



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

May 7, 2015

10:00 a.m.

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

709 Portwalk Place
Redwood City, CA 94061

27788 Hidden Trail Road
Laguna Hills, CA 92653

County of Butte
7 County Center Drive
Oroville, CA 95965

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

County of Monterey
168 West Alisal Street
Salinas, CA 93901

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the April 23, 2015 Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. Consideration of the adoption of the Conflict of Interest Resolution. (Mike LaPierre)

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2015 at __: __ m,
Signed _____. Please fax signed page to (925) 933-8457.

- VI. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Summit Rose Apartments, LP (Summit Rose Apartments), City of Escondido, County of San Diego; up to \$10,000,000 in multifamily housing revenue bonds. (Caitlin Lanctot)
- VII. Consideration of the following resolutions for the creation of CFD No. 2015-01 (University District), City of Rohnert Park, County of Sonoma (Scott Carper):
 - a. Resolution of intent to establish CFD No. 2015-01 (University District) and to levy a special tax to finance the construction and acquisition of certain public facilities and to finance certain development impact fees.
 - b. Resolution to incur bonded indebtedness to finance certain development impact fees and the acquisition and construction of certain public facilities, to mitigate the impacts of development within CFD No. 2015-01 (University District) and in and for each improvement area designated therein and calling for a public hearing.
- VIII. Consideration of a Program Administration Agreement between CSCDA and CounterPointe Energy Solutions, LLC.
- IX. Public Comment.
- X. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR**

1. Consent Calendar:

- a. Inducement of Moreno Valley Cottonwood 1 Partners, LP (Cottonwood Place), City of Moreno Valley, County of Riverside; issue up to \$10 million in multi-family housing revenue bonds.
- b. Inducement of KDF Communities (Santa Paula Village), City of Santa Paula, County of Ventura; issue up to \$8 million in multi-family housing revenue bonds.
- c. Inducement of Preservation Duarte Manor II, LP (Duarte Manor Apartments), City of Duarte, County of Los Angeles; issue up to \$9.5 million in multi-family housing revenue bonds.
- d. Inducement of Preservation Vista Park Chino II, LP (Vista Park Chino Apartments), City of Chino, County of San Bernardino; issue up to \$9.5 million in multi-family housing revenue bonds.

Thursday, May 7, 2015

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

II. Consideration of the Minutes of the April 23, 2015 Regular Meeting.

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

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

April 23, 2015

MINUTES

Commission chair Larry Combs called the meeting to order at 10:04 am.

I. Roll Call.

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

CSCDA Executive Director, Catherine Bando was present.

Others present included: Perry Stottlemeyer, League of California Cities; Jean Hurst, Dorothy Holzem and Graham Knaus, California State Association of Counties; Laura Labanieh, CSAC Finance Corporation; Greg Stepanich, Richards Watson & Gershon; Caitlin Lanctot, GPM Municipal Advisors; James Hamill and Jon Penkower, Bridge Strategic Partners; and Robert Hedrick, State Treasurer's Office. Patricia Eichar and Marc Bauer, Orrick Herrington Sutcliffe participated by conference telephone.

II. Approval of minutes—April 9, 2015.

The commission approved the minutes for the regular meeting held April 9, 2015.

Motion to approve by O'Rourke; second by Holly; unanimously approved by roll-call vote.

III. Staff Updates.

Caitlin Lanctot indicated that consent item "a" is increased to \$11 million from \$10 million.

IV. Approval of Consent Calendar.

1. Induce the following projects:
 - a. Community Housing Works (Northwest Manors II), City of Pasadena, County of Los Angeles; issue up to \$11 million in multifamily housing revenue bonds.
 - b. Preservation Partners Development III, LLC (Springdale West Apartments), City of Long Beach, County of Los Angeles; issue up to \$80 million in multifamily housing revenue bonds.

Motion to approve with noted change to \$11 million for item “a” by Harrison; second by Mierzwa; 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. Episcopal Senior Communities, City of Palo Alto, County of Santa Clara; issue up to \$9.5 million in revenue refunding bonds.

The borrower wishes to refinance a certain skilled nursing facility known as Webster House. The variable rate bonds will mature in no more than 25 years, and will be placed with JP Morgan.

Based on the overall public benefit, as well as conformance with CSCDA’s issuance guidelines, Executive Director Bando recommends approval of the project as submitted.

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

- b. American Baptist Homes of the West, City of Los Altos, County of Santa Clara, City of Santa Barbara, County of Santa Barbara, City of Oakland, County of Alameda, City of Redlands, County of San Bernardino, City of Bakersfield, County of Kern, City of Fresno, County of Fresno; up to \$70 million in nonprofit revenue bonds.

The borrower owns and operates seven continuing care retirement communities (CCRCs) in California, and provides management services to its affiliated senior housing corporations and limited partnerships, to four other CCRCs and 34 low- and moderate-income senior rental housing communities. The borrower wishes to refinance 2006 bonds and reimburse costs to be incurred in expanding, remodeling, renovating, furnishing and equipping several of their CCRCs.

The 4% fixed rate tax-exempt bonds will mature in no more than 40 years. The underwriter will publicly offer the bonds in minimum denominations of \$5,000.

Based on the overall public benefit, as well as conformance with CSCDA’s issuance guidelines, subject to a triple B+ rating and the respective TEFRA hearings and approvals, Executive Director Bando recommends approval of the project as submitted.

Motion to approve the project, as recommended by Executive Director Bando, by O’Rourke; second by Mierzwa; unanimously approved by roll-call vote.

VI. Approval of an amendment to CSCDA’s issuance policies to require the delivery of a sophisticated investor letter for certain transactions.

Executive Director Bando explained that a sophisticated investor letter would provide CSCDA with comfort that the investor satisfies the criteria for the purchase, has no present intention of reoffering the bonds in a subsequent public offering, has the sophistication to evaluate the merits and risks of the investment, is able to suffer the loss of the investment, has been furnished all information that they and their advisors have requested, and that they’ve had the opportunity to ask appropriate questions.

It is recommended by Executive Director Bando that CSCDA policy be changed to: (i) make such sophisticated investor letter mandatory for a sale not involving an underwriter, without regard to bond rating; and (ii) eliminate the requirement that a traveling investor letter be delivered in connection with each subsequent transfer of bonds sold to qualified institutional buyers or to accredited investors.

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

VII. Approval of the financing for Independence Support, LLC (California Preparatory Academies), City of Livermore, County of Alameda; up to \$28 million in revenue bonds.

The borrower wishes to finance the acquisition, construction, improvement and equipping of educational facilities located in a 79,270 square foot, two-story building on a 5.56 acre site in Livermore. The facility will be leased to two organizations that operate schools and will house Livermore Valley Charter Preparatory High School and San Francisco Bay Preparatory Academy.

The 6.5% interest bonds are expected to be sold as term bonds maturing in 30 years, are non-rated and will be marketed to qualified institutional investors in minimum denominations of \$100,000.

Marc Bauer (Orrick) explained that there are two potential investors, or buyers of these bonds, who do not qualify as qualified institutional buyers; however, they qualify as accredited investors. These potential buyers request minimum denominations of \$25,000, which varies from policy for accredited investors (requires minimum denominations of \$100,000).

Chair Larry Combs asked if there was any reason that this item could not be held over until the next scheduled meeting on May 7, to allow time to properly investigate. Marc Bauer explained that the potential investors would lose a \$1,000,000 deposit if the transaction does not close by May 8, so a delay will result in withdrawal of their request. Combs suggested that the commissioners could approve the bond issuance today with no change in policy, but review the request, and if an exception is possible, the exception could be placed on the agenda for consideration during the May 7 meeting, and if approved would still allow the transaction to close on May 8.

Motion to approve, subject to Chair Larry Combs' suggestion for CSCDA staff to review whether policy can and/or should be excepted for these two potential accredited investors to purchase in \$25,000 denominations rather than \$100,000 denominations, as well as subject to TEFRA hearing and approval, by Harrison; second by Holly; unanimously approved by roll-call vote.

VIII. Approval of IT consultant contract with PMC in connection with transitioning CSCDA's website.

Executive Director Bando explained that the CSCDA website is currently tightly embedded with US Communities' site. This agreement to engage PMC will be to build a new website that will be essentially identical to the existing site, including the existing cacommunities.org URL, but will also change the host to allow CSCDA to operate independently.

Motion to approve by Snellings; second by O'Rourke; unanimously approved by roll-call vote.

IX. Approval of transition services agreement with Bridge Strategic Partners.

Executive Director Bando explained that Bridge Strategic Partners (BSP) will become CSCDA's new program manager effective July 1, 2015. This agreement will authorize BSP to reach out to finance professionals with pre-marketing efforts, as well as help with any aspects relating to the new website and help to establish new bank accounts. The agreement would become effective immediately at a fee of \$25,000 for the period of April 23, 2015 – June 30, 2015. Effective July 1, 2015, BSP will be working under the terms of the previously executed program manager contract.

Motion to approve by Harrison; second by O'Rourke; unanimously approved by roll-call vote.

X. Public comment.

Laura Labanieh announced that Nancy Parrish will be leaving CSAC Finance Corporation.

Executive Director Bando indicated a closed session will immediately follow this meeting.

IX. Adjournment.

Commission chair Larry Combs adjourned the meeting at 10:35 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for
Thursday, May 7, at 10:00 a.m.
in the League of California Cities' office at 1400 K Street, Sacramento, California.*

IV. Consideration of the Consent Calendar.

- a. Inducement of Moreno Valley Cottonwood 1 Partners, LP (Cottonwood Place), City of Moreno Valley, County of Riverside; issue up to \$10 million in multi-family housing revenue bonds

Applicant Information

Primary Contact E-mail: dlhorn@palmcommunities.com

Name of Developer: **Danavon Lynton Horn & Associates LLC**

TIN or EIN: **20-5522634**

Primary Contact

First Name: **Danavon**

Last Name: **Horn**

Title: **President**

Address:

Street: **15635 Alton Parkway**

City: **Irvine**

State: **California**

Suite: **Ste. 375**

Phone: **949-878-9367**

Ext:

Zip: **92618**

Email: **dhorn@palmcommunities.com**

Fax:

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Moreno Valley Cottonwood 1 Partners LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized:

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **15**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **15**

Secondary Contact

First Name: **Mitch**

Last Name: **Slagerman**

Title: **Vice President of Project Development**

Address:

Street : **15635 Alton Parkway**

City: **Irvine**

State: **California**

Suite: **Ste. 375**

Phone: **949-878-9373**

Ext:

Zip: **92618**

Email: **mslagerman@palmcommunities.com**

Fax:

Primary Billing Contact

Organization: **Palm Communities**

First Name: **Danavon**

Last Name: **Horn**

Title: **President**

Address

Street: **15635 Alton Parkway**

City: **Irvine**

State: **California**

Suite:

Phone: **949-878-9376**

Ext:

Zip: **92618**

Email: **dhorn@palmcommunities.com**

Fax:

Project Information

Project Information

Project Name: **Cottonwood Place (Phase 1)**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Cottonwood Place (Phase 1)**

Facility Bond Amount: \$10,000,000.00

Project Address:

Street or general location: **24115 Cottonwood Avenue**

City: **Moreno Valley**

State: **California**

Zip: **92553**

County: **Riverside**

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

Total Number of Units:

Market:

Restricted: **109**

Total: **109**

Lot size: **7.9**

Amenities:

Gated entry and security cameras

Community center including: kitchen, fitness center, computer lab, game room, classroom, multipurpose room

Two swimming pools

Four playgrounds, one with basketball court, tot lots

BBQ areas with picnic tables

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

Garden Style walk up, the buildings are designed with sustainable building standards in mind and employ a color palette and materials that harmonize with the beautiful, yet rugged hillsides visible to the north.

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: **Moreno Valley**

First Name: Marshall

Last Name: Eyerman

Title: Financial Resources Division Manager

Phone: 951-413-3519

Ext:

Fax:

Email: mashalle@moval.org

Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 46

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	3 Bedrooms	54	54	653.00	1,629.00	976.00
2.	4 Bedrooms	54	54	720.00	1,987.00	1,267.00

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 #:

41

State Senate District #:

31

State Assembly/House of Representatives
District #:

61

Financing Information

Financing Information

Maturity **30** 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:

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 Funding

Tax-Exempt Bond Proceeds:	<u>\$4,475,800.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$3,686,147.00</u>
Developer Equity:	<u>\$57,356.00</u>
Other Funds (Describe):	
HOME Investment Partnership Act	<u>\$624,634.00</u>
Redevelopment Set-Aside Funds	<u>\$1,414,108.00</u>
CitiGroup Soft Loan	<u>\$1,635,000.00</u>
Prestabilization	<u>\$338,703.00</u>
	<u>\$</u>
Total Sources:	<u>\$12,231,748.00</u>

Uses:

Land Acquisition:	<u>\$317,000.00</u>
Building Acquisition:	<u>\$6,000,000.00</u>
Construction or Remodel:	<u>\$2,689,210.00</u>
Cost of Issuance:	<u>\$71,535.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$193,540.00</u>
Other Uses (Describe):	
Architect & Engineering Fees	<u>\$50,000.00</u>
Contractor Overhead & Profit	<u>\$351,400.00</u>
Developer Fee	<u>\$907,650.00</u>
Relocation	<u>\$108,000.00</u>
Financing Costs/Other Soft Costs	<u>\$1,543,413.00</u>
Total Uses:	<u>\$12,231,748.00</u>

Financing Team Information

Bond Counsel

Firm Name: Goldfarb & Lipman LLP

Primary Contact

First Name: Robert

Last Name: Mills

Title: Attoreny

Address:

Street: 1300 Clay Street, 11th Floor

City: Oakland

State: California

Suite:

Zip: 94612

Phone: 510-836-6336

Ext:

Fax: 510-836-1035

Email: rmills@goldfarbblipman.com

Bank/Underwriter/Bond Purchaser

Firm Name: Citibank (CITI)

Primary Contact

First Name: Bryan

Last Name: Barker

Title: City Community Capital

Address:

Street: One Sansome Street, 27th floor

City: San Francisco

State: California

Suite:

Zip: 94104

Phone: 415-445-9965

Ext:

Fax:

Email: bryanbarker@citi.com

Financial Advisor

Firm Name: 1410 Partners, LLC

Primary Contact

First Name: John

Last Name: McAlister

Title: Principal

Address:

Street: 500 N First Ave

City: Arcadia

State: California

Suite: 4

Zip: 91006

Phone: 626-446-6864

Ext:

Fax: 626-446-6808

Email: jmc alister@1410partners.com

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

- b. Inducement of KDF Communities (Santa Paula Village), City of Santa Paula, County of Ventura; issue up to \$8 million in multi-family housing revenue bonds

Applicant Information

Primary Contact E-mail: cburns@kdfcommunities.com

Name of Developer: **KDF Communities**

TIN or EIN:

Primary Contact

First Name: **Chris**

Last Name: **Burns**

Title: **Director of Development**

Address:

Street: **230 Newport Center Drive**

Suite: **210**

City: **Newport Beach**

State: **California**

Zip: **92660**

Phone: **949-719-1888**

Ext: **214**

Fax: **949-719-1897**

Email: **cburns@kdfcommunities.com**

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **KDF Communities**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized:

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **20**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **20**

Secondary Contact

First Name: **Marquis**

Last Name: **Hyatt**

Title: **Principal**

Address:

Street : **230 Newport Center Drive**

Suite: **210**

City: **Newport Beach**

State: **California**

Zip: **92660**

Phone: **949-719-1888**

Ext: **2122**

Fax: **949-719-1897**

Email: **mhyatt@kdfcommunities.com**

Primary Billing Contact

Organization: **VPM Management, Inc.**

First Name: **Agnes**

Last Name: **Turner**

Title: **Chief Financial Officer**

Address

Street: **2400 Main Street**

Suite: **201**

City: **Irvine**

State: **California**

Zip: **92614**

Phone: **949-863-1500**

Ext: **221**

Fax: **949-863-1801**

Email: **agnes@villageinvestments.com**

Project Information

Project Information

Project Name: **Santa Paula Village**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Santa Paula Village**

Facility Bond Amount: \$6,300,000.00

Project Address:

Street or general location: **214 & 218 N 8th Street**

City: **Santa Paula**

State: **California**

Zip: **93060**

County: **Ventura**

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

Total Number of Units:

Market: **1**

Restricted: **55**

Total: **56**

Lot size: **23331 acres**

Amenities:

Pool, two laundry facilities, carports and storage lockers.

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

Wood Frame, two-story, nine buildings

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:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

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: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	60	11	982.00	1,100.00	118.00
2.	1 Bedroom	60	21	975.00	1,100.00	125.00
3.	2 Bedrooms	60	4	1,175.00	1,300.00	125.00
4.	2 Bedrooms	60	13	1,165.00	1,300.00	135.00
5.	1 Bedroom	50	1	812.00	1,100.00	288.00
6.	1 Bedroom	50	3	805.00	1,100.00	295.00

7.	2 Bedrooms	50	2	961.00	1,300.00	339.00
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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/House of Representatives District #:
26	19	37

Financing Information

Financing Information

Maturity 17 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:

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 Funding

Tax-Exempt Bond Proceeds:	<u>\$6,300,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$2,782,410.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Project Cash Flow	<u>\$595,257.00</u>
Deferred Developer Fee	<u>\$1,060,070.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$10,737,737.00</u>

Uses:

Land Acquisition:	<u>\$</u>
Building Acquisition:	<u>\$7,000,000.00</u>
Construction or Remodel:	<u>\$1,441,872.00</u>
Cost of Issuance:	<u>\$263,806.00</u>
Capitalized Interest:	<u>\$571,463.00</u>
Reserves:	<u>\$153,792.00</u>
Other Uses (Describe):	
Soft Costs	<u>\$207,804.00</u>
Developer Fee	<u>\$1,099,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$10,737,737.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: **Cooper**

Title: **Partner**

Address:

Street: **405 Howard Street**

Suite:

City: **San Francisco**

State: **California**

Zip: **94105**

Phone: **415-773-5908**

Ext:

Fax:

Email: **jcooper@orrick.com**

Bank/Underwriter/Bond Purchaser

Firm Name: Citigroup Global Markets Inc.

Primary Contact

First Name: **Bryan**

Last Name: **Barker**

Title: **Vice President**

Address:

Street: **One Sansome Street**

Suite: **18th Floor**

City: **San Francisco**

State: **California**

Zip: **94104**

Phone: **415-627-6484**

Ext:

Fax: **415-948-2083**

Email: **bryan.barker@citi.com**

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

- c. Inducement of Preservation Duarte Manor II, LP (Duarte Manor Apartments), City of Duarte, County of Los Angeles; issue up to \$9.5 million in multi-family housing revenue bonds.

Applicant Information

Primary Contact E-mail: scarper@cacommunities.org

Name of Developer: **Preservation Western America Development, LLC**

TIN or EIN: **46-1199979**

Primary Contact

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address:

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **310-374-4381**

Ext:

Fax: **310-374-7298**

Email: **jimp@westamprop.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Preservation Duarte Manor, LP**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **March 21, 2013**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **2**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **2**

Secondary Contact

First Name:

Last Name:

Title:

Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Primary Billing Contact

Organization: **Preservation Western America Development, LLC**

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **310-374-4381**

Ext:

Fax: **310-374-7298**

Email: **jimp@westamprop.com**

Project Information

Project Information

Project Name: **Duarte Manor Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Duarte Manor Apartments**

Facility Bond Amount: \$6,878,000.00

Project Address:

Street or general location: **1235 N. Highland Avenue**

City: **Duarte**

State: **California**

Zip: **91010**

County: **Los Angeles**

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

Total Number of Units:

Market:

Restricted: **42**

Total: **42**

Lot size: **2.37 Acres**

Amenities:

None

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

None

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:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

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: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	5	932.00	1,620.00	688.00

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:

State Assembly/House of Representatives

Congressional District #:	State Senate District #:	District #:
32	24	48

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:

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 Funding

Tax-Exempt Bond Proceeds:	\$6,878,000.00
Taxable Bond Proceeds:	\$
Projected Tax Credits:	\$
Developer Equity:	\$
Other Funds (Describe):	
	\$
	\$
	\$
	\$
	\$
Total Sources:	\$6,878,000.00

Uses:

Land Acquisition:	\$6,878,000.00
Building Acquisition:	\$
Construction or Remodel:	\$
Cost of Issuance:	\$
Capitalized Interest:	\$
Reserves:	\$
Other Uses (Describe):	
	\$
	\$
	\$
	\$
	\$
Total Uses:	\$6,878,000.00

Financing Team Information

Bond Counsel

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

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:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

- d. Inducement of Preservation Vista Park Chino II, LP (Vista Park Chino Apartments), City of Chino, County of San Bernardino; issue up to \$9.5 million in multi-family housing revenue bonds.

Applicant Information

Primary Contact E-mail: michael@treadstonecos.com

Name of Developer: **Preservation Western America Development, LLC**

TIN or EIN: **46-1199979**

Primary Contact

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address:

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **(310) 374-4381**

Ext:

Fax: **(310) 374-7298**

Email: **jimp@westamprop.com**

Borrower Description:

☐ Same as developer ?

Name of Borrowing Entity: **Preservation Vista Park Chino II, L.P.**

Type of Entity:

☐ For-profit Corporation

☐ Non-profit Corporation

☒ Partnership

☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **To Be Formed**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **2**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **2**

Secondary Contact

First Name:

Last Name:

Title:

Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Primary Billing Contact

Organization: **Preservation Western America Development, LLC**

First Name: **James**

Last Name: **Perley**

Title: **Principal**

Address

Street: **111 North Sepulveda Blvd**

Suite: **330**

City: **Manhattan Beach**

State: **California**

Zip: **90266**

Phone: **(310) 374-4381**

Ext:

Fax: **(310) 374-7298**

Email: **court@treadstonecos.com**

Project Information

Project Information

Project Name: **Vista Park Chino Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Vista Park Chino Apartments**

Facility Bond Amount: \$6,577,200.00

Project Address:

Street or general location: **5819-5829 Riverside Drive**

City: **Chino**

State: **California**

Zip: **91710**

County: **San Bernadino**

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

Total Number of Units:

Market:

Restricted: **40**

Total: **40**

Lot size: **2.62**

Amenities:

Unit amenities include central air conditioning/heating, patios/balconies, and ceiling fans. Kitchens have electric stoves/ovens and garbage disposals. Common area amenities include laundry facility, gated access, and garden landscaping

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

Six Two-story, Walk-up Residential Buildings. Wood Frame Construction And Stucco Exterior With Combination Of Flat And Pitched Roofs With Mixture Of Composition Shingle And Concrete Tiles.

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of Chino**

First Name: Brent

Last Name: Arnold

Title: Interim Director of Community Development

Phone: (909) 334-3314

Ext:

Fax: (909) 334-3729

Email: barnold@cityofchino.org

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: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	50	4	1,355.00	1,490.00	135.00
2.	2 Bedrooms	60	16	1,355.00	1,490.00	135.00
3.	3 Bedrooms	50	4	1,694.00	1,864.00	170.00

4.

3 Bedrooms	60	15	1,694.00	1,864.00	170.00
------------	----	----	----------	----------	--------

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/House of Representatives District #:
42	29	61

Financing Information

Financing Information

Maturity 35 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) :FHA

Name of Credit Enhancement Provider or Private Placement Purchaser: Red Capital Markets, LLC

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☒ Other (specify) :FHA

Name of Credit Enhancement Provider or Private Placement Purchaser: Red Capital Markets, LLC

Expected Rating:

☐ Unrated

Moody's:

S&P:

Fitch:

SP-1+

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 Funding

Tax-Exempt Bond Proceeds:	<u>\$6,577,200.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$2,854,000.00</u>
Developer Equity:	<u>\$663,566.00</u>
Other Funds (Describe):	
Income During Rehab	<u>\$507,718.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$10,602,484.00</u>

Uses:

Land Acquisition:	<u>\$600,000.00</u>
Building Acquisition:	<u>\$5,700,000.00</u>
Construction or Remodel:	<u>\$1,493,760.00</u>
Cost of Issuance:	<u>\$232,651.00</u>
Capitalized Interest:	<u>\$</u>
Reserves:	<u>\$278,000.00</u>
Other Uses (Describe):	
Soft Cost	<u>\$454,279.00</u>
Developer Fee	<u>\$1,152,096.00</u>
Finance Cost (not COI)	<u>\$691,698.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$10,602,484.00</u>

Financing Team Information

Bond Counsel

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

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:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

- V. Consideration of the adoption of the Conflict of Interest Resolution. (Mike LaPierre)

MEMORANDUM

TO: Chair and Commissioners of the California Statewide Communities Development Authority

CC: Cathy Bando, Executive Director
Michael LaPierre, Program Manager

FROM: Gregory W. Stepanicich, General Counsel
Amanda L. Charne, Assistant General Counsel

DATE: March 4, 2015

SUBJECT: CSCDA Conflict of Interest Code Amendment

The Political Reform Act requires all local governments to adopt a local Conflict of Interest Code that designates positions required to file Statements of Economic Interests (Form 700), and assigns disclosure categories specifying the types of interests to be reported. The Political Reform Act also requires local governments to update their Conflict of Interest Code when revisions are necessitated by changed circumstances, including the creation of new positions. Gov. Code § 87306.5; see also, Gov. Code §§ 87300, 87306.

The Conflict of Interest Code must list positions that make or participate in making decisions which may have a material effect on economic interests. CSCDA's existing Conflict of Interest Code does not reflect the recently established Executive Director position or the position of General Counsel. Additionally, the members of the governing body of the Authority are incorrectly listed as Board members rather than Commissioners. Therefore, the Conflict of Interest Code needs to be amended at this time. For your consideration, please find a proposed Conflict Code amendment and public notice enclosed with this memorandum.

For local government agencies with jurisdiction in more than one county, Fair Political Practices Commission (FPPC) Regulation, California Code of Regulations, Title 2, Section 18750.1 applies. Below is a brief summary of the procedural steps which CSCDA must undertake to adopt the proposed Conflict Code amendment.

The CSCDA must provide a 45-day written comment period on the proposed Conflict Code amendment. The comment period is commenced by publicly distributing the Notice of Intention to amend the Conflict Code to employees and officers affected by the Code amendment, to the FPPC and to the public. The proposed Conflict Code amendment must be available for inspection and copying to interested persons during the 45-day comment period.

MEMORANDUM

Chair and Commissioners of the California Statewide Communities Development Authority
March 4, 2015
Page 2

Any interested person, including the Commissioners, may request that CSCDA hold a public hearing on the proposed Conflict Code amendment. The deadline to request a public hearing is 15 days prior to the close of the comment period. After the public comment period has closed, CSCDA would formally adopt the Conflict Code amendment.

Once adopted by CSCDA, the Conflict Code amendment and certain supporting documentation must be submitted to the FPPC Executive Director for approval. The supporting documentation includes a declaration by the chief executive officer of the agency, a summary of any hearing and copies of all written submissions to CSCDA on the matter, the names of participants in public hearings, the current organization chart of the agency, and job descriptions for all employees newly designated by the amendment. The FPPC Executive Director must set the matter for separate 45-day public comment period. After the 45-day comment period ends, the FPPC Executive Director may either approve the code amendment as submitted or return the proposed code for revision. The approved code becomes effective on the thirtieth day following its approval.

Please let us know if we can answer any questions concerning the Political Reform Act or the local Conflict of Interest Code amendment process.

RESOLUTION NO. _____

**A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY AMENDING ITS CONFLICT OF INTEREST CODE**

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) was formed as a California joint powers authority; and

WHEREAS, the Political Reform Act, Government Code sections 81000 *et seq.*, requires every state or local government agency to adopt a Conflict of Interest Code, and to amend its Conflict of Interest Code when revisions are necessitated by changed circumstances, including the creation of new positions; and

WHEREAS, by Resolution Number _____, the Authority adopted a Conflict of Interest Code containing designated positions and disclosure categories. By this resolution the Authority is amending the designated positions to which the Conflict of Interest Code applies.

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

Section 1. The Commission of the Authority hereby amends the Appendix to the Conflict of Interest Code adopted pursuant to Resolution No. _____ to add the Executive Director and the General Counsel to the list of Designated Positions and to change the title of Board Member to Commissioner. A new Appendix is attached hereto and incorporated herein by reference.

Section 2. Except as otherwise amended by this resolution, the Conflict of Interest Code of the Authority, as adopted by Resolution No. _____, remains in full force and effect.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 7th day of May, 2015.

I, the undersigned, the duly appointed and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the California Statewide Communities Development Authority at a duly called meeting of the Commission of said Authority held in accordance with law on May 7, 2015.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

APPENDIX

Designated Employees	Disclosure Category
Commissioners of CSCDA	1
Executive Director	1
General Counsel	1
Program Manager	1
Controller	1
Housing Compliance Director	1
Consultants*	1*

Category 1

Designated employees assigned to this category shall disclose all business entities and non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; all interests in real property; and all sources of income, including gifts, loans and travel payments.

Category 2

Designated employees assigned to this category shall disclose business entities and non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; and income, including gifts, loans and travel payments; if the business entity, non-profit organization or source of income manufactures, distributes, sells or otherwise provides goods or services of the type utilized by the division or program to which the designated employee is assigned.

*Definition of Consultants and Note Regarding Disclosure Categories for Consultants: This category of designated employees includes consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant CSCDA approval to a plan, design, report, study, or adopt or grant CSCDA approval of policies, standards, or guidelines for CSCDA. Such consultants shall disclose in Category 1. This category also includes consultants who act in a staff capacity with CSCDA, and in that capacity perform the same or substantially all the same duties for CSCDA that would otherwise be performed by an individual holding a designated position in CSCDA's Conflict of Interest Code. Such consultants shall disclose at the same level as the comparable designated position identified elsewhere in the Code.

- VI. Consideration of the financing; all necessary actions; the execution and delivery of all necessary documents and authorize any member to sign all necessary financing documents for the following:
 - a. Summit Rose Apartments, LP (Summit Rose Apartments), City of Escondido, County of San Diego; up to \$10,000,000 in multifamily housing revenue bonds. (Caitlin Lanctot)

SUMMARY AND APPROVALS

DATE: MAY 7, 2015

APPLICANT: SUMMIT ROSE APARTMENTS, LP/KDF COMMUNITIES

AMOUNT: UP TO \$10,000,000 OF MULTI-FAMILY HOUSING REVENUE BONDS

PURPOSE: FINANCE THE ACQUISITION AND REHABILITATION OF THE SUMMIT ROSE APARTMENTS LOCATED AT 460 EAST WASHINGTON AVE IN ESCONDIDO, CA

CSCDA PROGRAM: HOUSING

Background:

The proposed project, Summit Rose Apartments (the “Project”), is a 91-unit property located in Escondido, California. The Project application was filed on January 8, 2015 and induced on January 15, 2015.

Summary:

Summit Rose Apartments, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$10,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 27 one-bedroom units and 64 two-bedroom units to low-income families in Escondido.

The Project was originally constructed in 1974 on 4.16 acres. The Project includes nine 2-story apartment buildings, a community building, laundry facility, pool, spa, picnic/bbq area, and covered parking. Units will have carpeting throughout, except for the entry, bathroom and kitchen areas which will have vinyl flooring. The kitchens will have a refrigerator, cooking range and dishwasher. The units will have air conditioning, heating and window coverings.

The rehabilitation includes improvements to the residential units, building exteriors, community building and site. The goal of the rehabilitation is to greatly improve the individual units, amenities and energy efficiency of the complex. Residential units will receive new flooring, paint, window coverings, appliances, HVAC equipment, and cabinets and counters as needed. Building exteriors will receive new paint, double-pane energy efficient window, energy efficient lighting, fences, building trim, deck repair, and updated landscaping.

The rehabilitation is expected to begin in June 2015 and take approximately 6 months to complete.

