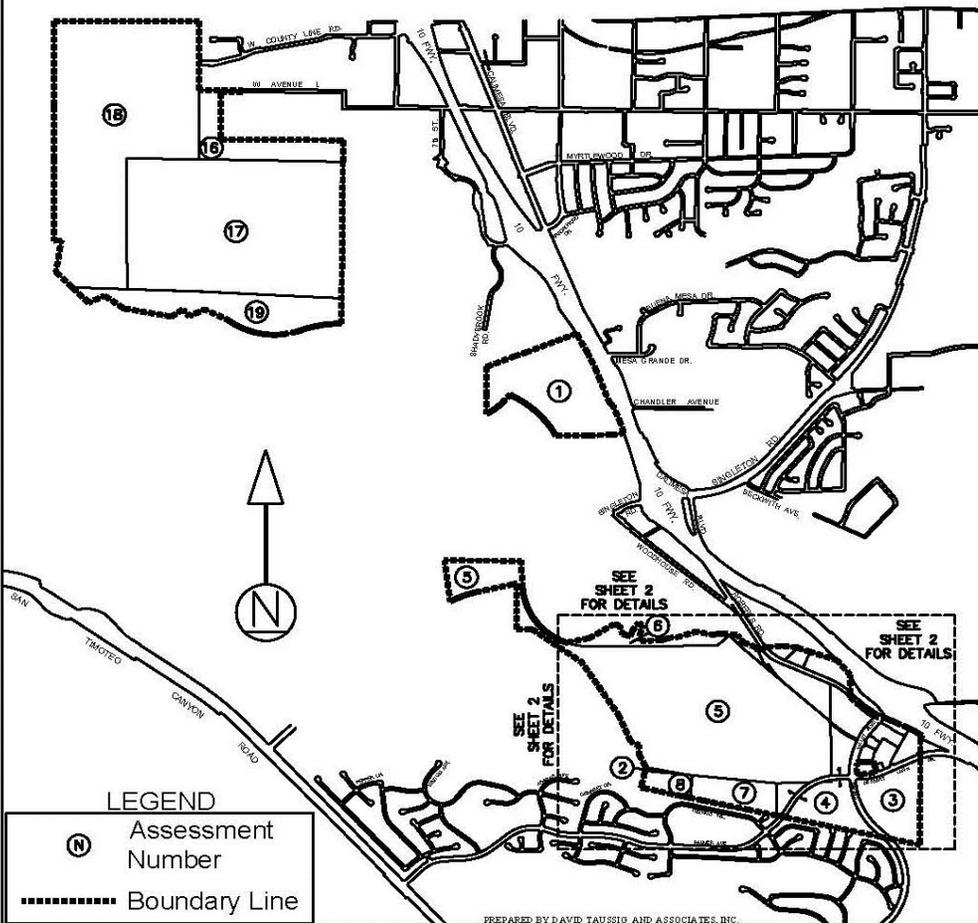
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement, herein defined as Improvements and Development Fees and identified in Section V, in compliance with the requirements of Article XIID 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, has been filed and recorded at the County of Riverside Recorder's office (Document No: 2014-0323625). 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 on the following page will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 2

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
COUNTY OF RIVERSIDE (YUCAIPA VALLEY WATER DISTRICT)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 2014, at the hour of ____ o'clock ____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of Riverside, State of California.

By Deputy,
County Recorder, County of Riverside

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 2014; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 2014. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

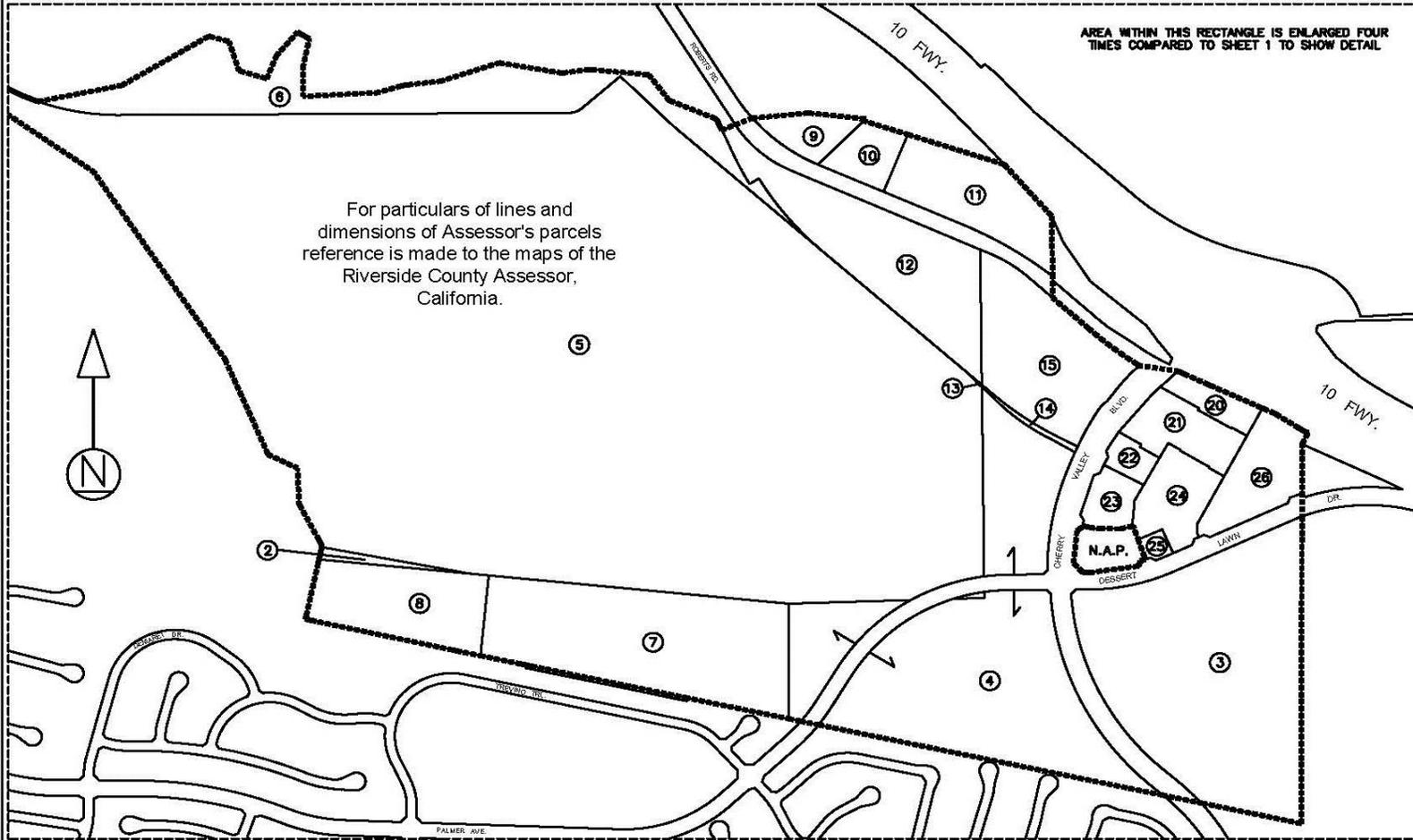
Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Superintendent of Streets of the
California Statewide Communities Development Authority

SHEET 2 OF 2

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-01
COUNTY OF RIVERSIDE (YUCAIPA VALLEY WATER DISTRICT)
STATE OF CALIFORNIA**



	Assessment Number	Assessor Parcel Number
San Geronimo Land	1	413200058
	2	413290010
	3	413290035
	4	413290036
	5	413290037
	6	413290038
Oak Valley Partners	7	413460038
	8	413460040
	9	413280040
	10	413280041
	11	413280042
	12	413290048
Mesa Verde Estates	13	413290034
	14	413290040
	15	413290044
	16	413040013
	17	413040017
	18	413040020
Northlight	19	413160011
	20	413780001
	21	413780002
	22	413780003
	23	413780004
	24	413780006
	25	413780007
	26	413780008

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 Los Angeles-Riverside-Orange County 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) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) equals \$11,166,822.

The County of Riverside's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) totals \$24,770,541.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California) totals \$12,385,271.

The value-to-lien based on the County of Riverside's assessed value for all properties located in the District is 2.22 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) District No. 14-01 (Yucaipa Valley Water District, County of Riverside, 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.

[http://localhost:9010/resources/Clients/SCIP/Yucaipa VWD/Engineer's Report/CSCDA AD No 14-01 \(YVWD\) Engineer's Report Final \(10.03.14\).docx](http://localhost:9010/resources/Clients/SCIP/Yucaipa VWD/Engineer's Report/CSCDA AD No 14-01 (YVWD) Engineer's Report Final (10.03.14).docx)

Appendix A

Assessment District No. 14-01
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
Yucaipa Valley Water District, County of Riverside

Assessment Roll

Assessment Roll							
Yucaipa Valley Water District, City of Calimesa, County of Riverside							
Assessment No.	Developer / Project	Assessor Parcel Numbers	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	San Gorgonio Land	413200058	\$1,979,881	66.82	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$827,935	\$827,935
2		413290010	\$17,686	0.58	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$7,187	\$7,187
3		413290035	\$876,016	29.56	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$366,264	\$366,264
4		413290036	\$984,218	33.22	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$411,613	\$411,613
5		413290037	\$6,682,489	225.57	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$2,794,930	\$2,794,930
6		413290038	\$474,422	16.00	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$198,248	\$198,248
7		413460038	\$580,543	19.58	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$242,606	\$242,606
8		413460040	\$252,817	8.53	San Gorgonio Land LLC 2392 Morse Ave Irvine, CA 92614	\$105,691	\$105,691
9	Oak Valley Partners	413280040	\$56,579	1.91	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$47,529	\$47,529
10		413280041	\$43,560	2.24	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$55,741	\$55,741
11		413280042	\$137,300	6.86	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$170,706	\$170,706
12		413290048	\$65,436	12.58	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$313,045	\$313,045
13		413290034	\$52	0.01	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$249	\$249
14		413290040	\$1,736	0.32	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$7,963	\$7,963
15		413290044	\$57,096	10.51	Oak Valley Partners PO Box 645 Calimesa, CA 92320	\$261,534	\$261,534
16	Mesa Verde Estates	413040013	\$1,042,764	44.72	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$518,307	\$518,307
17		413040017	\$5,379,817	230.70	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$2,673,823	\$2,673,823
18		413040020	\$1,697,825	72.81	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$843,871	\$843,871
19		413160011	\$1,250,304	53.62	Mesa Verde Re Ventures 2 Park Plz #1250 Irvine, CA 92614	\$621,458	\$621,458
20	Northlight	413780001	\$320,000	1.63	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$69,984	\$69,984
21		413780002	\$680,000	3.47	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$148,984	\$148,984
22		413780003	\$200,000	1.01	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$43,364	\$43,364
23		413780004	\$340,000	1.71	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$73,419	\$73,419
24		413780006	\$700,000	3.58	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$153,707	\$153,707
25		413780007	\$80,000	0.41	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$17,603	\$17,603
26		413780008	\$870,000	4.45	Northlight Trust 1 64 Wall St #212 Norwalk, CT 06850	\$191,061	\$191,061
Total			\$24,770,541	852.40		\$11,166,822	\$11,166,822

DTA DAVID TAUSSIG
& ASSOCIATES

Public Finance
Public Private Partnerships
Urban Economics

2250 Hyde Street
5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING FINAL ENGINEER'S REPORT, LEVYING ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED FEES, CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND DIRECTING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees") eligible to be funded under the 1913 Act, which Fees are described in the Final Engineer's Report (as defined below) approved by this Resolution, said Fees and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within the assessment district (the "District") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on August 7, 2014, this Commission approved the boundary map for the District and adopted its Resolution of Intention relating to the District, and such boundary map was thereafter filed for record in the office of the County Recorders of the County in which the District is located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolution of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on August 7, 2014, the report containing the information regarding the District required by Section 10204 of the Streets and Highways Code of the State of California, which report was duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by resolution duly adopted on August 7, 2014 (the "Resolution of Preliminary Approval") preliminarily approved the report and fixed 10:00 a.m., or as soon thereafter as the matter might be heard, on October 9, 2014, at the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of the California Constitution ("Article XIID"), together with the property owner assessment ballots themselves; and

WHEREAS, there has been filed with the Authority a certificate setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIID; and

WHEREAS, said public hearing was duly convened by this Commission as a public hearing for the District at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of the District; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and

WHEREAS, the Engineer of Work has prepared and filed with the Authority for consideration its Final Engineer's Report relating to the District (the "Final Engineer's Report"); and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the "1931 Act"), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in the Final Engineer's Report, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to any modifications made to the Engineer's Report between the preliminary approval thereof and approval of the Final Engineer's Report by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a "majority protest," as said term is defined by Article XIID, and this Commission hereby overrules any protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer's Report and the component parts thereof, including each exhibit incorporated by reference in the report.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer's Report, has fairly and properly apportioned the cost of the financing of the Fees to each parcel of land in the District in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer's Report.

Section 6. This Commission hereby orders the financing of the Fees as detailed in the Final Engineer's Report.

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, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the Program Administrator a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to any changes to the Engineer's Report between the preliminary approval thereof on August 7, 2014, and the approval of the Final Engineer's Report by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for the District, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which the applicable District is located. The assessment installments for the initial series of bonds shall be apportioned among the parcels having an unpaid Assessment.

Section 10. The Program Administrator is hereby directed to record the Final Engineer's Report with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Report and notices of assessment in the office of the County Recorders of the County within which the District is located in the time, form and manner as required by law.

Section 11. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Assessment/Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California)	\$11,166,822

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF A SEPARATE SERIES OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission, on August 7, 2014, adopted its Resolution of Intention (the “Resolution of Intention”) relating to the financing of certain fees in an assessment district (the “District”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolution of Intention was adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) and provided that serial and/or term bonds to represent unpaid assessments (the “Assessments”) would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), reference being hereby made to the Resolution of Intention for further particulars of such bonds; and

WHEREAS, the written engineer’s report relating to the proposed District (in its final form, the “Engineer’s Report”) was thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the District, and the assessment diagrams and related notices of assessment shall be recorded in the offices of the County Recorder of the County in which the District is located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the District in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain fees, as shown in the Engineer’s Report; and

WHEREAS, the owners of all of the property which has been assessed in the District or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the

entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of unpaid Assessments for the District is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of fees pursuant to the Authority’s Statewide Community Infrastructure Program (the “Program”), this Commission has determined to issue a separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds (the “Local Obligations”), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association (the “Trustee”), such Local Obligations to be registered in the name of the Trustee to be issued in an aggregate principal amount equal to the principal amount of unpaid Assessments of the District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission has determined to authorize and issue its Statewide Community Infrastructure Program Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project) (the “Revenue Bonds”) pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds to RBC Capital Markets LLC, as underwriter (the “Underwriter”), with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the “SCIP Manual of Procedures” adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for the District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of the District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolution of Intention and proceedings taken thereunder. The Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the “California Statewide Communities

Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority is hereby authorized and directed to execute each of the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. 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, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-01 (Yucaipa Valley Water District, County of Riverside, California)	per Engineer's Report, not to exceed \$11,166,822

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$11,200,000 OF ITS STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM REVENUE BONDS, SERIES 2014 (YUCAIPA VALLEY WATER RESERVOIR PROJECT); APPROVING THE FORMS OF A TRUST AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY THEREOF AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CHANGES THERETO AND DELIVERY THEREOF AS MODIFIED; APPROVING A FEE COLLECTION AND DISBURSEMENT AGREEMENT; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT SUBSTANTIALLY DERIVED FROM THE PRELIMINARY OFFICIAL STATEMENT AND EXECUTION AND DELIVERY THEREOF; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS AND IMPLEMENTATION OF THE RELATED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of the assessment district identified in said proceedings (the “District”); and

WHEREAS, this Commission is empowered under the provisions of the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”) to undertake legal proceedings for the issuance, sale and delivery of limited obligation improvement bonds (the “Local Obligations”) upon the security of the recorded and unpaid assessments (the “Assessments”) of the Districts; and

WHEREAS, this Commission is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the “Law”) to issue bonds of the Authority for the purpose of acquiring certain local obligations issued by the Authority, including the Local Obligations; and

WHEREAS, this Commission has determined to Local Obligations to be issued pursuant to that certain Trust Agreement (the “Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain fees which will, in turn, fund public capital improvements (the “Fees”); and

WHEREAS, by this Resolution, this Commission wishes to authorize and undertake the issuance of the Authority’s Statewide Community Infrastructure Program Revenue Bonds, Series 2014 (Yucaipa Valley Water Reservoir Project) (the “Bonds”), to acquire the Local Obligations, to fund a reserve fund, to pay capitalized interest and to pay costs of issuance (the “Financing Program”); and

WHEREAS, this Commission has determined that the estimated amount necessary to acquire the Local Obligations, to fund a reserve fund, to pay capitalized interest and to pay costs of issuance will require the issuance of the Bonds in the aggregate principal amount not to exceed \$11,200,000; and

WHEREAS, this Commission has determined that all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in the Trust Agreement the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing described above, there have been filed with the Secretary of the Authority and submitted to this Commission for consideration and approval at this meeting, forms of the following:

- (a) the Trust Agreement, described above;
- (b) a Bond Purchase Agreement, under the terms of which, among other things, the Authority agrees to sell and RBC Capital Markets LLC, the underwriter (the "Underwriter") agrees to purchase the Bonds;
- (c) a Preliminary Official Statement, describing the Bonds and the Local Obligations;
- (d) a Fee Collection and Disbursement Agreement, describing the process for collection of the Fee and disbursement of bond proceeds; and
- (e) a Continuing Disclosure Agreement, under the terms of which, among other things, the Authority agrees and covenants to provide certain annual financial information and notice of material events to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission; and

WHEREAS, being fully advised in the matter of the financing, this Commission wishes to proceed with implementation of the Financing Program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, the requisite local agencies with jurisdiction over the areas encompassed by the District have determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed \$11,200,000; provided, however, that (a) the true interest cost on the Bonds shall not exceed 8.0%, and (b) the maximum term of any maturity shall not extend beyond the year 2044.

Section 3. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Continuing Disclosure Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The form and substance of the Fee Collection and Disbursement Agreement is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 7. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

(b) Any Authorized Signatory is hereby authorized to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be, deemed “final” for purpose of Rule 15c2-12 of the Securities and Exchange Commission, and such Member is hereby authorized to execute a certificate to such effect in the customary form.

(c) Any Authorized Signatory is hereby authorized in consultation with Disclosure Counsel to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by any member of the Commission as necessary to cause the information contained in the Preliminary Official Statement to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Commission or that such corrections or additions are in form rather than in substance.

(d) The Underwriter is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 8. 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, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. 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 transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 9. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

Item VII

Conduct proceedings with respect to the Statewide Community Infrastructure Program (SCIP) Revenue Bonds, Series 2014B (hearing to be held at 10 a.m. or shortly thereafter) (Staff: Scott Carper):

- a. Open Assessment Districts Public Hearing.
- b. Close Assessment Districts Public Hearing.
- c. A resolution approving final engineer's reports, levying assessments, ordering the financing of specified development impact fees and capital improvements, and confirming unpaid assessment amounts.
- d. A resolution approving the form and substance of a trust agreement and authorizing changes thereto and execution thereof providing for the issuance of Statewide Community Infrastructure Program limited obligation improvement bonds and authorizing related actions and the execution of related documents to implement the proposed financing plan.

SUMMARY AND APPROVALS

PROGRAM: STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)
PURPOSE: NO. 14-02 CITY OF MANTECA, COUNTY OF SAN JOAQUIN ASSESSMENT DISTRICT
NO. 14-03 CITY OF SAN DIEGO, COUNTY OF SAN DIEGO ASSESSMENT DISTRICT
NO. 14-03 CITY OF ROCKLIN, COUNTY OF PLACER ASSESSMENT DISTRICT

1. RESOLUTION APPROVING FINAL ENGINEER’S REPORT FOR STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM ASSESSMENT DISTRICTS.