Public Benefit:

- Project Affordability
 - 100% of the Project’s units will be income restricted:
 - 10 units reserved for tenants whose income is at or below 50% AMI

- 79 units reserved for tenants whose income is at or below 60% AMI
 - 2 managers units
 - The term of the income and rental restrictions for the Project will be at least 55 years
- Site Amenities
 - The Project is located within a Public Transit Corridor
 - The Project is located within ½ mile of a park
 - The Project is located within ½ mile of a grocery store
 - The Project is located within ½ mile of a school
 - The Project is located within ½ mile of a healthcare center
- Economic Benefits
 - Based upon \$13,663,675 Project costs using a 1.8 multiplier the Project produces approximately \$24,594,615 total economic activity, and at 2.1 jobs per unit produces approximately 191 jobs. (Multipliers based on June 2010 study by Blue Sky Consulting Group and Center for Housing Policy on impact of housing in California using IMPLAN system.)

Agency Approvals:

TEFRA Hearing: January 7, 2015, City of Escondido, unanimous approval
CDLAC Approval: Anticipated May 15, 2015

Estimated Sources and Uses:

Sources:

Tax Exempt Bond Proceeds	\$7,000,000	51.23%
Tax Exempt Seller Carry	\$1,000,000	7.32%
Cash Flow	\$945,103	6.92%
LIHTC Equity	<u>\$4,718,572</u>	<u>34.53%</u>
Total Sources	\$13,663,675	100.00%

Uses:

Acquisition	\$9,128,220	66.81%
Hard Construction Costs	\$2,745,422	20.09%
Loan Costs	\$613,264	4.49%
Financing Costs	\$147,473	1.08%
Legal & Accounting	\$114,000	0.83%
Contingency Costs	\$309,540	2.27%
Capitalized Interest	\$483,875	3.54%
Other Soft Costs (Marketing, Etc.)	<u>\$121,881</u>	<u>0.89%</u>
	\$13,663,675	100.00%

Finance Team:

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Citi Community Capital, Denver

Financing Structure:

The Bonds will be publically offered by Citi Community Capital and are expected to be rated AA+ by S & P. The senior bonds will have a 24 month maturity during the construction phase. After construction completion, the Senior bonds will be replaced by a taxable HUD 223f loan for a term of 35 years. The Series B bonds will be a seller carry-back loan purchased by Southwest Rose Apartments, LP.

Policy Compliance:

The Project complies with the following policies:

- CSCDA General Policies
- CSCDA Issuance Policies
- CDLAC's Qualified Residential Rental Program Requirements

Executive Director Approval:

Based on the overall public benefits, approval of the issuance of Bonds by the City of Escondido, and conformance to the CSCDA Issuance Policies, the Executive Director recommends that the Commission approve the Resolution as submitted to the Commission, which:

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

Attachments:

1. Original application

Applicant Information

Primary Contact E-mail: clanctot@cscda.org

Name of Developer: **Summit Rose Apartments, LP**
TIN or EIN: **47-1534067**

Primary Contact

First Name: **Chris**
Title: **Director of Development**

Last Name: **Burns**

Address:

Street: **230 Newport Center Drive**
City: **Newport Beach**
Phone: **(949) 719-1888**
Email: **clanctot@cscda.org**

Suite: **210**
State: **California**
Zip: **92660**
Ext: **214**
Fax:

Borrower Description:

☒ Same as developer ?

Name of Borrowing Entity: **Summit Rose Apartments, LP**

Type of Entity:

☐ For-profit Corporation
☒ Partnership

☐ Non-profit Corporation
☐ Other (specify)

☐ Will you be applying for State Volume Cap?

Date Organized: **8/5/14**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **20**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **20**

Secondary Contact

First Name: **Marquis**
Title: **Principal**

Last Name: **Hyatt**

Address:

Street : **230 Newport Center Drive**
City: **Newport Beach**
Phone: **949-719-1888**
Email: **mhyatt@kdfcommunities.com**

Suite: **210**
State: **California**
Zip: **92660**
Ext: **212**
Fax: **949-719-1897**

Primary Billing Contact

Organization: **VPM Management Inc.**

First Name: **Agnes**
Title: **Chief Financial Officer**

Last Name: **Turner**

Address

Street: **2400 Main Street**
City: **Irvine**
Phone: **949-863-1500**
Email: **agnes@villageinvestments.net**

Suite: **201**
State: **California**
Zip: **92614**
Ext: **221**
Fax: **949-863-1801**

Project Information

Project Information

Project Name: **Summit Rose Apartments**

New Project Name(optional):

Facility Information

Facility #1

Facility Name: **Summit Rose Apartments**

Facility Bond Amount: \$9,100,000.00

Project Address:

Street or general location: **460 E. Washington**

City: **Escondido**

State: **California**

Zip: **92025**

County: **San Diego**

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

Total Number of Units:

Market: **1**

Restricted: **90**

Total: **91**

Lot size: **4.16 acres**

Amenities:

One-story community building, central laundry facility, pool, picnic/bbq area and a gated perimeter.

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

Slab on grade foundations with wood framing and stucco/siding exteriors as well as asphalt and shingle roofing

Type of Housing:

☐ New Construction

☒ Acquisition/Rehab

Facility Use:

☒ Family

☐ Senior

Is this an Assisted Living Facility? ☐

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

Name of Agency: **City of Escondido**

First Name: Karen

Last Name: Youel

Title: Management Analyst

Phone: 760-839-4518

Ext:

Fax: 760-741-0619

Email: Kyouel@ci.escondido.ca.us

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: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	3	712.00	1,050.00	338.00
2.	1 Bedroom	60	24	860.00	1,050.00	190.00
3.	2 Bedrooms	50	6	852.00	1,250.00	398.00
4.	2 Bedrooms	60	57	1,030.00	1,250.00	220.00

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/House of Representatives District #:
50	38	75

Financing Information

Financing Information

Maturity 35 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: Pillar Short Term Tax Exempt Loan

Permanent Financing:

☒ Credit Enhancement

☐ None

☐ Letter of Credit

☐ Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: HUD FHA 223f Pilot Loan

Expected Rating:

☒ Unrated

Moody's:

S&P:

Fitch:

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 Funding

Tax-Exempt Bond Proceeds:	<u>\$9,100,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$4,086,860.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
Cash Flow from Operations	<u>\$895,793.00</u>
Deferred Developer Fee	<u>\$1,193,654.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$15,276,307.00</u>

Uses:

Land Acquisition:	<u>\$9,110,000.00</u>
Building Acquisition:	<u>\$9,110,000.00</u>
Construction or Remodel:	<u>\$2,283,779.00</u>
Cost of Issuance:	<u>\$973,170.00</u>
Capitalized Interest:	<u>\$554,243.00</u>
Reserves:	<u>\$233,638.00</u>
Other Uses (Describe):	
Developer Fee	<u>\$1,604,000.00</u>
Hard Cost Contingency	<u>\$228,378.00</u>
Soft Costs	<u>\$289,099.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$15,276,307.00</u>

Financing Team Information

Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

Primary Contact

First Name: Justin

Last Name: Cooper

Title: Partner

Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5908

Ext:

Fax:

Email: jcooper@orrick.com

Bank/Underwriter/Bond Purchaser

Firm Name: Pillar

Primary Contact

First Name: Pete

Last Name: Nichol

Title: Managing Director

Address:

Street: 50 California Street

Suite: 3550

City: San Francisco

State: California

Zip: 94111

Phone: 415-591-3115

Ext:

Fax:

Email: peter.nichol@pillarfinance.com

Financial Advisor

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Last Name:

Title:

Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

RESOLUTION NO. 015H-__

A RESOLUTION OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT GENERALLY KNOWN AS SUMMIT ROSE APARTMENTS; DETERMINING AND PRESCRIBING CERTAIN MATTERS AND APPROVING AND AUTHORIZING THE EXECUTION OF AND DELIVERY OF VARIOUS DOCUMENTS RELATED THERETO; RATIFYING ANY ACTION HERETOFORE TAKEN AND APPROVING RELATED MATTERS IN CONNECTION WITH THE BONDS

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

WHEREAS, Summit Rose Apartments, LP, a California limited partnership, and entities related thereto (collectively, the “Borrower”), has requested that the Authority issue and sell revenue bonds to assist in the financing of the acquisition, rehabilitation and development of a 91-unit multifamily rental housing development located in the City of Escondido, California and known as Summit Rose Apartments (the “Project”);

WHEREAS, on May 20, 2015, the Authority expects to receive an allocation in the amount of \$9,100,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

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

WHEREAS, the Authority is willing to issue not to exceed \$10,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Summit Rose Apartments) 2015 Series K (the “Senior Bonds”) and its Subordinate Multifamily Housing Revenue Bonds (Summit Rose Apartments) 2015 Series K-S (the “Subordinate Bonds,” and together with the Senior Bonds, the “Bonds”), provided that the aggregate portion of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low income persons;

WHEREAS, the Senior Bonds will initially be offered for sale to the public by Citigroup Global Markets Inc., as Underwriter, and the Subordinate Bonds will be privately placed with Southwest Summit Rose, L.P., or a related entity, as the initial purchasers of the Subordinate Bonds, in each case in accordance with the Authority's private placement policy.

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

(1) Trust Indenture with respect to the Senior Bonds (the "Indenture"), to be entered into between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee");

(2) Loan Agreement with respect to the Senior Bonds (the "Loan Agreement"), to be entered into between the Authority and the Borrower;

(3) Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), to be entered into among the Borrower, the Authority and the Trustee; and

(4) Bond Purchase Agreement (the "Bond Purchase Agreement") relating to the Senior Bonds, to be entered into by the Authority, Citigroup Global Markets, Inc., as Underwriter (the "Underwriter"), and the Borrower;

(6) Official Statement with respect to the Senior Bonds (the "Official Statement"), to be used in connection with the offer and sale of the Senior Bonds;

(7) Subordinate Master Pledge and Assignment (the "Pledge and Assignment") to be entered into among the Authority, Southwest Summit Rose, L.P., as agent (the "Subordinate Bonds Agent"), and Southwest Summit Rose, L.P., as bondholder, relating to the Subordinate Bonds; and

(8) Subordinate Master Agency Agreement (the "Agency Agreement") to be entered into between the Authority and the Subordinate Bonds Agent, relating to the Subordinate Bonds.

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

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

Section 2. Pursuant to the JPA Law, the Indenture and the Pledge and Assignment, and in accordance with the Housing Law, the Authority is hereby authorized to issue one or more series of Bonds. The Bonds shall be designated as "California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Summit Rose Apartments) 2015

Series K” including, if and to the extent necessary, Senior Bonds in one or more sub-series and Subordinate Bonds in one or more sub-series, with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$10,000,000; provided that the Bonds may not be issued unless and until CDLAC grants the Project the Allocation Amount, and provided further that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture and the Pledge and Assignment, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture and the Pledge and Assignment, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture and the Pledge and Assignment, and the Bonds shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or any Member of the Commission of the Authority (each, a “Member”).

Section 3. The Indenture in the form presented at this meeting is hereby approved. Any Member, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (including, without limitation, the administrative delegates duly authorized pursuant to Resolution No. 14R-58 of the Authority, adopted on November 6, 2014) (together with the Members, each such person is referred to herein individually as an “Authorized Signatory”), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond May 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Senior Bonds shall be as provided in the Indenture and the Pledge and Assignment as finally executed.

Section 4. The Loan Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

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

Section 6. The Authority is hereby authorized to sell the Senior Bonds to the Underwriter pursuant to the terms and conditions of the Bond Purchase Agreement. The form,

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

Section 7. The form, terms and provisions of the Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Official Statement to prospective purchasers of the Senior Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of the sale of the Senior Bonds, said Official Statement in final form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The Pledge and Assignment in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Pledge and Assignment, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond May 1, 2060), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Subordinate Bonds shall be as provided in the Pledge and Assignment as finally executed.

Section 9. The Agency Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Agency Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 10. The Senior Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Senior Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Senior Bonds, when duly executed and authenticated, to or at the direction of the Underwriter, in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Senior Bonds to or at the direction of the Underwriter in accordance with the Bond Purchase Agreement upon payment of the purchase price thereof.

Section 11. The Subordinate Bonds, when executed, shall be delivered to the Paying Agent for authentication. The Paying Agent is hereby requested and directed to authenticate the

Subordinate Bonds by executing the certificate of authentication appearing thereon, and to deliver the Subordinate Bonds, when duly executed and authenticated, to or at the direction of the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Paying Agent. Such instructions shall provide for the delivery of the Subordinate Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 12. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale, issuance and delivery of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to one or more tax certificates, a subordination or intercreditor agreement, any endorsement and/or assignment of the deed of trust and such other documents as described in the Indenture, the Pledge and Assignment, and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority and otherwise in order to carry out the financing of the Project.

Section 13. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Indenture, the Pledge and Assignment, and other documents approved herein.

Section 14. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this May 7, 2015.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on May 7, 2015.

By _____
Authorized Signatory

- VII. Consideration of the following resolutions for the creation of CFD No. 2015-01 (University District), City of Rohnert Park, County of Sonoma (Scott Carper):
- a. Resolution of intent to establish CFD No. 2015-01 (University District) and to levy a special tax to finance the construction and acquisition of certain public facilities and to finance certain development impact fees.
 - b. Resolution to incur bonded indebtedness to finance certain development impact fees and the acquisition and construction of certain public facilities, to mitigate the impacts of development within CFD No. 2015-01 (University District) and in and for each improvement area designated therein and calling for a public hearing.

SUMMARY AND APPROVALS

PROGRAM:	COMMUNITY FACILITIES DISTRICT
PURPOSE:	<p>1. RESOLUTION DECLARING INTENTION TO ESTABLISH CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2015-01 (UNIVERSITY DISTRICT), CITY OF ROHNERT PARK, COUNTY OF SONOMA AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE CONSTRUCTION AND ACQUISITION OF CERTAIN PUBLIC FACILITIES AND TO FINANCE CERTAIN DEVELOPMENT IMPACT FEES</p> <p>2. RESOLUTION TO INCUR BONDED INDEBTEDNESS TO FINANCE CERTAIN DEVELOPMENT IMPACT FEES, AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES, TO MITIGATE THE IMPACTS OF DEVELOPMENT WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2015-01 (UNIVERSITY DISTRICT), CITY OF ROHNERT PARK, COUNTY OF SONOMA)</p>
PRIMARY ACTIVITY:	FINANCE THE PAYMENT OF DEVELOPMENT IMPACT FEES AND IMPROVEMENTS FOR PUBLIC IMPROVEMENTS

CSCDA has received applications from Vast Oaks Properties, L.P. and University District Properties L. P. for University Park to finance the payment of certain development impact fees and improvements associated with the development in the City of Rohnert Park through the establishment of a community facilities district.

The amount of bonds to be issued will not exceed a total of \$15,000,000 for Improvement Area No. 1 (University District) and \$45,000,000 for Improvement Area M (University District). On December 11, 2014 the City of Rohnert Park gave its consent to CSCDA to act as the issuer for the bonds associated with University District. The City of Rohnert Park does not want to dedicate staff time to the financing, but views this as a project that will bring significant economic benefit. The Commission is being requested to approve the following:

- The resolution of intention to establish CSCDA Community Facilities District 2015-01 (University District) to levy a special tax to finance the construction and acquisition of certain public facilities and finance development impact fees, including the boundary maps and rate and method of apportionment prepared by David Taussig and Associates;
- The resolution to incur bonded indebtedness to finance development impact fees and the acquisition and construction of certain public facilities;
- Setting of the public hearing of protests for June 18, 2015.

The property within the CFD is currently under construction. University Park is a development of 270 acres and 1,236 SFR units. Bonds will be issued first for Improvement Area No. 1 which consists of 399 single family units. Subsequent series of bonds will be issued for Improvement Area M for the remaining 837 units. The first series of bonds in an amount of \$13,000,000* is expected to be issued in the fourth quarter of 2015. The project is adjacent to Sonoma State University and is a development of Brookfield Homes. If the

Commission decides to form the CFD the public hearing will be held on June 18, 2015 and the election would be conducted immediately thereafter, with the appropriate waivers signed and ballot cast by the land owner. .

Orrick, Herrington & Sutcliffe and CSCDA staff have reviewed the boundary maps and the resolutions have been prepared by Orrick. The proposed financing complies with the CFD policies and goals adopted by CSCDA.

The attachments contains copies of the resolutions and their attachments. All final approvals for the issuance of bonds would be brought back to this Commission after all proceedings have been completed.

Executive Director Approvals:

In connection with the proposed CFD bond issuance, based on the overall public benefit and conformance to the CSCDA Issuance Policies, the Executive Director recommends that this Commission:

1. Approve all necessary actions and documents;
2. Authorize any member of the Commission or Authorized Signatory to sign all necessary documents; and
3. Set the public hearing for June 18, 2015 at 10:00 a.m. at the California State Association of Counties.

RESOLUTION NO. 15R-__

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

A RESOLUTION DECLARING INTENTION TO ESTABLISH CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2015-01 (UNIVERSITY DISTRICT), CITY OF ROHNERT PARK, COUNTY OF SONOMA, STATE OF CALIFORNIA, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE CONSTRUCTION AND ACQUISITION OF CERTAIN PUBLIC FACILITIES AND TO FINANCE CERTAIN DEVELOPMENT IMPACT FEES

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has duly considered the advisability and necessity of establishing a community facilities district within the jurisdictional boundaries of the City of Rohnert Park, in Sonoma County, California (the “City”), to be designated and known as “California Statewide Communities Development Authority Community Facilities District No. 2015-01 (University District), City of Rohnert Park, County of Sonoma, State of California” (the “Community Facilities District”), under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”); and

WHEREAS, the Commission has considered an application for the formation of the Community Facilities District submitted jointly by the City and the developers of the University District project, Vast Oak Properties L.P., a California limited partnership, and University District Properties, LLC, a California limited liability company (collectively, the “Developer”); and

WHEREAS, pursuant to Section 53350 of the Act, it is proposed to designate two improvement areas within the Community Facilities District (each, an “Improvement Area”); and

WHEREAS, the names of the Improvement Areas shall be “California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area No. 1 (University District), City of Rohnert Park, County of Sonoma” (“Improvement Area No. 1”) and “California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area M (University District), City of Rohnert Park, County of Sonoma” (“Improvement Area M”); and

WHEREAS, the Commission has determined that the establishment of the Community Facilities District and each Improvement Area is consistent with and follows the local goals and policies concerning the use of the Act that have been adopted by the City of Rohnert Park, as modified by the City Resolution (defined below); and

WHEREAS, the proposed boundaries of the Community Facilities District, and each portion of the Community Facilities District designated as an Improvement Area, are shown on the boundary map entitled “Proposed Boundaries of California Statewide Communities

Development Authority Community Facilities District No. 2015-01 (University District), City of Rohnert Park, County of Sonoma, State of California” (the “Boundary Map”); and

WHEREAS, the Commission has duly considered the advisability and necessity of levying a special tax in each Improvement Area to finance the retirement of the lien established by the City’s Assessment District 2005-01, to finance the acquisition and construction of certain public capital facilities to be owned by the City, and to finance certain development impact fees to pay for other public capital facilities to be owned by the City; and

WHEREAS, the public facilities and development impact fees described in the previous paragraph are collectively referred to herein as the “Improvements” and are set forth in the City Resolution attached hereto and are incorporated by reference herein; and

WHEREAS, the Improvements set forth in the City Resolution may be constructed by either the Developer (in which case the acquisition costs of such facilities would be financed by the Community Facilities District), or by the City (in which case such Improvements may be financed as development impact fees), as determined by the City and the Developer, and the cost estimates for the Improvements listed in the City Resolution are estimates only and shall not limit the scope or amount of Improvements that may be financed by the Community Facilities District; and

WHEREAS, the Improvements will assist in mitigating the impact on the public infrastructure systems occasioned by new development that is expected to occur within the boundaries of each Improvement Area; and

WHEREAS, the Commission has reviewed City of Rohnert Park Resolution No. 2014-160 adopted by the Rohnert Park City Council on November 25, 2014, and entitled “A Resolution of the City Council of the City of Rohnert Park Authorizing the California Statewide Communities Development Authority (the “Authority”) to Form a Community Facilities District Within the Territorial Limits of the City of Rohnert Park and Related Matters” (the “City Resolution”); and

WHEREAS, the City Resolution, a copy of which is attached hereto and marked Exhibit A and incorporated herein by this reference, describes the Improvements and sets forth the terms of a joint community facilities agreement under the authority of Section 53316.2 of the Act, and further provides that the adoption of a Resolution of Intention for the Community Facilities District by the Commission will act as an acceptance, by the Authority, of the terms of the joint community facilities agreement embodied in the City Resolution; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. It is the intention of the Commission, and the Commission hereby proposes, to establish the Community Facilities District and each Improvement Area. By adopting this Resolution of Intention, the Commission hereby accepts and agrees to the joint community facilities agreement embodied in the City Resolution. The Commission finds and determines that the joint community facilities agreement is beneficial to the residents of the City and the future residents within the Community Facilities District.

Section 3. The boundaries of the territory proposed for inclusion in the Community Facilities District and each Improvement Area are more particularly described and shown on the Boundary Map now on file in the office of the Secretary, which map is hereby approved by the Commission. A reduced copy of the Boundary Map is marked Exhibit B and is attached hereto, and by this reference is incorporated herein and made a part of this Resolution. The Commission finds the map to be in substantially the form approved by the City Resolution, and that the Boundary Map is in the form and contains the matters prescribed by Section 3110 of the California Streets and Highways Code and directs the Secretary to certify the adoption of this Resolution on the face of the Boundary Map. The Authority's special tax consultant is hereby authorized and directed to record a copy of the Boundary Map with the County Recorder of Sonoma County in accordance with the provisions of Section 3111 of the California Streets and Highways Code.

Section 4. The Commission hereby finds that any property included within the boundary of each Improvement Area that is currently in agricultural use will nonetheless be benefited by the Improvements.

Section 5. It is the intention of the Commission to retire the lien established by the City's Assessment District 2005-01 (the "Lien") and finance the Improvements described in the City Resolution, with first priority given to retiring the Lien. All of the public facilities to be financed directly or through development impact fees have an estimated useful life of five (5) years or longer. They are public facilities that the City or other local governmental agencies are authorized by law to construct, own or operate, or to which they may contribute revenue, and that are necessary to meet increased demands placed upon the City as a result of development occurring and anticipated to occur within each Improvement Area. The Improvements need not be physically located within either Improvement Area.

Section 6. The cost of financing the acquisition and construction of the Improvements includes incidental expenses for the Improvements comprising the costs of planning and designing the Improvements, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District and each Improvement Area, the issuance of any bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of each Improvement Area, together with any other expenses incidental to the acquisition and construction of the Improvements. A representative list of incidental expenses proposed to be incurred are set forth on Exhibit C attached hereto, which by this reference is incorporated herein and made a part of this Resolution.

Section 7. It is the intention of the Commission that, except where funds are otherwise available, a special tax shall be annually levied within each Improvement Area

sufficient to retire the Lien and finance the Improvements, including but not limited to the payment of interest on and principal of any bonds to be issued to retire the Lien and finance the Improvements; the making of lease payments for any of the Improvements (whether in conjunction with the issuance of certificates of participation or not); the repayment of funds advanced by the City or the Developer for each Improvement Area and including the repayment under any acquisition, deposit or other agreement (which shall not constitute a debt or liability of the Authority) of advances of funds or reimbursement for the lesser of the value or cost or work in-kind provided by any person for each Improvement Area.

Section 8. Upon recordation of a Notice of Special Tax Lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property within each Improvement Area, and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien is cancelled in accordance with law, or until levy of the special tax by the Authority ceases.

Section 9. It is the intention of the Commission that the proposed special tax will be collected through the regular County of Sonoma secured property tax bills, and will be subject to the same enforcement mechanism, and the same penalties and interest for late payment, as regular ad valorem property taxes; however, the Commission reserves the right to utilize any other lawful means of billing, collecting and enforcing the special tax, including direct billing, supplemental billing, and, when lawfully available, judicial foreclosure of the special tax lien.

Section 10. The rate and method of apportionment of the special tax for Improvement Area No. 1 and Improvement Area M (each, an “RMA”), including the maximum annual special tax for each Improvement Area, is set forth in Exhibit D-1 and Exhibit D-2, respectively, attached hereto, which by this reference is incorporated herein and made a part of this Resolution. Each RMA provides sufficient detail to allow each landowner or resident within the Improvement Area to estimate the maximum amount that such person will have to pay, and specifies the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied.

The maximum authorized special tax for retiring the Lien and financing the acquisition and construction of the Improvements that may be levied against any parcel of land used for private residential purposes (which use commences no later than the date on which an occupancy permit for private residential use is issued) is specified as a dollar amount and shall not increase in accordance with the RMA set forth in Exhibit D-1 or Exhibit D-2, as applicable. The special tax shall not be levied for retiring the Lien or financing the acquisition and construction of the Improvements against such property after the time stated in Exhibit D-1 or Exhibit D-2, as applicable. Under no circumstances shall the special tax be increased on such property, as a consequence of delinquency or default by the owners of any other parcel or parcels of land within each Improvement Area, by more than ten percent (10%) above the level that would have been levied had there been no delinquencies.

Section 11. Should any property subject to the special tax be acquired by a public agency and then leased for private purposes, it is the intention of the Commission,

pursuant to Section 53340.1 of the California Government Code, to levy the special tax on the leasehold or possessory interests in property owned by a public agency (which property is otherwise exempt from the special tax), to be payable by the owner of the leasehold or possessory interests in such property.

Section 12. It is the intention of the Commission, pursuant to Section 53325.7 of the California Government Code, to establish the initial appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 1 in the amount of \$1,500,000 and for Improvement Area M in the amount of \$4,500,000.

Section 13. Notice is given that Thursday, the 18th day of June, 2015, at the hour of 10:00 o'clock A.M., at the offices of the California State Association of Counties, at 1100 K Street, Sacramento, California 95814, has been fixed by the Commission as the date, time and place for a public hearing to be held by the Commission to consider the establishment of the Community Facilities District, the designation of each Improvement Area, the proposed rate, method of apportionment and manner of collection of the special tax and all other matters as set forth in this Resolution. At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within each Improvement Area, may appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of the Community Facilities District, the designation of each Improvement Area, the levy of the special tax, the extent of the Community Facilities District, the retirement of the Lien, the financing of any of the Improvements, the establishment of the appropriations limits, or on any other matters set forth herein, will be heard and considered.

Section 14. Any protests to the proposals in this Resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The Commission may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the Secretary at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 15. Written protests by a majority of the registered voters residing and registered within each Improvement Area (if at least six such voters so protest), or by the owners of a majority of the land area within each Improvement Area not exempt from the proposed special tax against the formation of the Community Facilities District or designation of either Improvement Area will require suspension of proceedings to form the Community Facilities District, to designate the related Improvement Area and to levy the related specified tax for at least one year. If such protests are directed only against certain elements of the proposed Improvements or levying a specified special tax or the other proposals contained in this Resolution, only those elements need be excluded from the proceedings.

Section 16. The public hearing may be continued from time to time, but shall be completed within thirty (30) days, except that if the Commission finds that the complexity of

the Community Facilities District or the Improvement Areas or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed six (6) months.

Section 17. The Commission may at the public hearing modify this Resolution by eliminating any of the Improvements, or by changing the method of apportionment of the special tax so as to reduce the maximum special tax for all or a portion of the owners of property within an Improvement Area or by removing any territory from an Improvement Area; except that if the Commission proposes to modify this Resolution in a way that will increase the probable (as distinct from the maximum, which may not be increased) special tax to be paid by the owner of any lot or parcel of land in an Improvement Area, the Commission shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of such lots or parcels of land in such Improvement Area, and the Commission shall receive and consider the report before approving any such modifications or any resolution forming the Community Facilities District and designating such Improvement Area which includes such modifications.

Section 18. At the conclusion of the public hearing, the Commission may abandon these proceedings or may, after passing upon all protests, determine to proceed with establishing the Community Facilities District and each Improvement Area. If the Commission determines at the conclusion of the public hearing to proceed with the establishment of the Community Facilities District and each Improvement Area, it expects that the proposed voting procedure will be by landowners in each Improvement Area voting in accordance with the Act, as the Commission is informed that during the 90 days prior to the date set for the hearing, there have been times when there were fewer than twelve (12) registered voters residing within each Improvement Area. The Commission will require this information to be confirmed before ordering the election.

Section 19. The Authority's special tax consultant, David Taussig & Associates, in consultation with and on behalf of the City, is hereby requested to study the Community Facilities District and each Improvement Area, and, at or before the time of the public hearing, to cause to be prepared and filed with the Commission a report which shall contain a brief description of the Improvements by type which in its opinion will be required to adequately meet the needs of the new development expected to occur within each Improvement Area, together with estimates of the cost of financing the Improvements and the incidental expenses related thereto. The report shall, upon its presentation, be submitted to the Commission for review, shall be available for inspection by the public, and shall be made a part of the record of the public hearing.

Section 20. To the extent the Improvements will not be constructed by the City, in the opinion of the Commission, the public interest will not be served by allowing the property owners in each Improvement Area to intervene in a public bidding process pursuant to Section 53329.5(a) of the Act for such Improvements.

Section 21. Notice of the time and place of the public hearing shall be given by Bond Counsel in the following manner:

(a) A Notice of Public Hearing in the form provided by the Act shall be published once in *The Community Voice*, a newspaper of general circulation published in the area of the Community Facilities District, pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form provided by the Act shall be mailed, first class postage prepaid, to each owner of land, and to each registered voter residing, within the boundaries of each Improvement Area (to property owners at their addresses as shown on the last equalized assessment roll, and to registered voters at their addresses as shown on the records of the Sonoma County Registrar of Voters, or in either case as otherwise known to Bond Counsel). The mailing shall be completed at least fifteen (15) days prior to the date set for the public hearing.

Section 22. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 7th day of May, 2015.

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 May 7, 2015.

By: _____
Authorized Signatory
California Statewide Communities
Development Authority

EXHIBIT A
[CITY RESOLUTION]

RESOLUTION NO. 2014-160

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (THE "AUTHORITY") TO FORM A COMMUNITY FACILITIES DISTRICT WITHIN THE TERRITORIAL LIMITS OF THE CITY OF ROHNERT PARK AND RELATED MATTERS

WHEREAS, the City of Rohnert Park (the "City") is a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "State"); and

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is a California joint-exercise of powers authority lawfully formed and operating within the State pursuant to an agreement (the "Joint Powers Agreement") entered into as of June 1, 1988 under the authority of Title 1, Division 7, Chapter 5 (commencing with Section 6500) of the California Government Code; and

WHEREAS, the City is a party to the Joint Powers Agreement and by virtue thereof a member (a "Program Participant") of the Authority; and

WHEREAS, the Joint Powers Agreement was entered into to establish the Authority as an agency authorized to issue bonds to finance projects within the territorial limits of its Program Participants; and

WHEREAS, the Joint Powers Agreement authorizes the Authority to undertake financing programs under any applicable provisions of State law to promote economic development, the stimulation of economic activity, and the increase of the tax base within the jurisdictional boundaries of its Program Participants; and

WHEREAS, the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State (the "Act") is an applicable provision of State law available to, among other things, finance public improvements necessary to meet increased demands placed upon local agencies as a result of development; and

WHEREAS, there is a development project in the City owned by Vast Oak Properties L.P., a California limited partnership, and University District LLC, a Delaware limited liability company (respectively, the "Development Project" and the "Developer"); and

WHEREAS, the City and the Developer have entered into an Amended and Restated Development Agreement dated April 22, 2014, which, among other things, allows Developer at its sole discretion to elect to form a community facilities district through the Authority so long as the Authority establishes the community facilities district in accordance with the City's goals and policies as set forth in its Resolution 2006-076 (attached as Exhibit A)

and such that its terms are in compliance with Section 4.04 of the Amended and Restated Development Agreement (attached as Exhibit B); and

WHEREAS, the Developer has exercised its sole discretion and wishes to form the community facilities through the Authority and City respects this discretion, as outlined in the Amended and Restated Development Agreement; and

WHEREAS, the Development Project will promote economic development, the stimulation of economic activity, and the increase of the tax base within the City; and

WHEREAS, both the Authority and the City are "local agencies" under the Act; and

WHEREAS, the Act permits two or more local agencies to enter into a joint community facilities agreement to exercise any power authorized by the Act; and

WHEREAS, entering into such an agreement with the Authority to authorize the Authority to form a community facilities district within the territorial limits of the City to finance public improvements and fees required of the Development Project is consistent with the City's commitments in the Amended and Restated Development Agreement; and

WHEREAS, a form of Funding, Acquisition, Improvement and Public Facilities Fee Credit Agreement (the "Acquisition Agreement") between the City, the Authority and the Developer has been presented to the City Council, as Exhibit C, and is on file with the City Clerk; and

WHEREAS, nothing herein constitutes the City's approval of any applications, Development Project entitlements and/or permits, and such, to the extent required in the future, are subject to and contingent upon City Council approval following, to the extent applicable, environmental review in compliance with the California Environmental Quality Act ("CEQA"); and

WHEREAS, nothing herein affects, without limitation, requirements for and/or compliance with any and all applicable and/or necessary improvement standards, land use requirements or subdivision requirements relating to the Development Project or any portion thereof, which obligations are and shall remain independent and subsisting; and

WHEREAS, the City Council is fully advised in this matter;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Rohnert Park that it does hereby find, determine, declare and resolve as follows:

Section 1. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and the statements, findings and determinations of the City set forth in the recitals above and in the preambles of the documents approved herein are true and correct and material to the adoption of this resolution.

Section 2. This resolution shall constitute full "local approval," under Section 9 of the Joint Powers Agreement, for the Authority to undertake and conduct proceedings in accordance herewith and under the Act to form a community facilities district (the "Community Facilities District") with boundaries substantially as shown on Exhibit D, attached hereto and incorporated by this reference, and to authorize a special tax and to issue bonds with respect thereto.

Section 3. The Joint Powers Agreement, together with the terms and provisions of this resolution, shall together constitute a joint community facilities agreement between the City and the Authority under the Act, as, without this resolution, the Authority has no power to conduct proceedings under the Act to form the Community Facilities District. Adoption by the Commission of the Authority of the Resolution of Intention to form the Community Facilities under the Act shall constitute acceptance of the terms hereof by the Authority.

Section 4. This resolution and the agreement it embodies are determined to be beneficial to the residents of the City, and of the future residents of the area within the Community Facilities District.

Section 5. The City has adopted Local Goals and Policies as required by Section 53312.7 of the Act. The Amended and Restated Development Agreement requires the use of the City's Local Goals and Policies, as outlined in Resolution 2006-276 and attached as Exhibit A, in connection with the formation and administration of any Community Facilities District. The City hereby agrees that the Authority may act in lieu of the City under those Local Goals and Policies in forming and administering the Community Facilities District. The City also agrees that in lieu of the letter of credit described under Section 2 of the Local Goals and Policies, and unless specifically modified by Council Resolution, for the first bond issue, the Authority will require:

- A value to lien (VTL) ratio of not less than 5:1 on undeveloped property
- At least 2 years of capitalized interest
- A reserve fund equivalent to the Internal Revenue Code maximum

For any subsequent bond issues, the City Manager and staff from the Authority may agree upon alternative bond security measures provided that in no case shall bond security be less than is required by the Act.

The Authority also agrees that with respect to all matters other than the letter of credit described under Section 2 of the Local Goals and Policies, that it will comply strictly with the City's Local Goals and Policies as outlined in Resolution 2006-276 in forming and administering the Community Facilities District and in the issuance of bonds and that no waiver or exception to any of those Local Goals and Policies will be approved without prior written consent of the City.

Section 6. Pursuant to the Act and this resolution, the Authority may conduct proceedings under the Act to form the Community Facilities District and to have it authorize the financing of the facilities and fees set forth on Exhibit E, attached hereto and incorporated by this reference, with first priority given to retiring the lien established by the City's Assessment District 2005-01. All of the facilities whether to be financed directly or through fees are facilities that have an

expected useful life of five years or longer and are facilities that the City is authorized by law to construct, own or operate or to which they may contribute revenue. The facilities are referred to herein as the "Improvements" and the Improvements to be owned by the City are referred to as the "City Improvements". The fees are referred to as the "Fees" and the Fees paid or to be paid to the City are referred to as the "City Fees".

Section 7. The City Council certifies to the Commission of the Authority that all of the City Improvements including the improvements to be constructed or acquired with the proceeds of City Fees are necessary to meet increased demands placed upon the City of Rohnert Park as a result of development occurring or expected to occur within the Community Facilities District.

Section 8. The Authority will apply the special tax collections initially as required by the documents under which any bonds are issued; and thereafter to the extent not provided in the bond documents, may pay its own reasonable administrative costs incurred in the administration of the Communities Facility District. The Authority will remit any special revenues remaining after the final retirement of all bonds to the City. The City will apply such special revenues it receives for authorized City Improvements or City Fees and its own administrative costs only as permitted by the Act. The City and the Authority acknowledge that nothing in this Resolution prevents the City from recovering its costs associated with supporting the formation of the community facilities district and/or the review, permitting, inspection, acquisition audit and acquisition of City Improvements and/or the administration of the City's fee programs through means other than the collection of special taxes.

Section 9. The Authority will administer the Community Facilities District, including employing and paying all consultants; annually levying the special tax and all aspects of paying and administering the bonds, and complying with all State and Federal requirements appertaining to the proceedings including the requirements of the United States Internal Revenue Code. The City will cooperate in a commercially reasonable manner with the Authority in respect to the requirements of the Internal Revenue Code as related to the City Improvements and City Fees, and to the extent information is required of the City to enable the Authority to perform its disclosure and continuing disclosure obligations with respect to the bonds, although the City will not participate in nor be considered to be a participant in the proceedings respecting the Community Facilities District (other than as a party to the agreement embodied by this Resolution) nor will the City be or be considered to be an issuer of the bonds.

Section 10. In the event the Authority completes issuance and sale of bonds, and bond proceeds are available to finance the Improvements, the Authority shall establish and maintain a fund to be known as the "City of Rohnert Park University Park Community Facilities District Acquisition and Construction Fund" (the "Acquisition and Construction Fund"). The portion of the bond proceeds which is intended to be utilized to finance the Improvements and Fees shall be deposited in the Acquisition and Construction Fund. The Acquisition and Construction Fund will be available both for the City Improvements and City Fees. As described in Section 6, first priority for bond proceeds deposited in the Acquisition and Construction Fund will be retiring the lien established by the City's Assessment District 2005-01.

Section 11. As respects the Authority, the City agrees to fully administer, and to take full governmental responsibility for the acquisition of the City Improvements and for the administration and expenditure of the City Fees including but not limited to environmental review, approval of plans and specifications, bid requirements, performance and payment bond requirements, insurance requirements, contract and construction administration, staking, inspection, acquisition of necessary property interests in real or personal property, the holding back and administration of retention payments, punch list administration, and the Authority shall have no responsibility in that regard. The City reserves the right, as respects the Developer, to require the Developer to contract with the City to assume any portion or all of this responsibility. As described in Section 8, the City reserves the right to collect its reasonable costs for all activities, including consultant costs and administrative costs, through means available to it including but not limited to those described in the Amended and Restated Development Agreement.

Section 12. The City agrees to indemnify and to hold the Authority, its other members and its other members' officers, agents and employees, and the other local agencies, and their offices, agencies and employees (collectively the "Indemnified Parties") harmless from any and all claims, suits and damages (including costs and reasonable attorney's fees) arising out of the design, engineering, construction and installation of the City Improvements and the improvements to be financed or acquired with City Fees. The City reserves the right, as respects the Developer, to require the Developer to assume by contract with the City any portion or all of this responsibility. Consistent with the requirements of Section 4.04 of the Amended and Restated Development Agreement, Developer is obligated to and has agreed to assume all of this responsibility pursuant to the concurrent execution of the Acquisition Agreement, which is more specifically described in Paragraph 15.

Section 13. As respects the Authority, the City agrees that - once it determines that the City Improvements are constructed according to the approved plans and specifications, and the City and the Developer have put in place their agreed upon arrangements for the funding of maintenance of the City Improvements - City will accept ownership of the City Improvements, take maintenance responsibility for the City Improvements and indemnify and hold harmless the Indemnified Parties to the extent provided in the preceding paragraph from any and all claims etc., arising out of the use and maintenance of the City Improvements. The City reserves the right, as respects the Developer, to require the Developer by contract with the City to assume any portion or all of this responsibility. Consistent with the requirements of Section 4.04 of the Amended and Restated Development Agreement, Developer is obligated to and has agreed to assume all of this responsibility pursuant to the concurrent execution of the Acquisition Agreement, which is more specifically described in Paragraph 15.

Section 14. The City acknowledges the requirement of the Act that if the City Improvements are not completed prior to the adoption, by the Authority Commission, of the Resolution of Formation of the Community Facilities District, the City Improvements must be constructed as if they had been constructed under the direction and supervision, or under the authority of, the City. The City acknowledges that this means all City Improvements must be constructed under contracts that require the payment of prevailing wages as required by Section 1720 and following of the Labor Code of the State of California. The Authority makes no representation that this requirement is the only applicable legal requirement in this regard. The City reserves the right, as respects the Developer to assign appropriate responsibility for

compliance with this paragraph to the Developer. Consistent with the requirements of Section 4.04 of the Amended and Restated Development Agreement, Developer is obligated to and has agreed to assume all of this responsibility pursuant to the concurrent execution of the Acquisition Agreement, which is more specifically described in Paragraph 15.

Section 15. The form of the Acquisition Agreement, attached as Exhibit C and incorporated by this reference, is hereby approved, and the City Manager or such officer's designee (the "City Manager") is authorized to execute, and deliver to the Developer and the Authority, the Acquisition Agreement on behalf of the City in substantially similar form, with such changes as shall be approved by the City Manager after consultation with the City Attorney and the Authority's bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. After completion of the City Improvements and appropriate arrangements for the maintenance of the City Improvements, or any discrete portion thereof as provided in Section 53313.51 of the Act and in the Acquisition Agreement, to the satisfaction of the City, and in conjunction with the City's acceptance thereof, acquisition of the City Improvements shall be undertaken as provided in the Acquisition Agreement.

Section 17. The City hereby consents to the formation of the Community Facilities District in accordance with this Resolution and consents to the assumption of jurisdiction by the Authority for the proceedings respecting the Community Facilities District with the understanding that the Authority will hereafter take each and every step required for or suitable for consummation of the proceedings, the levy, collection and enforcement of the special tax, and the issuance, sale, delivery and administration of the bonds, all at no cost to the City and without binding or obligating the City's general fund or taxing authority.

Section 18. The terms of the Agreement embodied by this Resolution may be amended by a writing duly authorized, executed and delivered by the City and the Authority, except that no amendment may be made after the issuance of the bonds by the Authority that would be detrimental to the interests of the bondholders without complying with all of the bondholder consent provisions for the amendment of the bond resolutions, bond indentures or like instruments governing the issuance, delivery and administration of all outstanding bonds.

Section 19. Except to the extent of the City's agreement to take responsibility for the ownership of the City Improvements, no person or entity, including the Developer shall be deemed to be a third party beneficiary of this Resolution, and nothing in this resolution (either express or implied) is intended to confer upon any person or entity other than the Authority and the City (and their respective successors and assigns) any rights, remedies, obligations or liabilities under or by reason of this Resolution.

Section 20. This Resolution shall remain in force until all bonds have been retired and the authority to levy the special tax conferred by the Community Facilities District proceedings has ended or is otherwise terminated.

Section 21. The City Council hereby authorizes and directs the City Manager and other appropriate City staff to cooperate with the Authority and its consultants and to do all things

reasonably necessary and appropriate to carry out the intent of this Resolution and the Community Facilities District financing, to execute any and all certificates and documents in connection with the bond issuance and to execute any and all Acquisition Agreements, as shall be approved by the City Manager after consultation with the City Attorney and the Authority's bond counsel.

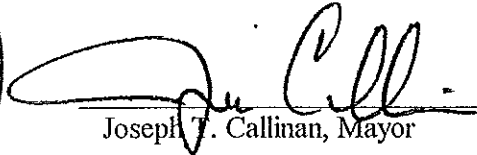
Section 22. The City Council hereby approves delivery of a certified copy of this Resolution to the Authority.

Section 23. This Resolution shall take effect upon its adoption.

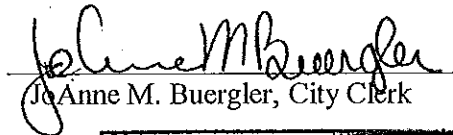
DULY AND REGULARLY ADOPTED this 25th day of November, 2014.

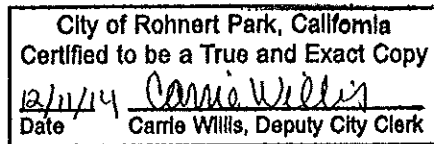


CITY OF ROHNERT PARK


Joseph T. Callinan, Mayor

ATTEST:


JoAnne M. Buerger, City Clerk



BELFORTE: Absent MACKENZIE: Aye STAFFORD: Aye AHANOTU: Aye CALLINAN: Aye
AYES: (4) NOES: (0) ABSENT: (1) ABSTAIN: (0)

RESOLUTION NO. 2006-276

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK
APPROVING A
STATEMENT OF LOCAL GOALS AND POLICIES CONCERNING THE USE OF THE
MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982**

WHEREAS, pursuant to Section 53312.7 of the California Government Code a local agency may initiate proceedings to establish a Community Facilities District (CFD) only if it has first considered and adopted Local Goals and Policies Concerning the use of the Mello-Roos Community Facilities Act of 1982; and

WHEREAS, a CFD is one of three (3) approved principal financing mechanisms utilized in the City of Rohnert Park's Public Facilities Finance Plan; and

WHEREAS, the City of Rohnert Park (City) has agreed to use its best effort to adopt Local Goals and Policies within ninety (90) days following the Effective Date of the City's Development Agreement with the University District LLC and Vast Oak Properties L.P.; and

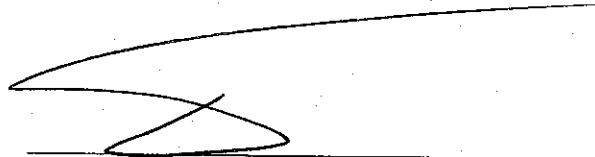
WHEREAS, the Local Goals and Policies are designed to ensure that CFDs created are made for the public good and comply with all relevant laws, acts and agreements; and

WHEREAS, the Goals and Policies may be amended or supplemented by City Council resolution at any time, and approval does not obligate the City Council in any way to create CFDs if they meet the parameters set forth; and

BE IT RESOLVED by the City Council of the City of Rohnert Park that it does hereby authorize and approve The City of Rohnert Park Statement of Local Goals and Policies Concerning the use of the Mello-Roos Community Facilities Act of 1982, as outlined in Exhibit "A" attached.

DULY AND REGULARLY ADOPTED this 28th day of November, 2006.

CITY OF ROHNERT PARK



Mayor Tim Smith

ATTEST:


City Clerk Deputy



BREEZE: AYE FLORES: AYE MACKENZIE: AYE
VIDAK-MARTINEZ: ABSENT SMITH: AYE
AYES: (4) NOES: (0) ABSENT: (1) ABSTAIN: (0)

EXHIBIT "A"

CITY OF ROHNERT PARK STATEMENT OF LOCAL GOALS AND POLICIES CONCERNING THE USE OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

Pursuant to Section 53312.7 of the California Government Code, the City Council of Rohnert Park (hereafter the "City Council") hereby states its goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982, Section 53311, et seq. of the California Government Code (hereafter the "Act"), in providing adequate public infrastructure improvements for the City of Rohnert Park (the "City") and in refunding existing debt on land within the City. In addition, the Act may be used to provide for the maintenance, repair, reconstruction and replacement of any of the foregoing infrastructure improvements. The following goals and policies shall apply to each community facilities district (a "CFD") hereafter formed by the City.

Any policy or goal stated herein may be supplemented or amended or deviated from, and new goals and policies may be added hereto, from time to time upon a determination by the City Council that such supplement, amendment, deviation or addition is necessary or desirable. Any policy or goal stated herein shall be deemed amended or supplemented in the event, and as of the date, if ever, that such amendment or supplement is required to ensure compliance with:

- a. Development Agreements entered into or amended by the City in accordance with Government Code Section 65864 et. seq.;
- b. The Act;
- c. Any other laws of the State of California; or
- d. Laws of the United States of America.

1. Priority for Financing Various Kinds of Public Facilities Through the Use of the Act.

It is the policy of the City to give priority to the financing, through the use of the Act, as follows:

- a) Refinancing of pre-existing assessment liens and refunding of any bonds secured by said liens as these may affect land within the CFD;
- b) Financing of the design, construction and/or acquisition of public infrastructure identified in the City's Public Facilities Finance Plan (PFFP) as it may be amended from time to time, as such infrastructure mitigates impacts caused by development occurring within the CFD, and to the extent that such infrastructure may lawfully be financed under the Act; and
- c) Financing of the design, construction and/or acquisition of other public infrastructure improvements directly benefiting the City, which improvements may include, but are not limited to, in-track improvements, park improvements, storm drainage improvements, public roadways and sidewalks.

It is also the policy of the City to assist in the financing of the design, construction and/or acquisition of other public facilities, through the use of Joint Public Facilities Financing Agreements, when to do so will, in the sole discretion of the City Council acting as the legislative body of the affected CFD, result in a savings to residents or property owners, for example, by reducing costs of bond issuance

and/or administrative expenses. Such joint financing assistance shall be considered when it does not interfere with the financing of public infrastructure improvements directly benefiting the City.

2. Credit Quality Required of Bond Issues, Including Criteria in Evaluating the Credit Quality.

It is the policy of the City that prior to the issuance of any CFD bonds, the following conditions shall be met:

- a) Maximum special tax revenues from the CFD are reasonably expected to provide at least one hundred ten percent (110%) debt service coverage for each year of the term of such bonds;
- b) The bond issuance document establishes, and includes a covenant to cause special taxes to be levied in an amount sufficient to maintain, for the term of such bonds an adequately funded reserve fund securing such bonds in accordance with the regulations of the Internal Revenue Service (IRS).

In addition, in cases when development interests (Proponents) petition for CFD formation, the City may require that Proponents provide a letter of credit or other credit enhancement instrument in form and amount reasonably satisfactory to the City which is sufficient to ensure payment of the principal and interest payments on the CFD bonds for up to two (2) years following issuance thereof (computed without regard for the availability of capitalized interest or amounts on deposit in a debt service reserve fund).

Further, it is the policy of the City to comply with all provisions of the Act including, but not limited to, Section 53345.8, as such Section may be amended from time to time.

3. Steps to Ensure that Prospective Property Purchasers Are Fully Informed About Their Taxpaying Obligations.

It is the goal of the City that the CFD Proponents provide actual and conspicuous notice to all potential homeowners, taxpayers residing within, or taxpayers owning property within, the boundaries of a CFD.

In order to comply with this goal, it is the policy of the City that:

- a) All notices provided by the CFD Proponents shall be in compliance with applicable legal requirements, including, without limitation, applicable provisions of Government Code Section 53341.5;
- b) The form of such notice shall be acceptable to the City and shall at a minimum provide a comprehensive listing of all the fees, taxes and assessments to be charged to any and all owners of property within the CFD;
- c) The proposed form of such notice shall be submitted to the City, for review, at the same time that petitions requesting formation of the CFD are submitted; and
- d) The Proponents shall make revisions to the proposed form of notice as requested by the City;

It is the policy of the City to refrain from the issuance of any CFD bonds until the aforementioned notice is approved.

It is further the policy of the City that:

- a) In conformance with the Act, the Proponents shall provide potential property owners with a written and itemized notice of such projected costs and the manner in which they will be charged, which notice the potential property owner will sign;
- b) The Proponents shall provide a copy of each signed notice to the City's Community Development Director;
- c) The Proponents shall retain a copy of such notice in Proponents' files for at least fifteen (15) years following the date of such notice.

It is further the policy of the City to provide Section 53340.2 notice of special tax to any individual requesting such notice or any owner of property subject to a special tax levied by the City within five (5) working days of receiving a request for such notice.

4. Criteria for Evaluating the Equity of Tax Allocation Formulas, and Concerning Desirable and Maximum Amounts of Special Tax.

It is the goal of the City that each taxpayer residing within, or owning property within, the boundaries of any CFD hereafter established by the City pay special taxes which generally reflect such taxpayer's fair and reasonable share of his or her projected benefit from, and/or burden upon, the facilities to be constructed and/or maintained or of any refunding of existing debt within the CFD by such CFD.

It is the goal of the City that maximum special taxes on residential owner-occupied property, when taken together with (a) ad valorem taxes, (b) all other special taxes levied pursuant to the Act and (c) all assessments applicable to such property, do not exceed in any year 1.75% of the greater of the parcel's assessed value or a reasonable estimate of the sale price for the parcel and the residential or commercial unit to be constructed thereon.

In order to comply with this goal and when the Proponent requests that a "reasonable estimate" be used to calculate the maximum allowable special tax it is the policy of the City that:

- a) At least 120 days prior to the anticipated election date, as defined in the Act, the Proponent, at its cost, shall submit its method of estimating value for approval by the City;
- b) At least 100 days prior to the anticipated election date, the City shall provide the Proponent with requested changes to said method; and
- c) At least 30 days prior to the anticipated election date, the Proponent, at its cost, shall provide the City with the estimated values to be used in making the final determination of the maximum special tax.

It is the policy of the City to refrain from the issuance of any CFD bonds until the aforementioned appraisal process is satisfactorily completed.

It is further the policy of the City that the rate method of apportionment for special tax levied pursuant to the Act be drafted to allow a property owner to permanently satisfy the special tax (and remove the lien thereof) as to any taxable parcel by prepayment pursuant to Section 53344 of the Act.

It is further the policy of the City not to permit the escalation of maximum taxes.

5. Definitions, Standards, and Assumptions for Appraisals Required by Section 53345.8.

It is the goal of the City to conform, as nearly as practicable, to the California Debt and Investment Advisory Commission's Appraisal Standards for Land-Secured Financings, as such standards may be amended from time to time, provided, however, that the City Council may additionally amend such standards from time to time as it deems necessary and reasonable, in its own discretion, to provide needed infrastructure improvements within the City, while still accomplishing the goals set forth herein.

6. Standard for Advance of Expenses; Reimbursement.

It is the policy of the City that the Proponents of the CFD shall advance to the City actual out of pocket costs of formation of the CFD, sale of CFD bonds, and other costs and expenses associated with the CFD ("Advanced Costs"). Such Advanced Costs may include, without limitation, legal, financial, appraisal and engineering costs and expenses associated with:

- a) Formation of the CFD;
- b) Determination of the rate and method of apportionment and levy of the special tax;
- c) Review and approval of the plans and specifications for construction of the improvements;
- d) Determination of the value of the property;
- e) Sale of CFD bonds; and
- f) Any other costs or expenses reasonably incurred in connection with the CFD.

It is further the policy of the City that all such Advanced Costs, together with those reasonable out-of-pocket legal, engineering, and financial services costs incurred by Proponent directly related to establishment and implementation of the CFD, which may lawfully be financed under the Mello-Roos Act and other applicable law, shall be reimbursed from proceeds of the sale of CFD bonds in accordance with the provisions of the Reimbursement Agreement described below. However, in the event that the City is unable to make legally required findings in connection with the formation of the CFD and the issuance of CFD bonds for any reason, the City shall not be liable for any costs incurred by Proponents.

It is the policy of the City that when the proceeds of CFD bonds will be used for either reimbursement of costs incurred by Proponents or acquisition of facilities constructed by Proponents that City and Proponents will enter into a either a Reimbursement or Funding and Acquisition Agreement. The form of said agreements shall be reasonably acceptable to the City's bond counsel setting forth, among other things, the procedures for and mechanisms by which Proponents will be reimbursed, out of available proceeds of the CFD bonds, for improvements constructed and/or paid for by Proponents.

7. Issuance of Bonds

It is the goal of the City that the amounts, timing and terms of the issuance and sale of the CFD bonds shall be coordinated, as closely as possible, with the phasing of the development of the property to provide financing for the improvements in a timely fashion to meet the needs of the respective phases of development of the project. If necessary, the CFD bonds may be issued in series to help correspond to such phases. The amounts, timing and terms of the issuance and sale of the

CFD bonds shall be determined by the City, in consultation with the Developer, and the City's bond counsel, financial advisors an/or underwriters.

It is the policy of the City that the Proponents shall commit in writing at least 30 days before the election date to the following:

- a) To assist the City in the issuance of the CFD bonds by providing financial and development information reasonably required for due-diligence and disclosures relating to the issuance of the CFD bonds;
- b) To provide for any required continuing disclosures under applicable securities laws.

Section 4.04 Community Facilities District.

A. Community Facilities District; Formation. Subject to subsection F. below, and consistent with the Project Approvals and Applicable Law, the Parties shall cooperate in good faith to establish the CFD pursuant to the Mello-Roos Act (Government Code Section 53311 *et seq.*). The boundaries of the CFD shall be coextensive with those of the Property, unless the Parties otherwise agree. Upon the filing of a petition by Developer pursuant to Government Code Section 53318(c), the City Council shall consider adoption of a resolution of intention to establish the CFD and, following adoption, City shall use good faith, diligent efforts, in compliance with Government Code Sections 53318 *et seq.*, to establish and implement the CFD pursuant to the terms of this Amended and Restated Agreement, including scheduling of necessary public hearings and adoption of a resolution of formation. City shall cause the CFD, upon formation, to become subject to and to comply with the provisions of this Amended and Restated Agreement specifically applicable to the CFD. Developer shall cooperate with City in the formation of CFD including the timely submission of all petitions, waivers and consents. The City shall be responsible for conducting all proceedings for the establishment of the CFD, including the adoption of all resolutions, ordinances and orders and recording of maps, notices, releases and the conduct of all hearings, elections and other public meetings under the Mello-Roos Act to establish the CFD, levy the Special Taxes and, as appropriate, provide for issuance of the CFD Bonds. To the extent City has not already adopted policies required by Government Code Section 53312.7, City agrees to use its best efforts to adopt such policies within ninety (90) days following the Effective Date. Developer acknowledges and agrees that City's policies may require, among other things, that the CFD proponent (in this case, Developer), provide a letter of credit or other credit enhancement instrument in form and amount reasonably satisfactory to City which is sufficient to ensure payment of the principal and interest payments on the CFD Bonds for up to two (2) years following issuance thereof (computed without regard to the availability of capitalized interest or amounts on deposit in a debt service reserve fund).

B. Public Benefit Facilities. Subject to caps on the total amount of net CFD Bond proceeds and the total tax and assessment rate set forth in subsections D. and E. below, the CFD shall finance the design and acquisition or construction of those public facilities necessary for development of the Project which may lawfully be financed under the Mello-Roos Act and other applicable law, including (i) off-site public improvements financed or proposed to be financed through Assessment District 05-01 as further described in Section 4.05; (ii) off-site public improvements described in the PFFP; and (iii) on-site, in-track public improvements, including park improvements, storm drainage improvements, public roadways and sidewalks (collectively, the "**Public Benefit Facilities**"). Financing of the Public Benefit Facilities with CFD Bonds shall be subject to approval of the City, based on the unqualified written opinion of a nationally-recognized bond counsel that interest on the CFD Bonds will be federally tax exempt. The Parties agree that in connection with issuance of the CFD Bonds, Developer and City will enter into a funding and acquisition agreement in a form reasonably acceptable to City's bond counsel setting forth, among other things, the procedures for and mechanism

by which Developer will be reimbursed, out of available proceeds of the CFD Bonds, for Public Benefit Facilities constructed and/or paid for by Developer.

C. Advance of Expenses; Reimbursement. Developer shall advance to City the actual out of pocket costs of formation of the CFD, sale of CFD Bonds, and other costs and expenses associated with the CFD ("**Advanced Costs**"). Such Advanced Costs may include, without limitation, legal, financial, appraisal and engineering costs and expenses associated with (i) formation of the District; (ii) determination of the rate and method of apportionment and levy of the Special Tax; (iii) review and approval of the plans and specifications for construction of the Public Benefit Facilities; (iv) determination of the value of property; (v) sale of CFD Bonds; and (vi) any other costs or expenses reasonably incurred in connection with the CFD. All such Advanced Costs, together with those reasonable out-of-pocket legal, engineering and financial services costs incurred by Developer directly related to establishment and implementation of the CFD which have been approved by the City Manager or his or her designee in his or her reasonable discretion and which may lawfully be financed under the Mello-Roos Act and other applicable law, shall be reimbursed to Developer from proceeds of the sale of CFD Bonds.

D. Issuance of CFD Bonds. Upon successful formation of the CFD and approval of the Special Tax, and subject to the restrictions in this subsection D. and in subsection E. below, bonds shall be issued ("**CFD Bonds**"), the proceeds of which shall be used to finance the Public Benefit Facilities, to the extent the Public Benefit Facilities legally and feasibly may be financed utilizing this method of financing. The amounts, timing and terms of the issuance and sale of the CFD Bonds shall be determined by the City, in consultation with the Developer and the City's bond counsel, financial advisors and/or underwriters. Subject to the state of development of the Property and prevailing bond market conditions, the timing of the sale of the CFD Bonds shall be coordinated, as closely as possible, with the phasing of the development of the Property to provide financing for the Public Benefit Facilities in a timely fashion to meet the needs of the respective phases of development of the Project. If necessary, the CFD Bonds may be issued in series to help correspond to such phases. Developer agrees to assist the City in the issuance of the CFD Bonds by providing financial and development information reasonably required for due-diligence and disclosures relating to the issuance of the CFD Bonds and to provide for any required continuing disclosures under applicable securities laws. The total net proceeds of the CFD Bonds (not including capitalized interest or amounts on deposit in a debt service reserve fund; underwriter fees, legal costs, administrative expenses and other costs of issuance; or that portion of the CFD Bonds proceeds, if any, applied towards repayment of Assessment District 05-01 liens in effect as of the Effective Date as further described in Section 4.05) shall not exceed Fifty Million Dollars (\$50,000,000).

E. Special Tax. The CFD shall be authorized to levy, and Developer shall approve (by affirmative vote or other legally acceptable method), a tax ("**Special Tax**") in accordance with the rate and method of apportionment of such Special Tax approved in the completed proceedings for the CFD. The Special Tax shall be

determined and collected annually by the City against all taxable parcels as defined by the rate and method of apportionment of the Special Tax for the CFD. The Special Tax shall be collected in the same manner and at the same time as ad valorem property taxes, unless some other method of collection is specified by the City. The Special Tax shall be set at an amount sufficient to pay the estimated annual principal of and interest on the CFD Bonds, together with required debt service coverage requirements and the annual costs of calculation, collection and disbursement of the Special Tax and the annual administration, engineering, and inspection costs associated with the CFD; provided, however, the Special Tax so set shall be in an amount such that, at the time the rate and method of apportionment of the Special Tax is approved, the estimated total annual taxes and assessments to be levied on each taxable parcel within the CFD district shall not exceed 1.75% of the parcel's projected assessed valuation based on a reasonable estimate of the sale price for the parcel and the residential or commercial unit to be constructed thereon, which estimated sale price has been approved by the City Manager or his or her designee in his or her reasonable discretion. The rate and method of apportionment shall be drafted to allow a property owner to permanently satisfy the Special Tax (and remove the lien thereof) as to any taxable parcel by prepayment pursuant to Section 53344 of the Mello-Roos Act.

F. City's Reservation of Discretion. It is expressly acknowledged, understood and agreed by the Parties that (i) City reserves full and complete discretion with respect to legally required findings that must be made in connection with formation of the CFD, (ii) nothing in this Amended and Restated Agreement is intended to or shall limit City's ability to adopt legally required findings with respect to formation of the CFD, and (iii) nothing in this Amended and Restated Agreement is intended to or shall prejudice or commit to City regarding the findings and determinations to be made with respect thereto.