PRIMARY ACTIVITY: FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”)

SCIP has received applications in the above cities to finance the payment of development impact fees & capital improvements.

The amount of bonds to be issued will not exceed \$10,000,000 with a proposed closing date in November 2014. The Commission is being requested to approve the following:

- Final approval of the engineers report, levying assessments, ordering the financing of specified development impact fees and capital improvements, confirming the amount of unpaid assessments, and directing related actions.

Orrick, Herrington & Sutcliffe and CSCDA staff has reviewed the final engineer’s reports 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.

Orchard Park – Phase II (City of Manteca)

The development impact fees include sewer fees, storm drainage fees, well water fees, sewer connection & water meter installation fees. Capital improvements include landscaping, roadway, sanitary sewer, storm drain & water. Total \$1,224,000

Cornerstone (City of San Diego)

The impact fees include facilities benefit assessments which include Otay Mesa transportation & park fees. Fees total \$4,881,303.

Granite Terrace (City of Rocklin)

The impact fees include local traffic fees & South Placer Regional traffic fees. Fees total \$233,249.

Approvals:

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. Approve Trust agreement

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-03
CITY OF SAN DIEGO, COUNTY OF SAN DIEGO**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: AUGUST 7, 2014

PUBLIC HEARING: OCTOBER 9, 2014

Prepared by

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Public Finance
Public Private Partnerships
Urban Economics

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**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.

TABLE OF CONTENTS

SECTION	PAGE
I CERTIFICATES	1
II ENGINEER'S REPORT	2
III DESCRIPTION OF WORK	3
IV PLANS AND SPECIFICATIONS.....	4
V COST ESTIMATE	5
VI ASSESSMENT ROLL	6
VII(A) METHOD OF ASSESSMENT.....	7
VII(B) SPECIAL BENEFIT	8
VII(B)(1) DEVELOPMENT IMPACT FEES	8
VII(B)(2) CAPITAL IMPROVEMENTS.....	9
VII(C) APPORTIONMENT	10
VII(D) CONCLUSION	10
VIII ASSESSMENT DIAGRAM/BOUNDARY MAP	11
IX ADMINISTRATION	13
X DEBT LIMITATION REPORT.....	14

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 San Diego, County of San Diego, 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. 14R-42, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID 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 & Facilities Benefit Assessments

- 1 The Otay Mesa Public Facilities Financing Plan and Facilities Benefit Assessment (“FBA”) (Resolution No. R-308811) provides funds for public facilities which serve the designated area of benefit in the Otay Mesa community of the City of San Diego (Resolution No. R-308901). The Project Developer will be paying Otay Mesa Multi-Family Dwelling Unit fees for Transportation and Parks.

At this time, there are no capital improvements which are the subject of this Report.

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 Assessment Roll to the Assessment 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.

Administration – 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 San Diego and/or the County of San Diego, 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 San Diego, and the SCIP Administrator.

Cost Estimate					
City of San Diego, County of San Diego - Cornerstone					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
Cornerstone Impact Fees (Multi-Family)					
Otay Mesa Facilities - Transportation	\$3,398,409	100%	\$3,398,409	\$0	\$3,398,409
Otay Mesa Facilities - Parks	\$1,482,894	100%	\$1,482,894	\$0	\$1,482,894
Subtotal	\$4,881,303	NA	\$4,881,303	\$0	\$4,881,303
Developer Contribution					
	(\$1,025,703)	100%	(\$1,025,703)	\$0.00	(\$1,025,703)
Subtotal	(\$1,025,703)	NA	(\$1,025,703)	NA	(\$1,025,703)
Professional Services					
Assessment Engineer	\$4,600	100%	\$4,600	\$0	\$4,600
Appraiser	\$5,000	100%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100%	\$10,000	\$0	\$10,000
Subtotal	\$19,600	NA	\$19,600	\$0	\$3,875,200
Financing Costs					
Bond Reserve Fund	8.00%	NA	\$382,783	-	-
Capitalized Interest	6.00%	NA	\$287,087	-	-
Legal	1.00%	NA	\$47,848	-	-
Issuer	1.50%	NA	\$71,772	-	-
Underwriter	2.50%	NA	\$119,620	-	-
Contingency	0.01%	NA	\$478	-	-
Subtotal	19.01%	NA	\$909,588	-	-
Total Assessment			\$4,784,788		

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, beginning below, 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 Diego Assessor, and the SCIP Administrator.

Assessment Roll								
City of San Diego, County of San Diego - Cornerstone								
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Parcel Acreage	Project Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Cornerstone	645-060-28-00	\$1,139,683	8.93	6.99	Southview LLC 8015 N. La Jolla Scenic Dr La Jolla, CA 92037	\$2,531,634	\$2,531,634
2	Cornerstone	645-080-17-00	\$6,178,304	34.81	5.88	Southview LLC 8015 N. La Jolla Scenic Dr La Jolla, CA 92037	\$2,253,154	\$2,253,154
Total			\$7,317,987	43.74	12.87		\$4,784,788	\$4,784,788

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 XIII D 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 XIII D 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). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on constitutional and decisional law. 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 Mitigation Fee Act (the “Act” or “AB 1600”). 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.*
 - *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 “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 are on file with the City of San Diego, the County of San Diego, 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. However, at this time, there are no capital improvements which are the subject of this Report.

C. Apportionment

The assessment for this development will be apportioned between the two (2) existing Assessor’s Parcels on which the development is located based on projected lot counts. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or 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 may 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 portions of Assessor’s Parcels 645-060-28-00 and 654-080-17-00, which encompass a current total gross acreage of 43.74 acres, of which 12.87 will be developed as part of the Cornerstone Project. The property is located in a residential

zoned area of the City. The development will consist only of 189 multi-family units.

2. Benefit Analysis

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto portions of the two (2) existing Assessor's Parcel on which the development is located based on information provided by San Diego County and the Project proponents, which at this time indicates 100 units will be developed on Assessor's Parcel 645-060-28-00 and 89 units will be developed on Assessor's Parcel 645-080-17-00.

If the existing parcel is subdivided at a future date and not as planned above, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

D. Conclusion

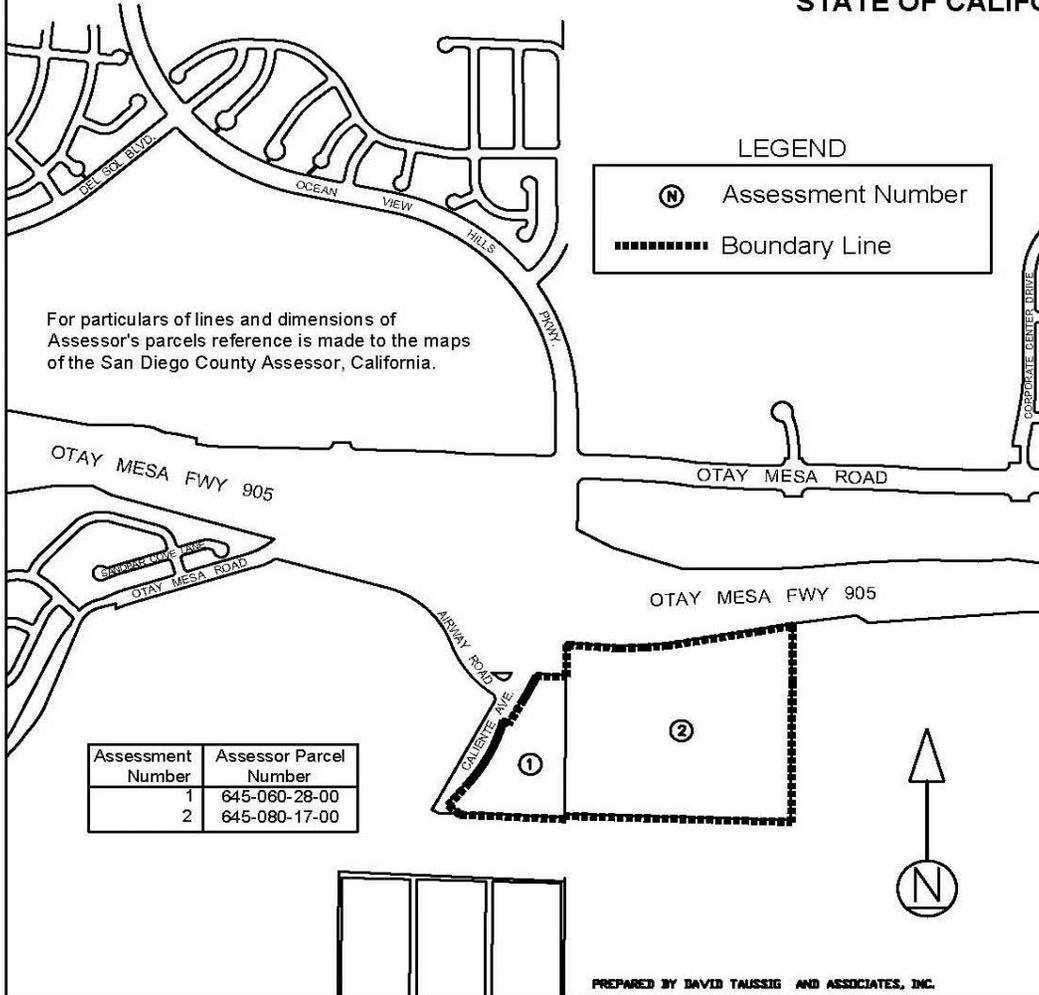
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) are allocated in accordance with the direct and special benefit which the land receives from the Works of Improvement in compliance with the requirements of Article XIID 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, is filed and recorded at the County of San Diego Recorder's office (Document No: 2014-0360781). 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.

SHEET 1 OF 1

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-03
(CITY OF SAN DIEGO, COUNTY OF SAN DIEGO)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 2014, at the hour of ____ o'clock ____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of San Diego, State of California.

By Deputy,
County Recorder, County of San Diego

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 2014; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 2014. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Superintendent of Streets of the
California Statewide Communities Development Authority

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 Diego 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 San Diego, County of San Diego, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) equals \$4,784,788.

The County of San Diego's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-03 (City of San Diego, County of San Diego, California) totals \$7,317,987.

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 San Diego, County of San Diego, California) totals \$3,658,994.

The value-to-lien based on the County of San Diego's assessed value for all properties located in the District is 1.53 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 San Diego, County of San Diego, California) and will be incorporated into the Final Engineer's Report.

[http://localhost:9010/resources/Clients/SCIP/San Diego \(Cornerstone\)/Engineer's Report/CSCDA AD No 14-03 \(San Diego County\) Engineer's Report Final \(10.03.2014\).docx](http://localhost:9010/resources/Clients/SCIP/San Diego (Cornerstone)/Engineer's Report/CSCDA AD No 14-03 (San Diego County) Engineer's Report Final (10.03.2014).docx)

Attachment 1

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

Assessment Roll

(Please See Section VI)

DTA DAVID TAUSSIG
& ASSOCIATES

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Phone (800) 969-4382

FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-03
CITY OF ROCKLIN, COUNTY OF PLACER**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: AUGUST 7, 2014

PUBLIC HEARING: OCTOBER 9, 2014

Prepared by

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Public Private Partnerships
Urban Economics

Newport Beach
San Francisco
Fresno
Riverside
Chicago, Illinois
Dallas, Texas

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

Scott Carper
California Statewide Communities Development Authority

PROFESSIONAL SERVICES

UNDERWRITER

Robert Williams
RBC Capital Markets Corporation

BOND COUNSEL

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PROGRAM ADMINISTRATOR

Vo Nguyen
BLX Group, LLC

ASSESSMENT ENGINEERING

David Taussig
Stephen A. Runk, P.E.
Nathan D. Perez, Esq.
David Taussig & Associates, Inc.

TABLE OF CONTENTS

SECTION	PAGE
I CERTIFICATES	1
II ENGINEER'S REPORT	2
III DESCRIPTION OF WORK	3
IV PLANS AND SPECIFICATIONS.....	4
V COST ESTIMATE	5
VI ASSESSMENT ROLL	6
VII(A) METHOD OF ASSESSMENT.....	7
VII(B) SPECIAL BENEFIT	8
VII(B)(1) DEVELOPMENT IMPACT FEES.....	8
VII(B)(2) CAPITAL IMPROVEMENTS	9
VII(C) APPORTIONMENT	9
VII(D) CONCLUSION	10
VIII BOUNDARY MAP/ASSESSMENT DIAGRAM.....	11
IX ADMINISTRATION	13
X DEBT LIMITATION REPORT.....	14

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 Rocklin, County of Placer, 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. 14R-44, and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID 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 Local Traffic Fees (*Resolution No. 2011-125*) – Traffic impact fees to fund capital improvements to the City of Rocklin’s roadway and traffic system.
- 2 South Placer Regional Traffic Fees (*Resolution No. 2008-02*) – Fees collected against new development to fund street improvements dedicated to and maintained by the County of Placer.

At this time, there are no capital improvements which are the subject of this Report.

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 Assessment Roll to the Assessment 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.

Administration – 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 Rocklin and/or the County of Placer, 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 Rocklin, and the SCIP Administrator.

Cost Estimate					
City of Rocklin, County of Placer - Granite Terrace					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount (\$)	Amounts Pre-Paid by & Reimbursable to Developer	Amount Funded to Agency
Granite Terrace Impact Fees					
Local Traffic Fee	\$154,734	100%	\$154,734	\$0	\$154,734
South Placer Regional Traffic Fee	\$78,515	100%	\$78,515	\$0	\$78,515
Subtotal	\$233,249	NA	\$233,249	\$0	\$233,249
Professional Services					
Granite Terrace					
Assessment Engineer	\$4,600	100%	\$4,600	\$0	\$4,600
Appraiser	\$5,000	100%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100%	\$10,000	\$0	\$10,000
Subtotal	\$19,600	NA	\$19,600	\$0	\$252,849
Financing Costs					
Bond Reserve Fund	8.00%		\$24,976	-	-
Capitalized Interest	6.00%		\$18,732	-	-
Legal	1.00%		\$3,122	-	-
Issuer	1.50%		\$4,683	-	-
Underwriter	2.50%		\$7,805	-	-
Contingency	0.01%		\$31	-	-
Subtotal	19.01%		\$59,349	-	-
Total Assessment			\$312,198		

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, is set forth upon the following Assessment Roll filed with and made part of this Report.

The Assessment Roll, as shown below, 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 Placer Assessor, and the SCIP Administrator.

Assessment Roll							
City of Rocklin, County of Placer – Granite Terrace							
Assessment No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Granite Terrace	045-101-066-000	\$477,156	7.30	Nicksam Properties LLC 4910 Ketchum Court, Granite Bay, CA 95746	\$296,969	\$296,969
2	Granite Terrace	045-101-044-000	\$78,384	0.28	Nicksam Properties LLC 4910 Ketchum Court, Granite Bay, CA 95746	\$15,229	\$15,229
Total			\$555,540	7.58		\$312,198	\$312,198

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 XIII D 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 XIII D 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 connecting 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.*
 - *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 are on file with the City of Rocklin, the County of Placer, 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. However, at this time, there are no capital improvements which are the subject of this Report.

C. Apportionment

The assessment for this development will be apportioned between the two (2) existing Assessor’s Parcels on which the development is located based on projected lot counts. The assessments for the District may be subject to further apportionment since the property may experience lot line adjustments and/or 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 may 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 Assessor's Parcels 045-101-066-000 and 045-101-044-000, which encompass a current total gross acreage of 7.58 acres. The property is located in a residential zoned area of the City. The development will consist only of 41 single-family residential units.

2. Benefit Analysis

The method of apportionment established for the development reflects the proportional special benefit that each property receives from the levied developed impact fees. The assessments for this development will be apportioned onto the two (2) existing Assessor's Parcel on which the development is located based on information provided by Placer County and the Project proponents, which at this time indicates 39 units will be developed on Assessor's Parcel 045-101-066-000 and 2 units will be developed on Assessor's Parcel 045-101-044-000.

If the existing parcel is subdivided at a future date and not as planned above, the original assessment may be apportioned between the new parcels in *proportion* to the net acreage of the subdivided parcels.

D. Conclusion

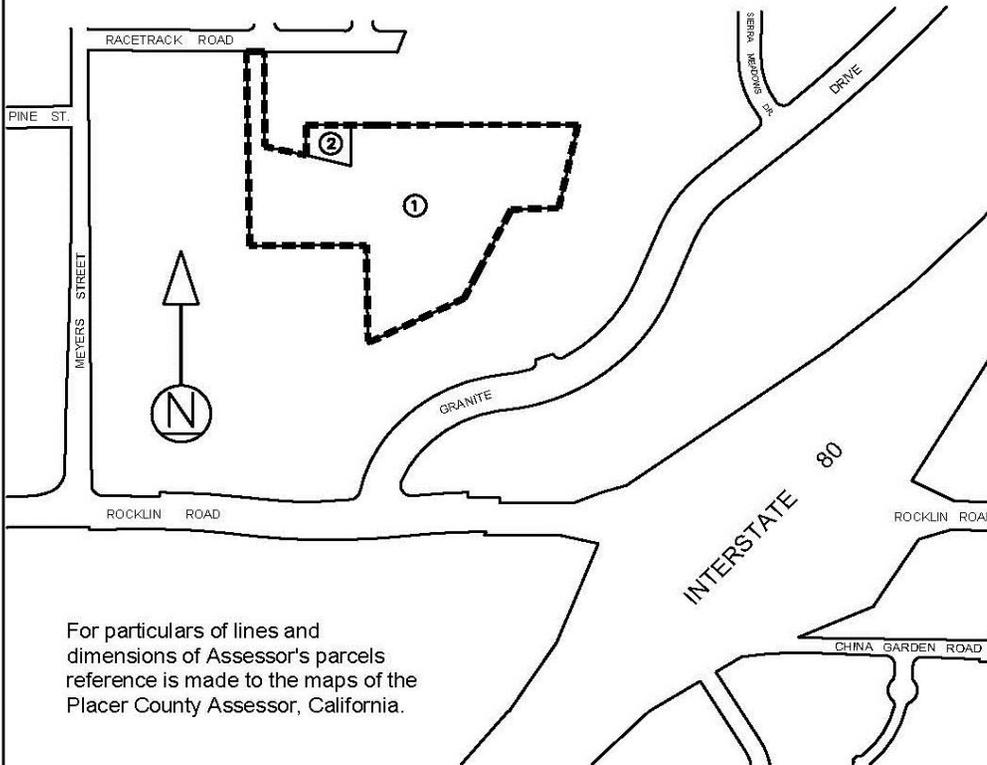
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) are allocated in accordance with the direct and 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 XIID 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, has been filed and recorded at the County of Placer Recorder's office (Document No: 2014-0057621). 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 on the following page will be filed with the Final Engineer's Report at the time of the passage of the Resolution of Formation.

SHEET 1 OF 1

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-03
(CITY OF ROCKLIN, COUNTY OF PLACER)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 2014, at the hour of _____ o'clock ____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of Placer, State of California.

By Deputy,
County Recorder, County of Placer

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 2014; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 2014. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 2014.

Superintendent of Streets of the
California Statewide Communities Development Authority

LEGEND

(N) Assessment Number

----- Boundary Line

Assessment Number	Assessor Parcel Number
1	045-101-066-000
2	045-101-044-000

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC.

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) District No. 14-03 (City of Rocklin, County of Placer, California).

The total confirmed assessment liens for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) equals \$312,198.

The County of Placer's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) totals an estimated \$555,540.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) District No. 14-03 (City of Rocklin, County of Placer, California) totals \$277,270.