G. Costs If No CFD Formed. In the event that City is unable to make the legally required findings in connection with the formation of the CFD and the issuance of CFD Bonds for any reason, City shall not be liable for any resulting costs to Developer and Developer shall have the right to terminate this Amended and Restated Agreement by written notice to City given within 30 days following the date City is unable or elects not to proceed with such formation of the CFD and issuance of CFD Bonds. If Developer opts not to terminate this Amended and Restated Agreement then Developer shall nonetheless be responsible for constructing all of the Public Benefit Facilities at its expense (but subject to potential reimbursement of excess Eligible Costs as provided in subsection 4.03.C. above) regardless of whether the cost thereof exceeds Developer's PFFP Fee obligation.

H. Developer's Cooperation. In connection with the establishment and implementation of the CFD, Developer (i) will execute all necessary petitions and ballots and waive all election waiting and protest periods at City's request and prior to the issuance of any building permit on any phase of the Project; (ii) support City's adoption of local policies related to use of CFD financing, which may include a requirement that the CFD proponent provide, at its expense, a letter of credit or other credit enhancement

instrument sufficient to ensure repayment of the principal and interest payments on the CFD Bonds for up to two (2) years following issuance thereof, as reasonably determined by City; (iii) cooperate in the development of rate and method of apportionment or assessment formula; (iv) allow special tax liens to encumber all phases of the Project in order to accomplish the required construction projects; and (v) if requested by City, cooperate with City to prepay with proceeds from the CFD Bonds all or a portion of the Assessment District 05-01 bonds described in Section 4.05 below.

I. Developer's Consent. Developer irrevocably consents to the formation of the CFD, the issuance of the CFD Bonds, the imposition of the Special Tax against the Property at rates and pursuant to a method of apportionment appropriate to fund the debt service on the CFD Bonds sold to finance the Public Benefit Facilities, and agrees not to protest or object to formation of the CFD or levy of an appropriate Special Tax consistent herewith. Developer has agreed to the financing provisions set forth in this Section 4.04 and to perform the obligations hereunder in exchange for the consideration and benefits provided to Developer by City under this Amended and Restated Agreement, including the vested right to develop the Property. Developer acknowledges and agrees that CFD Bonds shall not be issued to fund any on-site public improvements or any other infrastructure or fees other than the Public Benefit Facilities.

J. Notification of Fees, Taxes, and Assessments. Developer shall provide actual and conspicuous notice to potential homeowners, in a form reasonably acceptable to the City and in compliance with all applicable legal requirements (including, without limitation, applicable provisions of Government Code Section 53341.5) of any and all fees, taxes, and assessments to be charged to any and all purchasers of real property interests in the Project. Developer shall provide potential homeowners with a written and itemized notice of such projected costs and the manner in which they will be charged to the potential homeowner, which notice the potential homeowner shall sign. Developer shall retain a copy of each signed notice in Developer's files for at least fifteen (15) years following the date of such notice, and shall provide a copy of each such signed notice to the City's Community Development Director.

K. Limited Liability of City. Notwithstanding any other provision of this Amended and Restated Agreement, City shall not be liable for or obligated to pay any costs or expenses in connection with the CFD or the Public Benefit Facilities except to the extent monies are available (from Advanced Costs, PFFP Fees collected in accordance with the PFFP, proceeds of CFD Bonds, or Special Taxes) and specifically authorized by law for payment of such costs or expenses.

L. CSCDA or ABAG. For purposes of this Section 4.04, Developer, in Developer's sole discretion, may elect to form the CFD through the CSCDA or the Association of Bay Area Governments ("ABAG"), so long as CSCDA or ABAG, establishes the CFD (i) in accordance with the City's goals and policies set forth in Resolution 2006 – 276, and (ii) the CFD is established such that its terms are in compliance with Section 4.04 of this Amended and Restated DA. Accordingly, in the

event Developer elects to proceed with either CSCDA or ABAG, Developer shall notify City of its intent to proceed with CSCDA or ABAG, and provide documentation evidencing that CSCDA or ABAG will comply with the above-referenced City's goals and policies and this Section 4.04. In the event Developer elects to form a CFD through ABAG or CSCDA, all references to the City in the organizational documents shall be substituted with references to either CSCDA or ABAG as appropriate and all references to the City Council shall be substituted with references to the applicable governing body of either CSCDA or ABAG as may be appropriate. Except that, any obligations in Section 4.04.J regarding Developer's obligation to attain City approval of all notices sent to potential Homeowners shall remain in full force and effect. Should the Developer elect to form the district through CSCDA or ABAG, CSCDA or ABAG will prepare a Resolution for adoption by the City Council which incorporates said policies into the Resolution and designates a city official as the lead person and contact through the formation and issuance process.

Section 4.05 Assessment Districts.

A. Developer acknowledges that prior to the Effective Date, City, with the consent of the County of Sonoma, has formed Assessment District 05-01 under the authority of the Municipal Improvement Act of 1913 and this Assessment District 05-01 has established a lien upon the Property. Developer further acknowledges and agrees that City reserved authority to sell assessment bonds under the authority of the Improvement Bond Act of 1915, for the purposes of funding the City's sewer interceptor/outfall project and that such bonds will be secured by the aforementioned lien. Developer also acknowledges and agrees that the City, from time to time and with the consent of the County, may initiate proceedings to change and modify Assessment District 05-01 to fund the construction of additional public improvements that are identified in the PFFP, and that in the opinion of the City Engineer or his designee provide unique and special benefit to the Property. In accordance with City Municipal Code section 3.28.080.C., to the extent some or all of the capital facilities proposed to be financed through the PFFP are financed through Assessment District 05-01, Developer's participation in such Assessment District shall be a credit against the appropriate component of the PFFP Fees that would otherwise be payable by Developer.

B. In connection with Assessment District 05-01 as is currently stands, Developer shall make all payments of assessment liens that have been levied and that may be billed on the tax roll of the County of Sonoma. In connection with changes and modifications to Assessment District 05-01 as may occur from time to time, Developer (i) will execute all necessary petitions and ballots and waive, to the maximum extent allowed by applicable law, all election waiting and protest periods at City's request; (ii) cooperate in the development of additional or modified assessment formulas; (iii) allow assessment liens to encumber all phases of the Project in order to accomplish such additional public improvement projects; and (iv) make all payments of assessment liens that are levied and billed on the tax roll of the County of Sonoma in connection with such changes and modifications. In the case of any conflict between the provisions of this Amended and Restated Agreement and the method of apportionment or assessment

Exhibit C to Resolution

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
City of Rohnert Park)
130 Avram Avenue)
Rohnert Park, California 94928-2486)
Attention: City Clerk)
)

(Space Above This Line for Recorder's Use Only)
Exempt from recording fee per Gov. Code § 27383.

**FUNDING, ACQUISITION, IMPROVEMENT AND PUBLIC FACILITIES FEE CREDIT
AGREEMENT**

**BY AND BETWEEN
THE CITY OF ROHNERT PARK**

AND

THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

AND

UNIVERSITY DISTRICT LLC

AND

VAST OAK PROPERTIES L.P.

THIS FUNDING, ACQUISITION, IMPROVEMENT AND PUBLIC FACILITIES FEE CREDIT AGREEMENT ("Agreement") is made and entered into on this _____ day of _____, 201____ ("Effective Date") among University District LLC and Vast Oak Properties L.P. ("Developer"), the California Statewide Communities Development Authority ("Authority") and the CITY OF ROHNERT PARK, a California municipal corporation ("City").

RECITALS

A. On April 22, 2014, the City Council of the City of Rohnert Park adopted Ordinance 878 approving a Development Agreement ("Development Agreement") between the City of Rohnert Park, and the Developer.

B. The Development Agreement provides that the Developer, at its sole discretion, may elect to form a Community Facilities District ("CFD") through the Association of Bay Area Governments or the Authority provided certain conditions are met.

C. The Developer has applied to the Authority for the financing of certain public capital improvements, and certain governmentally-imposed development fees (collectively, the "Acquisition Improvements"). The fees will themselves finance public capital improvements. The public capital Acquisition Improvements are to be owned and operated by the City, and the financing is to be accomplished through a CFD which will be administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the "Act").

D. On the 25th day of November, 2014, the City Council of the City of Rohnert Park adopted Resolution No. 2014 - ____, Authorizing the California Statewide Communities Development Authority (Authority) to Form a Community Facilities District within the Territorial Limits of the City of Rohnert Park and Related Matters ("Resolution").

E. On the ____ day of ____, 20__, the Authority formed the CFD and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of conferring the Community Facilities District authority on the Authority Commission.

F. The Authority intends to levy special taxes and issue bonds to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the special taxes and bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the "Available Amount".

G. The Authority will provide financing for the acquisition by the City 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 Agreement Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, pursuant to Section 53313.51 of the Act, to be acquired from the Developer, and the specified development fees.

H. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the City will acquire the completed Acquisition Improvements. An itemized development fee shall be considered complete when it is paid by the Developer, or when it is payable directly from bond or special tax proceeds.

I. The Developer has submitted plans, specifications and drawings for a portion of the Acquisition Agreements specifically titled _____. Together these plans, specifications and drawings are the "Improvement Plans".

J. The Improvement Plans are on file in the office of the City Engineer and were approved by the City Engineer on the ____ day of _____ 20__.

K. Any and all monetary obligations of the City arising out of this Agreement are the special and limited obligations of the City payable only from the Available Amount, and no other funds whatsoever of the City shall be obligated therefor under any circumstances.

L. In consideration of Recitals A through K, inclusive, and the mutual covenants, undertakings and obligations set forth below, the City, the Authority and the Developer agree as stated below.

M. Attached to this Agreement are Agreement Exhibit A (the Acquisition Improvements and the Eligible Portions thereof), Agreement Exhibit B (Form of Requisition), and Agreement Exhibit C (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

AGREEMENT

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are true and correct and, together with the Project Approvals and the requirements of Chapters 15.16 and 16.16 of the Rohnert Park Municipal Code, are hereby incorporated into and form a material part of this Agreement.

2. Effect on Other Agreements. Nothing in this Agreement shall be construed as affecting the Developer's or the City's duty to perform their respective obligations under any other agreements, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the City's rights and obligations under this Agreement.

3. 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 City Engineer not to interfere with the intended use and therefore are not required to be cleared from the title.

"Acquisition and Construction Fund" means the "City of Rohnert Park University Park Community Facilities District Acquisition and Construction Fund" established by the Authority pursuant to the Resolution and Section 7.3 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements.

"Acquisition Improvement" means a public capital improvement or a development fee described in Exhibit A hereto.

"Acquisition Price" means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 7.6, or in the case of a development fee, the actual amount paid by the Developer, or the amount of a development fee to be paid on behalf of the Developer from bond or special tax proceeds, in every case not to exceed the Actual Cost of the Acquisition Improvement.

"Actual Cost" means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the City and as certified by the City Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer's cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer's cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer's cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer's cost of environmental evaluation or mitigation required for such Acquisition Improvement, and (e) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement.

"Actual Cost Certificate" means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the City Engineer pursuant to Section 7.6.

"Agreement" means this Acquisition Agreement, dated as of the ___ day of _____, 20__.

“Authority” means the California Statewide Communities Development Authority.

“Authority Trust Agreement” means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

“Authority Trustee” means the financial institution identified as trustee in an Authority Trust Agreement.

“Available Amount” shall have the meaning assigned to the term in Recital F.

“Bonds” means bonds or other indebtedness issued by the Authority that is to be repaid with Special Taxes.

“City” means the City of Rohnert Park.

“City Engineer” means the City Engineer of the City of Rohnert Park or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Code” means the Government Code of the State of California.

“Community Facilities District” shall have the meaning assigned to the term in Recital C.

“Developer” means University District, LLC, a Delaware limited liability company, and Vast Oak Properties L.P., a California Corporation, and their successors and assigns.

“Disbursement Request Form” means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B hereto.

“Eligible Portion” shall have the meaning ascribed to it in Section 7.6 below.

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Project” means the Developer’s development of the property in the Community Facilities District, including the design and construction of the Acquisition Improvements and the other public and private Acquisition Improvements to be constructed by the Developer within the Community Facilities District.

“Resolution” means City of Rohnert Park Resolution No. 2014-__, adopted the 25th day of November, 2014 titled “A Resolution of the City Council of the City of Rohnert Park Authorizing The California Statewide Communities Development Authority (The “Authority”) To Form A Community Facilities District Within The Territorial Limits Of The City Of Rohnert Park and Related Matters”.

“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the Community Facilities District to be levied by the Commission of the Authority.

“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), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the City of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the City, where applicable.

4. Purpose; Effective Date

4.1 Purpose. The purpose of this Agreement is to provide financing for and guarantee completion of the Acquisition Improvements; to ensure satisfactory performance by Developer

of Developer's obligations under this Agreement, and to provide a credit to Developer of a portion of the costs of the Acquisition Improvements through a reduction or payment of the Public Facilities Fee obligation of the Developer.

4.2 Effective Date. The Effective Date of this Agreement shall be as set forth above.

5. Property Subject to Agreement. The property which is the subject of this Agreement is located in the City of Rohnert Park, Sonoma County, California, and is described in Agreement Exhibit D, attached hereto.

6. Acquisition Improvements

6.1 Duty to Install Acquisition Improvements. Developer will design, construct, install and complete, or cause to be constructed, installed and completed, at the Developer's sole cost and expense, the Acquisition Improvements, in accordance with the Improvement Plans (defined in Recital I. above) and to the satisfaction of the City Engineer, in his/ her reasonable discretion. Developer will also supply all labor and materials therefor, all in strict accordance with the terms and conditions of this Agreement. The construction, installation and completion of the Acquisition Improvements including all labor and materials furnished in connection therewith are hereinafter referred to collectively as the "Work."

City shall not be responsible or liable for the maintenance or care of the Acquisition Improvements unless and until City formally approves and accepts them in accordance with its policies and procedures. City shall exercise no control over the Acquisition Improvements unless and until approved and accepted. Any use by any person of the Acquisition Improvements, or any portion thereof, shall be at the sole and exclusive risk of the Developer at all times prior to City's acceptance of the Acquisition Improvements. Developer shall maintain all the Acquisition Improvements in a state of good repair until they are completed by Developer and approved and accepted by City. Such maintenance shall include, but shall not be limited to, repair of pavement, curbs, gutters, sidewalks, signals, parkways, water mains, and sewers; maintaining all landscaping in a vigorous and thriving condition reasonably acceptable to City; removal of debris from sewers and storm drains; and sweeping, repairing, and maintaining in good and safe condition all streets and street improvements. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by City. If Developer fails to properly prosecute its maintenance obligation under this section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. Prior to undertaking said maintenance work, City agrees to notify Developer in writing of the deficiencies and the actions required to be taken by the Developer to cure the deficiencies. Except in an emergency, Developer shall have thirty (30) days from the date of the notice within which to correct, remedy or cure the deficiency. If the written notification states that the problem is urgent and relates to the public health and safety, then the Developer shall have twenty-four (24) hours to correct, remedy or cure the deficiency. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the Acquisition Improvements or their condition prior to acceptance.

6.2. Completion Date. Developer will complete the Work within three years of the Effective Date or as required by the Amended and Restated Development Agreement between the City and Developer, whichever is sooner. All Work will be completed in a good and workmanlike manner in accordance with accepted design and construction practices. This completion date may be extended by the City in its sole and absolute discretion at the request of Developer, which request shall be accompanied by a written assurance acceptable to the City Attorney that the securities required by Section 9 shall remain enforceable throughout the term of the extension.

6.3. Reversion to Acreage. If Developer fails to perform its obligations under this Agreement, Developer consents, as applicable, to the reversion to acreage of the land which is subject to this Agreement pursuant to Government Code section 66499.16 and to bear all applicable costs.

6.4. Property Acquisition. If Developer is unable to acquire property required for the construction of the Acquisition Improvements, Developer agrees to execute a contract for real property acquisition to provide for acquisition through eminent domain.

6.5. Estimated Cost of Work. The estimated cost of the Work is _____. Notwithstanding this estimate, Developer hereby acknowledges and agrees that (a) the actual costs to complete the Work may significantly exceed this estimate, (b) this estimate in no way limits Developer's financial obligation, and (c) that Developer is obligated to complete the Work at its own cost, expense, and liability.

6.6. Modifications to the Plans. Approval of this Agreement by City does not release Developer of its responsibility to correct mistakes, errors or omissions in the Improvement Plans. If, at any time, in the opinion of the City Engineer, in his/her reasonable discretion, the Improvement Plans are deemed inadequate in any respect Developer agrees to make such modifications, changes or revisions as necessary in order to complete the Work in a good and workmanlike manner in accordance with accepted design and construction standards.

6.7. Foreman or Superintendent. Developer shall give personal attention to the Work. A competent foreman or superintendent, satisfactory to the City Engineer, in his/her reasonable discretion, with authority to act for and on behalf of Developer, shall be named in writing by Developer prior to commencement of the Work, shall be present on the Property during the performance of the Work and may not be changed without the advance notification to and satisfaction and concurrence of the City Engineer.

6.8. Encroachment Permits. Developer shall obtain, at its sole cost and expense, any encroachment permits required by the City in order to perform the Work.

6.9. Commencement of Construction and Inspection. Developer and its contractor or subcontractors shall not commence construction of the Acquisition Improvements until Developer has received written authorization from City to proceed. Written authorization shall be in the form of signed approved plans along with permit issuance, including any encroachment permit required to carry on construction activities in the City's right-of-way as described in Section 6.8. All work performed on the Acquisition Improvements shall be done in strict compliance with the City approved plans, specifications and the contract documents and in a good and workmanlike manner. All work performed by Developer, its contractor or agents to construct the Acquisition Improvements shall be subject to inspection and approval by City. All fees and costs to construct the Acquisition Improvements shall be borne solely by Developer (including the applicable Inspection Fee in accordance with the City's adopted Engineering Fee Schedule). Inspection by City or its employees or agents shall not relieve Developer of its liability for design defects or improper or inadequate workmanship.

6.10. Examination of Work. All of the Work shall be performed to the satisfaction of the City Engineer, in his/her reasonable discretion. The City and its authorized agents shall, at all times during the performance of the Work, have free access to the Work and shall be allowed to examine the Work and all materials used and to be used in the Work.

6.11. City's Inspection, Administration and Testing Costs. Developer shall pay to City the actual cost for all inspection, administration and testing services furnished by City in connection with this Agreement, including those performed by consultants under contract with the City (the "City Costs"). City agrees not to double charge Developer (through the imposition of both a processing fee and a consultant charge) for any individual monitoring, inspection, testing or evaluation service. In addition, City agrees to limit its use of outside consultants to those reasonably necessary or desirable, as determined by the City Manager or his designee in his reasonable discretion, to accomplish the requisite inspection, administration and monitoring. The estimated cost for the inspection, administration and testing services is Eighteen Thousand, Eight Hundred Seventy-six Dollars and Ninety Cents (\$18,876.90) (the "Estimated Cost"). Notwithstanding this estimate, Developer hereby acknowledges and agrees that (a) the actual costs to accomplish the requisite inspection, administration and monitoring may significantly exceed this estimate, (b) this estimate in no way limits Developer's financial obligation, and (c) that Developer is obligated to reimburse the City for its actual cost, expense, and liability associated with said inspection, administration and monitoring. City will bill the Developer for the actual costs of inspection, administration and testing in a manner consistent with terms and conditions of the Reimbursement Agreement between City and Developer dated _____ and the Development Agreement Approved by City Ordinance 878 on April 22, 2104.

6.12. No Waiver by City. Inspecting of the work and/or materials, or approval of work and/or materials, or a statement by an officer, agent or employee of the City indicating the work complies with this Agreement, or acceptance of all or any portion of the work and/or materials, or payments thereof, or any combination of all of these acts shall not relieve Developer or its obligation to fulfill this Agreement; nor is the City by these acts prohibited from bringing an action for damages arising from the failure to comply with this Agreement.

6.13. Erosion Control. Pursuant to Rohnert Park Municipal Code Chapter 15.52, Developer shall be responsible for the control of erosion on the Property and shall prevent its entry into the storm drainage system.

6.14. Prevailing Wages. The work of the Acquisition Improvements constitutes a "public work" as defined in the California Labor Code, section 1771, *et seq* ("Labor Code Regulations"). Developer agrees and acknowledges that the construction of the Acquisition Improvements is subject to the payment of prevailing wages and agrees to comply with the requirements of the Labor Code Regulations. Further, Developer agrees to defend, indemnify and hold City, its elected officials, officers, employees, and agents free and harmless from any and all claims, damages, suits or actions arising out of or incident to Developer's obligations under this section. Developer agrees to satisfy, to the extent applicable, its obligation of registering with the Department of Industrial Relations and furnishing electronic certified payroll records to the Labor Commissioner pursuant to Senate Bill 854 (2014).

6.15. Contractor Licenses. All work performed on the Acquisition Improvements shall be done only by contractors licensed in the State of California and qualified to perform the type of work required and comply with the City's Business License Ordinance.

6.16. Repair of Work Damaged During Construction. Developer agrees to repair or have repaired in a timely manner at its sole cost and expense all public roads, streets, or other public or private property (both real and personal) damaged as a result of or incidental to the Work or in connection with the development of the Property or to pay to the property owner of any damaged road, street or property the full cost of such repair. In addition, Developer shall obtain the written acceptance of such repair or payment from any owner whose private property was repaired by Developer or to

whom Developer has paid the full cost of such repair in accordance with this Section 6.16. City shall be under no obligation whatsoever to accept the Work completed under this Agreement until such time as all repairs have been completed or have been paid for and written acceptances have been provided to the City Engineer, except as otherwise provided in section 6.20.1.

6.17. Payments. Developer agrees that it will pay, when due, all those furnishing labor or materials in connection with the Work. Developer further agrees that pursuant to Government Code section 66499.7, the Labor and Materials Bond provided by Developer in accordance with Section 9.1.2 of this Agreement shall not be released if any mechanics liens or stop notices are outstanding, unless said liens are released by bond in compliance with Civil Code section 3143.

6.18. Liability for Work Prior to Formal Acceptance. Until the City Council has formally accepted the Acquisition Improvements, Developer shall be solely responsible for all damage to the work, regardless of cause, and for all damages or injuries to any person or property at the work site, except damage or injury due to the sole negligence of City, or its employees. Developer shall replace or repair any portion of the Acquisition Improvements that have been destroyed or damaged prior to final acceptance of completed work by the City Council or the City Engineer. Any such repair or replacement shall be to the satisfaction and subject to the approval of the City Engineer. Developer shall repair to the satisfaction of the City Engineer any damage to the utilities systems, concrete work, street paving or other public Acquisition Improvements that may occur in connection with the Acquisition Improvements work.

6.19. Completion of Work. After Developer (a) completes the Work in accordance with the Improvement Plans and the terms and conditions of this Agreement, (b) repairs any road, street, or private or public property damaged as a result of the Work or pays the full cost of such repair to the owner whose property was damaged and (c) obtains the written acceptance of such repair or payment from any owner whose private property was repaired by Developer or to whom Developer paid the full cost of such repair, Developer will provide City with a written notice of completion, together with copies of all written acceptances.

6.20. Final Acceptance.

6.20.1 Notice of Completion. Within thirty (30) days of receipt of Developer's written notification pursuant to Section 6.19 above, City Engineer shall inspect the Work and repairs and review the written acceptances, if any, and send Developer a written notice stating whether the Work and repair are complete to the satisfaction of the City Engineer, in his/her reasonable discretion, and whether the written acceptances have been provided. If the Work and repair are, in the opinion of the City Engineer, not complete and satisfactory, and/or written acceptances have not been provided, the City Engineer will list the deficiencies that must be corrected to find the Work and repair complete and satisfactory. Upon satisfactory completion of the Work and repair and submittal of written acceptances, the City Engineer will send Developer a written notice of satisfactory completion. The requirement for written acceptances may be waived by the City Engineer, in his/her reasonable discretion, if Developer has made commercially reasonable efforts to obtain such acceptances. City Engineer's failure to respond to Developer's written notification within thirty (30) days will not be deemed a breach or default under this Agreement.

6.20.2 Acceptance of Improvements. After sending Developer a written notice of satisfactory completion pursuant to Section 6.20.1, the City Engineer will recommend acceptance of the Acquisition Improvements, or a portion thereof, to the City Council. In conjunction with such recommendation, the City Engineer will recommend the acceptance of the offers of dedication shown on the final map for the Property. The acceptance of the Acquisition Improvements, offers of

dedication and right-of-way and easements, if any, shall be by resolution. Upon adoption of such resolution, the City Engineer shall record a notice of acceptance, in a form to be approved by the City Attorney, in the Official Records of Sonoma County.

6.21. Warranty Period; Repair and Reconstruction. Without limiting the foregoing, Developer expressly warrants and guarantees all Work performed under this Agreement and all materials used in the Work for a period of one (1) year after the date of recordation of the notice of acceptance of the Acquisition Improvements in accordance with Section 6.20. If, within this one (1) year period, any Improvement or part of any Improvement installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of the Improvement Plans or this Agreement, Developer shall, without delay and without cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Work or Improvement to the satisfaction of the City Engineer. Should Developer fail to act promptly, by failing to repair, replace or reconstruct work thirty (30) days after notification by City, or in accordance with this requirement, or should the exigencies of the situation require repairs, replacements or reconstruction to be made before Developer can be notified, City may, at its option, make the necessary repairs, replacements or perform the necessary reconstruction and Developer shall pay to the City upon demand the actual cost of such repairs, replacements or reconstruction.

6.22. Record Drawings. Upon completion of the Acquisition Improvements and prior to final acceptance by the City Council, Developer shall deliver to City one electronic file, in a format specified by the City Engineer, and one mylar copy of "as-built" drawings. These drawings shall be in a form acceptable to the City Engineer, shall be certified by an engineer licensed by the State of California as to accuracy and completeness, and shall reflect the Acquisition Improvements as actually constructed, with any and all changes incorporated therein. Developer shall be solely responsible and liable for ensuring the completeness and accuracy of the record drawings.

6.23. Ownership of Improvements. From and after acceptance of the Acquisition Improvements by formal action of the City Council, ownership of the Acquisition Improvements shall be vested exclusively in City.

7. Community Facilities District.

7.1. Establishment of Community Facilities District. Developer has requested the City to permit the Authority to provide for financing of the Acquisition Improvements through the establishment and authorization of the Community Facilities District and the City agreed by its adoption of the Resolution. The Community Facilities District was established by the Authority on __ day of _____, 20__, and through the successful landowner election held that same day, the Commission of the Authority is authorized to levy the Special Taxes and to issue the Bonds to finance the Acquisition Improvements. Developer, the City and the Authority agree to reasonably cooperate with one another in the completion of the financing through the issuance of the Bonds in one or more series.

7.2. Deposit and Use of Available Amount.

7.2.1 Prior to the issuance of the first series of Bonds, Special Taxes collected by the Authority shall be deposited in the Acquisition and Construction Fund established by the Authority and may be disbursed to pay the Acquisition Price of Acquisition Improvements in accordance with this

Agreement. All funds in the Acquisition and Construction Fund shall be considered a portion of the Available Amount, and upon the issuance of the first series of Bonds the Acquisition and Construction Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

7.2.2 Upon the issuance of the first series of Bonds, the Authority will cause the Authority Trustee to establish and maintain the Acquisition and Construction Fund for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the City as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

7.3 Letting and Administering Design Contracts. The Developer has awarded and 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 City or directly to the design consultant) shall be reimbursed at the time of acquisition of the 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 7.5 and shall not be entitled to any payment for design costs independent of the acquisition of Acquisition Improvements.

7.4 Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the Community Facilities District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the City. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 10.1 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.

7.5 Sale of Acquisition Improvements. The Developer agrees to sell to the City each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is completed to the satisfaction of the City for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvement. Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of an Acquisition Improvement eligible for Installment Payments prior to completion of the entire Acquisition Improvement are described as eligible, discrete and usable portions in Exhibit A (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the City Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the City Engineer finds that the supporting paperwork submitted by the

Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the City 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 the further documentation is still not adequate, the City Engineer may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive.

Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement or Improvements, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Costs of environmental mitigation required solely to mitigate impacts of an Acquisition Improvement or Acquisition Improvements will be allocated one hundred percent (100%) public to that Acquisition Improvements. When costs of design or environmental work are shared between Acquisition Improvements and improvements not eligible for acquisition, or between public and private work, these costs are not eligible for reimbursement.

7.6 Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the City Engineer, pursuant to Section 7.5, that the Acquisition Improvement satisfies all City regulations and ordinances and is otherwise complete and ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

- a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the special taxes of the Community Facilities 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 due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.
- c) The Developer shall have provided the City with Title Documents needed to provide the City with title to the site, right-of-way, or easement upon which the subject Acquisition Improvement is situated. All such Title Documents shall be in a form acceptable to the City 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 City Engineer and the City Attorney insuring the City 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 City and the Developer. Each title insurance policy required hereunder shall be in the amount equal to the Acquisition Price. The amount paid to the Developer or its designee upon satisfaction of the foregoing conditions precedent shall be the Acquisition Price less all Installment Payments paid previously with respect to the Acquisition Improvement.

7.7 Payment for Eligible Portions. The Developer may submit an Actual Cost Certificate to the City Engineer with respect to any Eligible Portion. Payment to the Developer or its

designee from the Acquisition and Construction Fund of an Installment Payment with respect to such Eligible Portion shall in every case be conditioned first upon the determination of the City Engineer, pursuant to Section 7.5, that the Eligible Portion has been completed in accordance with the applicable plans and specifications and that the Eligible Portion satisfies all City regulations and ordinances and is otherwise complete and, where appropriate, is ready for acceptance by the City, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

- a) The Developer shall have provided the City with lien releases or other similar documentation satisfactory to the City Engineer as evidence that the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Eligible Portion, to the extent not already owned by the City) comprising the Eligible Portion is not subject to any prospective mechanics lien claim respecting the Eligible Portion.
- b) The Developer shall be current in the payment of all due and payable general property taxes, and all special taxes of the Community Facilities District, on property owned by the Developer or under option to the Developer within the Community Facilities District.
- c) The Developer shall have provided the City with Title Documents needed to provide the City with title to the site, right-of-way, or easement upon which the subject Eligible Portion is situated. All such Title Documents shall be in a form acceptable to the City Engineer and shall be sufficient, upon completion of the Acquisition Improvement of which the Eligible Portion is a part, to convey Acceptable Title.
- d) Payment and performance bonds, from a bonding company with an A.M. Best rating of at least "A-" or its equivalent, applying to plans and specifications for the Acquisition Improvement approved by the City, shall be in place to secure completion of the Acquisition Improvement of which the Eligible Portion is a part.

7.8 Disbursement Request Form. Upon a determination by the City Engineer to pay the Acquisition Price of an Acquisition Improvement pursuant to Section 7.6 or to pay an Installment Payment for an Eligible Portion pursuant to Section 7.7, the City Engineer shall cause a Disbursement Request Form substantially in the form attached hereto as Exhibit B to be submitted to the Authority Trustee, and the Authority Trustee shall make payment directly to the Developer or its designee of the amount pursuant to the Authority Trust Agreement. The Authority, the City and the Developer acknowledge and agree that the Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been completed or what the Actual Costs may be with respect to the Acquisition Improvement or Eligible Portion. The Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation.

In the event that the Actual Cost of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority Trustee shall withdraw all funds remaining in the Acquisition and Construction Fund and shall transfer those amounts to the Developer or its designee. The unpaid portion of the Actual Cost shall be paid from funds that may subsequently be deposited in the Acquisition and Construction Fund from a subsequent issuance of Bonds or from Special Tax revenues, if either of those occurs.

7.9. Limitation on Obligations. In no event shall the City or the Authority be required to pay the Developer or its designee more than the amounts held in the Acquisition and Construction Fund.

7.10. Audit. The City and the Authority 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 pursuant to this Agreement) in constructing the Acquisition Improvements.

8. Public Facilities Finance Plan Fee Credit

8.1. Eligible Improvements. The Acquisition Improvements eligible to receive the Public Facilities (PF) Fee Credit described are _____, more particularly described in Exhibit E.

8.2. Source and Method of Credit. Subject to the limitations set forth in Section 8.6, City shall credit Developer for the costs associated with the design, financing, construction and installation of the Acquisition Improvements listed in Exhibit E (the "PF Fee Credit"). The PF Fee Credit represents reimbursement to the Developer of costs that are covered by the PF Fee, but which Developer has agreed to incur. The initial estimated total credit amount is indicated in Exhibit F "PF Fee Credit Calculation" attached hereto, and shall be afforded to Developer in the form of a credit against the Public Facilities Fee that would otherwise be applicable to the Project.

8.3. Implementation of PF Fee Credit. Developer shall be entitled to receive the PF Fee Credit at the time of issuance of building permit. Such credit shall be personal to the Developer and shall not run to successors and assigns unless expressly authorized to so run, in writing by the Developer.

8.4. Fee Obligation. Developer's obligation to pay the full amount of the PF Fee shall remain a debt and obligation of Developer until completion by Developer and acceptance of the Acquisition Improvements by City. In the event that the Acquisition Improvements are not completed by a date two (2) years from the Effective Date of this Agreement, any PF Fee previously credited pursuant to this Agreement shall be immediately due and payable. If such fees are not paid as required, City may provide written notice to Developer of its default. If such default is not corrected within 30 days from the date of written notice, Developer agrees that the amount of any unpaid PF Fees may be placed upon the property as a lien and special assessment. The assessment shall continue until it is paid, together with interest at the legal maximum rate computed from the date of confirmation of the statement until payment. The assessment shall be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and procedure and sale in case of delinquency as is provided for ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. In addition, City may use any other available legal means to collect the unpaid PF Fee and the choice of one remedy does not affect City's ability to use alternative remedies.

8.5. Expiration of Credit Obligation. The PF Fee Credit shall be granted to Developer at the time Developer obtains building permit(s). City's obligation to extend Developer a credit as described herein shall continue for a total of two (2) years from the date the Developer begins construction of the Acquisition Improvements as more fully described in Exhibit E, unless the obligation is sooner satisfied. If Developer fails to complete the Acquisition Improvements within a two-year time frame, City may seek payment of the Public Facilities Fee from Developer as provided in Section 8.4, above.

8.6. Maximum Credit. The total amount of the PF Fee Credit obligation for the Acquisition Improvements shall be as determined by City in accordance with the most current edition of

the City of Rohnert Park Public Facilities Finance Plan. The Parties acknowledge and agree that the maximum credit amount for the Acquisition Improvements is estimated to be _____ (\$---).

8.7. Areas and Quantities. The areas and quantities used to develop this Public Facilities Fee Credit are based on the information and plans available at this time. The actual areas and quantities may change at the time of dedication to the City and/or construction by the Developer. If it is determined by the City Engineer that the areas and quantities have changed, the credit amount may be adjusted accordingly, either lower or higher up to the maximum credit amount set forth above.

9. Security.

9.1. Performance, Labor and Materials and Warranty Security. In accordance with Sections 16.16.060 through 16.16.070 of the Rohnert Park Municipal Code, Developer will furnish and deliver to City, within the times set forth below, the following surety bonds, each of which must be issued by a surety company duly and regularly authorized to do general surety business in the State of California, or an irrevocable assignment of funds or letter of credit as may be acceptable to the City Attorney.

9.1.1 Performance Security. Developer shall furnish and deliver performance security in the amount of _____ concurrently with the execution of this Agreement, which must meet the requirements of Government Code Section 66499.1, if applicable, and Rohnert Park Municipal Code Section 16.16.070 and be acceptable to the City Attorney. The security shall be conditioned upon the faithful performance of this Agreement with respect to the Work and shall be released by the City effective upon the date of recordation of the notice of acceptance of the Acquisition Improvements as described in Section 6.20.2 and Developer's delivery of the Warranty Security described in Section 9.1.3.

9.1.2 Labor and Materials Security. Developer shall furnish and deliver labor and materials security in the amount of _____, concurrently with the execution of this Agreement which security must meet the requirements of Government Code Section 66499.2, if applicable, and Rohnert Park Municipal Code Section 16.16.070 and be acceptable to the City Attorney. The security shall secure payment to the contractor(s) and subcontractor(s) performing the Work and to all persons furnishing labor, materials or equipment to them. The City shall retain each security until both (i) the City accepts the Work in accordance with Section 6.20 above and (ii) the statute of limitations to file an action under Civil Code section 3114 *et seq.* has expired. After said date, the security may be reduced by the City Engineer to an amount not less than the total amount claimed by all claimants for whom claims of lien have been recorded and notice given in writing to the City Council. The balance of the security shall be retained until the final settlement of all such claims and obligations. If no such claims have been recorded, the security shall be released in full by the City Engineer.

9.1.3. Warranty Security. Developer shall furnish and deliver warranty security in the amount specified in section 16.16.070 c. of the Rohnert Park Municipal Code. The amount of _____ shall be provided upon acceptance of the Acquisition Improvements and prior to release of the Performance Security. The security shall be in a form acceptable to the City Attorney and shall guarantee and warranty the Work for a period of one (1) year following the date of recordation of the notice of acceptance of the Acquisition Improvements against any defective work or labor done, or defective materials furnished.

9.2. Additional Security. If either upon execution of this Agreement or during the course of performance the City considers that it is necessary to have Developer post additional security,

the City may require either a cash deposit or a surety bond guaranteeing performance in a form and signed by sureties satisfactory to it. The condition of the security shall be that if Developer fails to perform its obligation under this Agreement, the City may in the case of a cash bond act for it using the proceeds or in the case of a surety bond require the sureties to perform the obligations of the Agreement.

10 Indemnity and Insurance.

10.1 Indemnification. Developer agrees to indemnify, defend and hold the City and Authority, including elective and appointed boards, commissions, officers, agents, employees and consultants, harmless from and against any and all claims, liabilities, losses, damages or injuries of any kind (collectively, "Claims") arising out of Developer's, or Developer's contractors', subcontractors', agents' or employees', acts, omissions, or operations under this Agreement, including, but not limited to, the performance of the Work, whether such acts, omissions, or operations are by Developer or any of Developer's contractors, subcontractors, agents or employees, except to the extent such Claims are caused by the sole negligence or willful misconduct of the City. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of City, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. Developer shall defend the City as required by California Civil Code Section 2778, and with counsel reasonably acceptable to the City developer shall have no right to seek reimbursement from City for the costs of defense.

The aforementioned indemnity shall apply regardless of whether or not City has prepared, supplied or approved plans and/or specifications for the Work or Acquisition Improvements and regardless of whether any insurance, workers compensation, disability or other employee benefit acts or terms required under this Agreement are applicable to any Claims. The City does not and shall not waive any of its rights under this indemnity provision because of its acceptance of the bonds or insurance required under the provisions of this Agreement. Developer's obligation to indemnify City shall survive the expiration or termination of this Agreement.

Developer agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-contractor or any other person or entity involved by, for, with or on behalf of Developer in the performance of this Agreement. In the event Developer fails to obtain such indemnity obligations from others as required here, Developer agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder.

10.2 Assignment and Assumption of Obligations to Authority. In addition to the indemnification obligations described above, consistent with the requirements of Section 4.04 of the Amended and Restated Development Agreement, Developer is solely responsible for the costs, expenses and liability associated with the formation of the CSD. As a result of Developer's selection of the Authority, City was obligated to adopt a Resolution, as described above in Recital D, authorizing the Authority to form a CSD within the city limits for the benefit of Developer. Paragraphs 12, 13 and 14 of the Resolution require the City to indemnify and hold harmless the Authority for specified risks and to comply with the payment of prevailing wages and satisfy other public contracting requirements. The City and Developer acknowledge in authorizing the Resolution, that the City reserved the right to require the Developer to assume the entirety of such responsibility and by this Paragraph 10.2 intend to effectuate that right. Accordingly, City hereby assigns to Developer all of its obligations and responsibilities under Paragraphs 12, 13 and 14 of the Resolution. Developer hereby accepts said assignment and assumes all obligations and responsibilities under Paragraphs 12, 13 and 14 of the

Resolution, and further agrees to perform all of City's obligations and covenants under Paragraphs 12, 13 and 14 of the Resolution as if Developer were the original signatory thereto.

10.3. Insurance. Developer shall maintain Commercial General Liability Insurance protecting the City from incidents as to bodily injury liability and property damage liability that may occur as a result of the Work and additional repairs. Developer shall provide certificate(s) of insurance and endorsements to City before any Work commences. The insurance policy shall contain, or be endorsed to contain, the following provisions:

- (1) The City, its officers, elected officials, employees, consultants, agents and volunteers are to be covered as additional insured's as respects to liability arising out of activities performed by or on behalf of Developer. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, elected officials, employees, consultants, agents and volunteers.
- (2) The amounts of public liability and property damage coverage shall not be less than \$3,000,000 (Three Million Dollars) per occurrence for bodily injury, personal injury and property damage.
- (3) The insurance shall be maintained in full force until the work has been completed to the satisfaction of the City Engineer.
- (4) The insurance policy shall provide for 30 days' notice of cancellation to the City. The policy shall not be cancelled earlier than nor the amount of coverage be reduced earlier than 30 days after the City receives notice from the insurer of the intent of cancellation or reduction.
- (5) Any failure to comply with the reporting provisions of the policy shall not affect the coverage provided to the City, its officers, elected officials, employees, consultants, agents and volunteers.
- (6) Developer's insurance coverage shall be primary insurance as respects the City, its officers, elected officials, employees, consultants, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, elected officials, employees, consultants, agents and volunteers shall be in excess of Developer's insurance and shall not contribute to it.
- (7) Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.
- (8) Developer and Developer's insurance company agree to waive all rights of subrogation against City, its officers, elected officials, employees, agents and volunteers for losses paid under Developer's workers' compensation insurance policy which arise from the work performed by Developer.

- (9) Developer's insurance shall apply separately to each insured against whom claim is made or suit is brought, and include a "separation of insureds" or "severability" clause which treats each insured separately, except with respect to the limits of the insurer's liability (cross-liability endorsement).
- (10) It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured, including but not limited to any umbrella or excess insurance. Furthermore, the requirements for coverage and limits shall be the greater of: (a) the minimum coverage and limits specified in this Agreement; or (b) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured.

In the event that Developer's insurance is cancelled, Developer shall provide replacement coverage or all work must cease as of the cancellation date until replacement insurance coverage is provided.

If Developer fails to maintain insurance coverage or provided insurance documentation which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. City, at its sole option, may terminate this Agreement and obtain damages from Developer resulting from said breach. Alternatively, City may purchase the required insurance coverage, and without further notice to Developer, may deduct from sums due to Developer any premium costs advanced by City for such insurance. These remedies shall be in addition to any other remedies available to City.

10.3. Workers' Compensation Insurance. Developer shall provide, or cause to be provided, Workers' Compensation insurance as required by law, and shall cause its contractors and their subcontractors, agents and representatives to also maintain Workers' Compensation insurance as required by law. No Work shall commence until such Workers' Compensation insurance is obtained and in full force and effect.

10.4. Other Insurance Requirements. Developer shall:

- (1) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance which shall clearly evidence all insurance required in this section and provide that such insurance shall not be canceled, allowed to expire or be materially reduced in coverage except on thirty (30) days prior written notice to City.
- (2) Provide to City certified copies of endorsements and policies if requested by City, and properly executed certificates of insurance evidencing the insurance required herein.
- (3) Replace or require the replacement of certificates, policies and endorsements for any insurance required herein expiring prior to completion and acceptance of the Improvements.
- (4) Maintain all insurance required herein from the time of execution of this Agreement until the acceptance of the Improvements.
- (5) Place all insurance required herein with insurers licensed to do business in California.

11. Breach of Agreement; Opportunity to Cure; Remedies.

11.1. Notice of Breach and Default. The occurrence of any of the following constitutes a breach and default of this Agreement:

- (1) Developer refuses or fails to complete the Work within the time set forth herein or abandons the Work.
- (2) Developer assigns the Agreement without the prior written consent of City.
- (3) Developer is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver is appointed in the event of Developer's insolvency.
- (4) Developer or Developer's contractors, subcontractors, agents or employees, fail to comply with any terms or conditions of this Agreement.
- (5) Any delay in the construction of any portion of the Work or repairs, which in the reasonable opinion of the City Engineer, endangers public or private property.

The City may serve written notice of breach and default upon Developer and the financial institution holding the security.

11.2. Breach of Agreement; Performance by City. If the City gives Developer notice, under Section 11.1, of breach and default of this Agreement, the City may proceed to complete the Work by contract or other method the City considers advisable, at the sole expense of Developer. Developer, immediately upon demand, shall pay the costs and charges related to the Work and any subsequent repairs. City, without liability for doing so, may take possession of and utilize in completing the Work and repairs, if any, such materials and other property belonging to Developer as may be on or about the Property and necessary for completion of the work. In the event of default, the financial institution holding the security shall be liable to City to pay the face amount of the bonds, as specified under Section 8.

11.3. Remedies. It is acknowledged by the parties that the City 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 City.

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 City 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.

City may bring legal action to compel performance of this Agreement and recover the costs of completing the Work and/or repairs, if any, including City's administrative and legal costs. Developer agrees that if legal action is brought by City under this section of the Agreement, Developer shall pay all of the costs of suit; reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator. No failure on the part of City to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that City may have hereunder.

12. Miscellaneous.

12.1 Compliance with Laws. Developer shall fully comply with all federal, state and local laws, ordinances and regulations in the performance of this Agreement. Developer shall, at its own cost and expense, obtain all necessary permits and licenses for the Work, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public utilities that will serve the development on the Property. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the City Engineer upon request.

12.2 Cooperation. The City, the Authority and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the Community Facilities District Special Taxes and issuance of Bonds. The City, the Authority and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

12.3 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 the consent, approval or acceptance not be unreasonably withheld or delayed, unless the 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.

12.4 Notices. Formal written notices, demands, correspondence and communications between City and Developer shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable carrier such as Federal Express to the offices of City and Developer indicated below, provided that a receipt for delivery is provided; or (c) if dispatched by first class mail, postage prepaid, to the offices of City and Developer indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as either party may from time-to-time designate by next day delivery or by mail as provided in this section.

City: City of Rohnert Park
130 Avram Avenue
Rohnert Park, CA 94928
Attn: City Manager

With a copy to: City of Rohnert Park
130 Avram Avenue
Rohnert Park, CA 94928
Attn: City Attorney

Authority: California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, CA 95814
Attn: Chair

Developer: University District LLC
500 La Gonda Way, Ste. 100
Danville, CA 94526
Attn: Mr. Kevin Pohlson

Vast Oak Properties L.P.
c/o Quaker Hill Development Corp.
P.O. Box 2240
Healdsburg, CA 95448
Attn: Mr. Craig R. Harrington

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the State of California.

12.5 Attorney Fees. Should any legal action or arbitration be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to all costs of suit; reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.

12.6 Entire Agreement. The terms and conditions of this Agreement constitute the entire agreement between City and Developer with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of both parties hereto.

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

12.8 Runs with the Land; Recordation. This Agreement pertains to and shall run with the Property. Upon execution, this Agreement shall be recorded in the Official Records of Sonoma County.

12.9 Joint and Several Obligations. The City, the Authority and the Developer intend that UD LLC property and Vast Oak Property L.P. property, including the Acquisition Improvements, be developed as a physically integrated project. In recognition of such integration, UD LLC and Vast Oak Property L.P. agree that they shall be jointly and severally liable for all obligations of the Developer under this Agreement.

12.10 Assignment. The obligations and rights of the parties to this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but those rights and obligations shall not be assignable, transferable or delegable, except pursuant to the terms hereof, without the written consent of the other parties hereto, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms hereof shall be void.

12.11 Time is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

12.12 Severability. If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.

12.13 Waiver or Modification. Any waiver or modification of the provisions of this Agreement must be in writing and signed by the authorized representative(s) of each Party. 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 the party's right to insist upon and demand strict compliance by the other party with the terms of this Agreement.

12.14 Relationship of the Parties. Neither Developer nor the Authority nor either's contractors, subcontractors, agents, officers, or employees are agents, partners, joint venturers or employees of City and the Developer's relationship to the City, if any, arising herefrom is strictly that of an independent contractor. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Further, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

12.15 Binding upon Heirs, Successors and Assigns. The terms, covenants and conditions of this Agreement shall be binding upon all heirs, successors and assigns of the parties hereto; provided, however, that this Agreement shall not be binding upon a purchaser or transferee of any portion of the Property unless this Agreement has been assigned pursuant to Section 11.9, in which event this Agreement shall remain binding upon Developer.

12.16 Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of Sacramento, State of California.

12.17 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

12.18 Interpretation. This Agreement shall be construed according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall apply to the interpretation of this Agreement.

12.19 Headings. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.

12.20 Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

12.21 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.

12.22 Sole Agreement. This Agreement, including Exhibit A hereto, constitutes the sole agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.

IN WITNESS WHEREOF, City, Authority, and Developer have executed this Agreement as of the Effective Date.

"CITY"

CITY OF ROHNERT PARK, a California
municipal corporation

Dated: _____

By: _____
City Manager

Per Resolution No. 20____-____ adopted by the Rohnert Park
City Council at its meeting of 11-25-2014.

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

"DEVELOPER"

University District LLC, a Delaware limited liability company

Dated: _____

By: _____

Title: _____

And

Vast Oak Property L.P., a California limited Partnership

By: _____

Title: _____

"AUTHORITY"

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, a California
joint powers agency

Dated: _____

By: _____

Authorized Signatory

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF SONOMA)

On _____ before me, _____,
(here insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA)

On _____ before me, _____
(here insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF CONTRA COSTA)

On _____ before me, _____,
(here insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(Seal)

EXHIBIT B
[BOUNDARY MAP]

PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2014-01
(Rohnert Park)
COUNTY OF SONOMA
STATE OF CALIFORNIA

(1) Filed in the office of the Secretary of
California Statewide Communities
Development Authority this ____ day of
_____, 2014.

Secretary, California Statewide Communities
Development Authority

Assessor Parcels within
Improvement Area 1:
047-131-25 (portion)
047-131-24 (portion)

Assessor Parcels within
Improvement Area 2:
045-262-01
045-262-02
045-262-03
045-262-04
047-131-25 (portion)
047-131-24 (portion)
047-131-19
047-131-26
047-131-27

(2) I hereby certify that the within map
showing the proposed boundaries of
California Statewide Communities
Development Authority Community
Facilities District No. 2014-01 (Rohnert
Park), County of Sonoma, State of
California, was approved by the
Commission of the California Statewide
Communities Development Authority at a
regular meeting thereof, held on this
_____ day of _____,
_____, 2014, by its
Resolution No. _____.

Secretary, California Statewide
Communities Development Authority

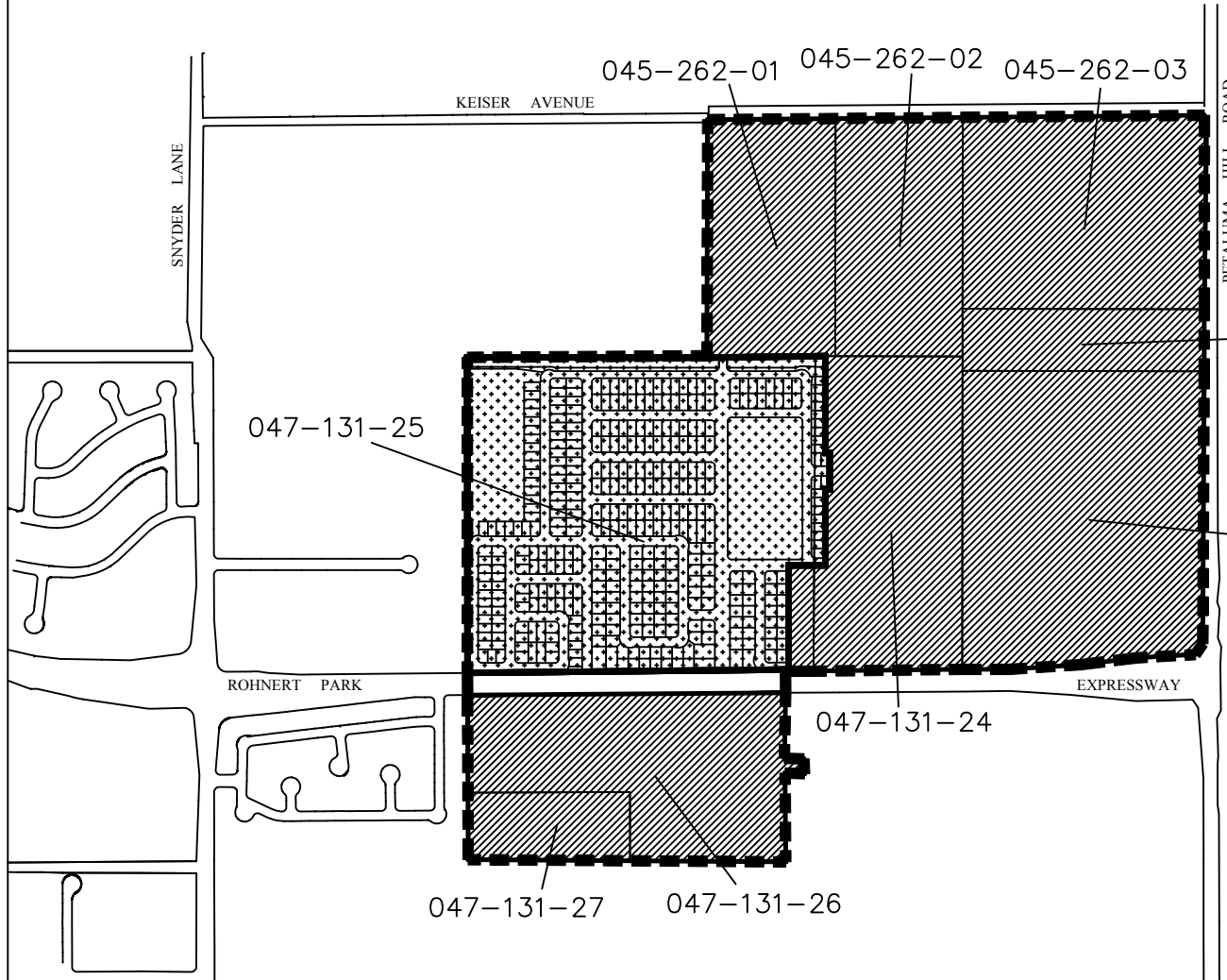
(3) Filed this ____ day of _____,
2014, at the hour of ____ o'clock
__m, in Book _____ of Maps of
Assessment and Community Facilities
Districts at Page _____ and as
Instrument No. _____ in
the office of the County Recorder in the
County of Sonoma, State of California.

William F. Rousseau,
Sonoma County Clerk-Recorder-Assessor
By _____

Deputy
Fee _____

Exempt recording requested,
per CA Government Code §6103

PROPOSED BOUNDARIES OF
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2014-01
(Rohnert Park)
COUNTY OF SONOMA
STATE OF CALIFORNIA



045-262-04

Reference is hereby made to the Assessor maps of the
County of Sonoma and to Vast Oak West Lot Line
Adjustment No. _____, recorded on
_____ as Document Number _____, for a
description of the lines and dimensions of these parcels.

047-131-19

LEGEND

-----	Proposed Boundaries of California Statewide Communities Development Authority Community Facilities District No. 2014-01 (Rohnert Park), County of Sonoma,, California
04n-nnn-nn	Assessor Parcel Number
[Pattern: Dotted]	Improvement Area 1
[Pattern: Diagonal Lines]	Improvement Area 2
-----	Assessor Parcel Line

EXHIBIT C

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2015-01,
(UNIVERSITY DISTRICT),
CITY OF ROHNERT PARK,
COUNTY OF SONOMA,
STATE OF CALIFORNIA**

**REPRESENTATIVE LISTING OF INCIDENTAL EXPENSES
AND BOND ISSUANCE COSTS**

It is anticipated that the following incidental expenses may be incurred in the proposed legal proceedings for formation of the Community Facilities District, construction or acquisition of the authorized public facilities and related bond financing and will be payable from proceeds of the Bonds or directly from the proceeds of the Special Tax, issued or levied, as applicable, in either or both Improvement Areas:

- Special tax consultant services
- Authority, City staff review, oversight and administrative services
- Bond Counsel and Disclosure Counsel services
- Financial advisor services
- Special tax administrator services
- Appraiser/Market absorption consultant services
- Initial bond transfer agent, fiscal agent, registrar and paying agent services, and rebate calculation service set up charge
- Bond printing and Preliminary Official Statement and Official Statement printing and mailing
- Publishing, mailing and posting of notices
- Recording fees
- Underwriter's discount
- Bond reserve fund
- Capitalized interest
- Governmental notification and filing fees
- Credit enhancement costs
- Rating agency fees
- Continuing disclosure services
- Arbitrage rebate services
- Other post-issuance tax compliance services

The expenses of certain recurring services pertaining to the Community Facilities District may be included in each annual special tax levy within either or both of the Improvement Areas, and these expenses are described in the definition of the term "Administrative Expenses" as set forth in each Rate and Method of Apportionment of Special Tax attached hereafter as Exhibit D-1 and Exhibit D-2.

The foregoing enumeration shall not be regarded as exclusive and shall be deemed to include any other incidental expenses of a like nature which may be incurred from time to time with respect to each Improvement Area of the Community Facilities District.

EXHIBIT D-1

[RMA FOR IMPROVEMENT AREA NO. 1]

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2015-01
IMPROVEMENT AREA No. 1
(UNIVERSITY DISTRICT)
CITY OF ROHNERT PARK, COUNTY OF SONOMA**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 of CSCDA Community Facilities District No. 2015-01 (University District), City of Rohnert Park, County of Sonoma ("CFD No. 2015-01 (IA No. 1)") and collected each Fiscal Year commencing in Fiscal Year 2015-2016, in an amount determined by the Commission, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2015-01 (IA No. 1) shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2015-01 (IA No. 1): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2015-01 (IA No. 1), or any designee thereof of complying with arbitrage rebate requirements; the costs to CSCDA, CFD No. 2015-01 (IA No. 1), or any designee thereof of complying with CSCDA, CFD No. 2015-01 (IA No. 1), or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of CSCDA, CFD No. 2015-01 (IA No. 1), or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2015-01 (IA No. 1) for any other administrative purposes of CFD No. 2015-01 (IA No. 1), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

“Assessor’s Parcel” means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating parcels by Assessor’s parcel number.

“Assigned Special Tax” means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.(b), below.

“Attached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that shares, or will share, an inside wall with another Dwelling Unit.

“Authorized Facilities” means the facilities authorized to be financed by CFD No. 2015-01 (IA No. 1).

“Backup Special Tax” means the Backup Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with Section C.1.(c), below.

“Bond Costs” means for any bond issue of an Other Improvement Area in CFD No. 2015-01 that is secured by the Special Taxes in CFD No. 2015 (IA No. 1), all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other amounts required by the rate and method of apportionment of the Other Improvement Area for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

“Building Permit” means a permit issued by the City or other governmental agency for the construction of a residential or non-residential building on an Assessor’s Parcel.

“Buildout” means, for CFD No. 2015-01 (IA No. 1), that all expected building permits for Residential Property and Non-Residential Property to be constructed within CFD No. 2015-01 (IA No. 1) have been issued, as determined by the CSCDA Program Manager.

“CFD No. 2015-01 (IA No. 1)” means CSCDA Community Facilities District No. 2015-01 (Improvement Area No. 1) which covers a portion of the University District Specific Plan.

“CFD No. 2015-01 (IA No. 1) Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, authorized by CFD No. 2015-01 (IA No. 1) under the Act and issued by CSCDA.

“City” means the City of Rohnert Park

“Commission” means the governing board of CSCDA.

“County” means the County of Sonoma.

“CSCDA” means the California Statewide Communities Development Authority.

“CSCDA Program Manager” means the CFD program manager for CSCDA, or its designee.

“Detached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is or is expected to be surrounded by freestanding walls and that does not share an inside wall with any other Dwelling Unit.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued after January 1, 2015 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Dwelling Unit” means one residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, condominium, apartment, mobile home, or otherwise.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, located in a Final Subdivision as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, but no earlier than January 1, 2015.

“Final Subdivision” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Intermediate Special Tax” means the intermediate Special Tax, determined in accordance with Section C.2.(a) herein that can be levied in any Fiscal Year on any Assessor’s Parcel of Final Mapped Property or Undeveloped Property.

“Land Use Class” means any of the land use classes listed in Table 1, below.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below that can be levied by the Commission in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Minimum Sales Price” means, as determined by the Price Point Consultant, the expected base (i.e., without any optional upgrades included) sales prices of the Dwelling

Units of Residential Property within each Land Use Class based upon the actual or anticipated base sales prices to end users at the time of calculation in a normal marketing environment.

“Non-Residential Building Square Footage” means the total gross building square footage of non-residential property lying within an Assessor’s Parcel for which one or more non-residential building permits have been issued. Such square footage shall be measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the building permit(s) issued for that Assessor’s Parcel, or if these are not available, as otherwise determined by the CSCDA Program Manager.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City or other governmental agency.

“Other Improvement Area” means an improvement area located within CFD No. 2015-1, other than CFD No. 2015-01 (IA No. 1).

“Other Improvement Area Bonds” means all bonds issued by Other Improvement Areas that are secured by the Special Taxes levied in CFD No. 2015-01 (IA No. 1) in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such Other Improvement Area Bonds.

“Outstanding Bonds” means all CFD No. 2015-01 (IA No. 1) Bonds which remain outstanding under the Indenture.

“Price Point Consultant” means any consultant or firm of such consultants selected by the CSCDA Program Manager that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 2015-01 (IA No. 1) or CSCDA, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 2015-01 (IA No. 1), (ii) CSCDA, (iii) any owner of real property in CFD No. 2015-01 (IA No. 1), or (iv) any real property in CFD No. 2015-01 (IA No. 1), and (e) is not connected with CFD No. 2015-01 (IA No. 1) or CSCDA as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2015-01 (IA No. 1) or CSCDA.

“Price Point Study” means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

“Property Owner Association Property” means, (i) any property within the boundaries of CFD No. 2015-01 (IA No. 1) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the May 1 preceding the

Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CSCDA Program Manager by May 1 preceding the Fiscal Year for which the Special Tax is being levied. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 17.34 acres, as described in Section E of this RMA.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax or the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For each of the Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property and Taxable Public Property categories, “Proportionately” means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre within each of these Taxable Property categories is equal for all Assessor's Parcels in that specific Taxable Property category.

“Public Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2015-01 (IA No. 1) that, as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied, was (i) owned by, irrevocably offered, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 17.34 acres, as described in Section E of this RMA.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment for CFD No. 2015-01 (IA No. 1).

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor's Parcel shall be as set forth in the building permit(s) issued for such Assessor's Parcel and/or as set forth in the appropriate records kept by the Development Services Department of the City, or other applicable City department, as determined by the CSCDA Program Manager. Such determination shall be final following the issuance of a Certificate of Occupancy for the residential dwelling unit.

“Residential Property” means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount of Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2015-01 (IA No. 1) Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Special Taxes levied in the previous Fiscal Year, (v) pay directly for construction of CFD No. 2015-01 (IA No. 1) facilities eligible under the Act to the extent that inclusion of this amount does not increase the levy of the Special Tax beyond the first step in Section D, (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) a credit for funds available to reduce the Special Tax levy, as determined by the CSCDA Program Manager, so long as the amount required is not less than zero.

“State” means the State of California.

“Supplemental Improvement Area” means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2015-01 (IA No. 1) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2015-01 (IA No. 1) Bonds until conditions for the release of the Special Taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2015-01 (IA No. 1) that are not exempt Property Owner Association Property or exempt Public Property.

“Taxable Property Owner Association Property” means all Assessor’s Parcels of Property Owner Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E herein.

“Total Floor Area” means the sum of the Residential Floor Area plus the Non-Residential Floor Area located on an Assessor’s Parcel.