The value-to-lien based on the County of Placer's assessed value for all properties located in the District is 1.78 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) District No. 14-03 (City of Rocklin, County of Placer, 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.

[http://localhost:9010/resources/Clients/SCIP/Rocklin \(Granite Terrace\)/Engineer's Report/CSCDA AD No. 14-03 \(Placer County - Granite Terrace\) Engineer's Report Final \(10.03.2014\).docx](http://localhost:9010/resources/Clients/SCIP/Rocklin%20(Granite%20Terrace)/Engineer's%20Report/CSCDA%20AD%20No.%2014-03%20(Placer%20County%20-%20Granite%20Terrace)%20Engineer's%20Report%20Final%20(10.03.2014).docx)

APPENDIX A

Assessment District No. 14-03
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Rocklin, County of Placer

Assessment Roll

(Please See Section VI)

DTA DAVID TAUSSIG
& ASSOCIATES

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FINAL

ENGINEER'S REPORT

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**



**ASSESSMENT DISTRICT No. 14-02
CITY OF MANTECA, COUNTY OF SAN JOAQUIN**

BEGINNING FISCAL YEAR 2014-2015

INTENT MEETING: AUGUST 7, 2014

PUBLIC HEARING: OCTOBER 9, 2014

Prepared by

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**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

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ASSESSMENT ENGINEERING

David Taussig
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TABLE OF CONTENTS

SECTION	PAGE
I CERTIFICATES	1
II ENGINEER'S REPORT	2
III DESCRIPTION OF WORK	3
IV PLANS AND SPECIFICATIONS.....	6
V COST ESTIMATE	7
VI ASSESSMENT ROLL	8
VII(A) METHOD OF ASSESSMENT.....	9
VII(B) SPECIAL BENEFIT	10
VII(B)(1) DEVELOPMENT IMPACT FEES.....	10
VII(B)(2) CAPITAL IMPROVEMENTS	11
VII(C) APPORTIONMENT	14
VII(D) CONCLUSION	18
VIII ASSESSMENT DIAGRAM/BOUNDARY MAP.....	19
IX ADMINISTRATION	21
X DEBT LIMITATION REPORT.....	22

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. 14-02 (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. 14R-40 and pursuant to Section 10204 of the Streets and Highways Code (Municipal Improvement Act of 1913) and Article XIID 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 WQCF Phase III Completion Charge, Low Density (*Ord. No. 1411; approved July 20, 2009*) – Fees imposed by City of Manteca to fund the Phase III expansion of the Manteca WQCF to provide 10 MGD of Title 22 recycled water. Construction includes an influent pump station equipped with Floway VTPs, Aqua Aerobics tertiary filters, Wedeco UV disinfection, chemical handling facility, a 7-million-gallon HPDE lined and covered effluent equalization pond, covered primary sedimentation basins, odor control biofilters, a truck fill station, emergency generator, and site improvements.
- 2 PFIIP Well Water Fees, Low Density (*Res. No. R2013-31; rates effective May 4, 2013*) – Development fee that pays for new water wells and distribution lines.
- 3 Sewer Connection, Phase III (*effective December 3, 2003*) – Sewer impact fee imposed by the City of Manteca to fund sewer expansion projects needed to serve new development.
- 4 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 Pillsbury Estates/Orchard Park (Phase II) project, specifically for Mono Street, Pillsbury Road, Buena Vista Avenue, and Azevedo Avenue, 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 Storm Drain Improvements – Funding for capital improvements including, but not limited to, facilities for the collection and disposal of storm waters for drainage and flood control purposes, including mainline and connector pipes, drainage inlets, manholes, retention basin, bubblers, risers, and outfall pumps.
- 3 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 Pillsbury Estates/Orchard Park (Phase II) development.
- 4 Water Improvements – Funding for capital improvements for the water system, including but not limited to, the removal and installation of water mains and appurtenances, and the installation of fire hydrants, backflow preventer and irrigation, necessary to meet the

potable and non-potable water needs of the Pillsbury Estates/Orchard Park (Phase II) development.

- 5 Landscaping - Funding for capital improvements including, but not limited to, park site grading, ground cover, irrigation, play equipment, and low voltage lighting necessary to meet the neighborhood park space needs of the Pillsbury Estates/Orchard Park (Phase II) development.
- 6 Incidental Costs – Funding for incidental costs associated with the capital improvements, including, but not limited to, contingency, design, engineering, and construction management.

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 Pillsbury Estates/Orchard Park (Phase II) would then be paid, when received by the City, to the developer of Pillsbury Estates/Orchard Park (Phase II). 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 Pillsbury Estates/Orchard Park (Phase II) may sell, those amounts would be paid to the developer of Pillsbury Estates/Orchard Park (Phase II). As pertains to any such parcels still owned by the developer of Pillsbury Estates/Orchard Park (Phase II), 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.

Administration/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.

Cost Estimate City of Manteca, County of San Joaquin - Orchard Park (Phase II)					
Description	Development Impact Fees	Special Benefit Apportioned to Project	Total Amount Due (\$)	Amounts Pre-paid by & Reimbursable to Developer	Amount Funded to Agency
Impact Fees					
WQCF Phase 3 Completion Charge - Low Density	\$144,216	100.00%	\$144,216	\$0	\$144,216
Well Water PFIIP Low Density	\$227,376	100.00%	\$227,376	\$0	\$227,376
Phase 3 Sewer Connection	\$285,192	100.00%	\$285,192	\$0	\$285,192
Water Meter Installation (5/8")	\$20,232	100.00%	\$20,232	\$0	\$20,232
Subtotal	\$677,016	NA	\$677,016	\$0	\$677,016
Public Improvements Funded					
Roadway & Street Lights	\$673,003	6.74%	\$45,371	\$0	\$45,371
Storm Drain	\$552,105	25.46%	\$140,550	\$0	\$140,550
Sanitary Sewer	\$479,701	24.87%	\$119,315	\$0	\$119,315
Water	\$497,210	23.56%	\$117,161	\$0	\$117,161
Parks, Landscaping, and Other	\$803,380	22.82%	\$183,354	\$0	\$183,354
Subtotal	\$3,005,399	NA	\$605,750	\$0	\$605,750
Developer Contribution	(\$58,766)	100.00%	(\$58,766)	\$0	(\$58,766)
Subtotal	\$3,623,649	NA	\$1,224,000	\$0	\$1,224,000
Orchard Park (Phase II)					
Assessment Engineer	\$12,600	100.00%	\$12,600	\$0	\$12,600
Appraiser	\$5,000	100.00%	\$5,000	\$0	\$5,000
District Administration	\$10,000	100.00%	\$10,000	\$0	\$10,000
Subtotal	\$27,600	NA	\$27,600	\$0	\$27,600
Financing Costs					
Bond Reserve Fund	8.00%	NA	\$123,630	-	-
Capitalized Interest	6.00%	NA	\$92,723	-	-
Legal	1.00%	NA	\$15,454	-	-
Issuer	1.50%	NA	\$23,181	-	-
Underwriter	2.50%	NA	\$38,634	-	-
Contingency	0.01%	NA	\$155	-	-
Subtotal	19.01%	NA	\$293,776	-	-
Total Assessment			\$1,545,376		

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 below, 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.

Assessment Roll							
City of Manteca, County of San Joaquin - Orchard Park (Phase II)							
Asmt No.	Project	Assessor Parcel Number	Assessed Value	Acreage	Owner & Address	Preliminary Assessment	Final Assessment
1	Orchard Park (Phase II)	226-240-640-000	\$127,136	7.980	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$708,297	\$708,297
2	Orchard Park (Phase II)	226-240-650-000	\$95,353	5.810	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$515,125	\$515,125
3	Orchard Park (Phase II)	226-250-290-000	\$52,974	3.440	Meritage Homes Of California, Inc. 1671 E Monte Vista Avenue #214, Vacaville, CA 95688	\$321,953	\$321,953
Total			\$275,463	17.23		\$1,545,376	\$1,545,376

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 XIII D 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 XIII D 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. 14-02 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.*
 - *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 Pillsbury Estates/Orchard Park (Phase II) 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.

Mono Street is a local, east/west oriented street within Pillsbury Estates/Orchard Park (Phase II) that provides access to Pillsbury Road on the east boundary of the development and direct access to Buena Vista and Azevedo Avenues within the Project. Mono Street will also connect on the west end with a future extension into the adjacent Evans Estates, a proposed development that will predominately access Manteca Road on its westerly boundary. The alignment of Mono Street through Evans Estates is not direct to Manteca Road, but essentially winds through a network of local in-tract streets.

Although Mono Street is intended to provide access for the Pillsbury Estates/Orchard Park (Phase II) project to Pillsbury Road, it cannot be denied that there will be trips through Mono Street to Pillsbury Road originating from Evans Estates. Therefore, there will be a general benefit related to the construction of Mono Street. Ultimately, given uncertainty regarding future land development, DTA very conservatively and generously assigned general benefit to the roadway and street light system as follows: 75%. Please see Table 3 for additional information.

b. Stormwater/Drainage Facilities

Stormwater, drainage, and flood control facilities are sized based upon estimated storm flows, which vary with the size of the tributary drainage area, slope, soil type, antecedent runoff condition, rainfall intensity, and impervious ground cover. Accordingly, special benefit related to stormwater facilities is calculated using drainage coefficients provided by the U.S. Department of Agriculture for each type of land use and building area coverage ratios, i.e., stormwater is apportioned relative to the various tributary drainage areas that impact the property. However, because the Pillsbury Estates/Orchard Park (Phase II) project consists of only single family detached residential lots of approximately the same area, the relative contribution of runoff among the various lots is effectively the same. For further information on EBUs and Lot 8, please see the Final Engineer's Report for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California).

The storm drain improvements related to Mono Street, Buena Vista Avenue, and Azevedo Avenue, are designed based on a drainage area consistent with the Pillsbury Estates/Orchard Park (Phase II) project boundary. The park use is intended to be neighborhood in scope, serving Pillsbury Estates/Orchard Park (Phase II) residents only. On its face, the park/basin would provide 100% special benefit to Pillsbury Estates/Orchard Park (Phase II) residents, however it is arguable that the basin mitigates potential flood conditions in the immediately adjacent vicinity by virtue of its runoff containment, and it is conceivable that future residents from Evans Estates may enjoy the use of the park. Therefore, a general benefit of 1% of the costs for drainage is assigned to stormwater drainage facilities. Please see Table 3 for additional information.

c. Sanitary Sewer

The primary determinant of sanitary sewer usage is the applicable per capita generation rates. Because the Pillsbury Estates/Orchard Park (Phase II) 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 Pillsbury Estates/Orchard Park (Phase II) project only. It is not intended, nor possible by the approved construction plans, for the sewer facilities to serve any development outside of the Pillsbury Estates/Orchard Park (Phase II) 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%. Please see Table 3 for additional information.

d. Potable & Non Potable Water

The primary determinant of water usage is the applicable per capita demand rates. Water improvements have been sized to meet the demands of only the new development. Because the Pillsbury Estates/Orchard Park (Phase II) development project consists of all single family detached land use, the relative contribution to total project water demand is equal among all lots. Because the water improvements are part of a water distribution network, as opposed to a stand-alone and independent water source and delivery system, the improvements would possibly provide the benefits of fire protection (hydrants, pressure distribution, etc.) and peak demand delivery through a more efficient network. Therefore, a small general benefit can be envisioned. Accordingly, a general benefit of 10% of the improvement cost is assigned to Potable and Non-Potable Water.

e. Park & Other Improvements

The primary determinant of park usage is land use population related to historical head counts at peak periods. Because the Pillsbury Estates/Orchard Park (Phase II) development project consists of all single family detached land use, the relative contribution to park usage is equal among all lots. It is conceivable however, as discussed in the storm drainage section above, that residents from the adjacent Evans Estates, or residents outside of the two projects, might enjoy the use of this neighborhood park. Due to this possible general benefit, similar to what was determined in the storm drainage and flood control analysis, a general benefit of 10% has been assigned to the park facilities. With regard to park reimbursements, because this appears as a credit against park obligations assigned to the developer, the reimbursement is considered entirely special benefit.

C. Apportionment

The assessments for this development, Pillsbury Estates/Orchard Park, Phase II, will be apportioned pro rata on the seventy-two (72) 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-two (72) residential parcels, which encompass a current total acreage of 17.23 acres across the following three (3) Assessor's Parcels: 226-240-640-000, 226-240-650-000, and 226-250-290-000.

Each parcel will have certain improvements funded through SCIP and will be assessed for such improvements financed through the District. At the time this Report was prepared, Pillsbury Estates/Orchard Park (Phase II) final map had not yet been recorded and the development not yet fully parcelized. 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-two (72) residential units.

Capital Improvements

The method of apportionment established for the Pillsbury Estates/Orchard Park (Phase II) 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-two (72) 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 Pillsbury Estates/Orchard Park (Phase II) 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 Pillsbury Estates/Orchard Park (Phase II) generally contains 72 residential lots that need Buena Vista Avenue, Azevedo Avenue, and Mono Street to access Pillsbury Road, each of which generates the same average daily trips ("ADT"), the Equivalent Benefit Unit ("EBU") assigned to each lot is 1.0. As generally described above, the cost of the special benefits assigned to the Pillsbury Estate/Orchard Park (Phase II) project is apportioned to Phase 2 by a factor of 26.97% (72 EBUs divided by 267 EBUs). For administrative ease, the roadway and street light costs apportioned to Phase 2 on a per lot basis are determined by dividing that amount by 72 EBUs (1.39%). See Table 3 below.

The storm drainage, park, and landscaping improvements are typically apportioned by area, as discussed above. The cost of the special benefits assigned to the Pillsbury Estate/Orchard Park (Phase II) project is apportioned to Phase 2 by a factor of 25.71% (72 EBUs divided by 280 EBUs). Again, for administrative ease, the costs apportioned to Phase 2 on a per lot basis are determined by dividing that amount by 72 EBUs (1.39%). See Table 3 below.

The sewer improvements are typically apportioned by parcel, as discussed above. The cost of the special benefits assigned to the Pillsbury Estates/Orchard Park (Phase II) project is apportioned to Phase 2 by a factor of 26.18% (72 EBUs divided by 275 EBUs). Again, for administrative ease, and in recognition of the incremental variations in special benefit across improvement categories, the costs apportioned to Phase 2 on a per lot basis are determined by dividing that amount by 72 EBUs (1.39%). See Table 3 below.

Finally, the water improvements are typically apportioned by parcel, as discussed above. The cost of the special benefits assigned to the Pillsbury Estate/Orchard Park (Phase II) project is apportioned to Phase 2 by a factor of 26.18% (72 EBUs divided by 275 EBUs). Again, for administrative ease, the costs apportioned to Phase 2 on a per lot basis are determined by dividing that amount by 72 EBUs (1.39%). See Table 3 immediately below

For further information on EBUs and Lot 8, please see the Final Engineer's Report for California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-01 (City of Manteca, County of San Joaquin, California).

Special Benefit Allocation							
City of Manteca, County of San Joaquin - Orchard Park (Phase II)							
Improvements	Cost	General Benefit vs. Special Benefit		Phase 2 Allocation		Per Lot Allocation	
		Allocation Percentage	Allocation (\$)	Allocation Percentage	Allocation (\$)	Allocation Percentage	Allocation (\$)
Grading	\$33,628.50	25.00%	\$8,407.13	26.97%	\$2,267.09	1.39%	\$31.49
Concrete							
Curb & Gutter w/Sidewalk	\$9,414.00	25.00%	\$2,353.50	26.97%	\$634.65	1.39%	\$8.81
Island Curb	\$10,026.00	25.00%	\$2,506.50	26.97%	\$675.91	1.39%	\$9.39
Driveover/Flush Curb w/ SW	\$77,994.00	25.00%	\$19,498.50	26.97%	\$5,258.02	1.39%	\$73.03
Driveway Approach	\$18,375.00	25.00%	\$4,593.75	26.97%	\$1,238.76	1.39%	\$17.21
Inline Handicap Ramp	\$6,000.00	25.00%	\$1,500.00	26.97%	\$404.49	1.39%	\$5.62
Truncated Domes	\$3,400.00	25.00%	\$850.00	26.97%	\$229.21	1.39%	\$3.18
Handicap Ramp w/ 4" Rock Cushion	\$42,750.00	25.00%	\$10,687.50	26.97%	\$2,882.02	1.39%	\$40.03
Subtotal	\$167,959.00		\$41,989.75		\$11,323.08		\$157.26
Paving							
Fine Grade	\$36,579.00	25.00%	\$9,144.75	26.97%	\$2,466.00	1.39%	\$34.25
3" AB for SW/CG	\$24,041.43	25.00%	\$6,010.36	26.97%	\$1,620.77	1.39%	\$22.51
4" AB for Streets	\$105,347.52	25.00%	\$26,336.88	26.97%	\$7,102.08	1.39%	\$98.64
2.5" AC Paving	\$219,474.00	25.00%	\$54,868.50	26.97%	\$14,796.00	1.39%	\$205.50
Demo AC	\$24,500.00	25.00%	\$6,125.00	26.97%	\$1,651.69	1.39%	\$22.94
Seal Coat (2-coat w/ sand)	\$24,873.32	25.00%	\$6,218.33	26.97%	\$1,676.85	1.39%	\$23.29
Subtotal	\$434,815.27		\$108,703.82		\$29,313.39		\$407.13
Street Lights							
Street Lights - 150 Watt	\$31,800.00	25.00%	\$7,950.00	26.97%	\$2,143.82	1.39%	\$29.78
Electric Meter for Irrigation/Lighting	\$4,800.00	25.00%	\$1,200.00	26.97%	\$323.60	1.39%	\$4.49
Subtotal	\$36,600.00		\$9,150.00		\$2,467.42		\$34.27
Storm Drain							
SD Manhole Std	\$31,500.00	99.00%	\$31,185.00	25.71%	\$8,019.00	1.39%	\$111.38
12" Cross Drain	\$27,200.00	99.00%	\$26,928.00	25.71%	\$6,924.34	1.39%	\$96.17
12" PVC/HDPE	\$55,134.00	99.00%	\$54,582.66	25.71%	\$14,035.54	1.39%	\$194.94
18" PVC/HDPE	\$8,784.00	99.00%	\$8,696.16	25.71%	\$2,236.16	1.39%	\$31.06
24" PVC/HDPE	\$25,416.80	99.00%	\$25,162.63	25.71%	\$6,470.39	1.39%	\$89.87
30" PVC/HDPE	\$34,320.00	99.00%	\$33,976.80	25.71%	\$8,736.89	1.39%	\$121.35
Bubblers	\$7,500.00	99.00%	\$7,425.00	25.71%	\$1,909.29	1.39%	\$26.52
Drain Inlets	\$29,250.00	99.00%	\$28,957.50	25.71%	\$7,446.21	1.39%	\$103.42
Vortech	\$75,000.00	99.00%	\$74,250.00	25.71%	\$19,092.86	1.39%	\$265.18
Storm Drain Pump Outfall	\$250,000.00	99.00%	\$247,500.00	25.71%	\$63,642.86	1.39%	\$883.93
Sediment Riser	\$8,000.00	99.00%	\$7,920.00	25.71%	\$2,036.57	1.39%	\$28.29
Subtotal	\$552,104.80		\$546,583.75		\$140,550.11		\$1,952.08
Sanitary Sewer							
SS Manholes	\$42,000.00	95.00%	\$39,900.00	26.18%	\$10,446.55	1.39%	\$145.09
6" VCP/SDR/PVC	\$41,477.75	95.00%	\$39,403.86	26.18%	\$10,316.65	1.39%	\$143.29
6" Main in Existing Street	\$70,380.00	95.00%	\$66,861.00	26.18%	\$17,505.43	1.39%	\$243.13
8" Main VCP/SDR/PVC	\$19,064.40	95.00%	\$18,111.18	26.18%	\$4,741.84	1.39%	\$65.86
12" Main	\$16,879.00	95.00%	\$16,035.05	26.18%	\$4,198.27	1.39%	\$58.31
12" DIP Main	\$2,400.00	95.00%	\$2,280.00	26.18%	\$596.95	1.39%	\$8.29
House Lateral (Mono Street)	\$0.00	95.00%	\$0.00	26.18%	\$0.00	1.39%	\$0.00
House Lateral (Pillsbury Road))	\$0.00	95.00%	\$0.00	26.18%	\$0.00	1.39%	\$0.00
Lift Station	\$200,000.00	95.00%	\$190,000.00	26.18%	\$49,745.45	1.39%	\$690.91
6" Force Main in Mono	\$43,750.00	95.00%	\$41,562.50	26.18%	\$10,881.82	1.39%	\$151.14
6" Force Main in Pillsbury	\$43,750.00	95.00%	\$41,562.50	26.18%	\$10,881.82	1.39%	\$151.14
Subtotal	\$479,701.15		\$455,716.09		\$119,314.76		\$1,657.15
Water							
FH Assembly including Bolt Ups	\$27,000.00	90.00%	\$24,300.00	26.18%	\$6,362.18	1.39%	\$88.36
4" Water Service	\$0.00	90.00%	\$0.00	26.18%	\$0.00	1.39%	\$0.00
8" Gate Valve	\$6,000.00	90.00%	\$5,400.00	26.18%	\$1,413.82	1.39%	\$19.64
12" Main	\$120,190.00	90.00%	\$108,171.00	26.18%	\$28,321.13	1.39%	\$393.35
12" Valves	\$17,100.00	90.00%	\$15,390.00	26.18%	\$4,029.38	1.39%	\$55.96
Blowoff	\$6,000.00	90.00%	\$5,400.00	26.18%	\$1,413.82	1.39%	\$19.64
2" Irrigation Service incl. Meter	\$7,600.00	90.00%	\$6,840.00	26.18%	\$1,790.84	1.39%	\$24.87
Backflow Preventer	\$6,400.00	90.00%	\$5,760.00	26.18%	\$1,508.07	1.39%	\$20.95
Remove existing 36"	\$35,000.00	90.00%	\$31,500.00	26.18%	\$8,247.27	1.39%	\$114.55
36" RGRP	\$166,920.00	90.00%	\$150,228.00	26.18%	\$39,332.42	1.39%	\$546.28
Irrigation Box	\$60,000.00	90.00%	\$54,000.00	26.18%	\$14,138.18	1.39%	\$196.36
Stilling Well	\$20,000.00	90.00%	\$18,000.00	26.18%	\$4,712.73	1.39%	\$65.45
Collar to Existing	\$6,000.00	90.00%	\$5,400.00	26.18%	\$1,413.82	1.39%	\$19.64
45 Degree Elbow	\$5,000.00	90.00%	\$4,500.00	26.18%	\$1,178.18	1.39%	\$16.36
30" Vent	\$14,000.00	90.00%	\$12,600.00	26.18%	\$3,298.91	1.39%	\$45.82
Subtotal	\$497,210.00		\$447,489.00		\$117,160.76		\$1,627.23
Reimbursements							
Park Reimbursement	(\$100,000.00)	100.00%	(\$100,000.00)	25.71%	(\$25,714.29)	1.39%	(\$357.14)
Subtotal	(\$100,000.00)		(\$100,000.00)		(\$25,714.29)		(\$357.14)