“Total Tax Burden” means, for any Dwelling Unit of Residential Property, the sum of the Assigned Special Tax, together with *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees and charges which are collected by the County on *ad valorem* tax bills and which are payable from and secured by the property assuming such residential dwelling unit had been completed, sold, and subject to such levies and impositions, excluding service charges such as sewer and trash.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property

Owner Association Property, or Taxable Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2015-01 (IA No. 1) shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

Residential Property shall be assigned to Land Use Classes 1 through 10 as listed in Table 1 below based on the description and the Residential Floor Area for each Dwelling Unit as designated in Table 1. All Non-Residential Property shall be assigned to Land Use Class 11. Prior to the issuance of the first series of CFD No. 2015-01 (IA No. 1) Bonds, the Assigned Special Tax Rates for Residential Property (as set forth in Table 1) and the Backup Special Tax rates for Residential Property (as set forth in Section C.1.(c)), shall be reduced in accordance with, and subject to, the conditions set forth in this Section C., without the need for any proceedings to make changes permitted under the Act.

At least sixty (60) days prior to the issuance of the first series of CFD No. 2015-01 (IA No. 1) Bonds, the Assigned Special Tax for Residential Property (set forth in Table 1) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, the CSCDA Program Manager shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sales Price of the Residential Property within each Land Use Class of Residential Property. From those Minimum Sales Prices for the Residential Property within each Land Use Class, the CSCDA Program Manager shall determine the lowest Minimum Sales Price for all Residential Property within each Land Use Class (hereafter referred to as the "Lowest Price Point"). If the CSCDA Program Manager determines that the Lowest Price Point for a Land Use Class is equal to or greater than the price point that was used to establish the Assigned Special Tax rates for such Land Use Class shown in Table 1, then there shall be no recalculation of the Assigned Special Tax rates for such Land Use Class. If, however, the CSCDA Program Manager determines that the Lowest Price Point for a Land Use Class is less than the price point that was used to establish the Assigned Special Tax rates for such Land Use Class shown in Table 1, then the Assigned Special Tax rates for Residential Property in such Land Use Class (as reflected in Table 1) shall be reduced to an amount that will cause the Total Tax Burden that shall apply to Residential Property within such Land Use Class not to exceed 1.75% of the Lowest Price Point of such Land Use Class. Each Assigned Special Tax reduction for a Land Use Class of Residential Property shall be calculated separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax for any Land Use Class of Residential Property, the CSCDA Program Manager shall also reduce the Backup Special Tax for all of CFD No. 2015-01 (IA No.1) in accordance with Section C.1.(c) herein. The Assigned Special Tax reductions permitted pursuant to this paragraph shall be reflected in an amended notice of Special Tax lien which CSCDA shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit "A." Notwithstanding the foregoing, under no circumstances may the Assigned Special Taxes be reduced under this

Section C during the time the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

1. Developed Property

(a) Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b) Assigned Special Tax

Residential Property shall be assigned to Land Use Classes 1 through 10 as listed in Table 1 below based on the Residential Floor Area for each residential Dwelling Unit. Non-Residential Property shall be assigned to Land Use Class 11. The Assigned Special Tax that shall be levied in any Fiscal Year for each Assessor's Parcel classified as Developed Property is shown below in Table 1.

TABLE 1
Assigned Special Taxes for Developed Property
Improvement Area No. 1 of CFD No. 2015-01
All Fiscal Years

Land Use Class	Description	Assigned Special Tax
1	Detached Residential Property ($\geq 3,250$ SF)	\$3,985 per Dwelling Unit
2	Detached Residential Property (3,000 - 3,249 SF)	\$3,758 per Dwelling Unit
3	Detached Residential Property (2,750 - 2,999 SF)	\$3,569 per Dwelling Unit
4	Detached Residential Property (2,500 - 2,749 SF)	\$3,197 per Dwelling Unit
5	Detached Residential Property (2,250 - 2,499 SF)	\$2,939 per Dwelling Unit
6	Detached Residential Property (2,000 - 2,249 SF)	\$2,620 per Dwelling Unit
7	Detached Residential Property (1,750 - 1,999 SF)	\$2,524 per Dwelling Unit
8	Detached Residential Property ($< 1,750$ SF)	\$2,199 per Dwelling Unit
9	Attached Residential Property ($\geq 1,750$ SF)	\$953 per Dwelling Unit
10	Attached Residential Property ($< 1,750$ SF)	\$532 per Dwelling Unit
11	Non-Residential Property	\$1.31 per square foot of Non-Residential Floor Area or \$19,766 per Acre, when applied, whichever is greater

(c) **Backup Special Tax**

The Backup Special Tax for an Assessor's Parcel of Developed Property shall equal the lesser of (a) \$21,959 per Acre, or (b) in connection with any reduction in the Assigned Special Tax as set forth in Section C. herein, the amount per Acre calculated pursuant to the formula below:

$$[(AST \times 1.1) + A] \div ATP$$

AST = The total estimated Assigned Special Tax levy for CFD No. 2015-01 (IA No. 1) based on the reduced Assigned Special Taxes for Developed Property permitted pursuant to Section C. herein which could be levied on all expected development assuming Buildout of CFD No. 2015-01 (IA No. 1) .

A = The Administrative Expenses as defined in Section A herein.

ATP = The sum of the Acreage of all Taxable Property within a Final Subdivision (assuming Buildout) within CFD No. 2015-01 (IA No. 1) (after excluding Public Property as set forth in Section E herein) multiplied by 90%.

The Backup Special Tax reduction permitted pursuant to this Section C.1.(c) shall be reflected in an amended notice of Special Tax lien which CSCDA shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit "A."

Furthermore, all Assessor's Parcels within CFD No. 2015-01 (IA No. 1) shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CSCDA Program Manager calculates that (i) the annual debt service required for the Outstanding Bonds, when compared to the Assigned Special Tax that shall be levied against all Assessor's Parcels of Developed Property in CFD No. 2015-01 (IA No. 1), results in 110% debt service coverage (i.e., the Assigned Special Tax that shall be levied against all Developed Property in CFD No. 2015-01 (IA No. 1) in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) the Administrative Expenses as defined in Section A herein), (ii) all authorized CFD No. 2015-01 (IA No. 1) Bonds have already been issued or CSCDA has covenanted that it shall not issue any additional CFD No. 2015-01 (IA No. 1) Bonds (except refunding bonds) to be supported by the Assigned Special Taxes in CFD No. 2015-01 (IA No. 1), and (iii) CFD No. 2015-01 (IA No. 1) is not being utilized as a source of security for any Other Improvement Area Bonds.

(d) **Multiple Land Use Classes**

In some instances an Assessor's Parcel of Developed Property may contain more than

one Land Use Class. The Maximum Annual Special Taxes levied on an Assessor's Parcel shall be the sum of the Maximum Annual Special Taxes for all Land Use Classes located on that Assessor's Parcel. If an Assessor's Parcel of Developed Property includes both Residential Property and Non-Residential Property, the Acreage to be assigned to the Non-Residential Property for purposes of establishing the Annual Special Tax shall equal the total Acreage of the Assessor's Parcel multiplied by the Non-Residential Floor Area on the Assessor's Parcel, the product of which shall be divided by Total Floor Area on the Assessor's Parcel. Furthermore, for a condominium plan, if only a portion of its building permits have been issued, the remaining portion of the condominium plan shall be considered Final Mapped Property. The CSCDA Program Manager's allocation to each type of property shall be final.

2. Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(a) Intermediate Special Tax

The Fiscal Year 2015-2016 Intermediate Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$11,717 per Acre and shall remain the same for every Fiscal Year.

(b) Maximum Special Tax

The Fiscal Year 2015-2016 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$23,434 per Acre, and shall remain the same for every Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2015-2016 and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement and shall (i) levy 100% of the Assigned Special Taxes on Developed Property, and (ii) levy the remaining Special Taxes as prioritized below until the total Special Taxes levied equal the Special Tax Requirement. The Special Taxes shall be levied in each Fiscal Year as follows:

1. Annual Levy

First: The Assigned Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Special Tax for Developed Property.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property until (i) the total Special Taxes levied under the first two steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on Final Mapped Property equal 100% of the Intermediate Special Tax, whichever comes first.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until (i) the total Special Taxes levied under the first three steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Tax levied on Undeveloped Property equals 100% of the Intermediate Special Tax, whichever occurs first.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax levy shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property and Undeveloped Property, with the Special Tax increased in equal percentages from the Intermediate Special Tax up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property until (i) the total Special Taxes levied under the first four steps of this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on both Final Mapped Property and Undeveloped Property equal 100% of the Maximum Special Tax, whichever comes first.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to 100% of the Maximum Special Tax for each such Assessor's Parcel of Developed Property until (i) the total Special Taxes levied under the first five steps listed in this Section D equal the Special Tax Requirement, or (ii) the Special Taxes levied on all Developed Property equal 100% of the Maximum Special Tax for Developed Property, whichever occurs first.

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property shall be levied Proportionately until the lesser of (i) the total Special Taxes levied under the first six steps listed in this Section D equal the Special Tax Requirement, or (ii) the Special Taxes levied on all Taxable Property Owner Association Property equal 100% of the Maximum Special Tax for Property Owner Association Property, whichever occurs first.

Seventh: If additional monies are needed to satisfy the Special Tax Requirement after the first six steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Taxable Public Property shall be levied Proportionately until (i) the total Special Taxes levied under the first seven steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on all Taxable Public Property equal 100% of the Maximum Special Tax for Taxable Public Property, whichever occurs first.

Eighth: If additional monies are needed to satisfy the Special Tax Requirement after the first seven steps have been completed, then to the extent not released pursuant to the Indenture, a special tax shall be levied Proportionately on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2015-01 (IA No. 1) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas until the lesser of (i) the total

amounts levied under the first eight steps listed in this Section D equal the Special Tax Requirement, or (ii) the special taxes levied on all property in the Supplemental Improvement Areas equals 100% of the Maximum Special Tax for such property in the Supplemental Improvement Areas, whichever occurs first.

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Assigned Special Tax in the first step (above), when (i) the Commission is no longer required to levy the Special Tax beyond the first step (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2015-01 (IA No. 1) Bonds or Other Improvement Area Bonds have already been issued or the Commission has covenanted that it will not issue any additional CFD No. 2015-01 (IA No. 1) Bonds (except refunding bonds) or Other Improvement Area Bonds to be supported by the Special Tax.

F. EXEMPTIONS

No Special Tax shall be levied on up to 17.34 acres of Public Property or Property Owner Association Property in CFD No. 2015-01 (IA No. 1). Tax-exempt status shall be assigned by the CSCDA Program Manager in the chronological order in which property in CFD No. 2015-01 (IA No. 1) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Prior to sixty (60) days before the issuance of a first series of CFD No. 2015-01 (IA No. 1) Bonds, the CSCDA Program Manager may increase or decrease the final number of tax-exempt acres of Public Property or Property Owner Association Property in CFD No. 2015-01 (IA No. 1) to better reflect the actual tax-exempt acreage within CFD No. 2015-01 (IA No. 1).

F. REVIEW/APPEAL PROCESS

Any taxpayer may file a written appeal of the Special Tax on his/her property with CSCDA, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CSCDA Program Manager or its designee shall review the appeal, meet with the appellant if the CSCDA Program Manager deems necessary, and advise the appellant of its determination within sixty (60) days after receipt of the appeal. If the CSCDA Program Manager agrees with the appellant, the CSCDA Program Manager shall make a recommendation to the Commission to eliminate or reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of the Commission or its designee must be obtained prior to any such elimination or reduction. If the CSCDA Program Manager disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the Commission by filing a written notice of appeal with the CSCDA Program Manager, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CSCDA Program Manager's determination. The CFD Program Manager shall schedule the appeal to be heard before the Commission within sixty (60) days after receipt of the second appeal.

Interpretations may be made by the Commission by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2015-01 (IA No. 1) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2015-01 (IA No. 1) is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or for an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after January 1, 2015, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount for such Assessor's Parcel. The CSCDA Program Manager may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than thirty (30) days prior to a date that notice of redemption of CFD No. 2015-01 (IA No. 1) Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture that is specified in the report of the Special Tax Prepayment Amount (defined below).

The following additional definitions apply to this Section H:

"CFD Public Facilities Costs" means either \$10,975,000 in 2015 dollars, which shall increase by the Construction Inflation Index on July 1, 2016, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CSCDA Program Manager as sufficient to provide funding for the Authorized Facilities under the authorized bonding program for CFD No. 2015-01 (IA No. 1), or (ii) shall be determined by the Commission concurrently with a covenant that it shall not issue any more CFD No. 2015-01 (IA No. 1) Bonds (except refunding bonds) or Other Improvement Area Bonds to be supported by the Special Tax levy under this Rate and Method of Apportionment.

"Construction Inflation Index" means the annual percentage change in the Engineering News Record Building Cost Index for the City of San Francisco, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CSCDA Program Manager that is reasonably comparable to the Engineering News Record Building Cost Index for the City of San Francisco.

"Future Facilities Costs" means the CFD Public Facilities Costs minus (i) costs of Authorized

Facilities previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, and (iii) the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of these funds.

“Improvement Fund” means a fund or account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

“Previously Issued Bonds” means, for any Fiscal Year, all Outstanding Bonds that are outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year, as well as Other Improvement Area Bonds currently secured by CFD No. 2015-01 (IA No. 1) Special Taxes.

1. Prepayment in Full

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total:	equals Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount shall be calculated according to the following paragraphs:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax for the Assessor’s Parcel to be prepaid. For Assessor’s Parcels of Final Mapped Property or Undeveloped Property for which a building permit has been issued after January 1, 2015, compute the Assigned Special Tax and Backup Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for such Assessor’s Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax levy for CFD No. 2015-01 (IA No. 1) based on the Developed Property Assigned Special Taxes which could be levied on all expected development assuming Buildout of CFD No. 2015-01 (IA No. 1), excluding any Assessor’s Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the total estimated Backup Special Taxes at Buildout for the entire CFD No. 2015-01 (IA No. 1), excluding any Assessor’s Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the

Previously Issued Bonds to compute the amount of Previously Issued Bonds to be redeemed (the “Bond Redemption Amount”).

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Previously Issued Bonds to be redeemed (the “Redemption Premium”).

6. Compute the current Future Facilities Costs.

7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the “Future Facilities Amount”).

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Previously Issued Bonds specified in the report of the Special Tax Prepayment Amount.

9. Determine the Special Tax levied on the Assessor’s Parcel in the current Fiscal Year which has not yet been paid.

10. Compute the minimum amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount, less any interest earnings attributed to the Administrative Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the “Defeasance Amount”).

12. The administrative fees and expenses of CFD No. 2015-01 (IA No. 1) are as calculated by the CSCDA Program Manager and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2015-01 (IA No. 1) Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).

13. The reserve fund credit (the “Reserve Fund Credit”) shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Previously Issued Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Previously Issued Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Previously Issued Bonds is below 100% of the reserve requirement (as defined in the Indenture).

14. If any capitalized interest for the Previously Issued Bonds will not have been expended as of the date immediately following the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by

multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the capitalized interest fund or account under the Indenture after such first interest and/or principal payment date (the “Capitalized Interest Credit”).

15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the “Special Tax Prepayment Amount”).

2. Prepayment in Part

The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A.$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section H.1

F = the percentage by which the owner of the Assessor’s Parcel(s) is partially prepaying the Special Tax.

A = the Administration Fees and Expenses from Section H.1.

The owner of any Assessor’s Parcel who desires such prepayment shall notify the CSCDA Program Manager of such owner’s intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid.

With respect to any Assessor’s Parcel that is partially prepaid, the Commission shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2015-01 (IA No. 1) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor’s Parcel, equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum Special Tax, shall continue to be levied on such Assessor’s Parcel pursuant to Section D.

3. General Provisions Applicable to the Prepayment of Special Tax

(a). Use of the Special Tax Prepayment Amount

The Special Tax Prepayment Amount, less the Administrative Fees and Expenses calculated according to Sections H.1 and H.2 which shall be retained by CFD No. 2015-01 (IA No. 1), and less the Future Facilities Amount calculated according to Section H.1 which shall be deposited into the Improvement Fund, shall be deposited into specific funds established under the Indenture, to fully or partially redeem as many Outstanding Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the Outstanding Bonds (collectively designated as the “Bond Retirement Funds”). Notwithstanding the above, if a portion of the Special Tax Prepayment Amount calculated in Sections H.1. or H.2. was imposed as a result of designated “Other Improvement Area Bonds” that were included among “Previously Issued Bonds,” then a portion of the Bond Retirement Funds equivalent to the ratio of the designated “Other

Improvement Area Bonds” to all “Previously Issued Bonds” shall be utilized to fully or partially redeem as many designated Other Improvement Area Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the designated Other Improvement Area Bonds.

(b). Full Prepayment of Special Tax

Upon confirmation of the payment of the current Fiscal Year’s entire Special Tax obligation, the CSCDA Program Manager shall remove the current Fiscal Year’s Special Tax levy for such Assessor’s Parcel from the County tax rolls. With respect to any Assessor’s Parcel that is prepaid in accordance with Section H.1, the CSCDA Program Manager shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay the Special Tax shall cease.

(c). Partial Prepayment of Special Tax

With respect to any Assessor’s Parcel that is partially prepaid, the CSCDA Program Manager shall (i) distribute or cause to be distributed the funds remitted to it according to Section H.2. and (ii) indicate in the records of CFD No. 2015-01 (IA No. 1) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor’s parcel, equal to the outstanding percentage (1.00 – F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor’s Parcel pursuant to Section D herein.

(d). Debt Service Coverage

Notwithstanding the foregoing, no prepayment of the Special Tax shall be allowed unless the amount of Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 2015-01 (IA No. 1) in each future Fiscal Year (after excluding Public Property and Property Owner Association Property as set forth in Section E herein), after the proposed prepayment, is at least equal to the sum of (i) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (ii) the Administrative Expenses as defined in Section A herein. Similarly, no prepayment of the Special Tax shall be allowed if the amount of Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 2015-01 (IA No. 1) in each future Fiscal Year (after excluding Property Owner Association Property and Public Property as set forth in Section E herein), after the proposed prepayment, does not at least equal to 1.10 times the debt service necessary to support the share of remaining Other Improvement Area Bonds that are secured by the Special Taxes.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied upon an Assessor's Parcel of Developed Property for a maximum of fifty (50) years, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2015-01 (IA No. 1) Bonds have been paid and the Commission has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

[http://localhost:9010/resources/Clients/Brookfield/Rohnert Park/2014 Analysis/RMA/University District RMA \(IA No. 1\) v. 9.doc](http://localhost:9010/resources/Clients/Brookfield/Rohnert Park/2014 Analysis/RMA/University District RMA (IA No. 1) v. 9.doc)

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CSCDA CFD No. 2015-01 (IA No. 1) TAX REDUCTION CERTIFICATE

1. Pursuant to Sections C and D of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Sonoma as Instrument No. XXXXXX on MM/DD/YYYY, the California Statewide Communities Development Authority ("CSCDA") hereby reduces the Assigned Special Taxes for Developed Property within CFD No. 2015-01 (IA No. 1) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2015-01 (IA No. 1).

The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 2015-01 (IA No. 1) shall be amended and restated in full as follows:

TABLE 1

**Reduced Assigned Special Taxes for Developed
Property Improvement Area No. 1 of CFD No. 2015-01
All Fiscal Years**

Land Use Class	Description	Assigned Special Tax
1	Detached Residential Property (\geq 3,250 SF)	\$[_____] per Dwelling Unit
2	Detached Residential Property (3,000 - 3,249 SF)	\$[_____] per Dwelling Unit
3	Detached Residential Property (2,750 - 2,999 SF)	\$[_____] per Dwelling Unit
4	Detached Residential Property (2,500 - 2,749 SF)	\$[_____] per Dwelling Unit
5	Detached Residential Property (2,250 - 2,499 SF)	\$[_____] per Dwelling Unit
6	Detached Residential Property (2,000 - 2,249 SF)	\$[_____] per Dwelling Unit
7	Detached Residential Property (1,750 - 1,999 SF)	\$[_____] per Dwelling Unit
8	Detached Residential Property ($<$ 1,750 SF)	\$[_____] per Dwelling Unit
9	Attached Residential Property (\geq 1,750 SF)	\$[_____] per Dwelling Unit
10	Attached Residential Property ($<$ 1,750 SF)	\$[_____] per Dwelling Unit
11	Non-Residential Property	\$____ per square foot of Non-Residential Floor Area or \$____ per Acre, when applied, whichever is greater

2. The Backup Special Tax for each Assessor's Parcel of Developed Property shall be \$[] per acre.
3. Upon execution of the certificate by CSCDA and CFD No. 2015-01 (IA No. 1), CSCDA shall cause an amended notice of special tax lien for CFD No. 2015-01 (IA No. 1) to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of CSCDA and CFD No. 2015-01 (IA No. 1), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____

Date: _____

EXHIBIT D-2

[RMA FOR IMPROVEMENT AREA M]

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2015-01
IMPROVEMENT AREA M
(UNIVERSITY DISTRICT)
CITY OF ROHNERT PARK, COUNTY OF SONOMA**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area M of CSCDA Community Facilities District No. 2015-01 (University District), City of Rohnert Park, County of Sonoma ("CFD No. 2015-01 (IA M)") and collected each Fiscal Year commencing in Fiscal Year 2015-2016, in an amount determined by the Commission, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2015-01 (IA M) shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2015-01 (IA M): the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2015-01 (IA M), or any designee thereof of complying with arbitrage rebate requirements; the costs to CSCDA, CFD No. 2015-01 (IA M), or any designee thereof of complying with CSCDA, CFD No. 2015-01 (IA M), or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of CSCDA, CFD No. 2015-01 (IA M), or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2015-01 (IA M) for any other administrative purposes of CFD No. 2015-01 (IA M), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

“Assessor’s Parcel” means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating parcels by Assessor’s parcel number.

“Assigned Special Tax” means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.(b), below.

“Attached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that shares, or will share, an inside wall with another Dwelling Unit.

“Authorized Facilities” means the facilities authorized to be financed by CFD No. 2015-01 (IA M).

“Backup Special Tax” means the Backup Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with Section C.1.(c), below.

“Bond Costs” means for any bond issue of an Other Improvement Area in CFD No. 2015-01 that is secured by the Special Taxes in CFD No. 2015 (IA M), all debt service payments, administrative expenses, and amounts required to establish or replenish any bond reserve funds, and any other amounts required by the rate and method of apportionment of the Other Improvement Area for such bond issues required by the indenture, fiscal agent agreement, or other agreement governing the terms of such bond issue.

“Building Permit” means a permit issued by the City or other governmental agency for the construction of a residential or non-residential building on an Assessor’s Parcel.

“Buildout” means, for CFD No. 2015-01 (IA M), that all expected building permits for Residential Property and Non-Residential Property to be constructed within CFD No. 2015-01 (IA M) have been issued, as determined by the CSCDA Program Manager.

“CFD No. 2015-01 (IA M)” means CSCDA Community Facilities District No. 2015-01 (Improvement Area M) which covers a portion of the University District Specific Plan.

“CFD No. 2015-01 (IA M) Bonds” means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, authorized by CFD No. 2015-01 (IA M) under the Act and issued by CSCDA.

“City” means the City of Rohnert Park

“Commission” means the governing board of CSCDA.

“County” means the County of Sonoma.

“CSCDA” means the California Statewide Communities Development Authority.

“CSCDA Program Manager” means the CFD program manager for CSCDA, or its designee.

“Detached Residential Property” means Assessor’s Parcels of Developed Property for which building permits have been issued for a Dwelling Unit that is or is expected to be surrounded by freestanding walls and that does not share an inside wall with any other Dwelling Unit.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued after January 1, 2015 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Dwelling Unit” means one residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, condominium, apartment, mobile home, or otherwise.

“Final Mapped Property” means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, located in a Final Subdivision as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, but no earlier than January 1, 2015.

“Final Subdivision” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that, in either case, creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Intermediate Special Tax” means the intermediate Special Tax, determined in accordance with Section C.2.(a) herein that can be levied in any Fiscal Year on any Assessor’s Parcel of Final Mapped Property or Undeveloped Property.

“Land Use Class” means any of the land use classes listed in Table 1, below.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below that can be levied by the Commission in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Minimum Sales Price” means, as determined by the Price Point Consultant, the

expected base (i.e., without any optional upgrades included) sales prices of the Dwelling Units of Residential Property within each Land Use Class based upon the actual or anticipated base sales prices to end users at the time of calculation in a normal marketing environment.

“Non-Residential Building Square Footage” means the total gross building square footage of non-residential property lying within an Assessor’s Parcel for which one or more non-residential building permits have been issued. Such square footage shall be measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides, as determined by reference to the building permit(s) issued for that Assessor’s Parcel, or if these are not available, as otherwise determined by the CSCDA Program Manager.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City or other governmental agency.

“Other Improvement Area” means an improvement area located within CFD No. 2015-1, other than CFD No. 2015-01 (IA M).

“Other Improvement Area Bonds” means all bonds issued by Other Improvement Areas that are secured by the Special Taxes levied in CFD No. 2015-01 (IA M) in the manner and for the duration set forth in one or more indentures, fiscal agent agreements, or other agreements governing the terms of such Other Improvement Area Bonds.

“Outstanding Bonds” means all CFD No. 2015-01 (IA M) Bonds which remain outstanding under the Indenture.

“Price Point Consultant” means any consultant or firm of such consultants selected by the CSCDA Program Manager that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 2015-01 (IA M) or CSCDA, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 2015-01 (IA M), (ii) CSCDA, (iii) any owner of real property in CFD No. 2015-01 (IA M), or (iv) any real property in CFD No. 2015-01 (IA M), and (e) is not connected with CFD No. 2015-01 (IA M) or CSCDA as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2015-01 (IA M) or CSCDA.

“Price Point Study” means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

“Property Owner Association Property” means, (i) any property within the boundaries of CFD No. 2015-01 (IA M) that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property

located in a Final Subdivision that was recorded as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the May 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CSCDA Program Manager by May 1 preceding the Fiscal Year for which the Special Tax is being levied. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 74.98 acres, as described in Section E of this RMA.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax or the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property. For each of the Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property and Taxable Public Property categories, “Proportionately” means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre within each of these Taxable Property categories is equal for all Assessor's Parcels in that specific Taxable Property category.

“Public Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2015-01 (IA M) that, as of the May 1 preceding the Fiscal Year in which the Special Tax is being levied, was (i) owned by, irrevocably offered, or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. The total number of acres to be classified as Property Owner Association Property or Public Property cannot exceed 74.98 acres, as described in Section E of this RMA.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment for CFD No. 2015-01 (IA M).

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor's Parcel shall be as set forth in the building permit(s) issued for such Assessor's Parcel and/or as set forth in the appropriate records kept by the Development Services Department of the City, or other applicable City department, as determined by the CSCDA Program Manager. Such determination shall be final following the issuance of a Certificate of Occupancy for the residential dwelling unit.

“Residential Property” means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor's

Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount of Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2015-01 (IA M) Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year, (iii) pay for Administrative Expenses, (iv) pay for reasonably anticipated Annual Special Tax delinquencies based on the delinquency rate for the Special Taxes levied in the previous Fiscal Year, (v) pay directly for construction of CFD No. 2015-01 (IA M) facilities eligible under the Act to the extent that inclusion of this amount does not increase the levy of the Special Tax beyond the first step in Section D, (vi) pay Bond Costs for Other Improvement Area Bonds to the extent that Special Taxes secure an issue of Other Improvement Area Bonds, less (vii) a credit for funds available to reduce the Special Tax levy, as determined by the CSCDA Program Manager, so long as the amount required is not less than zero.

“State” means the State of California.

“Supplemental Improvement Area” means any Other Improvement Area that has been specifically designated as additional collateral for CFD No. 2015-01 (IA M) Bonds as authorized in the Indenture. The Supplemental Improvement Area shall be retained as additional collateral and security for CFD No. 2015-01 (IA M) Bonds until conditions for the release of the Special Taxes in the Supplemental Improvement Area, as set forth in the Indenture, are satisfied.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2015-01 (IA M) that are not exempt Property Owner Association Property or exempt Public Property.

“Taxable Property Owner Association Property” means all Assessor’s Parcels of Property Owner Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E herein.

“Total Floor Area” means the sum of the Residential Floor Area plus the Non-Residential Floor Area located on an Assessor’s Parcel.

“Total Tax Burden” means, for any Dwelling Unit of Residential Property, the sum of the Assigned Special Tax, together with *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees and charges which are collected by the County on *ad valorem* tax bills and which are payable from and secured by the property assuming such residential dwelling unit had been completed, sold, and subject to such levies and impositions, excluding service charges such as sewer and trash.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Public Property Owner Association Property, or Taxable Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 2015-01 (IA M) shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

Residential Property shall be assigned to Land Use Classes 1 through 10 as listed in Table 1 below based on the description and the Residential Floor Area for each Dwelling Unit as designated in Table 1. All Non-Residential Property shall be assigned to Land Use Class 11. Prior to the issuance of the first series of CFD No. 2015-01 (IA M) Bonds, the Assigned Special Tax Rates for Residential Property (as set forth in Table 1) and the Backup Special Tax rates for Residential Property (as set forth in Section C.1.(c)), shall be reduced in accordance with, and subject to, the conditions set forth in this Section C., without the need for any proceedings to make changes permitted under the Act.

At least sixty (60) days prior to the issuance of the first series of CFD No. 2015-01 (IA M) Bonds, the Assigned Special Tax for Residential Property (set forth in Table 1) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, the CSCDA Program Manager shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sales Price of the Residential Property within each Land Use Class of Residential Property. From those Minimum Sales Prices for the Residential Property within each Land Use Class, the CSCDA Program Manager shall determine the lowest Minimum Sales Price for all Residential Property within each Land Use Class (hereafter referred to as the “Lowest Price Point”). If the CSCDA Program Manager determines that the Lowest Price Point for a Land Use Class is equal to or greater than the price point that was used to establish the Assigned Special Tax rates for such Land Use Class shown in Table 1, then there shall be no recalculation of the Assigned Special Tax rates for such Land Use Class. If, however, the CSCDA Program Manager determines that the Lowest Price Point for a Land Use Class is less than the price point that was used to establish the Assigned Special Tax rates for such Land Use Class shown in Table 1, then the Assigned Special Tax rates for Residential Property in such Land Use Class (as reflected in Table 1) shall be reduced to an amount that will cause the Total Tax Burden that shall apply to Residential Property within such Land Use Class not to exceed 1.75% of the Lowest Price Point of such Land Use Class. Each Assigned Special Tax reduction for a Land Use Class of Residential Property shall be calculated separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax for any Land Use Class of Residential Property, the CSCDA Program Manager shall also reduce the Backup Special

Tax for all of CFD No. 2015-01 (IA No.1) in accordance with Section C.1.(c) herein. The Assigned Special Tax reductions permitted pursuant to this paragraph shall be reflected in an amended notice of Special Tax lien which CSCDA shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit “A.” Notwithstanding the foregoing, under no circumstances may the Assigned Special Taxes be reduced under this Section C during the time the Special Taxes have been pledged to the payment of Bond Costs for Other Improvement Area Bonds.

1. Developed Property

(a) Maximum Special Tax

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

(b) Assigned Special Tax

Residential Property shall be assigned to Land Use Classes 1 through 10 as listed in Table 1 below based on the Residential Floor Area for each residential Dwelling Unit. Non-Residential Property shall be assigned to Land Use Class 11. The Assigned Special Tax that shall be levied in any Fiscal Year for each Assessor’s Parcel classified as Developed Property is shown below in Table 1.