Parks & Landscaping							
Common Area	\$705,000.00	90.00%	\$634,500.00	25.71%	\$163,157.14	1.39%	\$2,266.07
Play Equipment	\$79,500.00	90.00%	\$71,550.00	25.71%	\$18,398.57	1.39%	\$255.54
Players	\$86,880.00	90.00%	\$78,192.00	25.71%	\$20,106.51	1.39%	\$279.26
Sleeves	\$27,000.00	90.00%	\$24,300.00	25.71%	\$6,248.57	1.39%	\$86.79
Low Volt Landscape Lighting	\$5,000.00	90.00%	\$4,500.00	25.71%	\$1,157.14	1.39%	\$16.07
Subtotal	\$903,380.00		\$813,042.00		\$209,067.94		\$2,903.72
Total Improvements							
	\$3,005,399		\$2,331,082		\$605,750		\$8,413
IMPACT FEES							
WQCF Phase 3 Completion Charge - Low Density			\$144,216		\$144,216	1.39%	\$2,003
Well Water PFIP Low Density			\$227,376		\$227,376	1.39%	\$3,158
Phase 3 Sewer Connection			\$285,192		\$285,192	1.39%	\$3,961
Water Meter Installation (5/8")			\$20,232		\$20,232	1.39%	\$281
Total Fees							
			\$677,016		\$677,016		\$9,403
TOTAL ALLOCATABLE AMOUNT (\$)							
			N/A		\$1,282,766		\$17,816
Legend:							
Phase No. 2 Allocation - Roads =	26.97%						
Phase No. 2 Allocation - Drainage =	25.71%						
Phase No. 2 Allocation - Water & Sewer =	26.18%						
Mono Street Allocation - Roads =	25.00%						
Mono Street Allocation - Sewer =	95.00%						
Mono Street Allocation - Storm Drain =	99.00%						
Mono Street Allocation - Water =	90.00%						
Landscaping Allocation =	90.00%						
Final Map Allocation, Per Lot (72 Lots) =	1.39%						

D. Conclusion

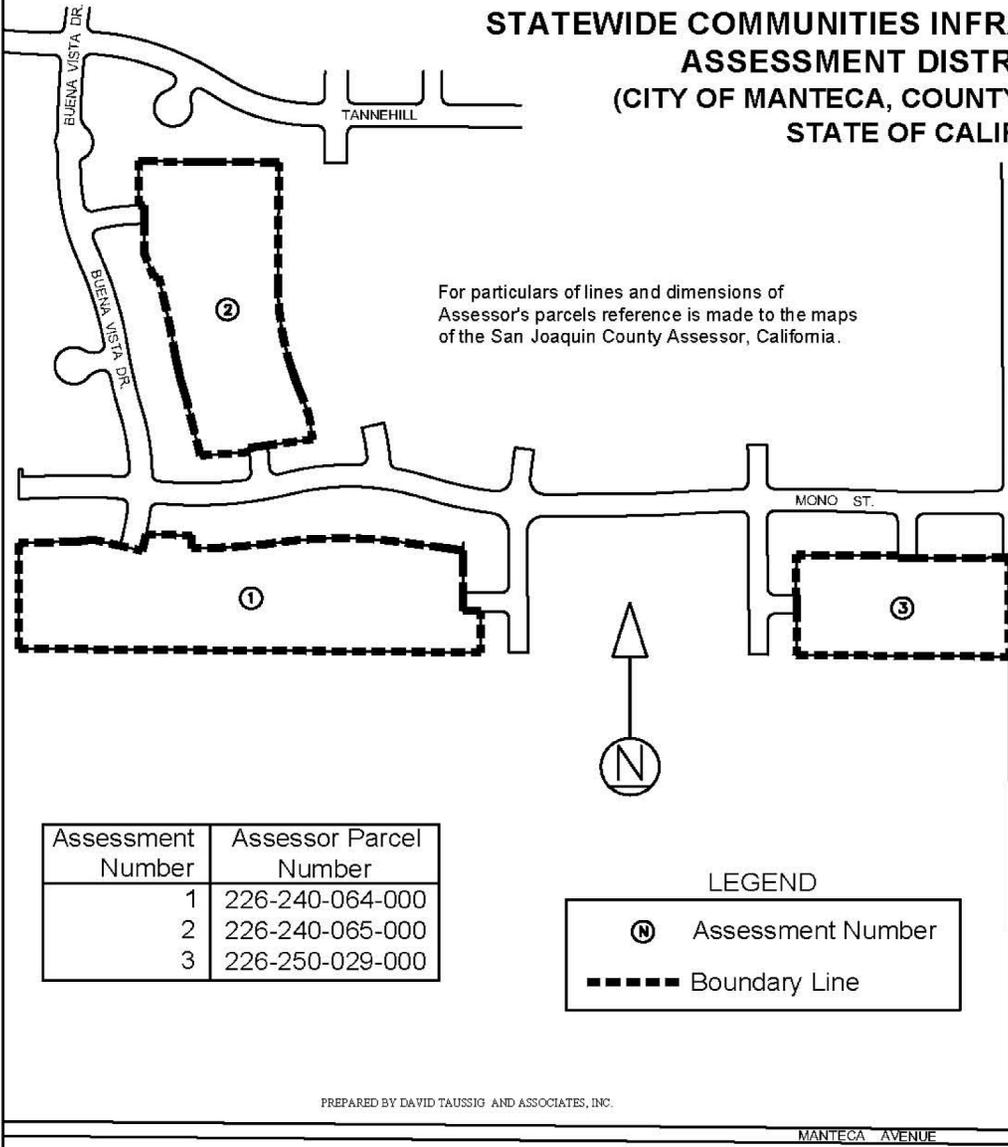
In conclusion, it is the Assessment Engineer's opinion that the assessments for the California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) are allocated in accordance with 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 XIID 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, has been filed and recorded at the County of San Joaquin Recorder's office (Document No: 2014-083064). 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.

SHEET 1 OF 1

**ASSESSMENT DIAGRAM
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITIES INFRASTRUCTURE PROGRAM
ASSESSMENT DISTRICT NO. 14-02
(CITY OF MANTECA, COUNTY OF SAN JOAQUIN)
STATE OF CALIFORNIA**



Filed this _____ day of _____, 201__, at the hour of ____ o'clock ____ m., in the book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Recorder of the County of San Joaquin, State of California.

By Deputy,
County Recorder, County of San Joaquin

Document No.: _____

Fee: _____

Filed in the office of the Secretary of the California Statewide Communities Development Authority on the _____ day of _____, 201__.

Secretary of the Authority
California Statewide Communities Development Authority

An assessment was levied by the Commission of the California Statewide Communities Development Authority on the lots, pieces and parcels of land shown on this assessment diagram. Said assessment was levied on the _____ day of _____, 201__; said assessment diagram and the assessment roll were recorded in the office of the Superintendent of Streets, of the California Statewide Communities Development Authority, on the _____ day of _____, 201__. Reference is made to the assessment roll recorded in the office of the Superintendent of Streets, for the exact amount of each assessment levied against each parcel of land shown on this diagram.

Secretary of the Authority
California Statewide Communities Development Authority

Recorded in the office of the Superintendent of Streets of the California Statewide Communities Development Authority on the _____ day of _____, 201__.

Superintendent of Streets of the
California Statewide Communities Development Authority

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. 14-02 (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. 14-02 (City of Manteca, County of San Joaquin, California) equals \$1,545,376.

The County of San Joaquin's assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) totals \$275,463.

One-half of the assessed value of the parcels within California Statewide Communities Development Authority (Statewide Communities Infrastructure Program) Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California) totals \$137,732.

The value-to-lien based on the County of San Joaquin's assessed value for all properties located in the District is 0.18 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. 14-02 (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.

[http://localhost:9010/resources/Clients/SCIP/Manteca \(Pillsbury Estates\) Phase II/Engineer's Report/CSCDA AD No. 14-02 \(San Joaquin County\) Engineer's Report Final \(09.03.2014\).docx](http://localhost:9010/resources/Clients/SCIP/Manteca%20(Pillsbury%20Estates)%20Phase%20II/Engineer's%20Report/CSCDA%20AD%20No.%2014-02%20(San%20Joaquin%20County)%20Engineer's%20Report%20Final%20(09.03.2014).docx)

Attachment 1

Assessment District No. 14-02
California Statewide Communities Development Authority
(Statewide Communities Infrastructure Program)
City of Manteca, County of San Joaquin
Orchard Park (Phase II)

Assessment Roll

(Please see Section VI)

DTA DAVID TAUSSIG
& ASSOCIATES

Public Finance
Public Private Partnerships
Urban Economics

2250 Hyde Street
5th Floor
San Francisco, CA 94109
Phone (800) 969-4382

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY APPROVING FINAL ENGINEER'S REPORTS, LEVYING ASSESSMENTS, ORDERING THE FINANCING OF SPECIFIED DEVELOPMENT IMPACT FEES AND CAPITAL IMPROVEMENTS, CONFIRMING THE AMOUNT OF UNPAID ASSESSMENTS, AND DIRECTING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), with this Commission (this "Commission") serving as the legislative body of the Authority; and

WHEREAS, this Commission has taken a series of actions pursuant to the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the "1913 Act") preliminary to ordering the financing of certain public capital improvements and of certain development impact fees, the proceeds of which will be used to pay the cost of other public capital improvements (the "Fees and Improvements"), in each case eligible to be funded under the 1913 Act, which development impact fees and capital improvements are described in the Final Engineer's Reports (as defined below) approved by this Resolution, said fees and capital improvements and related incidental expenses allocable thereto to be charged to the parcels of land with respect to which the Fees and Improvements are payable or are to be located, as applicable, in connection with the proposed development of said parcels of land which are situated within one of three assessment districts (the "Districts") to be designated as set forth in Exhibit A attached hereto and by this reference incorporated into this Resolution; and

WHEREAS, the program of the Authority providing for the financing of eligible development impact fees and capital improvements is commonly known as the "Statewide Community Infrastructure Program," or "SCIP;" and

WHEREAS, on August 7, 2014, this Commission approved the boundary maps for the Districts and adopted its Resolutions of Intention relating to the Districts, and such boundary maps were thereafter filed for record in the office of the County Recorders of the Counties in which the Districts are located; and

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on August 7, 2014, three separate reports containing the information regarding the Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

WHEREAS, this Commission, by three separate resolutions duly adopted on August 7, 2014 (the "Resolutions of Preliminary Approval"), corresponding to the three proposed Districts, preliminarily approved the reports, and fixed 10:00 a.m., or as soon thereafter as the matter might be heard, on October 9, 2014, at the offices of the League of California Cities, 1400 K Street, 3rd Floor, Sacramento, California, as the time and place for a public hearing with respect to the financing of the Fees and Improvements, to the extent of the Districts and to the levy of the assessments therein (the "Assessments"); and

WHEREAS, this Commission directed that notice of the public hearing and the related property owner assessment ballot procedure be given in the time, form and manner required by Article XIID of

the California Constitution (“Article XIID”), together with the property owner assessment ballots themselves; and

WHEREAS, there has been filed with the Authority three separate certificates setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

WHEREAS, this Commission hereby finds and determines that notices of public hearing and assessment ballot procedure and the property owner assessment ballots themselves have been mailed in the form and manner required by Article XIID; and

WHEREAS, said public hearing was duly convened by this Commission as a consolidated public hearing for all three of the Districts at said time and place specified in the notice of public hearing and was at such time continued to the date hereof, and this Commission has proceeded with said public hearing and duly heard all interested parties desiring to be heard at said public hearing on any aspect of any of the three proposed Districts; and

WHEREAS, having thereupon closed the public hearing, and the assessment ballots which had been returned having then been opened and tallied, and it having been determined that all of the assessment ballots which were returned were marked in support of the proposed levy of Assessments, this Commission hereby finds and determines that property owner assessment ballots cast against the levy of the Assessments did not exceed the property owner ballots cast in favor of the levy of the Assessments, with the assessment ballots weighted in proportion to the amount of the proposed Assessment for the parcel to which each such assessment ballot pertains; and

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports due to certain changes to some of the parcels in the Districts and the Fees and Improvements to be financed by the Assessments; and

WHEREAS, on the basis of the foregoing, the Engineer of Work has prepared and filed with the Authority for consideration three Final Engineer’s Reports relating to the Districts (the “Final Engineer’s Reports”); and

WHEREAS, this Commission has elected to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (the “1931 Act”), being Division 4 (commencing with Section 2800) of Streets and Highways Code of the State of California, and on the basis of the information included in each of the Final Engineer’s Reports, this Commission hereby finds and determines that the requirements of the 1931 Act are satisfied in the manner provided by subsection (d) of Section 2961 of said Part 7.5 of the 1931 Act; and

WHEREAS, there has been filed with the Authority a Consent and Waiver executed by each owner of each of the parcels upon which an Assessment is proposed to be levied or by an authorized representative of each owner, waiving any defect in the notice or procedure in the conduct of the public hearing and the assessment ballot procedure, waiving the entitlement to pay all or any part the Assessment in cash within the 30-day cash payment period, and consenting to any modifications made to the applicable Engineer’s Report between the preliminary approval thereof and approval of the Final Engineer’s Reports by this Resolution; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of the Assessments levied;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines.

Section 2. There having been no protest received (either written or oral) from any owner of any of the parcels of land upon which an Assessment is proposed to be levied, this Commission finds that there has not been a “majority protest,” as said term is defined by Article XIID, and this Commission hereby overrules any protests received, if any, whether written and oral, from any other person.

Section 3. This Commission hereby approves the Final Engineer’s Reports and the component parts thereof, including each exhibit incorporated by reference in the reports.

Section 4. This Commission hereby finds and determines that the requirements of the 1931 Act have been satisfied in the manner provided by Part 7.5 thereof, and this action shall be final as to all persons.

Section 5. This Commission hereby finds and determines that the Engineer of Work, in the Final Engineer’s Reports, has fairly and properly apportioned the cost of the financing of the Fees and Improvements to each parcel of land in the Districts in proportion to the estimated benefits to be received by each parcel, respectively, from the financing of the Fees and Improvements. This Commission hereby confirms and levies each individual Assessment as stated in the Final Engineer’s Reports.

Section 6. This Commission hereby orders the financing of the Fees and Improvements as detailed in the Final Engineer’s Reports.

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, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 8. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the Program Administrator a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer’s Report between the preliminary approval thereof on August 7, 2014, and the approval of the Final Engineer’s Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30-day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount equal to the Assessments levied.

Section 9. The Program Administrator is hereby authorized and directed to prepare the auditors record for each of the Districts, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which the applicable District is located. The assessment installments for the initial series of bonds issued for the Districts shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 10. The Program Administrator is hereby directed to record the Final Engineer’s Report with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer’s Reports and notices of assessment in the office of the County

Recorders of the Counties within which the Districts are located in the time, form and manner as required by law.

Section 11. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Assessment/Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-03 (City of Rocklin, County of Placer, California)	\$312,198
Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California)	\$1,545,376
Statewide Community Infrastructure Program Assessment District No. 14-03 (City of San Diego, County of San Diego, California)	\$4,784,788

RESOLUTION NO. _____

RESOLUTION OF THE COMMISSION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY PROVIDING FOR THE ISSUANCE OF THREE SEPARATE SERIES OF STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT AND AUTHORIZING CHANGES THERETO AND EXECUTION THEREOF; AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION OF RELATED DOCUMENTS TO IMPLEMENT THE PROPOSED FINANCING PROGRAM

WHEREAS, the California Statewide Communities Development Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), with this Commission (this “Commission”) serving as the legislative body of the Authority; and

WHEREAS, this Commission, on August 7, 2014, adopted its Resolutions of Intention (the “Resolutions of Intention”) relating to the financing of certain development impact fees and capital improvements in three assessment districts (collectively, the “Districts”) designated by the names set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the Resolutions of Intention were adopted pursuant to the provisions of the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) and provided that serial and/or term bonds to represent unpaid assessments (the “Assessments”) would be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the “1915 Act”), reference being hereby made to the Resolutions of Intention for further particulars of such bonds; and

WHEREAS, the written engineer’s reports relating to the proposed Districts (in their final form, the “Engineer’s Reports”) were thereafter duly prepared and filed with the Authority, and after a hearing duly noticed and held, the Assessments have been confirmed, levied and approved by resolution adopted by this Commission on the date hereof; and

WHEREAS, the assessment diagrams and related notices of assessment have been authorized to be duly recorded in the office of the Secretary of the Authority, who is authorized to act as Superintendent of Streets with respect to the Districts, and the assessment diagrams and related notices of assessment shall be recorded in the offices of the County Recorders of the Counties in which the Districts are located, all in the time, form and manner required by law; and

WHEREAS, the Assessments have been levied in the total amounts set forth in Exhibit A to this Resolution upon the several subdivisions of land in the Districts in proportion to the estimated benefits to be received by such subdivisions, respectively, from the payment of certain development impact fees and from certain public capital improvements, as shown in the Engineer’s Reports; and

WHEREAS, the owners of all of the property which has been assessed in the Districts or the authorized representatives of such owners have executed and filed Consent and Waiver forms, by which, among other things, such owners have waived their rights to pay all or any part of their respective Assessments in cash and have further waived mailed notice of the Assessments; and

WHEREAS, on the basis of the executed Consent and Waiver forms on file with the Authority, in which each owner of each parcel on which an Assessment is proposed to be levied has waived the

entitlement to pay all or any portion of such Assessment levied upon the such parcel in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of such Assessment, the Authority has confirmed that the amount of unpaid Assessments is equal to the full amount of Assessments levied, as set forth in Exhibit A to this Resolution, and this Commission hereby finds and determines that the total of unpaid Assessments for each of the Districts is as set forth in Exhibit A to this Resolution; and

WHEREAS, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue three separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, with one of the separate series relating to each of the Districts (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), by and between the Authority and Wells Fargo Bank, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount equal to the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission has determined to authorize and issue its Statewide Community Infrastructure Program Revenue Bonds, Series 2014B (the "Revenue Bonds") pursuant to the same Trust Agreement; and

WHEREAS, the Authority has authorized the issuance of and sale of the Revenue Bonds to RBC Capital Markets LLC, as underwriter (the "Underwriter"), with the net proceeds of sale thereof (after funding a reserve fund and payment of costs of issuance) to be utilized by the Trustee to acquire the Local Obligations; and

WHEREAS, in furtherance of implementing the issuance of the Local Obligations as described above, there has been filed with the Secretary of the Authority, for consideration and approval by this Commission, the form of the Trust Agreement, under the terms of which, among other things, the Local Obligations are to be issued; and

WHEREAS, being fully advised in the matter of the Program, this Commission wishes to approve the financing as described above;

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

Section 1. The foregoing recitals are true and correct, and this Commission so finds and determines. This Resolution is adopted in accordance with the "SCIP Manual of Procedures" adopted by this Commission, as it may be amended from time to time.

Section 2. This Commission has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Local Obligations as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized pursuant to each and every requirement of law to issue the Local Obligations.

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the 1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount equal to the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed 12%, and shall be known as the "California Statewide

Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to Resolution No. 14R-4 of the Authority, adopted on February 6, 2014 (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Treasurer of the Authority is hereby authorized and directed to execute each of the Local Obligations on behalf of the Authority, manually or by use of engraved, printed or lithographed facsimile signature. Such signing as herein provided shall be a sufficient and binding execution of the Local Obligations by the Authority, without the necessity of a seal. In case the person whose signature appears on the Local Obligations shall cease to be such officer before the delivery of the Local Obligations to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such person had remained in office until the delivery of the Local Obligations. Only such of the Local Obligations as shall bear thereon a certificate of registration and authentication in the form set forth in the Trust Agreement, executed and dated by any Authorized Signatory, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Local Obligations so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 6. 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, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Commission of the California Statewide Communities Development Authority this October 9, 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A

District Name (County)	Local Obligation Amount
Statewide Community Infrastructure Program Assessment District No. 14-03 (City of Rocklin, County of Placer, California)	per Engineer's Report, not to exceed \$312,198
Statewide Community Infrastructure Program Assessment District No. 14-02 (City of Manteca, County of San Joaquin, California)	per Engineer's Report, not to exceed \$1,545,376
Statewide Community Infrastructure Program Assessment District No. 14-03 (City of San Diego, County of San Diego, California)	per Engineer's Report, not to exceed \$4,784,788

Item VIII

Consideration of a resolution authorizing issuance of limited obligation improvement bonds not to exceed \$50 million for the CaliforniaFIRST Commercial program. (Staff: Caitlin Lanctot)

Item IX

Consideration of David Taussig & Associates fee schedule as assessment engineer to the Commercial PACE Program. (Staff: Caitlin Lanctot)

Item X

Consideration of CaliforniaFIRST program changes. (Staff: Caitlin Lanctot)

Item XI

Residential PACE program update.

EXECUTIVE DIRECTOR APPROVAL

DATE: OCTOBER 9, 2014

CSSCDA PROGRAM: CALIFORNIAFIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

PURPOSE:

- I. CONSIDERATION OF RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS FOR THE CALIFORNIAFIRST COMMERCIAL PROGRAM
- II. CONSIDERATION OF DAVID TAUSSIG & ASSOCIATES FEE SCHEDULE AS ASSESSMENT ENGINEER TO THE COMMERCIAL PACE PROGRAM
- III. CONSIDERATION OF CALIFORNIAFIRST PROGRAM CHANGES
- IV. RESIDENTIAL PACE PROGRAM UPDATE

Executive Director Recommendation:

The CSCDA Executive Director recommends approval of the Resolution authorizing the issuance of limited obligation improvement bonds for the CaliforniaFIRST commercial program, approval of the David Taussig fee proposal, and approval of the proposed program changes.

Attachments:

1. Information Report
2. Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Relations Documents and Actions
 - a. Indenture
3. David Taussig Fee Schedule

INFORMATION REPORT

DATE: OCTOBER 9, 2014

CSSCDA PROGRAM: CALIFORNIAFIRST – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

PURPOSE:

- I. CONSIDERATION OF RESOLUTION AUTHORIZING ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS FOR THE CALIFORNIAFIRST COMMERCIAL PROGRAM
- II. CONSIDERATION OF DAVID TAUSSIG & ASSOCIATES FEE SCHEDULE AS ASSESSMENT ENGINEER TO THE COMMERCIAL PACE PROGRAM
- III. CONSIDERATION OF CALIFORNIAFIRST PROGRAM CHANGES
- IV. RESIDENTIAL PACE PROGRAM UPDATE

Background:

CSCDA established CaliforniaFIRST, a multi-jurisdiction Property Assessed Clean Energy (“PACE”) program, in 2008. PACE is a financing tool that allows property owners to secure upfront funding for energy and water-saving improvements, which they repay through a voluntary contractual assessment lien on their property tax bill. The Commission is being asked to consider three items for the CaliforniaFIRST program: 1. A Resolution authorizing the issuance of limited obligations for the Commercial PACE program, 2. A fee schedule for David Taussig & Associates as the assessment engineer; and 3. Various program changes.

Discussion:

Commercial Resolution - The CaliforniaFIRST Commercial PACE program has been operational since September 2012 and the first bonds issued for commercial projects occurred in December 2013. As the Commercial PACE program has gained traction and AB1883 has introduced improvements to the law, the program expects the number and frequency of commercial projects utilizing PACE to increase substantially. It is recommend that CSCDA align the Commercial PACE Program more closely to the Residential PACE Program where by the Commission approves the issuance of bonds up to a maximum aggregate principal amount rather than requiring approval at each issuance.

The “Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Relations Documents and Actions” requests Commission approve an initial aggregate amount of issuance as well as approve of the form of indenture document to support financing under the CaliforniaFIRST Program. Initially, the aggregate principal amount of the indentures is not to exceed \$50,000,000 subject to a single series maximum principal amount of \$10,000,000. Additional Resolutions may be approved quarterly or on an as needed basis to extend the financing amount or accept changes to the indenture documents.

Fee schedule – On June 12, 2014 the Commission adopted an Agreement for Consulting Services with David Taussig & Associates in order to facilitate coordinated special tax administration across the CaliforniaFIRST program. On that date a Scope of Work and Fee Schedule were adopted for the residential PACE program. It is requested that the Commission approve the updated Scope of Work and Fee Schedule for the residential and commercial programs for special tax administrator services provided by David Taussig.

Program changes – Since the implementation of the residential PACE program in May 2014, the Program Administrator has highlighted four amendments to be made to the program handbook and consumer facing documents. It is requested that the Commission allow for the following updates to be made:

1. Permit the reamortization of an assessment after a partial prepayment. Currently, the policy is silent on partial prepayments and this will allow the Administrator to publicize the reamortization option. Permitting the property owner to reamortize their assessment after a partial prepayment will help lower the annual payment.
2. Extend the maximum term for eligible products beyond 20 years. Currently, the Program policy limits the term of assessments to 20 years. Extending maximum term for assessment contracts that finance equipment with an effective useful life will help lower the annual payment substantially to property owners. In particular, there is evidence that solar PV systems and other equipment have a useful life well beyond the 20 year mark. Prior to permitting an extended term, the Administrator would ensure third party evidence validated the effective useful life.
3. Permit a 30-day extension for solar PV installations that have reached the maximum 120-day period from origination to funding. Currently, the documents limit the period from PACE Assessment origination to funding to 120 days. Permitting a 30-day extension for solar PV installations will help support up to 10% of solar PV installations that require more than 120 days. In addition, this would be consistent with how solar PPA and lease partners handle solar PV installations that require extensions with their tax equity funds. Any solar PV installations that received the 30-day extension would be required to sign an extension form.
4. Increase the eligible assessment amount to 15% of the property value. Currently, the Program policy limits the assessments amount to the lesser of a) \$200,000 or b) 10% of the property value. Extending the assessment amount from 10% to 15% of the property value will ensure that CaliforniaFIRST is an attractive option in the market, especially for solar PV installations that tend to be more costly. In addition, this amendment would be consistent with AB 2597, which will change the PACE Loss reserve criteria from 10% of property value to 15% of the property value. This policy change would not be implemented until AB 2597 becomes law, which would be in January of 2015.

The changes came as a result of feedback from contractors and consumers and it is believed that it will improve our California FIRST PACE financing product. If approved, clarifying language would be added to all program and consumer facing documents.

Program Update:

The California FIRST Residential PACE program was rolled out over the summer and now is fully launched in the original 17 counties as of September 2, 2014. With over 50% of program activity occurring in the past 4 weeks, the program is on an exciting trajectory. Key highlights about program include:

- There are over 160 approved contractors in the program and an additional 200 are in the process of enrolling.
- Over 600 applications have been received representing over \$12.8 M in value
- The average assessment amount is \$19,500.
- Fundings have occurred in 10 of the 17 counties.
- As of October 9, 37 assessment contracts representing \$737K in value have been funded through bond issuances.
- There have been 19 bonds issued with an average bond size of \$38K. The program has issued bonds for 12 weeks and the average weekly issuance amount is \$60K.

The program will expand, which will further bolster volume. The statewide validation was filed in Sacramento Superior Court in July 2014 with the expectation that the judicial process will be concluded by December. There has been on-going recruitment of local governments into the program and expect to be operational in additional jurisdictions in January 2015.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING ISSUANCE OF LIMITED
OBLIGATION IMPROVEMENT BONDS, APPROVING AND
DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND
APPROVING RELATED DOCUMENTS AND ACTIONS**

17 INITIAL PROGRAMS

WHEREAS, under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"), this Commission of the California Statewide Communities Development Authority (the "Authority") has previously adopted the resolutions shown in Exhibit A for the counties therein listed (each, a "County," and collectively, the "Counties"), each entitled "Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements" (collectively, the "Resolutions of Intention"), to initiate proceedings under the Act in and for the territory within each County (a "Program Area") to establish a CaliforniaFIRST program (each, a "Program"), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolutions of Intention; and

WHEREAS, by the Resolutions of Intention, this Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "Bond Law") and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons could object to or inquire about the proposed Program within each Program Area or any of its particulars, this Commission adopted the resolutions listed in Exhibit B for the Counties, each entitled "Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters" (collectively, the "Initial Resolutions Confirming Program Report"), pursuant to which this Commission, among other things, (i) confirmed and approved a report for each Program (the "Initial Program Report") addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established a Program, and (iii) authorized Authorized Signatories (as defined herein) to execute agreements ("Assessment Contracts") with the owners of property in the respective Program Areas to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, this Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted prior to January 1, 2011, to conform to the requirements of Assembly Bill 44 and Senate Bill 1340 (which amended the Act and became effective under California law on January 1, 2011) by adopting the resolutions listed in Exhibit C for the affected Programs (as amended, the "Updated Resolutions Confirming Program Report;" such Programs are referred to herein as the "Initial 14 Programs") and thereby also amended and restated the related Initial Program Reports (each as amended and restated, an "Updated Program Report"); and

WHEREAS, this Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted after January 1, 2011, and the Updated Resolutions Confirming Program Report in order to implement certain policy changes by adopting Resolution No. 14R-23 entitled “Resolution Approving Modifications to the CaliforniaFIRST Program Policies; Approving Conforming Modifications to the Program Report; and Order Other Related Matters” (collectively as amended, the “Resolution Confirming Program Report”) and thereby also amended and restated the Initial Program Reports that were adopted after January 1, 2011, and Updated Program Reports (each as amended and restated, a “Program Report”); pursuant to the Resolution Confirming Program Report, this Commission, among other things, confirmed and approved reports that, as subsequently amended, addressed all the matters set forth in Sections 5898.22 and 5898.23 of the Act, including a form of assessment contract between the Authority and property owners participating in the CaliforniaFIRST Program providing for payment of contractual assessments; and

WHEREAS, under the Act and the Bond Law, this Commission adopted the resolutions listed in Exhibit D for each Program, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (the “Original Resolutions of Issuance”), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the respective Program Area under the Act and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and a stand-alone indenture and authorized the execution thereof; and

WHEREAS, it is contemplated that this Commission may adopt resolutions from time to time authorizing the issuance of bonds in one or more series in accordance with related stand-alone indentures, and approving the execution of such indentures; and

WHEREAS, this Commission wishes to authorize the Authority to enter into one or more stand-alone indentures, from time to time, with Wilmington Trust, National Association, as trustee, substantially in the form on file with the Secretary (each, an “Indenture”) and issue bonds in one or more series (collectively, “Bonds”) in an aggregate principal amount not to exceed \$50,000,000, subject to a single-series maximum principal amount of \$10,000,000; and

WHEREAS, on August 17, 2012, in connection with the Initial 14 Programs, the Superior Court of the County of Sacramento filed a default judgment in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ “CaliforniaFIRST” Property Assessed Clean Energy (“PACE”) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2012-00121447, pursuant to which, among other things, the court ordered that all persons are thereby permanently enjoined and restrained from the institution of any action or proceeding challenging, inter alia, the validity of the contractual assessments and forms of the assessment contract and the bonds authorized pursuant to the related Original Resolutions of Issuance, including the Bonds; and

WHEREAS, on March 4, 2014, in connection with the three Programs that were added after the Initial 14 Programs, the Superior Court of the County of Sacramento filed a default judgment in the validation action entitled “California Statewide Communities Development Authority v. All Persons Interested in the Matter of California Communities’ ‘CaliforniaFIRST’ Property Assessed Clean Energy (‘PACE’) Program Established in Certain Counties and Cities, Including the Adoption of Resolutions and the Authorization of the Matters Therein, and all

Bonds, Contracts, Contractual Assessments, and other Matters and Proceedings Related Thereto,” Case No. 34-2013-00153863, pursuant to which, among other things, the court ordered that all persons are thereby permanently enjoined and restrained from the institution of any action or proceeding challenging, inter alia, the validity of the contractual assessments and forms of the assessment contract and the bonds pursuant to the related Original Resolutions of Issuance, including the Bonds; and

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 the Act and the Bond Law;

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

1. Pursuant to the Bond Law and the Original Resolutions of Issuance as supplemented by this Resolution, one or more series of Bonds are hereby authorized to be issued from time to time (with each series of Bonds issued pursuant to a separate Indenture) in an aggregate principal amount not to exceed \$50,000,000, subject to a single series maximum principal amount of \$10,000,000. The Bonds of each series shall be executed in the form, mature, and be payable in the priorities and bear interest at the rates as provided in the related Indenture. The Commission finds that the issuance of the Bonds complies with the Act, Bond Law and Original Resolutions of Issuance.

2. The Commission hereby approves the Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of this Commission), in connection with the issuance of a series of Bonds, and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Indenture for and in the name of the Authority for each series of Bonds. This Commission hereby authorizes the delivery and performance of the Indentures for the Bonds.

3. The Bonds will be limited obligation bonds payable from revenues paid by owners of non-residential property (including residential property containing four or more units) that voluntarily elect to participate in a Program pursuant to assessment contracts between the property owners and Authority. The Commission hereby approves the form of assessment contract entitled “Agreement to Pay Assessment and Finance Improvements” (the “Assessment Contract”) in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of the Authority (as designated by a current resolution of the Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. The Commission hereby authorizes and directs an Authorized Signatory to execute the Assessment Contracts for and in the name of the Authority in connection with the issuance of the Bonds. The Commission hereby authorizes the delivery and performance of the Assessment Contracts in connection with the Bonds.

4. Each Authorized Signatory of the Authority is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and direct recordation with the applicable County recorder of a Payment of Contractual Assessment Required (pursuant to Section 5898.24(d)(1) of the Act) and Notice of Assessment (pursuant to Section 5898.32 of the

Act) related to each Assessment Contract and do any and all other things and take any and all other actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

4. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 9th day of October 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 October 9, 2014.