TABLE 1
Assigned Special Taxes for Developed Property
Improvement Area M of CFD No. 2015-01
All Fiscal Years

Land Use Class	Description	Assigned Special Tax
1	Detached Residential Property ($\geq 3,250$ SF)	\$3,985 per Dwelling Unit
2	Detached Residential Property (3,000 - 3,249 SF)	\$3,758 per Dwelling Unit
3	Detached Residential Property (2,750 - 2,999 SF)	\$3,569 per Dwelling Unit
4	Detached Residential Property (2,500 - 2,749 SF)	\$3,197 per Dwelling Unit
5	Detached Residential Property (2,250 - 2,499 SF)	\$2,939 per Dwelling Unit
6	Detached Residential Property (2,000 - 2,249 SF)	\$2,620 per Dwelling Unit
7	Detached Residential Property (1,750 - 1,999 SF)	\$2,524 per Dwelling Unit
8	Detached Residential Property ($< 1,750$ SF)	\$2,199 per Dwelling Unit
9	Attached Residential Property ($\geq 1,750$ SF)	\$953 per Dwelling Unit
10	Attached Residential Property ($< 1,750$ SF)	\$532 per Dwelling Unit

11	Non-Residential Property	\$1.31 per square foot of Non-Residential Floor Area or \$19,766 per Acre, when applied, whichever is greater
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(c) **Backup Special Tax**

The Backup Special Tax for an Assessor's Parcel of Developed Property shall equal the lesser of (a) \$21,959 per Acre, or (b) in connection with any reduction in the Assigned Special Tax as set forth in Section C. herein, the amount per Acre calculated pursuant to the formula below:

$$[(AST \times 1.1) + A] \div ATP$$

AST = The total estimated Assigned Special Tax levy for CFD No. 2015-01 (IA M) based on the reduced Assigned Special Taxes for Developed Property permitted pursuant to Section C. herein which could be levied on all expected development assuming Buildout of CFD No. 2015-01 (IA M) .

A = The Administrative Expenses as defined in Section A herein.

ATP = The sum of the Acreage of all Taxable Property within a Final Subdivision (assuming Buildout) within CFD No. 2015-01 (IA No. 1) (after excluding Public Property as set forth in Section E herein) multiplied by 90%.

The Backup Special Tax reduction permitted pursuant to this Section C.1.(c) shall be reflected in an amended notice of Special Tax lien which CSCDA shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit "A."

Furthermore, all Assessor's Parcels within CFD No. 2015-01 (IA M) shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CSCDA Program Manager calculates that (i) the annual debt service required for the Outstanding Bonds, when compared to the Assigned Special Tax that shall be levied against all Assessor's Parcels of Developed Property in CFD No. 2015-01 (IA M), results in 110% debt service coverage (i.e., the Assigned Special Tax that shall be levied against all Developed Property in CFD No. 2015-01 (IA M) in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) the Administrative Expenses as defined in Section A herein), (ii) all authorized CFD No. 2015-01 (IA M) Bonds have already been issued or CSCDA has covenanted that it shall not issue any additional CFD No. 2015-01 (IA M) Bonds (except refunding bonds) to be supported by the Assigned Special Taxes in CFD No. 2015-01 (IA M), and (iii) CFD No. 2015-01 (IA M) is not

being utilized as a source of security for any Other Improvement Area Bonds.

(d) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Annual Special Taxes levied on an Assessor's Parcel shall be the sum of the Maximum Annual Special Taxes for all Land Use Classes located on that Assessor's Parcel. If an Assessor's Parcel of Developed Property includes both Residential Property and Non-Residential Property, the Acreage to be assigned to the Non-Residential Property for purposes of establishing the Annual Special Tax shall equal the total Acreage of the Assessor's Parcel multiplied by the Non-Residential Floor Area on the Assessor's Parcel, the product of which shall be divided by Total Floor Area on the Assessor's Parcel. Furthermore, for a condominium plan, if only a portion of its building permits have been issued, the remaining portion of the condominium plan shall be considered Final Mapped Property. The CSCDA Program Manager's allocation to each type of property shall be final.

2. Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(a) Intermediate Special Tax

The Fiscal Year 2015-2016 Intermediate Special Tax for each Assessor's Parcel of Final Mapped Property and Undeveloped Property shall be \$11,717 per Acre and shall remain the same for every Fiscal Year.

(b) Maximum Special Tax

The Fiscal Year 2015-2016 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$23,434 per Acre, and shall remain the same for every Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2015-2016 and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement and shall (i) levy 100% of the Assigned Special Taxes on Developed Property, and (ii) levy the remaining Special Taxes as prioritized below until the total Special Taxes levied equal the Special Tax Requirement. The Special Taxes shall be levied in each Fiscal Year as follows:

1. Annual Levy

First: The Assigned Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Special Tax for Developed Property.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the

first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property until (i) the total Special Taxes levied under the first two steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on Final Mapped Property equal 100% of the Intermediate Special Tax, whichever comes first.

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until (i) the total Special Taxes levied under the first three steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Tax levied on Undeveloped Property equals 100% of the Intermediate Special Tax, whichever occurs first.

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax levy shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property and Undeveloped Property, with the Special Tax increased in equal percentages from the Intermediate Special Tax up to 100% of the Maximum Special Tax for Final Mapped Property and Undeveloped Property until (i) the total Special Taxes levied under the first four steps of this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on both Final Mapped Property and Undeveloped Property equal 100% of the Maximum Special Tax, whichever comes first.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to 100% of the Maximum Special Tax for each such Assessor's Parcel of Developed Property until (i) the total Special Taxes levied under the first five steps listed in this Section D equal the Special Tax Requirement, or (ii) the Special Taxes levied on all Developed Property equal 100% of the Maximum Special Tax for Developed Property, whichever occurs first.

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Taxable Property Owner Association Property shall be levied Proportionately until the lesser of (i) the total Special Taxes levied under the first six steps listed in this Section D equal the Special Tax Requirement, or (ii) the Special Taxes levied on all Taxable Property Owner Association Property equal 100% of the Maximum Special Tax for Property Owner Association Property, whichever occurs first.

Seventh: If additional monies are needed to satisfy the Special Tax Requirement after the first six steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Taxable Public Property shall be levied Proportionately until (i) the total Special Taxes levied under the first seven steps listed in this Section D are equal to the Special Tax Requirement, or (ii) the Special Taxes levied on all Taxable Public Property equal 100% of the Maximum Special Tax for Taxable Public Property, whichever occurs first.

Eighth: If additional monies are needed to satisfy the Special Tax Requirement after the first seven steps have been completed, then to the extent not released pursuant to the Indenture, a special tax shall be levied Proportionately on each Assessor's Parcel of taxable property located within the Supplemental Improvement Areas pledged to CFD No. 2015-01 (IA M) Bonds, based on the rate and method of apportionment of special taxes for these Supplemental Improvement Areas until the lesser of (i) the total amounts levied under the first eight steps listed in this Section D equal the Special Tax Requirement, or (ii) the special taxes levied on all property in the Supplemental Improvement Areas equals 100% of the Maximum Special Tax for such property in the Supplemental Improvement Areas, whichever occurs first.

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Assigned Special Tax in the first step (above), when (i) the Commission is no longer required to levy the Special Tax beyond the first step (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2015-01 (IA M) Bonds or Other Improvement Area Bonds have already been issued or the Commission has covenanted that it will not issue any additional CFD No. 2015-01 (IA M) Bonds (except refunding bonds) or Other Improvement Area Bonds to be supported by the Special Tax.

F. EXEMPTIONS

No Special Tax shall be levied on up to 74.98 acres of Public Property or Property Owner Association Property in CFD No. 2015-01 (IA M). Tax-exempt status shall be assigned by the CSCDA Program Manager in the chronological order in which property in CFD No. 2015-01 (IA M) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

Prior to sixty (60) days before the issuance of a first series of CFD No. 2015-01 (IA M) Bonds, the CSCDA Program Manager may increase or decrease the final number of tax-exempt acres of Public Property or Property Owner Association Property in CFD No. 2015-01 (IA M) to better reflect the actual tax-exempt acreage within CFD No. 2015-01 (IA M).

F. REVIEW/APPEAL PROCESS

Any taxpayer may file a written appeal of the Special Tax on his/her property with CSCDA, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CSCDA Program Manager or its designee shall review the appeal, meet with the appellant if the CSCDA Program Manager deems necessary, and advise the appellant of its determination within sixty (60) days after receipt of the appeal. If the CSCDA Program Manager agrees with the appellant, the CSCDA Program Manager shall make a recommendation to the Commission to eliminate or reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of the Commission or its designee must be obtained prior to any such elimination or reduction. If the CSCDA Program Manager

disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the Commission by filing a written notice of appeal with the CSCDA Program Manager, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CSCDA Program Manager's determination. The CFD Program Manager shall schedule the appeal to be heard before the Commission within sixty (60) days after receipt of the second appeal.

Interpretations may be made by the Commission by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2015-01 (IA M) may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2015-01 (IA M) is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or for an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a building permit has been issued after January 1, 2015, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount for such Assessor's Parcel. The CSCDA Program Manager may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than thirty (30) days prior to a date that notice of redemption of CFD No. 2015-01 (IA M) Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture that is specified in the report of the Special Tax Prepayment Amount (defined below).

The following additional definitions apply to this Section H:

"CFD Public Facilities Costs" means either \$27,975,000 in 2015 dollars, which shall increase by the Construction Inflation Index on July 1, 2016, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CSCDA Program Manager as sufficient to provide funding for the Authorized Facilities under the authorized bonding program for CFD No. 2015-01 (IA M), or (ii) shall be determined by the Commission concurrently with a covenant that it shall not issue any more CFD No. 2015-01 (IA M) Bonds (except refunding bonds) or Other Improvement Area Bonds to be supported by the Special Tax levy under this Rate and Method of Apportionment.

“Construction Inflation Index” means the annual percentage change in the Engineering News Record Building Cost Index for the City of San Francisco, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CSCDA Program Manager that is reasonably comparable to the Engineering News Record Building Cost Index for the City of San Francisco.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs of Authorized Facilities previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, and (iii) the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of these funds.

“Improvement Fund” means a fund or account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

“Previously Issued Bonds” means, for any Fiscal Year, all Outstanding Bonds that are outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year, as well as Other Improvement Area Bonds currently secured by CFD No. 2015-01 (IA M) Special Taxes.

1. Prepayment in Full

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total:	equals Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount shall be calculated according to the following paragraphs:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax for the Assessor’s Parcel to be prepaid. For Assessor’s Parcels of Final Mapped Property or Undeveloped Property for which a building permit has been issued after January 1, 2015, compute the Assigned Special Tax and Backup Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for such Assessor’s Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax levy for CFD No. 2015-01 (IA M) based on the

Developed Property Assigned Special Taxes which could be levied on all expected development assuming Buildout of CFD No. 2015-01 (IA M), excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the total estimated Backup Special Taxes at Buildout for the entire CFD No. 2015-01 (IA M), excluding any Assessor's Parcels which have been prepaid.

4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Previously Issued Bonds to compute the amount of Previously Issued Bonds to be redeemed (the "Bond Redemption Amount").

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Previously Issued Bonds to be redeemed (the "Redemption Premium").

6. Compute the current Future Facilities Costs.

7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Previously Issued Bonds specified in the report of the Special Tax Prepayment Amount.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Compute the minimum amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount, less any interest earnings attributed to the Administrative Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").

12. The administrative fees and expenses of CFD No. 2015-01 (IA M) are as calculated by the CSCDA Program Manager and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2015-01 (IA M) Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Previously Issued Bonds as a result of the prepayment,

or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Previously Issued Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Previously Issued Bonds is below 100% of the reserve requirement (as defined in the Indenture).

14. If any capitalized interest for the Previously Issued Bonds will not have been expended as of the date immediately following the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the capitalized interest fund or account under the Indenture after such first interest and/or principal payment date (the “Capitalized Interest Credit”).

15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the “Special Tax Prepayment Amount”).

2. Prepayment in Part

The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A.$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section H.1

F = the percentage by which the owner of the Assessor’s Parcel(s) is partially prepaying the Special Tax.

A = the Administration Fees and Expenses from Section H.1.

The owner of any Assessor’s Parcel who desires such prepayment shall notify the CSCDA Program Manager of such owner’s intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid.

With respect to any Assessor’s Parcel that is partially prepaid, the Commission shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2015-01 (IA M) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor’s Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor’s Parcel pursuant to Section D.

3. General Provisions Applicable to the Prepayment of Special Tax

(a). Use of the Special Tax Prepayment Amount

The Special Tax Prepayment Amount, less the Administrative Fees and Expenses calculated according to Sections H.1 and H.2 which shall be retained by CFD No. 2015-01 (IA M), and less the Future Facilities Amount calculated according to Section H.1 which shall be deposited into the Improvement Fund, shall be deposited into specific funds established under the Indenture, to fully or partially redeem as many Outstanding Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the Outstanding Bonds (collectively designated as the “Bond Retirement Funds”). Notwithstanding the above, if a portion of the Special Tax Prepayment Amount calculated in Sections H.1. or H.2. was imposed as a result of designated “Other Improvement Area Bonds” that were included among “Previously Issued Bonds,” then a portion of the Bond Retirement Funds equivalent to the ratio of the designated “Other Improvement Area Bonds” to all “Previously Issued Bonds” shall be utilized to fully or partially redeem as many designated Other Improvement Area Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the designated Other Improvement Area Bonds.

(b). Full Prepayment of Special Tax

Upon confirmation of the payment of the current Fiscal Year’s entire Special Tax obligation, the CSCDA Program Manager shall remove the current Fiscal Year’s Special Tax levy for such Assessor’s Parcel from the County tax rolls. With respect to any Assessor’s Parcel that is prepaid in accordance with Section H.1, the CSCDA Program Manager shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay the Special Tax shall cease.

(c). Partial Prepayment of Special Tax

With respect to any Assessor’s Parcel that is partially prepaid, the CSCDA Program Manager shall (i) distribute or cause to be distributed the funds remitted to it according to Section H.2. and (ii) indicate in the records of CFD No. 2015-01 (IA M) that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor’s parcel, equal to the outstanding percentage (1.00 – F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor’s Parcel pursuant to Section D herein.

(d). Debt Service Coverage

Notwithstanding the foregoing, no prepayment of the Special Tax shall be allowed unless the amount of Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 2015-01 (IA M) in each future Fiscal Year (after excluding Public Property and Property Owner Association Property

as set forth in Section E herein), after the proposed prepayment, is at least equal to the sum of (i) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (ii) the Administrative Expenses as defined in Section A herein. Similarly, no prepayment of the Special Tax shall be allowed if the amount of Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 2015-01 (IA M) in each future Fiscal Year (after excluding Property Owner Association Property and Public Property as set forth in Section E herein), after the proposed prepayment, does not at least equal to 1.10 times the debt service necessary to support the share of remaining Other Improvement Area Bonds that are secured by the Special Taxes.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied upon an Assessor's Parcel of Developed Property for a maximum of fifty (50) years, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2015-01 (IA M) Bonds have been paid and the Commission has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

J. FUTURE IMPROVEMENT AREAS

1. Special Taxes

It is anticipated that separate improvement areas will be designated within the boundaries of IA M, and the rates and methods of apportionment for these future improvement areas will be substantially in the form of the rate and method of apportionment for Improvement Area No. 1 of CFD No. 2015-01.

2. Deemed Prepayment

The designation of an improvement area of CFD No. 2015-01 within the boundaries of IA M pursuant to the Act and the approval by the qualified electors of the special tax to be levied therein constitutes a substitution of the obligation to pay such special tax for the obligation to pay the Special Tax and such substitution shall be deemed to be a prepayment and permanent satisfaction of the obligation to pay the Special Tax levied on the property within the boundaries of such improvement area. Therefore, upon the designation of an improvement area of CFD No. 2015-01 within the boundaries of IA M pursuant to the Act, and upon the approval by the qualified electors of the special tax to be levied therein, the Board shall, in accordance with Section 53344 of the Act, prepare and record in the Office of the County Recorder of the County a Notice of Cancellation of Tax Lien as to each Assessor's Parcel within such improvement area.

EXHIBIT A

CERTIFICATE TO AMEND SPECIAL TAX

CSCDA CFD No. 2015-01 (IA M) TAX REDUCTION CERTIFICATE

1. Pursuant to Sections C and D of the Rate and Method of Apportionment, as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Sonoma as Instrument No. XXXXXX on MM/DD/YYYY, the California Statewide Communities Development Authority ("CSCDA") hereby reduces the Assigned Special Taxes for Developed Property within CFD No. 2015-01 (IA M) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2015-01 (IA M).

The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 2015-01 (IA M) shall be amended and restated in full as follows:

TABLE 1

**Reduced Assigned Special Taxes for Developed
Property Improvement Area M of CFD No. 2015-01
All Fiscal Years**

Land Use Class	Description	Assigned Special Tax
1	Detached Residential Property (>= 3,250 SF)	\$[_____] per Dwelling Unit
2	Detached Residential Property (3,000 - 3,249 SF)	\$[_____] per Dwelling Unit
3	Detached Residential Property (2,750 - 2,999 SF)	\$[_____] per Dwelling Unit
4	Detached Residential Property (2,500 - 2,749 SF)	\$[_____] per Dwelling Unit
5	Detached Residential Property (2,250 - 2,499 SF)	\$[_____] per Dwelling Unit
6	Detached Residential Property (2,000 - 2,249 SF)	\$[_____] per Dwelling Unit
7	Detached Residential Property (1,750 - 1,999 SF)	\$[_____] per Dwelling Unit
8	Detached Residential Property (< 1,750 SF)	\$[_____] per Dwelling Unit
9	Attached Residential Property (>= 1,750 SF)	\$[_____] per Dwelling Unit
10	Attached Residential Property (< 1,750 SF)	\$[_____] per Dwelling Unit
11	Non-Residential Property	\$____ per square foot of Non-Residential Floor Area or \$____ per Acre, when applied, whichever is greater

2. The Backup Special Tax for each Assessor's Parcel of Developed Property shall be \$[] per acre.
3. Upon execution of the certificate by CSCDA and CFD No. 2015-01 (IA M), CSCDA shall cause an amended notice of special tax lien for CFD No. 2015-01 (IA M) to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of CSCDA and CFD No. 2015-01 (IA M), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____

Date: _____

RESOLUTION NO. 15R-__

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

A RESOLUTION TO INCUR BONDED INDEBTEDNESS TO FINANCE CERTAIN DEVELOPMENT IMPACT FEES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES, TO MITIGATE THE IMPACTS OF DEVELOPMENT WITHIN CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2015-01 (UNIVERSITY DISTRICT), CITY OF ROHNERT PARK, COUNTY OF SONOMA, STATE OF CALIFORNIA, AND IN AND FOR EACH IMPROVEMENT AREA DESIGNATED THEREIN, AND CALLING FOR A PUBLIC HEARING THEREON

WHEREAS, the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) has duly adopted its Resolution No. 15R-__ (the “Resolution of Intention”) this date, wherein it declared its intention to establish a community facilities district under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the Government Code of the State of California (the “Act), to be known and designated as “California Statewide Communities Development Authority Community Facilities District No. 2015-01 (University District), City of Rohnert Park, County of Sonoma, State of California” (the “Community Facilities District”), to designate two improvement areas therein (each, an “Improvement Area”), and to levy a special tax within each Improvement Area to finance the acquisition and construction of certain public facilities and certain development impact fees (the “Improvements,” as that term is defined in the Resolution of Intention) that will assist in mitigating the impact on the need for public facilities occasioned by new development that is expected to occur within the boundaries of the Community Facilities District; and

WHEREAS, the Commission is fully advised in this matter;

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

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

Section 2. The Commission hereby declares that the public convenience and necessity require that a bonded indebtedness be incurred to finance the Improvements. The cost of the Improvements includes incidental expenses for the Improvements comprising the costs of planning and designing the public facilities, together with the costs of environmental evaluations thereof, and all costs associated with the creation of the Community Facilities District, the issuance of bonds, the determination of the amount of any special taxes or the collection or payment of any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, together with any other expenses incidental to the acquisition and construction of the public facilities.

Section 3. The amount of the proposed bonded indebtedness to be incurred to finance the Improvements to be paid from special taxes within California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area No. 1 (University District), City of Rohnert Park, County of Sonoma, State of California, shall not exceed fifteen million dollars (\$15,000,000). The amount of the proposed bonded indebtedness to be incurred to finance the Improvements to be paid from special taxes within California Statewide Communities Development Authority Community Facilities District No. 2015-01, Improvement Area M (University District), City of Rohnert Park, County of Sonoma, State of California, shall not exceed forty-five million dollars (\$45,000,000). The not to exceed amounts include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the bonded indebtedness is proposed to be incurred, including, but not limited to, the estimated costs of acquisition of land, rights-of-way, capacity or connection fees, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to the Act, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, bond and other reserve funds, discount fees, interest on any bonds of the respective Improvement Area estimated to be due and payable within two (2) years of issuance of the bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, underwriter's discount, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs. The total net proceeds of bonds issued for the Improvements Areas (not including capitalized interest or amounts on deposit in a debt service reserve fund; underwriter fees, legal costs, administrative expenses and other costs of issuance; or that portion of bond proceeds, if any, applied towards repayment of the City of Rohnert Park Assessment District 2005-01 liens) shall not exceed fifty million dollars (\$50,000,000). The Improvements need not be physically located within either Improvement Area.

Section 4. Notice is given that Thursday, the 18th day of June, 2015, at the hour of 10:00 o'clock A.M., at the offices of the California State Association of Counties, at 1100 K Street, Sacramento, California 95814, has been fixed by the Commission as the time and place for a public hearing to be held by the Commission to consider the incurring of the bonded indebtedness to finance the Improvements. At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard on the proposed debt issuance or on any other matters set forth herein, and they may present any matters relating to the necessity for incurring the bonded indebtedness to finance the Improvements to be secured by a special tax to be levied within each Improvement Area.

Section 5. Notice of the time and place of the public hearing shall be given by Bond Counsel in the following manner:

- (a) A Notice of Public Hearing in the form provided by the Act shall be published once in the *The Community Voice*, a newspaper of general circulation circulated within the area of the Community Facilities District. The publication shall be made pursuant to Section 6061 of the Government Code of the State of California and shall be completed at least seven (7) days prior to the date set for such public hearing; and

(b) A Notice of Public Hearing in the form provided by the Act shall be mailed, first class postage prepaid, to each owner of land, and to each registered voter residing, within the boundaries of the proposed Community Facilities District (to property owners at their addresses as shown on the last equalized assessment roll, and to registered voters at their addresses as shown on the records of the Sonoma County Registrar of Voters, or in either case as otherwise known to Bond Counsel). The mailing shall be completed at least fifteen (15) days prior to the date set for the public hearing.

Section 6. It is the intention of the Commission that any bonds issued shall be callable (may be redeemed prior to their maturity dates) in accordance with the terms of the Act.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 7th day of May, 2015.

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 May 7, 2015.

By:_____

Authorized Signatory
California Statewide Communities
Development Authority

VIII. Consideration of a Program Administration Agreement between CSCDA and CounterPointe Energy Solutions, LLC.

PROGRAM ADMINISTRATION AGREEMENT

dated as of May [●], 2015

between

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

and

COUNTERPOINTE ENERGY SOLUTIONS LLC

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PROGRAM ADMINISTRATION AGREEMENT

PROGRAM ADMINISTRATION AGREEMENT, dated as of May [●], 2015 (the “Effective Date”), between California Statewide Communities Development Authority, a public entity of the State of California (the “Authority”), and CounterPointe Energy Solutions LLC, a Delaware limited liability company (the “Master Program Administrator”).

WITNESSETH:

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

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

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

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

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

WHEREAS, pursuant to the Resolution of Intention, the Commission of the Authority provided for the issuance of one or more series of limited obligation improvement bonds from time to time pursuant to the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the “Bond Act”) for the purpose, among others, of financing or refinancing the installation of Improvements; and

WHEREAS, on December 4, 2014, pursuant to Resolution No. 14R-67 (the “Resolution of Issuance”), the Commission of the Authority authorized the issuance of one or more series of limited obligation improvement bonds from time to time pursuant to Chapter 29, the Bond Act and one or more master indentures (each, a “Master Indenture”) between the Authority, as issuer, and a trust company or another entity performing such functions, as trustee (each a “Trustee”), for the purpose, among others, of financing or refinancing the installation of Improvements (the “Bonds”); and

WHEREAS, the Authority has selected the AllianceNRG Program™, presently consisting of CounterPointe Energy Solutions LLC, Leidos Engineering, LLC and Deutsche Bank (“AllianceNRG Team”), as a program administrator for the Program;

WHEREAS, the Master Program Administrator is engaged in the business of designing, managing and administering PACE programs, including the origination and underwriting of PACE assessments, will be acting as a program administrator for the Program under this Agreement, which will be marketed as the Authority’s AllianceNRG Program™ (the “AllianceNRG Program”);

WHEREAS, the Authority and the Master Program Administrator desire to set forth their respective rights, duties and obligations with respect to the Program and the roles of the Authority and the Master Program Administrator with respect of the AllianceNRG Program;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other consideration, the receipt of which is hereby acknowledged, the Authority and the Master Program Administrator agree as follows:

ARTICLE I

APPOINTMENT OF THE MASTER PROGRAM ADMINISTRATOR; SERVICES AND DUTIES

1.1 Appointment of Master Program Administrator. The Authority hereby appoints the Master Program Administrator as a program administrator for the Program to be marketed as the AllianceNRG Program, and the Master Program Administrator hereby accepts such appointment.

1.2 Master Program Administrator’s Services and Duties. The Master Program Administrator shall provide, or cause to be provided, the services described in this Section 1.2 (collectively, the “Services”), subject to the terms and conditions hereof

(a) Municipal Marketing and Coordination.

(i) The Master Program Administrator shall perform marketing, outreach and educational efforts directed at cities, counties and special districts comprising the Covered Jurisdictions (each, a “Municipality”) to encourage the Municipalities to participate in the Program (a Municipality that participates in the Program is a “Participating Municipality”) and assist Participating Municipalities in implementing and complying with the Program.

(ii) The Master Program Administrator shall cooperate with the Authority and its counsel to prepare the necessary documents, resolutions and reports required for the compliance of the Program with the Act and the Bond Act, including but not limited to:

(A) the resolutions of the Authority authorizing the implementation of the Program and any related matters;

(B) the Program Report updated from time to time;

(C) the form of resolutions for a Municipality authorizing the implementation of the Program in its jurisdiction;

(D) any utility notices;

(E) the documentation for the issuance and sale of the Bonds, including the Master Indenture, or other financing arrangements to provide financing for the AllianceNRG Program;

(F) the form of assessment contracts and other agreements and documents to be executed and delivered by property owners in connection with obtaining financing under the AllianceNRG Program;

(G) the form of assessment liens for recording;

(H) any required disclosure to property owners applicable to obtaining financing under the AllianceNRG Program; and

(I) any forms of notices to be published in the appropriate newspapers of general circulation.

(b) Property Owner and Contractor Participation. The Master Program Administrator shall provide the following services with respect to eligible property owners and eligible contractors in connection with the AllianceNRG Program.

(i) Retail-facing Website. Establish and maintain a retail-facing Website or pages to:

(A) Market and provide up-to-date AllianceNRG Program materials to property owners and contractors to review and download, including:

(1) For property owners, forms of applications, assessment contracts and other financing documents, underwriting guidelines to qualify property owners and properties as eligible for financing under the AllianceNRG Program and disclosures,

(2) For contractors, applications to register as eligible contractors under the AllianceNRG Program and eligibility guidelines to qualify contractors as eligible contractors under the AllianceNRG Program,

(3) For property owners, contractors and Municipalities, handbooks describing the AllianceNRG Program for both residential and commercial properties and frequently-asked questions;

(B) Provide a means by which property owners can apply on-line or off-line for financing under the AllianceNRG Program, including submission of an application and providing data and documentation required under the applicable underwriting guidelines;

(C) Provide a means by which contractors can apply on-line or off-line to be an eligible contractor under the AllianceNRG Program, including submission of an application and providing data and documentation required under the applicable eligibility guidelines;

(D) Provide guidelines for the types of improvements qualifying for financing under the Program;

(E) Provide a database of products eligible for financing under the Program;

(F) Provide a means by which property owners or contractors can request that a particular product become eligible for financing under the Program;

(G) Provide a database of eligible contractors;

(H) Provide an estimating tool to calculate the approximate cost of the financing, and

(I) Provide a means by which a property owner and its contractors can monitor the status of the property owner's application and closing and funding conditions.

(c) Contractor Services.

(i) Establish and implement a marketing program to promote the Program to contractors;

(ii) Establish and implement a program to educate and train contractors on how to participate in, and how to assist property owners' participation in, the AllianceNRG Program;

(iii) Develop eligibility guidelines for contractors to qualify as eligible contractors under the Program; and

(iv) Process applications by contractors to become eligible contractors;

(d) Application and Underwriting Services.

(i) Establish and maintain underwriting guidelines in compliance with applicable law, the Authority's policies or guidelines and the Master Indenture or other applicable funding arrangements;

(ii) Establish and maintain necessary documents, including forms of applications, assessment contracts, funding documents, other financing-related documents and disclosures;

(iii) Establish and maintain a database of products eligible for financing under the Program;

(iv) Process applications by property owners for financing under the AllianceNRG Program, including:

(A) Verify that (I) the applicant property owners and properties meet the underwriting guidelines, (II) the proposed projects and related costs and expenses are eligible for financing under the underwriting guidelines, (III) the products proposed to be installed in connection with the proposed projects are eligible for financing under the AllianceNRG Program, and (IV) the proposed contractors are eligible contractors;

(B) Arrange for, obtain, and verify the completeness of, all necessary documents to be delivered, executed and, where required, recorded;

(C) Assist property owners, if requested, in providing notice to, or obtaining acknowledgements or consents from, mortgage lenders, if required;

(D) Obtain property owner approval of direct retrieval of utility data and information from mortgage lenders;

(E) Review and verify or conduct, as the case may be, and if required or desirable, energy audits, feasibility studies or reports verifying savings, costs of the project and other project-related matters; and

(F) Meet all applicable requirements under the Master Indenture or other funding arrangements;

(e) Closing, Improvement Verification and Funding Services.

(i) Provide for the execution and delivery and, where required, recording of the assessment contract and/or other financing documents;

(ii) Prior to authorizing the disbursement of funds, obtain the following documentation from the property owner: (A) any required building permits; (B) any required inspection reports; (C) evidence that the proposed improvements were actually installed and meet the AllianceNRG Program specifications; (D) the property owner's authorization to

disburse funds; and (E) and any other documentation necessary to satisfy the conditions set forth in the related assessment contract and applicable law;

(iii) If the property owner is having difficulty satisfying the conditions set forth in clause (ii) above, and if requested by the property owner or the contractor, make reasonable efforts to coordinate among the contractor, the property owner and other relevant third parties to identify remedial measures; and

(iv) Make requisitions to the Trustee under the Master Indenture , to disburse funds as required under the assessment contract and the Master Indenture ;

(f) Post-funding Administration and Servicing.

(i) Maintain a database of the financings under the Program, which will include the property address, block and lot number, assessor's property number (APN), ownership information, original financing amount, annual assessment amount and related Bond;

(ii) Establish and maintain amortization schedules for each of the financings under the Program;

(iii) Submit the assessment levy on or before the applicable due date(s) for inclusion on the property tax bills;

(iv) Prepare prepayment calculations as requested by the property owner, prepare the appropriate bond call documents for the Trustee and prepare and record the notice of cancellation with the appropriate Participating Municipality;

(v) Review the municipal records after each installment due date to determine which property owners are delinquent in the payment of their assessment, prepare a delinquency report and send reminder letters to delinquent property owners; and

(vi) Take or coordinate enforcement action against property owners, if and as requested by the Authority.

(g) Indenture-related Services.

(i) Perform an analysis of payments to the Trustee on a periodic basis as required under the Master Indenture prior to payment of the bond debt service, which will include the following determinations: required fund transfers that satisfy the principal and interest requirements, and excess funds available for credits against current assessments and/or for early bond retirement;

(ii) Review the various accounts to verify compliance and provide, if necessary, the following recommendations for:

(A) fund transfers (if necessary) to achieve compliance with the Master Indenture;

- (B) funds required for upcoming debt service payment;
 - (C) the use of excess reserve funds (if applicable);
 - (D) Recommendations for bond calls (if required), such as in the case of a payoff of bond lien by a property owner; and
 - (E) Collection fund disbursements;
- (h) Maintain a Call Center. Live customer support with a toll-free phone number available at least during normal business hours for:
- (i) All property owner, contractor and product supplier inquiries; and
 - (ii) Authority, Participating Municipality and other interested parties' inquiries regarding assessment proceedings, payments, delinquencies and enforcement proceedings.
- (i) Reporting.
- (i) Provide pipeline and funding reports to the Authority on a quarterly basis or as mutually agreed between the Authority and the Master Program Administrator; and
 - (ii) Provide AllianceNRG Program participation reporting for each Participating Municipality and on an aggregate basis for the Authority on a quarterly basis or as mutually agreed between the Authority and the Master Program Administrator.