By: _____
Authorized Signatory
California Statewide
Communities Development
Authority

EXHIBIT A

RESOLUTIONS OF INTENTION

County	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

EXHIBIT B

INITIAL RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

EXHIBIT C

UPDATED RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

EXHIBIT D

ORIGINAL RESOLUTIONS OF ISSUANCE

County	Resolution of Issuance #	Date
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

INDENTURE

between

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee**

Dated as of _____ 1, 20__

Relating to:

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CaliforniaFIRST
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 20__-NR__**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS	
Section 1.01. Authority for this Indenture.....	3
Section 1.02. Definitions	3
Section 1.03. Interpretation	9
Section 1.04. Indenture Constitutes Contract	10
ARTICLE II THE BONDS	
Section 2.01. Bonds Authorized	11
Section 2.02. Payment of Principal of and interest on the Bonds	11
Section 2.03. Redemption	12
Section 2.04. Execution of Bonds.....	14
Section 2.05. Transfer of Bonds.....	15
Section 2.06. Exchange of Bonds	15
Section 2.07. Bond Register.....	15
Section 2.08. Temporary Bonds.....	16
Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen.....	16
Section 2.10. Reserved.....	16
ARTICLE III	
Section 3.01. Security for the Bonds; Pledge of Assessments and Funds.....	17
Section 3.02. Limited Obligation.....	17
Section 3.03. No Parity Debt	17
Section 3.04. No Acceleration	17
Section 3.05. Refunding of Bonds.....	17
Section 3.06. Agreement for Benefit of Bond Owners	18
ARTICLE IV FUNDS AND ACCOUNTS	
Section 4.01. Redemption Fund.....	19
Section 4.02. Program Fund	20
Section 4.03. Administrative Expense Fund	20
Section 4.04. Costs of Issuance Fund.....	21
Section 4.05. Reserved.....	21
ARTICLE V COVENANTS OF THE AUTHORITY	
Section 5.01. Collection of Assessments.....	22
Section 5.02. Foreclosure	22
Section 5.03. Punctual Payment	23
Section 5.04. Extension of Time for Payment.....	23
Section 5.05. Against Encumbrance	23
Section 5.06. Books and Accounts.....	23
Section 5.07. Protection of Security and Rights of Owners	23
Section 5.08. Compliance with Law; Completion of Project.....	23
Section 5.09. Further Assurances	23
Section 5.10. Reserved.....	23
ARTICLE VI INVESTMENTS; LIABILITY OF THE AUTHORITY	
Section 6.01. Deposit and Investment of Moneys in Funds	24
Section 6.02. Limited Liability of Authority	24

Section 6.03. Employment of Agents by Authority	24
ARTICLE VII THE TRUSTEE	
Section 7.01. Appointment of Trustee	26
Section 7.02. Liability of Trustee	27
Section 7.03. Information; Books and Accounts	28
Section 7.04. Notice to Trustee	29
Section 7.05. Compensation; Indemnification.....	29
Section 7.06. Trustee as Owner	29
ARTICLE VIII MODIFICATION OR AMENDMENT OF THE INDENTURE	
Section 8.01. Conditions for Amendment	30
Section 8.02. Procedure for Amendment with Written Consent of Owners	31
Section 8.03. Disqualified Bonds.....	32
Section 8.04. Effect of Supplemental Agreement	32
Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment	32
Section 8.06. Amendatory Endorsement of Bonds	32
Section 8.07. Execution of Supplemental Agreement.....	32
ARTICLE IX EVENTS OF DEFAULT; REMEDIES	
Section 9.01. Events of Default	34
Section 9.02. Remedies of Owners	34
ARTICLE X MISCELLANEOUS	
Section 10.01. Discharge of Indenture	36
Section 10.02. Benefits of Agreement Limited to Parties.....	36
Section 10.03. Successor is Deemed Included in All Reference to Predecessor.....	37
Section 10.04. Execution of Documents and Proof of Ownership by Owners	37
Section 10.05. Waiver of Personal Liability	37
Section 10.06. Notices to and Demand on Authority and Trustee	37
Section 10.07. Partial Invalidity	38
Section 10.08. Unclaimed Moneys	38
Section 10.09. Applicable Law	38
Section 10.10. Conclusive Evidence of Regularity	38
Section 10.11. Payment on Business Day.....	38
Section 10.12. Counterparts.....	39
Exhibit A	List of Participating Parcel(s)
Exhibit B	Form of Transfer Letter
Exhibit C	Form of Bond
Exhibit D	Resolutions of Intention
Exhibit E	Initial Resolutions Confirming Program Report
Exhibit F	Updated Resolutions Confirming Program Report
Exhibit G	Original Resolutions of Issuance

INDENTURE

THIS INDENTURE (this “**Indenture**”) is made and entered into as of _____ 1, 20__, between the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (the “**Authority**”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (the “**Trustee**”).

BACKGROUND:

WHEREAS, the Authority is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “**Act**”) pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, the Commission of the Authority (the “**Commission**”) previously adopted the resolutions shown in Exhibit D for the counties therein listed (each, a “**County**,” and collectively, the “**Counties**”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “**Resolutions of Intention**”), to initiate proceedings under the Act in and for the territory within each County (a “**Program Area**”) to establish a CaliforniaFIRST program (the “**Program**”), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolutions of Intention; and

WHEREAS, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “**Bond Law**”) and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within each Program Area or any of its particulars, the Commission adopted the resolutions listed in Exhibit E for the Counties, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “**Initial Resolutions Confirming Program Report**”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (the “**Initial Program Report**”) addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements with the owners of property in the respective Program Areas to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, the Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted prior to January 1, 2011, to conform to the requirements of

Assembly Bill 44 and Senate Bill 1340 (which amended the Act and became effective under California law on January 1, 2011) by adopting the resolutions listed in Exhibit F for the related Counties (as amended, the “**Updated Resolutions Confirming Program Report**”) and thereby also amended and restated the related Initial Program Reports (each as amended and restated, an “**Updated Program Report**”); and

WHEREAS, the Commission subsequently amended the Initial Resolutions Confirming Program Report that were adopted after January 1, 2011, and the Updated Resolutions Confirming Program Report in order to implement certain policy changes by adopting a resolution on May 22, 2014, entitled “Resolution Approving Modifications to the CaliforniaFIRST Program Policies; Approving Conforming Modifications to the Program Report; and Order Other Related Matters” (collectively as amended, the “**Resolutions Confirming Program Report**”), and thereby also amended and restated the Initial Program Reports that were adopted after January 1, 2011, and Updated Program Reports (collectively as amended and restated, the “**Program Report**”); pursuant to the Resolutions Confirming Program Report, the Commission, among other things, confirmed and approved a report that, as subsequently amended, addressed all the matters set forth in Sections 5898.22 and 5898.23 of the Act, including a form of assessment contract between the Authority and property owners participating in the CaliforniaFIRST Program providing for payment of contractual assessments; and

WHEREAS, under the Act and the Bond Law, the Commission adopted the resolutions listed in Exhibit G for the Counties, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (each, an “**Original Resolution of Issuance**”; collectively, the “**Original Resolutions of Issuance**”), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the respective Program Areas under the Act and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, it is in the public interest and for the benefit of the Authority and the owners of the Bonds (as defined herein) that the Authority enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the Assessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, the Authority has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Law, the relevant Original Resolutions of Issuance, as amended and supplemented by the Supplemental Resolution of Issuance (as defined in this Indenture) and this Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Indenture. This Indenture is entered into under the Act, the Bond Law and the Resolution of Issuance.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Accredited Investor” means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended,

“Act” has the meaning given to it in the recitals hereto.

“Administrative Expense Fund” means the fund designated “California Statewide Communities Development Authority, CaliforniaFIRST, Limited Obligation Improvement Bonds, Series 20__-NR__, Administrative Expense Fund,” established and administered pursuant to Section 4.03.

“Administrative Expenses” means costs directly related to the administration of the Program, as determined by the Authority in its sole discretion, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of the Authority or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a County or otherwise); the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of the Authority or its designee of complying with the disclosure provisions of the Act, the Bond Law, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of the Authority or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of the Authority staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the Authority for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments.

“Assessment” or “Assessments” means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), but excludes Penalties and Interest.

“Assessment Contract” means the contract between the Authority and the owner(s) of the Participating Parcel(s) pursuant to which the owner(s) agrees to pay Assessments and the Authority agrees to finance the installation of Improvements on the Participating Parcel.

“Auditor” means the auditor/controller or tax collector of the County in which the Participating Parcel is located, or such other official of the County who is responsible for preparing real property tax bills.

“Authority” means the California Statewide Communities Development Authority, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

“Authority Counsel” means the general counsel of the Authority or designated counsel to the Authority with respect to the Bonds.

“Authorized Denominations” means the entire principal amount of the Outstanding Bonds.

“Authorized Officer” means an Authorized Signatory as designated by a resolution of the Commission of the Authority.

“Bond” or **“Bonds”** means the “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__” entitled authorized, executed and delivered under this Indenture.

“Bond Counsel” means Jones Hall, A Professional Law Corporation, and its successors, and any other attorney or firm of bond counsel selected by the Authority.

“Bond Law” means the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code.

“Bond Register” means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

“Bond Year” means, with respect to the Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of the Bonds and end on the next September 2, and (ii) the last Bond Year may end on a prior redemption date.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

“Capitalized Interest Account” means the account of that name established in the Redemption Fund and administered under Section 4.01.

“Commission” has the meaning given to it in the recitals hereto.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financing advisors, accounting firms, consultants and other professionals; fees and charges for

preparation, execution and safekeeping of the Bonds; and any cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the Costs of Issuance Fund established and administered pursuant to Section 4.04 of this Indenture.

“County” has the meaning given to it in the recitals hereto.

“Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds and the Sinking Fund Payments due in such Bond Year.

“Event of Default” means any event described as an Event of Default in Section 9.01.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

(a) direct obligations of the Export-Import Bank,

(b) certificates of beneficial ownership issued by the Farmers Home Administration,

(c) participation certificates issued by the General Services Administration

(d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,

(e) project notes issued by the United States Department of Housing and Urban Development, and

(f) public housing notes and bonds guaranteed by the United States of America.

“Improvements” means the distributed generation renewable energy, energy efficiency and water efficiency improvements to be installed on the Participating Parcel(s) pursuant to the Assessment Contacts.

“Indenture” means this Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture executed under the provisions of the Indenture.

“Interest Payment Dates” means March 2 and September 2 of each year, commencing on _____ 2, 20__.

“Non-Completion Assessment” means an Assessment collected from the owner of the Participating Parcel(s) resulting from failure to install the Improvements or otherwise comply with requirements of the Authority.

“Officer’s Certificate” or **“Certificate of the Authority”** means a written certificate of the Authority signed by an Authorized Officer of the Authority.

“Original Resolutions of Issuance” has the meaning given to it in the recitals hereto.

“Outstanding” when used as of any particular time with reference to the Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

- (i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Article X;
- (iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the Authority pursuant to the Indenture.

“Owner” or **“Bond Owner”** means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

“Participating Parcel(s)” means the parcel(s) within a Program Area that is (are) subject to the lien of an Assessment pursuant to an Assessment Contract; a list of the Participating Parcel(s) is set forth on Exhibit A.

“Penalties and Interest” means any (i) penalties on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract and (ii) interest on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract in excess of the interest rate of the Bonds.

“Penalties and Interest Account” means the account within the Redemption Fund and designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__, Penalties and Interest Account,” established and administered under Section 4.01 hereof.

“Permitted Investments” means any of the following:

- (a) Federal Securities.
- (b) Federal Housing Administration debentures.
- (c) Unsecured certificates of deposit, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, interest-bearing money market accounts, and bankers’ acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee

and its affiliates) the short-term obligations of which are rated "A-1" or better by S&P.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million (including those of the Trustee and its affiliates).

(e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(f) State Obligations, which means

(i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in a money market mutual fund rated AAAM or AAAM-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

"Prepayment Account" means the account within the Redemption Fund and designated "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__, Prepayment Account," established and administered under Section 4.01 hereof.

"Prepayments" means Non-Completion Assessments or prepayments of Assessments received by the Authority, less any administrative fees or penalties collected as part of any such Non-Completion Assessment or prepayment of Assessments.

"Principal Office" means the corporate trust office of the Trustee in Costa Mesa, California, located at such address as will be specified in a written notice by the Trustee to the Authority under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

"Program Area" has the meaning given to it in the recitals hereto.

"Program Fund" means the fund designated "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__, Program Fund" established and administered under Section 4.02.

"Program Manager" means the official of the Authority designated as the program manager of the Program from time to time.

"Program Report" has the meaning given to it in the recitals hereto.

“Record Date” means the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

“Redemption Fund” means the fund designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__, Redemption Fund,” established and administered under Section 4.01.

“Resolution of Issuance” means the Supplemental Resolution of Issuance, as it supplements and amends any Original Resolutions of Issuance.

“Sinking Fund Payments” means amounts to be paid by the Authority with respect to any Term Bonds.

“Supplemental Indenture” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Commission under the Bond Law and which agreement is amendatory of or supplemental to this Indenture (as previously amended or supplemented), but only if and to the extent that such agreement is specifically authorized hereunder.

“Supplemental Resolution of Issuance” means the resolution entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents, and Approving Related Documents and Actions,” adopted by the Commission on October 9, 2014.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“Term Bonds” means Bonds which are payable on or before their specified maturity dates from Sinking Fund Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Trustee” means Wilmington Trust, National Association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

ARTICLE II
THE BONDS

Section 2.01. Bonds Authorized.

(A) Authorized Bonds. The Authority hereby authorizes the issuance of bonds designated the "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR__," in the original principal amount of \$_____.

(B) Maturity; Interest Rate. The Bonds will be dated their date of issuance, issued in fully registered form without coupons in Authorized Denominations, and mature on the date shown in the form of Bond attached as Exhibit C hereto.

(C) Proceeds of the Bonds. Upon the receipt of payment for the Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Bonds), as follows:

(i) \$_____ to the Capitalized Interest Account of the Redemption Fund representing capitalized interest on the Bonds;

(ii) \$_____ to the Costs of Issuance Fund established pursuant to Section 4.04 below.

(iii) \$_____ to the Program Fund.

Section 2.02. Payment of Principal of and Interest on the Bonds.

(A) Payment of Interest. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Interest Payment Date. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they will bear interest from such Interest Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Interest Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds shall bear interest at the rate per annum, and mature on the date, shown thereon.

(B) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the

Interest Payment Date (or by wire transfer made on such Interest Payment Date upon the written instructions of the Owner of all of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of the Authority, issue a certificate of destruction of such Bonds to the Authority.

Section 2.03. Redemption.

(A) Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by the Authority from any source other than Prepayments, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date to and including March 2, 20__	10__%
September 2, 20__, and each Interest Payment Date thereafter	10__

(B) Mandatory Sinking Fund Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the Authority from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A to the Bonds, the form of which is attached to this Indenture as Exhibit C.

However, if the Bonds have been redeemed pursuant to subsections (A) above or (C) below, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to the Authority.

(C) Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by the Authority as Prepayments, on any Interest Payment Date, by paying the principal amount to be redeemed together with the redemption premium set forth below, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law.

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date to and including March 2, 20__	10__%
September 2, 20__, and each Interest Payment Date thereafter	10__

(D) Refundings. The provisions of Part 11.1 of the Bond Law are applicable to the advance payment of Assessments and to the calling of any series of the Bonds. The Authority will advise the Trustee of such provisions to the extent not specified herein.

(E) Partial Redemption. Whenever less than all of the Outstanding Bonds are called for redemption, the Trustee will select Bonds for redemption among maturities in such a way that the remaining Assessments will be sufficient on a timely basis to pay debt service on the Bonds. Within each maturity, the Trustee will select Bonds for retirement by lot.

(F) Notice to Trustee. The Authority will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to paragraphs (A) or (C) of this Section 2.03 not less than 60 days prior to the applicable redemption date.

(G) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any Bonds are designated for redemption pursuant to paragraphs (A) or (C) of this Section 2.03, the Trustee will cause notice of any redemption to be mailed by certified mail or by return receipt requested to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days but no more than 60 days before the date designated for redemption.

Any failure of any person or entity to receive any such redemption notice if mailed in compliance with the previous paragraph, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such Bonds.

(ii) Contents of Notice. Such notice will state the following:

- (1) the redemption date;
- (2) the redemption price;
- (3) the date of issue of the series of the Bonds;

(4) if less than all of the then Outstanding Bonds of a series are to be called for redemption, the Bond numbers of the Bonds to be redeemed (by designating the Bond number of each Bond to be redeemed or by stating that all Bonds between two designated Bond numbers, both inclusive, are to be

redeemed) or that all of the Bonds of one or more maturities have been called for redemption;

(5) as to any Bond called in part, the principal amount thereof to be redeemed;

(6) that such Bonds must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price; and

(7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. The Authority may provide conditional notice of optional redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) Redemption of Bonds in Part. Upon surrender of Bonds redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the registered Owner, at the expense of the Authority, a new Bond or Bonds, of the same series and maturity, in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(H) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds or portion of Bonds so called for redemption have been deposited in the Redemption Fund on the date fixed for redemption, then such Bonds or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed by the Trustee pursuant to paragraphs (A) and (C) of this Section 2.03 will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of the Authority, issue a certificate of destruction of such Bonds to the Authority.

Section 2.04. Execution of Bonds. The Bonds will be executed on behalf of the Authority by the manual or facsimile signature of the Treasurer and attested by the manual or facsimile signature of the Secretary. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the Authority by such persons who, as of the actual date of the execution of such Bond will be the proper officers of

the Authority although at the nominal date of such Bond any such person will not have been such officer of the Authority.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in Exhibit C, executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.05. Transfer of Bonds.

(A) General. Any Bond may, in accordance with its terms, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by the Authority. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same series, for like aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither the Authority nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Interest Payment Date.

(B) Transfer Restriction Applicable to Bonds Owned by an Accredited Investor. With respect to any Bond registered in the name of an entity other than the Authority, the Trustee or Cede & Co. (as nominee of DTC), unless the Trustee shall have been otherwise directed in an Officer's Certificate accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, (i) such purchaser must be an Accredited Investor and (ii) such Bond may only be transferred in an Authorized Denomination to (a) the Authority (or the Trustee at the direction of the Authority) or (b) another Accredited Investor who delivers to the Trustee and the Authority an executed letter substantially in the form of Exhibit B attached to this Indenture.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds and of the same maturity. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange will be paid by the Authority. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither the Authority nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Interest Payment Date.

Section 2.07. Bond Register. The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by the Authority during regular

business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by the Authority, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay, but in no event more than 15 days from the date temporary bonds are issued, and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under the Indenture as definitive bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, the Authority, at the expense of the Owner of that Bond, will execute, and the Trustee will authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of the Authority, deliver a certificate of destruction thereof to the Authority.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, the Authority, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by the Authority and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.

Section 2.10. Reserved.

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. The Bonds will be secured by a first pledge (which pledge will be effected in the manner and to the extent herein provided) of all of the Assessments (except amounts deposited into the Administrative Expense Fund), Penalties and Interest, and all moneys deposited into the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account therein).

The Assessments and all moneys deposited into the Redemption Fund are hereby dedicated to (i) the payment of Administrative Expenses, but only to the extent of amounts deposited into the Administrative Expense Fund pursuant to Section 5.01 and (ii) the payment of the principal of (including Sinking Fund Payments), and interest and any premium on, the Bonds as provided herein and in the Bond Law until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Article X hereof.

Section 3.02. Limited Obligation. All obligations of the Authority under the Indenture and the Bonds are not general obligations of the Authority, but are limited obligations, payable solely from the Assessments and the funds pledged therefor hereunder. The faith and credit of the Authority, any County or of the State of California, or any political subdivision thereof, is not pledged to the payment of the Bonds.

The Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Law and are payable solely from and secured solely by the Assessments and the amounts in the Redemption Fund. Notwithstanding any other provision of the Indenture, the Authority is not obligated to advance available surplus funds from the Authority treasury to cure any deficiency in the Redemption Fund; provided, however, the Authority is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. No Parity Debt. The Authority may not issue additional bonds payable from the Assessments other than refunding bonds pursuant to Section 3.05 below.

Section 3.04. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.05. Refunding of Bonds. The Bonds may be refunded by the Authority pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 9, 11, or 11.1 of the Bond Law, nor will this Section apply to or in any manner limit the redemption and payment of any Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessments. Nothing in this Section 3.05 affects the Authority's obligation to comply with Section 2.03 hereof in connection with a redemption of the Bonds.

Section 3.06. Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority will be for the equal benefit, protection and security of the registered owners of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Law. Moneys in the Redemption Fund, exclusive of those in the Penalties and Interest Account therein, will be held by the Trustee for the benefit of the Authority and Owners of the Bonds and disbursed for the payment of the principal of (including Sinking Fund Payments), and interest and any premium on, the Bonds as provided below. The moneys held in the Penalties and Interest Account of the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds and disbursed at the times and for the purposes set forth in Section 4.01(B).

Within the Redemption Fund there is hereby established the Prepayment Account, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Law to assure the timely redemption of Bonds. If all of the Assessments are paid in full, the Prepayment Account will be closed.

Within the Redemption Fund there is also hereby established:

- (i) the Capitalized Interest Account, to the credit of which a deposit will be made from the proceeds of the Bonds pursuant to Section 2.01; and
- (ii) the Penalties and Interest Account, to the credit of which any Penalties and Interest will be deposited.

(B) Disbursements. On or before each Interest Payment Date, the Trustee will withdraw from the Redemption Fund and pay to the Owners of the Bonds the principal of (including Sinking Fund Payments), and interest and any premium then due and payable on, the Bonds.

If there are insufficient funds in the Redemption Fund to pay to the Owners of the Bonds the principal of (including Sinking Fund Payments), and interest and any premium then due and payable on, the Bonds, the Trustee will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds (including Sinking Fund Payments), and then to payment of principal due on the Bonds by reason of Bonds called for optional redemption or mandatory prepayment redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund after payment of interest on the Bonds through such September 2 and the payment of principal due on the Bonds through such September 2 for the following purposes in the following priority: (i) to pay or reimburse the payment of Administrative Expenses incurred by the Authority and (ii) to reduce the installments of the Assessments that are levied in the current or succeeding Bond Year upon the Participating Parcel(s) to pay the principal of and interest on the Bonds.

On or before each Interest Payment Date, the Trustee will withdraw from the Penalties and Interest Account and pay to the Owners of the Bonds any amounts on deposit therein as additional interest on the Bonds.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

Section 4.02. Program Fund.

(A) Establishment of Program Fund. The Program Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made from the proceeds of the Bonds pursuant to Section 2.01. Moneys in the Program Fund will be held by the Trustee and will be disbursed as provided in paragraph (B) of this Section.

(B) Disbursement. Amounts in the Program Fund will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Program Report, as set forth in an Officer's Certificate containing the amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Upon receipt of a Prepayment as the result of the payment of a Non-Completion Assessment, the Trustee shall transfer any amounts that were previously deposited into the Program Fund related to the Participating Parcel to the Prepayment Account of the Redemption Fund.

The Trustee will maintain the Program Fund until all amounts in the Program Fund are expended or until the Authority directs the Trustee to close the fund, and then the Trustee will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to make payments on the Bonds as they come due.

(C) Investment. Moneys in the Program Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the applicable account of the Program Fund to be used for the purposes of such fund.

Section 4.03. Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. The Administrative Expense Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which deposits will be made as required by Section 5.01(A) and as otherwise required by the Indenture or the Bond Law. Moneys in the Administrative Expense Fund shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be used by the Authority to pay Administrative Expenses.

(C) Closing the Administrative Expense Fund. The Authority shall close the Administrative Expense Fund following the final maturity date of the Bonds and payment of all

amounts in the Administrative Expense Fund. Upon closing the Administrative Expense Fund, any remaining funds shall be deposited into the Redemption Fund.

(D) Investment. Moneys in the Administrative Expense Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by the Authority in the Administrative Expense Fund to be used for the purposes of such fund.

Section 4.04. Costs of Issuance Fund.

(A) Establishment of the Costs of Issuance Fund; Deposit. The Costs of Issuance Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which a deposit will be made from the proceeds of the Bonds pursuant to Section 2.01. Moneys in the Costs of Issuance Fund will be held in trust by the Trustee and will be disbursed as provided in paragraph (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance, as set forth in a Certificate of the Authority containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of the Bonds, or in any future requisition submitted by the Authority to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of the Certificate of the Authority, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of the Authority requesting payment of Costs of Issuance. The Trustee will maintain the Costs of Issuance Fund for a period of 90 days from the final date of delivery of the Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by the Authority in the Costs of Issuance Fund to be used for the purposes of such fund.

Section 4.05. Reserved.

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.01. Collection of Assessments. The Authority will comply with all requirements of the Act, the Bond Law and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments, together with the interest thereon, will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments (except those amounts allocable to Administrative Expenses, which shall be deposited into the Administrative Expense Fund) will be transferred to the Trustee for deposit into the Redemption Fund. All sums received from the collection of any Penalties and Interest will be transferred to the Trustee for deposit into the Penalties and Interest Account of the Redemption Fund.

(B) The Authority will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. The Authority is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

Section 5.02. Foreclosure. The Authority hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Law and the conditions specified in this Section 5.02

No later than October 1 each year, the Authority will determine whether any single Participating Parcel is delinquent in the payment of two or more semi-annual installments of Assessment payments and, if so, will notify Authority Counsel of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the succeeding December 1. Authority Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

However, notwithstanding the foregoing, the Authority may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if the Authority has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of (including Sinking Fund Payments) and interest on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

Further notwithstanding the foregoing, as long as there is a single Owner of the Bonds, the Authority will not initiate foreclosure proceedings unless directed in writing to do so within the time period contemplated by the Section 8834 of the Bond Law by the Owner of the Bonds, which written direction must be delivered to the Authority along with an amount reasonably determined by the Authority to be sufficient to pay its costs of prosecuting the foreclosure. Nothing in this paragraph is intended to limit any obligation imposed on the Authority by the Revenue & Taxation Code with respect to tax defaulted properties.

Section 5.03. Punctual Payment. The Authority will punctually pay or cause to be paid the principal of (including Sinking Fund Payments), and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the Authority will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. The Authority will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Indenture, the Act and the Bond Law.

Section 5.06. Books and Accounts. The Authority will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Authority, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by the Authority hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. The Authority will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Authority, the Bonds will be incontestable by the Authority.

Section 5.08. Compliance with Law; Completion of Improvements. The Authority will comply with all applicable provisions of the Act and the Bond Law in providing financing for the Improvements, but the Authority will have no obligation to advance any funds to complete the Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

Section 5.10. Reserved.

ARTICLE VI

INVESTMENTS; LIABILITY OF THE AUTHORITY

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Trustee shall invest any such moneys in the investments specified in clause (h) of the definition of Permitted Investments.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from the Authority as conclusive a certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

The Trustee will not invest any cash held by it hereunder in the absence of timely and specific written direction from the Authority. In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 6.02. Limited Liability of Authority. The Authority will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 6.03. Employment of Agents by Authority. In order to perform its duties and obligations hereunder, the Authority may employ such persons or entities as it deems necessary

or advisable. The Authority will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities. Nothing in this Section 6.03 shall be interpreted to prevent the Owner of the Bonds from seeking remedies for an Event of Default as set forth in Section 9.02.

ARTICLE VII
THE TRUSTEE

Section 7.01. Appointment of Trustee. Wilmington Trust, National Association, at the Principal Office, is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give the Authority written notice of any such succession hereunder.

(B) The Authority may remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to the Authority and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Authority will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, the Authority will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to the Authority written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of the Authority, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay

("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 7.03. Information; Books and Accounts. The Trustee will provide to the Authority such information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as the Authority may reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Trustee.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of the Authority and the Owners of not less than 10% of the

principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Trustee. The Trustee may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Trustee may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. The Authority will pay to the Trustee from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture, but the Trustee will not have a lien therefor on any funds at any time held by it under the Indenture.

The Authority further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligation of the Authority under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Section 7.06. Trustee as Owner. In the event the Trustee wishes to purchase the Bonds, the Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Trustee.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Authority to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or
- (ii) permit the creation by the Authority of any pledge or lien upon the Assessments superior to the pledge and lien created for the benefit of the Bonds or on parity with the pledge and lien created for the benefit of the Bonds, or
- (iii) reduce the percentage of Bonds required for the amendment hereof, or
- (iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of the Authority and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) Additions. To add to the covenants and agreements of the Authority contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the Authority, so long as such addition, limitation or surrender does not adversely affect any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (ii) Not Materially Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture,

as the Authority may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the rights of the Owners of the Bonds.

(iv) Credit Enhancements. To provide for the delivery of credit enhancements for the Bonds.

(v) Federal Tax Law. To comply with applicable provisions of the Tax Code relating to tax-exempt bonds or federal tax credit bonds.

Section 8.02. Procedure for Amendment with Written Consent of Owners. The Authority and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) Such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee will mail a notice to the Owners in the manner described in subsection (A) above for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice, and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will

be deemed conclusively binding (except as otherwise specifically provided in this Article) upon the Authority and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of the Authority, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of the Authority (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, the Authority will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of the Authority and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. The Authority may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by the Authority, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as the Authority may select and designate for that purpose, a suitable notation will be made on such Bond.

The Authority may determine that new Bonds, so modified as in the opinion of the Authority is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted

by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an “Event of Default”:

(A) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same will become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable; or

(C) Default by the Authority in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the Authority has been given notice in writing of such default by the Trustee or any Owner; *provided, however,* if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such thirty (30) day period and the Authority shall thereafter diligently and in good faith cure such failure within a reasonable period of time.

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the Authority and any of the members, officers and employees of the Authority, and to compel the Authority or any such members, officers or employees to perform and carry out their duties under the Act or the Bond Law and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest and redemption premium (if any) on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy

conferred upon the Owners by the Act or the Bond Law or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the Authority and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act, the Bond Law or any other law. In any suit, action or proceeding to enforce the provisions of this Indenture, the prevailing party shall be entitled to receive reasonable attorney's fees. In no event will the Trustee have any responsibility to cure or cause the Authority or any other person or entity to cure an Event of Default hereunder.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if the Authority pays and discharges the entire indebtedness on all or a portion of any Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of (including any Sinking Fund Payments) and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay such Bonds Outstanding, including all principal (including Sinking Fund Payments), interest and any applicable redemption premiums; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as the Authority may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay and discharge the indebtedness on such Bonds, including all principal, Sinking Fund Payments, interest and any applicable redemption premiums, at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of the Authority, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of the Authority under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, (ii) the obligation of the Authority to assure that no action is taken or failed to be taken if such action or failure adversely affects the tax status of the Bonds under the Tax Code, and (iii) the obligation of the Authority to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds outstanding are discharged pursuant to this Section, thereafter Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture will be filed with the Trustee.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to the Authority to be used by the Authority as provided in the Act and the Bond Law.

Section 10.02. Benefits of Agreement Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants,

stipulations, promises or agreements in the Indenture contained by and on behalf of the Authority will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Indenture or any Supplemental Indenture either the Authority or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the Authority or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by the Authority or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of the Authority will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on Authority and Trustee. All notices or communications herein required or permitted to be given to the Authority or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to the Authority:	California Statewide Communities Development Authority 1100 K Street Sacramento, California 95814 Attention: Treasurer
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If to the Trustee:

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
Attention: Corporate Trust Services

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Conclusive Evidence of Regularity. The issuance of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Assessments.

Section 10.11. Payment on Business Day. In any case where the date of the maturity of interest or of principal, including Sinking Fund Payments, (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal, including Sinking Fund Payments, (and any redemption premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Interest Payment Date until such Business Day.

Section 10.12. Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be executed, all as of the date first written above.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By: _____
Treasurer

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

EXHIBIT A

LIST OF PARTICIPATING PARCEL(S)

1. Assessor's Parcel No. 020 012 006

EXHIBIT B

FORM OF TRANSFER LETTER

California Statewide Communities Development Authority
Sacramento, CA

Wilmington Trust, National Association
Costa Mesa, CA

Re: California Statewide Communities Development Authority CaliforniaFIRST
Limited Obligation Improvement Bonds Series 20__-NR__

Ladies and Gentlemen:

The California Statewide Communities Development Authority (the "Issuer") has issued the above-referenced bonds (the "Bonds"), Capitalized terms used in this letter but not defined have the meaning given them in the Indenture, dated as of _____ 1 , 20__ (the "Indenture"), relating to the Bonds.

In connection with our purchase on the date hereof of \$_____ principal amount of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended.

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the Purchased Bonds;

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer, the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(f) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(g) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Bonds on an ongoing basis.

(h) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(i) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

EXHIBIT C

FORM OF BOND

**** WHILE THE BONDS ARE OWNED BY AN ACCREDITED INVESTOR, THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE INDENTURE****

Number 20__-NR__-1

\$_____

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CaliforniaFIRST
Limited Obligation Improvement Bonds
Series 20__-NR__**

<u>INTEREST RATE</u> _____%	<u>MATURITY DATE</u> September 2, 20__	<u>DATED DATE</u> [CLOSING DATE]
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REGISTERED OWNER: [BOND PURCHASER]

PRINCIPAL AMOUNT: *** [PRINCIPAL AMOUNT] DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code (the "Bond Law"), the California Statewide Communities Development Authority (the "Authority"), will, out of the Redemption Fund established pursuant to an Indenture, dated as of _____ 1, 201__ (the "Indenture"), by and between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee"), pay to the registered owner named above, or registered assigns, the principal amount set forth above, and interest on such principal amount, at the times and in the amounts set forth in Attachment A in lawful money of the United States of America.

This Bond bears interest from the Interest Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to an Interest Payment Date and after the close of business of the 15th day of the calendar month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) prior to the close of business on the 15th day of the calendar month preceding the first Interest Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date

(or by wire transfer made on such Interest Payment Date upon the written instructions of the Owner of all of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of the Authority, issue a certificate of destruction of such Bonds to the Authority.

This Bond will continue to bear interest after maturity at the rate above stated if this Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the redemption fund with which to pay same. If this Bond is not presented at maturity, interest hereon will run only until maturity.

This Bond will not be entitled to any benefit under the Bond Law or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Bond is issued by the Authority under the Bond Law and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture. It is secured by the moneys in the redemption fund, the unpaid portion of assessments made for the payment of those improvements and any Penalties and Interest (as defined in the Indenture) received by the Authority relating to the assessments. Including principal and interest, it is payable exclusively out of the redemption fund. This Bond and any other bonds issued under the Indenture are referred to as the "Bonds."

This Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Resolution of Issuance and the Indenture, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond may only be transferred in an Authorized Denomination to (i) an Accredited Investor who delivers to the Trustee and the Authority an executed letter substantially in the form of Exhibit B attached to the Indenture or (ii) the Authority (or the Trustee at the direction of the Authority).

Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership, or a trust.

Neither the Authority nor the Trustee will be required to make such exchange or registration of transfer of Bonds during the 15 days of the calendar month immediately preceding any Interest Payment Date.

The Authority and the Trustee may treat the registered owner hereof as the absolute owner for all purposes, and the Authority and the Trustee will not be affected by any notice to the contrary.

Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by the Authority from any source other than Prepayments, at the following respective redemption prices (expressed as percentages of

the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date to and including March 2, 20__	10__%
September 2, 20__, and each Interest Payment Date thereafter	10__

Mandatory Prepayment Redemption. The Bonds, will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by the Authority as Prepayments on any Interest Payment Date, by paying the principal amount to be redeemed together with the redemption premium set forth below, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law.

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date to and including March 2, 20__	10__%
September 2, 20__, and each Interest Payment Date thereafter	10__

Mandatory Sinking Fund Redemption. The Bonds constitute Term Bonds and will be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the Authority from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, all as set forth in Attachment A. However, if some but not all of the Term Bonds of a given maturity have been redeemed pursuant to optional redemption or mandatory prepayment redemption, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis as determined by the Trustee, notice of which determination will be given by the Trustee to the Authority.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, the Authority is not obligated to advance funds from the Authority treasury to cover any deficiency which may occur in the redemption fund for the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the Original Issue Date identified above.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Treasurer

[S E A L]

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series 20__-NR__ Bonds described in the within mentioned Indenture.

Dated: [CLOSING DATE]

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

EXHIBIT D

RESOLUTIONS OF INTENTION

County	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

EXHIBIT E

INITIAL RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

EXHIBIT F

UPDATED RESOLUTIONS CONFIRMING PROGRAM REPORT

County	Resolution Confirming Report #	Date
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

EXHIBIT G

ORIGINAL RESOLUTIONS OF ISSUANCE

County	Resolution of Issuance #	Date
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CALIFORNIAFIRST
(COUNTY OF _____)**

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, 20____, by and between the California Statewide Communities Development Authority, a joint exercise of powers 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 CaliforniaFIRST program (the "**CaliforniaFIRST Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements 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 County of _____ (the "**County**"); and

WHEREAS, the Property is located in the boundaries of [the City of _____ (the "**City**")][the County], and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance 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 the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

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:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B.

Section 2. The Property. This Agreement 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 Agreement on behalf of the Property Owner.

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

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “**Initial Assessment**”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s installments will be billed on the Property Owner’s property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements.

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay the additional assessment (the “**Non-Completion Assessment**”) identified on Exhibit A in the event that the Property Owner fails to install the Improvements in compliance with the CaliforniaFIRST Program rules or otherwise fails to meet the conditions established by the Authority for financing through the CaliforniaFIRST Program. The Property Owner acknowledges that the purpose of the Non-Completion Assessment is to provide for redemption of any bonds issued by the Authority to finance installation of the Improvements on the Property, and to pay any costs incurred by the Authority in order to release the lien of the Assessment on the Property. The Property Owner further acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion

Assessment to be placed on the County property tax roll.

(c) 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 Initial Assessment in order to pay for the costs of collecting the Assessment (the “**Additional Administrative Assessment**”; together with the Initial Assessment and the Non-Completion Assessment, the “**Assessment**”).

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid principal component of the Assessment, (b) the accrued but unpaid interest component of the whole or applicable portion of the unpaid principal component of the Assessment through the prepayment date, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment.

(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 bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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 obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority’s reasonable costs of administering the CaliforniaFIRST Program, subject to the Property Owner’s compliance with the conditions for such financing established by the Authority. [Agreement may provide for multiple disbursements for non-residential property]

(b) Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, 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

Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement 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 the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, 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 Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement 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 XIID 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 CaliforniaFIRST 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 or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and [the City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance 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 [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] 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 Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

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, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County], 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 CaliforniaFIRST Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, 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 Agreement.

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

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.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST 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 CaliforniaFIRST 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 Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 15. Binding Effect; Assignment. This Agreement 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 Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement 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. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

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

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 Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

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

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

Agreement Number: _____

Property Owner: _____

Property (APN/Legal Description): _____

Prepayment Premium: _____

Interest Rate Used to Calculate Initial Assessment Installments: _____

Non-Completion Assessment: The Non-Completion Assessment may include (i) an amount necessary to redeem the attributable portion of any Bonds issued to finance installation of the Improvements on the Property, including but not limited to a prepayment premium in an amount equal to ____% of the Initial Assessment identified on Exhibit C and (ii) an amount necessary to pay the Authority's costs related to the release of the lien of the Initial Assessment on the Property.

Reserve Fund Deposit: \$_____. The Authority will fund a deposit to a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property. The reserve fund deposit will be in an amount equal to ____% of the Initial Assessment.

EXHIBIT B
IMPROVEMENTS

The Improvements are described on the attached documentation.

[Attach notary pages]

SCOPE OF WORK
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CALIFORNIAFIRST PACE PROGRAM
(RESIDENTIAL AND NON-RESIDENTIAL)

ASSESSMENT ADMINISTRATION CONSULTING SERVICES

David Taussig & Associates, Inc. ("DTA") will perform the following consulting services to California Statewide Communities Development Authority ("CSCDA") in connection with the CaliforniaFIRST PACE program:

A. DATABASE SETUP AND REVIEW OF BOND CLOSING DATA

1. Bond and Assessment Data File Review and Processing

DTA will review and process the bond and assessment file provided by CaliforniaFIRST in connection with each bond closing.

2. Parcel and Assessment Installment Database Setup

Following each bond closing, DTA will add the parcel, assessment, and bond information it deems necessary for the enrollment of annual assessment installment payments with the applicable county. Such information may include the Assessor's Parcel Number, assessment lien amount, assessment installment payment schedule, annual administrative expense amount, assessment contract reference, and bond reference, bond debt service schedule.

B. Enrollment of Assessment Installment Payments

1. Fund Number Requests

As necessary and subject to limitations imposed by each county, DTA will prepare requests for fund numbers and coordinate the submittal of fund number request packages with CSCDA and CaliforniaFIRST.

2. Preparation and Submittal of Enrollment Packages

DTA will prepare and submit annual assessment payment installment enrollment packages for each participating county in accordance with the applicable county's direct assessment enrollment procedures. Enrollment packages may include a transmittal memorandum, applicable levy agreements, and certified resolutions and/or ordinances authorizing the levy and collection of assessment installments.

DTA will submit enrollment packages on or about August 10, or such other date specified by the applicable county. Following submittal of the enrollment

packages, DTA will prepare and transmit to CSCDA and/or CaliforniaFIRST a summary administration report in Excel format indicating the total number of parcels and amount of assessment installment payments enrolled, sorted by county and grouped within county by fund number and bond.

Unless otherwise specified by mutual agreement, CSCDA, CaliforniaFIRST, and DTA agree that assessment installment payments will be enrolled for all assessments for which the bond closing occurred as of the June 30 of the fiscal year preceding the fiscal year in which the assessments installment payments are to be enrolled.

3. Research and Resubmit Rejected Parcels

DTA will review exceptions, if any, as reported by each county's Auditor-Controller's office. DTA will research rejections and resubmit as necessary. This process involves manually validating parcel change information received from the Auditor-Controller's and determining parcel status (i.e., active or inactive). As necessary, DTA will coordinate with the Treasurer and Tax Collector, Auditor-Controller, and/or Assessor to address instances where neither the old nor new parcel is active.

4. Revenue and Taxation Code Section 163 Report

Subject to bond counsel's opinion, DTA will annual prepare and file the report required pursuant to Revenue and Taxation Code Section 163 indicating the following for each parcel:

- The assessment lien amount at the time the lien was created;
- In the case in which a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made that payment; and
- The principal balance of the assessment lien.

5. Assessment Installment Payment Monitoring and Reporting

DTA will prepare payment status reports following each property tax installment due date and at fiscal year-end. These reports will be sorted by county and grouped within county by fund number and bond. Source data for these reports will be the direct assessment payment status reports provided by each county, and may be supplemented with property tax payment status data posted on each county's website.

6. Delinquency Notices

DTA, CSCDA, and CaliforniaFIRST will cooperatively develop the form of the delinquency notice to be mailed to property owners that are delinquent in the payment of assessment installments. Unless otherwise specified by mutual

agreement, CSCDA, CaliforniaFIRST, and DTA agree that DTA will mail notices of delinquency following each property tax installment due date and at fiscal year-end.

7. Pre-Foreclosure Assistance

As directed by CSCDA and/or CaliforniaFIRST and/or either entity's foreclosure counsel, DTA will coordinate the removal of delinquent assessment installments from the county property tax roll and record the notice evidencing the removal of such assessment installments.

8. Breakdown of Assessment Installment Payment Distributions by Bond

DTA will reconcile assessment installment distributions (which are made lump sum by fund number) with assessment installment payment status data (which are recorded by parcel) to breakdown distributions by bond. The accuracy of such breakdown is subject to the availability of sufficient information from each county to reconcile the transaction dates of distributions and payments.

9. Property Owner Inquiries

DTA will respond via telephone or email to property owner inquiries concerning the assessments, assessment installment payments, etc.

C. Payoff Calculations

This task entails the calculation of assessment payoff amounts, in full or in part, preparation of amended assessment installment payment schedules, and amended bond debt service schedules, and coordination with the property owner, CSCDA, CaliforniaFIRST, and the bond trustee.

FEE SCHEDULE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CALIFORNIAFIRST PACE PROGRAM
(RESIDENTIAL AND NON-RESIDENTIAL)

ASSESSMENT ADMINISTRATION CONSULTING SERVICES

PROFESSIONAL FEES

DTA's compensation, including expenses, for completion of the tasks under the Scope of Work is set forth in Table 1 below:

TABLE 1 FEE SCHEDULE	
TASK	FEE
A. Database Setup and Review of Bond Closing Data	0.525% of Project Amount
B. Enrollment of Assessment Installment Payments ¹	One-time \$1,000 Fixed Fee Per County
	\$1,750 Fixed Annual Fee Per County ²
	Or \$2,500 Fixed Annual Fee Per County ³
	\$8.50 Fixed Annual Per Parcel Fee
C. Payoff Calculations	\$500 Fixed Fee Per Calculation ⁴
¹ Fee for enrollment of assessment installment payments is equal to the sum of the one-time fixed fee, as applicable, the applicable fixed annual fee, and the fixed annual per parcel fee. ² Applicable if participating parcels within a county are either only residential or only non-residential. ³ Applicable if participating parcels within a county include both residential and non-residential parcels. ⁴ To be paid by property owner prior to the calculation.	

General Terms and Conditions

Fees for Task A. Database Setup and Review of Bond Closing Data shall be paid at closing. Fees for Task B. Enrollment of Assessment Installment Payments shall be invoiced to CSCDA on or about the first two weeks of September; all such invoices shall be paid by CSCDA within thirty (30) days of the date of each invoice. A 1.2% per month charge may be imposed against accounts that are not paid within 30 days of the

date of each invoice.

Limitations

The fees shown in Table 1 above are estimates only; actual fees may vary based on program size. For example, to the extent that new bond issuance volume is less than \$50 million in any one year, DTA reserves the right to re-evaluate our fees for Task B. Enrollment of Assessment Installment Payments. Any additional tasks assigned by CSCDA shall be charged at the hourly rates listed in Table 2 below. Additional tasks may include, but are not limited to, the following:

- Any consulting services pertaining to the collection of delinquent assessment installment payments and/or assistance with foreclosure actions/proceedings and incurred after the removal of assessment installment payments from the county property tax roll;
- Any consulting services pertaining to bond refundings, exchanges, and/or restructurings.

TABLE 2 2014 HOURLY RATES	
Managing Director	\$210/Hour
Manager	\$170/Hour
Senior Associate	\$160/Hour
Associate	\$150/Hour
Senior Analyst	\$140/Hour
Analyst	\$130/Hour
Research Assistant	\$105/Hour

All fees and hourly rates are subject to a cost of living increase every 12 months, not to exceed 5% per year.

Item XII

Consideration of the issuance of request for proposals for the telecommunication asset monetization program. (Staff: Scott Carper)



Request for Proposals
For the
Development and Implementation of a
Municipal Telecommunications Asset Monetization Program

CSCDA is developing a Program (the “Program”) to assist public agencies in the monetization of certain underutilized assets. The Program would seek to identify, measure, value and dispose of underutilized telecommunications assets. CSCDA would like to invite respondents to submit a proposal for the development, marketing, administration, and financing of the Program. Please answer the following questions in the order presented.

1. Identify in your submittal qualifications in each of the following areas:
 - a. Program development and administration
 - b. Program Marketing
 - c. Development of financing sources for the Program
2. Describe your approach to development of a Program
 - a. How would you identify and measure the size of the municipally owned telecom market in California
 - b. What asset classes can be covered in the Program
3. Provide an outline of your implementation of the work plan described in response to #2
4. Please include a timeline with important milestones to develop the Program, and a subsequent timeline to implement the Program
5. Include background for your firm and its qualifications in the municipal telecommunications development or financing transactions. Specific case studies would be helpful in evaluating the proposal. If nothing specific to telecom is applicable please indicate so and describe how other experience might be applicable.
6. Please describe your general approach to valuation of the assets. Analytic framework and methodology would also be important in understanding your approach.
7. Please describe your view on the market for these types of assets, and the process for accessing this market.
8. Please include a description of all employees who would be involved in development and implementation of the Program.
 - a. Please specify their role and anticipated contribution to the project including an estimate of their time involvement.
 - b. Please include relevant resumes, licensing and memberships in professional organizations
9. Please provide an org chart of your firms regional and corporate offices
10. Identify the locations of your firms regional and corporate offices
11. Please provide a fee proposal for development and implementation of a Program



12. Please include any other comments or information you would like CSCDA to consider in your proposal.

Proposals will be due electronically by 5:00 pm Friday October 17.



CSCDC
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT CORPORATION



**AGENDA OF THE MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

October 9, 2014

10:00 a.m.

**League of California Cities
1400 K Street, 3rd Floor
Sacramento, California**

27788 Hidden Trail Road
Laguna Hills, CA 92653

Manchester Grand Hyatt
1 Market Place
San Diego, CA 92101

- I. Call the roll (alternates designate which member they are representing).
- II. Approve the minutes of the September 23, 2014 meeting.
- III. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:
 - a. Approve the making of \$8,500,000 in qualified low income community investments by CSCDC 7 LLC to a nonprofit affiliate of Open Door Community Health Centers, all locations in California.
- IV. Staff Updates.
- V. Public Comment.
- VI. Adjourn.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at ___: ___ m,
Signed _____ . Please fax signed page to (925) 933-8457.

Note: Persons requiring disability-related modification or accommodation to participate in this public meeting should contact (925) 933-9229, extension 225.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2014 at __: __ __m,
Signed _____ . Please fax signed page to (925) 933-8457.

**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
(CSCDC)**

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

September 23, 2014

MINUTES

Director Terry Schutten, sitting in for chair Larry Combs, called the meeting to order at 10:48 am.

I. Roll Call.

Directors present: Terry Schutten and Dan Harrison. Dan Mierzwa; Ron Holly, representing Tim Snellings; and Brian Moura, representing Kevin O'Rourke, participated by conference telephone.

CSCDA Executive Director, Catherine Bando was also present.

Others present included: Norman Coppinger and Perry Stottlemeyer, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Nancy Parrish and Laura Labanieh Campbell, CSAC Finance Corporation; Michael Weed, Orrick Herrington & Sutcliffe; and Mark Paxson, State Treasurer's Office. Tricia Ortiz, Richards Watson & Gershon; and Caitlin Lanctot, HB Capital, participated by conference telephone.

II. Approval of minutes—August 7, 2014.

The directors approved the minutes for the regular meeting held August 7, 2014.

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

III. Approve all necessary actions, the execution and delivery of all necessary documents and authorize any signatory to sign all necessary documents for the following:

- a. Approve: (i) a sub-allocation of \$10.5 million to CSCDC 5 LLC for the financing of the Big Brothers Big Sisters of Orange County (BBBSOC) headquarters project, City of Santa Ana, California; (ii) an equity investment of \$10.5 million into CSCDC 5 LLC by an affiliate of U.S. Bancorp Community Development Corporation in advance of the closing of the Big Brothers Big Sisters of Orange County financing; and (iii) the making of qualified low income community investments for BBBSOC QALICB, Inc., a California nonprofit public benefit corporation.

Motion to approve staff recommendation by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

- b. Approve: (i) a sub-allocation of \$10 million to CSCDC 6 LLC for the financing of the Butte Regional Transit Operations Center project (BRTC), City of Chico, California; and (ii) an equity investment of

\$10 million into CSCDC 6 LLC by an affiliate of JPMorgan Chase Bank, N.A. in advance of the closing of the BRTC financing.

Motion to approve staff recommendation by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

- c. Approve: (i) a sub-allocation of \$8.5 million to CSCDC 7 LLC for the financing of the Open Door Community Health Centers, all locations of which are in California; and (ii) an equity investment of \$8.5 million into CSCDC 7 LLC by an affiliate of U.S. Bancorp Community Development Corporation in advance of the closing of the ODCHC financing.

Motion to approve staff recommendation by Harrison; second by Mierzwa; unanimously approved by roll-call vote.

IV. Approve resolution approving the filing of an application requesting an allocation of New Markets Tax Credits.

On June 5, 2014 the CSCDC was awarded \$38 million in NMTC allocation. The next round of allocation availability (Round 12) has commenced and the U.S. Treasury Department's CDFI Fund will be receiving applications from community development entities seeking NMTC allocation. Staff has been working diligently on the Round 12 application and the application will be submitted on or before October 1, 2014.

Staff recommends that the directors of CSCDC approve the Resolution as submitted to the directors, which: (1) Approves the filing of an application for an allocation of New Markets Tax Credits; and (2) Authorizes any member of the Board of Directors or a designated agent of the Board of Directors (each, an "Authorized Officer") to do any and all things and to execute and deliver any and all documents which such Authorized Officer may deem necessary or appropriate to complete the allocation application.

Motion to approve staff recommendation by Mierzwa; second by Holly; unanimously approved by roll-call vote.

V. Staff updates.

None.

VI. Public Comment.

None.

VII. Adjournment.

Director Terry Schutten adjourned the meeting at 11:07 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
SUMMARY AND APPROVAL

DATE: OCTOBER 9, 2014

BORROWER: OPEN DOOR COMMUNITY HEALTH CENTERS

PURPOSE: APPROVE THE MAKING OF \$8,500,000 IN QUALIFIED LOW INCOME COMMUNITY INVESTMENTS BY CSCDC 7 LLC TO A NONPROFIT AFFILIATE OF OPEN DOOR COMMUNITY HEALTH CENTERS, ALL LOCATIONS IN CALIFORNIA.

LEGAL STRUCTURE: CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Founded in 1970, Open Door Community Health Centers (“ODCHC” or “Sponsor”) currently operates eight health clinics spread throughout Humboldt and Del Norte counties in northern California. The Open Door patient population is approximately 65,000 patients, with 45,500 patients having an office visit within the most recent twelve months. Open Door employs over 400 members of the community with the expectation to grow to approximately 500 employees by 2015. Open Door actively seeks out areas of special need to provide high quality health care and health education to those persons without access to care, due to financial, geographical, or social barriers.

Open Door has been designated a Federally Qualified Health Center since 1999 by the US Department of Health and Human Services.

Project:

For many years, ODCHC has been growing its capacity to meet a largely unmet demand for services for underserved populations in its communities. Currently, ODCHC is the primary healthcare provider for approximately one of every four people in its service area beginning at the Oregon border and extending 100 miles south along the Northern California coastline and inland for at least 45 miles.

The demand for ODCHC’s services has increased significantly in recent years, and has been exacerbated by two recent external forces: 1) a reduction of the number of private physicians in the community due to retirement (a large portion of the population has now turned to ODCHC for their care, straining a system that is already dealing with capacity issues); and 2) the impact of the Affordable Care Act (which has expanded eligibility for Medicaid to a larger population). The demand for ODCHC’s services has increased to a point where communities are now pleading with them to build new clinics and expand its presence. To help meet the increasing demand, ODCHC intends to acquire at least one private practice in the Eel River Valley. At least two other practices have expressed interest in joining as well.

ODCHC also intends to start construction on two new facilities in the next 24 months to help meet this demand. Two philanthropic foundations in Fortuna are working with ODCHC to bring a new clinic to their city. The foundations are willing to provide resources in the form of land and cash to assist with financing these new clinics. ODCHC also recently gained site control on a property in Arcata, on which it

hopes to develop another new clinic, breaking ground in late 2015. Both the Arcata property and the targeted Fortuna property are located in highly distressed, non-metropolitan NMTC census tracts

The NMTC financing will allow ODCHC to repay two existing loans from Umpqua Bank totaling \$7.27 M, which was used to finance the construction, and equipping of ODCHC's new clinic in Eureka in December 2012, thus reducing the loan to \$5.65M and freeing up their debt capacity for the abovementioned new facilities.

The 27,500 SF Eureka facility provides family practice services, behavioral health counseling and support, opiate dependency treatment, diabetes education, nutritional counseling and women's health services. By opening the Eureka clinic, ODCHC has been able to increase by 50% the health services that it provides in Eureka, and currently provides more than 20,000 medical and behavioral health visits to nearly 5,500 patients each year.

NMTC Financing:

ODCHC is seeking \$8,500,000 in New Markets Tax Credit ("NMTC") allocation from CSCDC to assist with the financing of the Project.

ODCHC intends to refinance two Umpqua loans utilizing the proceeds of a NMTC financing that will utilize (i) loan proceeds provided by Northern California Communities Loan Fund ("NCCLF") and Nonprofit Finance Fund ("NFF"), in the amount of \$5,649,100, and (ii) NMTC equity from an \$8,500,000 NMTC allocation from CSCDC.

Community Impacts:

The Project is expected to result in the following community impacts:

- **Job Creation/Retention:** ODCHC currently employs over 400 members of the community. With the additional growth opportunities enhanced by the NMTC financing, ODCHC expects to retain 97 FTE jobs and add 31 new FTE jobs.

More specifically, at the proposed Fortuna clinic, ODCHC will retain 24 Permanent FTE Jobs by taking on the staff and operations of existing clinics in Fortuna in 2014 and 2015. Without ODCHC involvement, these jobs would likely be lost. Once the new ODCHC Fortuna clinic opens, ODCHC will move these 24 retained jobs into the new clinic and create approximately 31 additional new Permanent FTE Jobs. It is expected that 100% of the retained and new jobs will be filled by residents of Low-Income Communities and/or were Low-Income Persons at the time of hire.

For the proposed Arcata expansion, ODCHC will retain 73 Permanent FTE Jobs at the Humboldt Open Door Clinic and the North Country Clinic. Once the new ODCHC Arcata clinic opens, ODCHC will move these 73 retained jobs into the new clinic. It is expected that 100% of the retained jobs will be filled by residents of Low-Income Communities and/or were Low-Income Persons at the time of hire.

- **Quality of Jobs:** All positions – both retained and new – provide living wage salaries, and eligible employees receive a 403 (b) plan, profit sharing, health, dental and vision insurance, and life and disability insurance.

- Community Goods or Services to Low-Income Communities: ODCHC’s existing nine health clinics provide comprehensive, high-quality health care for approximately 65,000 patients. On-site services include pediatrics, HIV/AIDS/Hepatitis C, birth and delivery, prenatal care, psychiatry, opiate dependency, transgender and teen clinics, nutritional counseling, and primary medical and dental care. Patients without insurance are eligible for discounts based on income and ability to pay. In addition to its nine clinic locations, Open Door’s Mobile Clinic (38-foot fully equipped motor homes) provides medical care throughout the area for patients who are homeless, in transitional housing, and for migrant and seasonal farm workers and their families.

At the proposed Fortuna clinic, ODCHC will serve approximately 15,000 patients through 45,000 visits annually in the first year of operation, increasing to 17,000 patients through 50,000 visits once the clinic reaches capacity. Approximately 60% of the patients at the Fortuna clinic are expected to be Low-Income Persons.

At the proposed Arcata clinic, ODCHC will serve approximately 13,000 patients through 50,000 visits annually in the first year of operation, increasing to 15,000 patients through 55,000 visits once the clinic reaches capacity. Approximately 60% of the patients at the Arcata clinic are expected to be Low-Income Persons.

Advisory Board Approval:

On July 2, 2014, CSCDC’s Advisory Board unanimously recommended approval of the Project.

Finance Team:

- Tax Credit Investor: U.S. Bancorp Community Development Corporation
- Investor Counsel: Husch Blackwell LLP, St. Louis, MO
- CSCDC Counsel: Nixon Peabody LLP, Washington DC
- Borrower Counsel: Kantor Taylor Nelson Evatt & Decina, Seattle, WA

Estimated Sources and Uses:

Investment Fund			
Sources		Uses	
Leverage Loan - NCCLF & NFF	\$ 5,649,100	CSCDC QEI	\$ 8,500,000
NMTC Equity	2,890,900	Fund Management Fee Reserves	40,000
Total	\$ 8,540,000	Total	\$ 8,540,000

CSCDC Sub CDE			
Sources		Uses	
CSCDC QEI	\$8,500,000	CDE Upfront Fee	\$ 255,000
		QLICI Loan A	\$ 5,649,100
		QLICI Loan B	2,595,900
Total	\$ 8,500,000	Total	\$ 8,500,000

QALICB			
Sources		Uses	
QLICI Loan A	\$ 5,649,100	Repay Umpqua Loan #1	\$ 6,257,000
QLICI Loan B	2,595,900	Repay Umpqua Loan #2	1,015,250
		CSCDC Underwriting Fee	95,625
		CSCDC Origination Fee	74,375
		CSCDC 7 LLC AM Fee Paid at Closing	7,839
		CSCDC 7 LLC Fee and Expense Reserve	330,161
		NMTC Consultant Fee	\$ 85,000
		NMTC Transaction Closing Costs	307,500
		Working Capital	72,250
Total	\$ 8,245,000	Total	\$ 8,245,000

Approvals:

Based on the overall finance related considerations and community benefits associated with the Project, as well as approval from the Directors of CSCDC at the September 23, 2014 meeting at which time approval was received for the sub-allocation of \$8,500,000 in NMTCs for a QEI closing which was completed on September 25, 2014, the Directors of CSCDC shall approve the Resolution (in the form of Attachment 1) as submitted to the Directors, which:

1. Approves all necessary actions and documents in connection with the Project financing; and
2. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.