1.3 Scope of the Services. Notwithstanding anything contained in this Agreement to the contrary, this Agreement relates solely to the provision of the Services in the Covered Jurisdictions and not any other jurisdiction.

1.4 Nonexclusive Services. The services to be rendered by the Master Program Administrator under this Agreement are not to be deemed exclusive to the Authority or the Participating Municipalities, and the Master Program Administrator shall be free to render similar services to any public entity in the State of California and to render additional services to Participating Municipalities. Nothing in this Agreement shall limit or restrict the right of the Master Program Administrator, any other member of the AllianceNRG Team, any of its or their Affiliates or any partner, director, manager, officer, employee, agent or representative of any of them to engage in any other business or to devote time and attention in part to the management or other aspects of any other business, nor to limit or restrict the right of the Master Program Administrator, any other member of the AllianceNRG Team, any of its or their Affiliates or any partner, director, manager, officer, employee, agent or representative of any of them to engage in any other business or to render services of any kind to any other Person.

ARTICLE II

COST OF SERVICES AND COMPENSATION

2.1 Fees. Neither the Authority nor the Participating Municipalities will have any obligation to pay any fees to the Master Program Administrator for, or to reimburse the Master Program Administrator for expenses incurred by the Master Program Administrator in connection with, providing, or causing to be provided, the Services. The Master Program Administrator and the Authority will earn fees from the Authority's AllianceNRG Program as described in Exhibit A. As between the Authority and the Master Program Administrator, such fees and the exclusive purchase right set forth in Section 2.2 will be the Master Program Administrator's compensation for providing, or causing to be provided, the Services.

2.2 Exclusive Purchase Right. The Authority hereby grants the Master Program Administrator the exclusive right to purchase at issuance all Bonds issued in connection with the AllianceNRG Program at a purchase price equal to the principal amount of such Bonds, and the Master Program Administrator may from time to time assign such right, in whole or in part, to other members of the AllianceNRG Team or other third parties, provided that any purchaser of the Bonds meets any eligibility requirements imposed by applicable law.

ARTICLE III

TERM AND TERMINATION

3.1 Term. The initial term of this Agreement shall commence as of the Effective Date and shall expire on the third annual anniversary of the Effective Date (the "Initial Term"). Subject to Section 3.2, at the expiration of the Initial Term or any Renewal Term, this Agreement shall renew automatically for an additional three-year period (each a "Renewal Term"). The Initial Term, collectively with any applicable Renewal Terms, is referred to as the "Term." The Term may be terminated prior to its then scheduled expiration date pursuant to Section 3.3.

3.2 Non-Renewal. Not less than 120 days prior to the expiration of the Term, the Master Program Administrator may notify the Authority of its intent not to renew this Agreement at the expiration of the Term. In such event, this Agreement will not renew and will expire at the end of the Term.

3.3 Early Termination. This Agreement may be terminated prior to the expiration of the Term by the party, and upon the occurrence of the events described below,

(a) by either the Authority or the Master Program Administrator (for purposes of this Section 3.3(c), the "non-breaching party") if the other party (the "breaching party") fails or refuses to comply with any material term, covenant or condition contained herein, and such failure or refusal continues for a period of 30 days after receipt of notice from the non-breaching party, or such longer period as may be reasonably requested by the breaching party to comply, provided the breaching party commenced efforts to comply promptly upon receipt of such notice from the non-breaching party and in any event within 10 days of such notice and diligently pursues compliance until completion;

(b) by either the Authority or the Master Program Administrator for reasons other than as described in Section 3.3(a), by written notice, terminate the whole or any part of this Agreement at least 30 days before the effective date of such termination.

(c) Transition Period. Following notice of non-renewal or termination of this Agreement, the Parties will use commercially reasonable efforts to effect a smooth termination of the AllianceNRG Program or transition to another program administrator for the Program in a professional manner during a transition period of 90 days following the date of the notice of non-renewal or termination or such shorter period as provided in Section 3.3(b). Without limiting the generality of the foregoing, in the event of termination by the Master Program Administrator pursuant to Section 3.3(a) or by the Authority pursuant to Section 3.3(b), the Master Program Administrator shall have the right, but not the obligation, to complete assessment contracts for which the Master Program Administrator has received applications as of and including the notification date.

3.4 Effect of Termination.

(a) The expiration or termination of this Agreement under any circumstances shall not affect any obligation to pay or entitlement to receive any amounts in accordance with this Agreement or the Master Indenture (or other applicable funding arrangement), (i) owing by either party to the other or (ii) owing to the Master Program Administrator from administrative charges as contemplated by Exhibit A, the entitlement to which arose prior to the effective date of such expiration or termination, including, for the avoidance of doubt, all fees to which the Master Program Administrator is entitled pursuant to Exhibit A with respect to assessment contracts funded on or before such effective date.

(b) The representations and warranties of the parties set forth in Sections 4.1 and 5.2 shall survive the expiration or earlier termination of this Agreement for a period of one year.

(c) The provisions of Article VII, Article VIII and Sections 6.1, 6.4, 9.2, 9.3, 9.6, 9.7, 9.9, 9.11, 9.12, 9.13 and 9.14 shall survive the expiration or earlier termination of this Agreement.

3.5 Suspension Event. The Master Program Administrator may suspend the origination of assessment contracts and related services and activities under the Program for a period of up to 12 months upon the occurrence of one or more of the following events or conditions, and the occurrence thereof makes the origination of assessment contracts and related services and activities under the Program unfeasible: (a) conditions in the U.S. financial markets, (b) changes in the Program, the Act or the Bond Act, (c) changes in Authority's authority to provide assessment lien priority or of the authority of the Participating Municipalities generally to collect and enforce assessment contracts as in effect on the Effective Date, (d) a default by the Authority of its obligations under this Agreement which impedes the performance of the Master Program Administrator hereunder or interferes with the rights or benefits of the Master Program Administrator hereunder; (e) inability of the Authority to issue Bonds under the Master Indenture; (f) any Action is commenced which questions the legality, validity or enforceability of the Act, the Bond Act, the Program, the Master Indenture, the Bonds, the assessment contracts

generally; or (g) a Force Majeure Event. During any period of suspension pursuant to this Section 3.5, the Master Program Administrator shall not suspend any services related to existing assessment contracts funded on or before the effective date of such period of suspension.

ARTICLE IV

REPRESENTATIONS AND COVENANTS OF THE AUTHORITY; RELIANCE ON INFORMATION

4.1 Representations of the Authority. To induce the Master Program Administrator to enter into this Agreement, the Authority represents and warrants to the Master Program Administrator that:

(i) the Authority is a public entity, duly organized, validly existing and in good standing under the laws of the State of California;

(ii) the execution, delivery and performance by the Authority of this Agreement and the other Program Agreements are within the Authority's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (A) the Authority's organizational documents, the Resolutions or the Program Report, (B) any law, rule or regulation applicable to the Authority, (C) any contractual restriction binding on or affecting the Authority or (D) any order, writ, judgment, award, injunction or decree binding on or affecting the Authority or its property;

(iii) there is no pending or threatened action or proceeding affecting the Authority before any court, governmental agency or arbitrator which may materially adversely affect the financial condition or operations of the Authority or the ability of the Authority to perform its obligations under this Agreement, or which purports to affect the legality, validity or enforceability of this Agreement or the Program;

(iv) no consent of any other Person, and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with any governmental authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against the Authority;

(v) this Agreement has been duly executed and delivered by the Authority; and

(vi) this Agreement constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, by general principles of equity or by limitations on legal remedies against joint powers authorities in the State of California.

4.2 Covenants of the Authority. During the Term, the Authority shall:

(a) comply with its obligations under the Master Indenture, provided that any failure to comply resulting from the non-payment of one or more assessments or foreclosure by a county tax collector shall not be considered a breach of this covenant;

(b) not enter into any Program Agreements unless the Master Program Administrator Party shall have first approved the proposed form of such Program Agreements and any related documents to be entered into by the Authority and submitted them to the Authority for execution and delivery in connection with the AllianceNRG Program;

(c) within a reasonable period of time following submission by the Master Program Administrator, execute Program Agreements, subject to the Authority's approval process;

(d) to the extent authorized by law and policies applicable to the Authority, approve, execute, deliver and, if required or desirable, file or record documents authorizing the Master Program Administrator or its designee to enforce the Program Agreements;

(e) provide the Master Program Administrator, at its expense, with access to such books, records, documents and other information as the Master Program Administrator may reasonably request in order to perform its duties hereunder and in order to sell, including participation interests, the Bonds or securities secured by the Bonds;

(f) not perform any duties or satisfy obligations delegated to the Master Program Administrator hereunder; and

(g) cooperate with the Master Program Administrator in enhancing and promoting the Program.

4.3 Reliance on Information Obtained from Third Parties. The Authority acknowledges and agrees that to the extent reports, data or information provided by the Master Program Administrator to the Authority or any Municipality contains information, or is derived from information, provided by third parties and other public or private sources the Master Program Administrator shall not be responsible for any inaccuracy in the information so obtained or for any inaccuracy in such reports, data or information provided to the Authority or any Municipality by the Master Program Administrator.

ARTICLE V

STANDARD OF CARE, REPRESENTATIONS AND COVENANTS OF MASTER PROGRAM ADMINISTRATOR

5.1 Standard of Care; Conformity with Law.

(a) The Master Program Administrator shall perform its duties hereunder with the same degree of care that a prudent person would exercise in connection with the administration of similar programs, and in no event shall the Master Program Administrator perform its duties with a degree of care lesser than it exercises or would exercise in connection with the administration of its own or similar operations or less than standard industry practices.

(b) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Master Program Administrator assumes no liability for anything other than to render the Services and neither the Master Program Administrator, its Affiliates, any of the other members of the AllianceNRG Team, nor any of its or their managers, directors, officers, employees, agents or representatives shall be responsible for any action or omission of the Authority, the Participating Municipalities or any of its or their personnel, agents or representatives. The Master Program Administrator shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Authority), independent accountants and other experts selected by the Master Program Administrator.

(c) The Master Program Administrator will not, in performing its obligations hereunder, knowingly take any action that would cause the Authority to be in violation of the Act or any other law, or the Program, the Master Indenture or any Program Agreement to which it is a party.

5.2 Representations of Master Program Administrator. To induce the Authority to enter into this Agreement, the Master Program Administrator represents and warrants to the Authority that:

(a) it is a limited liability company organized and validly existing under the laws of the State of Delaware and is duly qualified and authorized to do business and to own its properties and to perform its obligations under this Agreement;

(b) its execution, delivery and performance of this Agreement are within the its limited liability company powers, have been duly authorized by all necessary corporate action, and do not contravene (i) its certificate of formation or limited liability company agreement, (ii) any law, rule or regulation applicable to it, (iii) any contractual restriction binding on or affecting it or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property;

(c) there is no pending or threatened action or proceeding affecting it before any court, governmental agency or arbitrator which may materially adversely affect its financial condition or operations or its ability to perform its obligations under this Agreement, or which purports to affect the legality, validity or enforceability of this Agreement;

(d) no consent of any other Person and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with any governmental authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against it;

(e) this Agreement has been duly executed and delivered by it; and

(f) this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as enforceability may be limited by

applicable bankruptcy, insolvency, reorganization, moratorium, readjustment of debt or other similar laws affecting the enforcement of creditors' rights generally or by the application of general principles of equity, regardless of whether considered in a proceeding at law or in equity.

5.3 Covenants of the Master Program Administrator.

(a) Confidentiality. The Master Program Administrator agrees to establish such systems and procedures as may be reasonable to maintain the confidentiality of non-public information relating to the Authority and the AllianceNRG Program which may be obtained by the Master Program Administrator in connection with the Services; provided, however, that such information may be disclosed (i) as required by law or in connection with any legal proceeding, (ii) to governmental or regulatory authorities having jurisdiction over the Master Program Administrator (iii) to its legal counsel and auditors, (iv) if it has become publicly available other than as a result of a breach of this Section, (v) if such information was already in the possession of the Master Program Administrator prior to its becoming involved in this transaction and (vi) to its Affiliates and its and their existing and future investors and funding sources and to the relevant rating agencies.

(b) Insurance. During the Term, the Master Program Administrator shall maintain insurance as set forth in Exhibit B.

(c) Nondiscrimination. During the Term, the Master Program Administrator shall not discriminate against (i) any property owner on the basis of race, color, creed, religion, natural origin, ancestry, gender, marital status or physical handicap in the performance of the Services or (ii) any employee or applicant for employment because of age, race, color, religion, gender, marital status, physical handicap or national origin.

ARTICLE VI

INTELLECTUAL PROPERTY

6.1 Ownership Generally. Except as otherwise expressly provided in this Article VI, this Agreement grants no right, title or interest (a) to the Authority in the Intellectual Property Rights of the Master Program Administrator, or (b) to the Master Program Administrator in the Intellectual Property Rights of the Authority. For the avoidance of doubt, the Master Indenture and the Program Agreements do not constitute Intellectual Property Rights of either party.

6.2 Use of Authority's Marks. The Authority hereby grants the Maser Program Administrator a revocable, fully paid-up, royalty-free, non-transferable, license during the Term to use, display, reproduce, distribute and transmit the marks and seals of the Authority and Program in accordance with the Authority's brand guidelines in connection with the promotion of the Program, the AllianceNRG Program and the AllianceNRG Team's marketing materials.

6.3 AllianceNRG Program Brand. The Master Program Administrator hereby grants to the Authority a revocable, fully paid-up, royalty-free, non-transferable, license during the Term to use, display, reproduce, distribute and transmit the AllianceNRG brand in accordance with the Administrator's brand guidelines in connection with the promotion of the Program and the AllianceNRG Program.

6.4 AllianceNRG Platform.

(a) As between the Authority and the Master Program Administrator, the Master Program Administrator owns and shall retain all right, title and interest in and to the AllianceNRG Platform and the Authority shall have no rights in and to the AllianceNRG Platform other than the limited license rights expressly provided in this Agreement. The Master Program Administrator expressly reserves all other rights. Any information regarding the AllianceNRG Platform that comes to be known by or in the possession of the Authority as a result of the relationship contemplated by this Agreement shall be deemed trade secrets of the Master Program Administrator, provided, however, that the Master Program Administrator consents to the disclosure of such information to the extent such disclosure is required pursuant to the California Public Records Act or by a court of competent jurisdiction. The Master Program Administrator will own all rights in any copy, translation, modification, adaptation or derivation of the AllianceNRG Platform. The Authority will obtain, at the Master Program Administrator's request, the execution of any instrument that may be appropriate to assign these rights to the Master Program Administrator or perfect these rights in the Master Program Administrator's name.

(b) During the Term of this Agreement, the Master Program Administrator grants the Authority a non-exclusive, non-transferable limited right and license to access and use the AllianceNRG Platform via the Site in accordance with the AllianceNRG Platform's documentation and this Agreement. The Authority acknowledges and agrees that the Master Program Administrator is not responsible for and does not guarantee the accuracy or completeness of any information and/or data transmitted, stored, accessed, viewed or otherwise exchanged via AllianceNRG Platform.

The Authority will not use the AllianceNRG Platform except as expressly provided for herein and, without limiting the generality of the foregoing, will not (i) copy, replicate, modify, decompile, enhance, disassemble or reverse engineer the AllianceNRG Platform or create derivative works of the AllianceNRG Platform or attempt to do any of the foregoing; (ii) circumvent or attempt to circumvent any security measure contained in the AllianceNRG Platform; or (iii) exceed or attempt to exceed the Authority's authorized access to the AllianceNRG Platform.

ARTICLE VII

INDEMNIFICATION AND LIMITATION OF LIABILITY

7.1 Indemnification of the Authority. The Master Program Administrator hereby agrees to indemnify the Authority, and hold the Authority harmless, from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs and expenses (including reasonable attorneys' fees and expenses) to the extent (a) arising out of or resulting from the failure of the Master Program Administrator to perform its duties or obligations in accordance with the provisions of this Agreement and (b) arising out of or resulting from the negligence or willful misconduct on the part of the Master Program Administrator.

7.2 Procedure. The indemnified party shall provide the indemnifying party with prompt written notice of any Action and reasonably cooperate with the indemnifying party at the indemnifying party's sole cost and expense. The indemnifying party shall immediately take control of the defense and investigation of such Action and employ counsel of its choice to handle and defend the same, at the indemnifying party's sole cost and expense. The indemnifying party shall not settle any Action without the indemnified party's prior written consent. The indemnified party's failure to perform any obligations under this Section 7.2 shall not relieve the indemnifying party of its obligations under this Article VII except to the extent that the indemnifying party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified party may participate in and observe the proceedings of any Action at its sole cost and expense.

7.3 Limitation of Liability and Performance. The Authority shall be under no obligation, express or implied, to, and shall not, perform any duty or obligation other than as explicitly set forth herein and in the Master Indenture and the Program Agreements to which it is a party. The Authority shall not be liable for actions or inactions of the Master Program Administrator, the AllianceNRG Team, their Affiliates, or any managers, directors, officers, employees, agents or representatives of any of them. The Authority, by adoption of the Resolutions, execution and delivery of the Master Indenture or any alternative financing, issuance of the Bonds and execution and delivery of all other Program Agreements and this Agreement, makes no warranty or representation, either express or implied, as to (i) the value, design, condition, merchantability, fitness for particular purpose or fitness for use of any Improvement, or (ii) the eligibility, experience, expertise, capability, knowledge or qualifications to the Master Program Administrator, AllianceNRG Team and any Affiliate of any of them to undertake their respective duties and obligations pursuant to this Agreement and the Program. The Authority disclaims all risks and liabilities, whether or not covered by insurance, (x) for loss or damage to the Improvements, or any portion thereof, and (y) for injury to or death of any Person or damage to any property, whether such injury or death be with respect to agents or employees of the Master Program Administrator, AllianceNRG Team, any eligible contractors, or any Affiliate of any of them, or other third parties, and whether such property damage be to the property owner's property or to the property of others. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Improvements, the Program Agreements or any application for financing under the AllianceNRG Program, except only to the extent amounts are available therefore under and in accordance with the Master Indenture.

ARTICLE VIII

DISPUTE RESOLUTION

8.1 Arbitration.

(a) To the extent permitted by applicable law, the parties shall promptly submit any dispute, claim, or controversy arising out of or relating to this Agreement, or any Additional Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance, or enforcement of this Agreement or any Additional Agreement) or any alleged breach thereof (including any action in tort, contract, equity, or otherwise), to

binding arbitration before one arbitrator ("Arbitrator"). The parties agree that, except as otherwise provided in Section 9.3, binding arbitration shall be the sole means of resolving any dispute, claim, or controversy arising out of or relating to this Agreement or any Additional Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance or enforcement of this Agreement or any Additional Agreement) or any alleged breach thereof (including any claim in tort, contract, equity, or otherwise).

(b) If the parties cannot agree upon the Arbitrator, the Arbitrator shall be selected by the American Arbitration Association upon the written request of either side. The Arbitrator shall be selected within 30 days of such written request.

(c) The laws of the State of California shall apply to any arbitration hereunder. In any arbitration hereunder, this Agreement and any agreement contemplated hereby shall be governed by the laws of the State of California applicable to a contract negotiated, signed, and wholly to be performed in the State of California, which laws the Arbitrator shall apply in rendering his decision. The Arbitrator shall issue a written decision, setting forth findings of fact and conclusions of law, within 60 days after he shall have been selected. The Arbitrator shall have no authority to award punitive or other exemplary damages.

(d) The arbitration shall be held in the City of San Francisco, State of California in accordance with and under the then-current provisions of the rules of the American Arbitration Association, except as otherwise provided herein.

(e) On application to the Arbitrator, any party shall have rights to discovery to the same extent as would be provided under the Federal Rules of Civil Procedure, and the Federal Rules of Evidence shall apply to any arbitration under this Agreement; provided, however, that the Arbitrator shall limit any discovery or evidence such that his decision shall be rendered within the period referred to in Section 8.1(c).

(f) The Arbitrator may, at his discretion and at the expense of the parties who will bear the cost of the arbitration, employ experts to assist him in his determinations.

(g) The costs of the arbitration proceeding and any proceeding in court to confirm any arbitration award or to obtain relief as provided in Section 8.2, as applicable (including actual attorneys' fees and costs), shall be borne by the unsuccessful party and shall be awarded as part of the Arbitrator's decision, unless the Arbitrator shall otherwise allocate such costs in such decision. The determination of the Arbitrator shall be final and binding upon the parties and not subject to appeal.

(h) Any judgment upon any award rendered by the Arbitrator may be entered in and enforced by any court of competent jurisdiction. The parties expressly consent to the non-exclusive jurisdiction of the courts (Federal and state) in the City of San Francisco, State of California to enforce any award of the Arbitrator or to render any provisional, temporary, or injunctive relief in connection with or in aid of the Arbitration. The parties expressly consent to the personal and subject matter jurisdiction of the Arbitrator to arbitrate any and all matters to be submitted to arbitration hereunder. None of the parties hereto shall challenge any arbitration hereunder on the grounds that any party necessary to such arbitration (including the parties

hereto) shall have been absent from such arbitration for any reason, including that such party shall have been the subject of any bankruptcy, reorganization, or insolvency proceeding.

(i) This arbitration section shall survive the termination of this Agreement and any agreement contemplated hereby.

8.2 Waiver of Jury Trial; Exemplary Damages.

(a) TO THE EXTENT PERMITTED BY LAW, THE PARTIES TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT EACH SUCH PARTY MAY HAVE TO TRIAL BY JURY IN ANY ACTION OF ANY KIND OR NATURE, IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PARTIES TO THIS AGREEMENT OF ANY KIND OR NATURE. NO PARTY SHALL BE AWARDED PUNITIVE OR OTHER EXEMPLARY DAMAGES RESPECTING ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY ADDITIONAL AGREEMENT.

(b) Each of the parties to this Agreement acknowledge that each has been represented in connection with the signing of this waiver by independent legal counsel selected by the respective party and that such party has discussed the legal consequences and import of this waiver with legal counsel. Each of the parties to this Agreement further acknowledge that each has read and understands the meaning of this waiver and grants this waiver knowingly, voluntarily, without duress and only after consideration of the consequences of this waiver with legal counsel.

8.3 Attorneys' Fees. The unsuccessful party to any Action arising out of this Agreement that is not resolved by arbitration under Section 8.1 shall pay to the prevailing party all attorneys' fees and costs actually incurred by the prevailing party, in addition to any other relief to which it may be entitled. As used in this Section 8.3 and elsewhere in this Agreement, "actual attorneys' fees" or "attorneys' fees actually incurred" means the full and actual cost of any legal services actually performed in connection with the matter for which such fees are sought, calculated on the basis of the usual fees charged by the attorneys performing such services, and shall not be limited to "reasonable attorneys' fees" as that term may be defined in statutory or decisional authority.

8.4 Jurisdiction; Service; Waivers. TO THE EXTENT PERMITTED BY LAW, ANY ACTION IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT IN A COURT OF RECORD OF THE STATE OF CALIFORNIA. EACH OF THE PARTIES HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS OF THE STATE OF CALIFORNIA AND SERVICE OF PROCESS MAY BE MADE UPON A RESPECTIVE BY MAILING A COPY OF THE SUMMONS AND ANY COMPLAINT TO SUCH PERSON, BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AT ITS ADDRESS SET FORTH HEREIN. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR

BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OR MAINTAINING OF ANY SUCH ACTION IN SUCH JURISDICTION.

ARTICLE IX

MISCELLANEOUS

9.1 Further Actions. At any time and from time to time, each party agrees, without further consideration, to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate the purposes of this Agreement.

9.2 Amendments; No Waivers; Remedies.

(a) This Agreement cannot be amended, except by a writing signed by each party, or terminated orally or by course of conduct. No provision hereof can be waived, except by a writing signed by the party against whom such waiver is to be enforced, and any such waiver shall apply only in the particular instance in which such waiver shall have been given.

(b) Neither any failure or delay in exercising any right or remedy hereunder or in requiring satisfaction of any condition herein nor any course of dealing shall constitute a waiver of or prevent any party from enforcing any right or remedy or from requiring satisfaction of any condition. No notice to or demand on a party waives or otherwise affects any obligation of that party or impairs any right of the party giving such notice or making such demand, including any right to take any action without notice or demand not otherwise required by this Agreement. No exercise of any right or remedy with respect to a breach of this Agreement shall preclude exercise of any other right or remedy, as appropriate to make the aggrieved party whole with respect to such breach, or subsequent exercise of any right or remedy with respect to any other breach.

(c) Except as otherwise expressly provided herein, no statement herein of any right or remedy shall impair any other right or remedy stated herein or that otherwise may be available.

(d) Notwithstanding anything else contained herein, neither shall any party seek, nor shall any party be liable for, punitive or exemplary damages, under any tort, contract, equity, or other legal theory, with respect to any breach (or alleged breach) of this Agreement or any provision hereof or any matter otherwise relating hereto or arising in connection herewith.

9.3 Availability of Equitable Remedies. Since a breach of the provisions of this Agreement could not adequately be compensated by money damages, any party shall be entitled, in addition to any other right or remedy available to such party, to an injunction restraining such breach or a threatened breach and to specific performance of any such provision of this Agreement, and in either case no bond or other security shall be required in connection therewith, and the parties hereby consent to the issuance of such injunction and to the ordering of specific performance.

9.4 Relationship of the Parties. The Master Program Administrator shall at all times during the Term be deemed to be an independent contractor. Under no circumstances shall the Authority be deemed to be an employer, partner, joint venturer, agent or principal of the Master Program Administrator, any of the other members of the AllianceNRG Team or any of its or their employees. Neither the Master Program Administrator nor any of the other members of the AllianceNRG Team shall at any time or in any manner represent that it or any of its employees are employees of the Authority or any member agency of the Authority. The Authority shall not, and shall not be deemed to, assume any liability or expense for the direct payment of any salary, wage or benefit to any Person employed or engaged by the Master Program Administrator or any of the other members of the AllianceNRG Team, including any subcontractors, to perform any of the Services. Neither the Master Program Administrator, any of the other members of the AllianceNRG team, nor any of its or their employees shall be entitled to any benefits from or on behalf of the Authority, including worker's compensation, disability, unemployment, or paid time off. The Master Program Administrator shall be responsible for providing, at the Master Program Administrator expense, and in the Master Program Administrator's own name, unemployment, disability, worker's compensation and other insurance covering the Master Program Administrator and its employees.

9.5 Headings. Section headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

9.6 Notices. All notices, demands and communications hereunder shall be in writing (which shall include electronic transmission), shall be personally delivered, express couriered, electronically transmitted (in which case a hard copy shall also be sent by regular mail) or mailed by registered or certified mail and shall, unless otherwise expressly provided herein, be effective when received at the address specified below or at such other address as shall be specified in a notice furnished hereunder.

If to the Authority:

California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, CA 95814
Attention:
Tel. No.:
Facsimile No.:
Email Address:

If to the Master Program Administrator:

CounterPointe Energy Services LLC
6150 Metrowest Boulevard
Suite 208
Orlando, FL 32835
Attention:
Tel. No.:

Facsimile No.:
Email Address:

With a copy to:

9.7 No Third Beneficiaries. Except as specifically set forth herein, no provision hereof is intended or shall be construed to confer upon or to give to any Person, other than the parties hereto, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and permitted assigns.

9.8 Arms' length bargaining; no presumption against drafter. This Agreement has been negotiated at arms-length by parties of equal bargaining strength, each represented by counsel and having participated in the drafting of this Agreement. No presumption in favor of or against any party in the construction or interpretation of this Agreement or any provision hereof shall be made based upon which Person might have drafted this Agreement or such provision.

9.9 Expenses. Except as otherwise expressly set forth herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense.

9.10 Assignability and Delegation.

(a) Neither party may sell, assign, transfer, or otherwise convey any of its rights under this Agreement without the prior written consent of the other, except that (i) the Authority may assign this Agreement to a public entity of the State of California that succeeds to the authority of the Authority or to the Trustee, and (ii) the Master Program Administrator may assign this Agreement to (A) a 100% owned Affiliate, (B) a member of the AllianceNRG Team or a 100% owned Affiliate thereof, (C) a company which has succeeded to substantially all the business and assets of the assignor and assumed in writing its obligations under this Agreement or (D) a company surviving a merger or consolidation to which the Master Program Administrator is a party and this Agreement shall be binding upon and inure to the benefit of the parties hereto and such respective successors and assigns of the parties.

(b) The Master Program Administrator may delegate or subcontract all or a portion of its obligations to provide or cause to be provided the Services (i) without the consent of the Authority to a member of the AllianceNRG Team or (ii) with the consent of the Authority, which consent shall not be unreasonably withheld, conditioned or delayed, to any other Person. The Authority hereby consents to the engagement by the Master Program Administrator of David Taussig & Associates, Inc. to perform certain services. In the event that the Master Program Administrator delegates or subcontracts any of its obligations under this Agreement to

any Person such delegation or subcontracting shall not relieve the Master Program Administrator of its obligations under this Agreement unless the Authority expressly agrees that the Master Program Administrator is so relieved. Unless and until the Authority so consents, the Master Program Administrator shall be fully responsible for the acts, omissions and compliance of each such Person and any individual engaged or employed by such Person as if they were the Master Program Administrator and its own employees.

9.11 Severability. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect and, if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

9.12 No Recourse. The obligations of each party are solely the obligations of such party. No recourse shall be had for the payment of any amount owing by a party under this Agreement, or for the payment by such party of any fee in respect hereof or any other obligation or claim of or against such party arising out of or based on this Agreement, against any present, past or future officer, agent or employee of such party, in his or her individual capacity, and neither the directors, managers, officers, agents or employees of such party nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of any transaction or activity relating to this Agreement.

9.13 Entire Agreement. This Agreement, together with all Schedules, Exhibits and any other documents incorporated by reference, constitutes the sole and entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

9.14 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without giving effect to conflicts of laws principals.

9.15 Execution in Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

ARTICLE X

DEFINITIONS AND RULES OF CONSTRUCTION

10.1 Defined Terms. For purposes of this Agreement, the following terms shall have the meanings indicated:

“Action” means any legal action, suit, investigation, hearing or proceeding.

“Affiliate” means any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person if the controlling Person owns 25% or more of any class of voting securities of

the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

AllianceNRG Platform” means, collectively, (i) the Master Program Administrator’s online finance software technology platform that is made available at the Master Program Administrator’s www.alliancenrg.com web site (the “Site”), (ii) all page layouts, software programming code, tables, system architecture, databases and web site features and functionalities related to the Site, (iii) all feedback and suggestions made by the Authority regarding the Site, and (iv) all Intellectual Property Rights related to the Site and the materials described in clauses (ii) and (iii).

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks are authorized or required by law to close under the laws of the State of New York and or the State of California.

“Dollars” or “\$” means the lawful currency of the United States of America.

“Force Majeure Event”: Any act or event, whether foreseen or unforeseen, that meets all three of the following tests: (i) the act or event prevents a party (the “Nonperforming Party”), in whole or in part, from (A) performing its obligations under this Agreement; or (B) satisfying any conditions to the Performing Party’s obligations under this Agreement; (ii) the act or event is beyond the reasonable control of and not the fault of the Nonperforming Party, and (iii) the Nonperforming Party has been unable to avoid or overcome the act or event by the exercise of due diligence. Without limiting the generality of the foregoing, each of the following acts and events is deemed to meet the requirements of clause (i) through (iii) and to be a Force Majeure Event: war, flood, lightning, drought, earthquake, fire, volcanic eruption, landslide, hurricane, cyclone, typhoon, tornado, explosion, civil disturbance, act of God or the public enemy, terrorist act, military action, epidemic, famine or plague, shipwreck, action of a court or public authority, or strike, work-to-rule action, go-slow or similar labor difficulty. The foregoing list of Force Majeure Events is not exhaustive, and the principle of *ejusdem generis* is not to be applied in determining whether a particular act or event qualifies as a Force Majeure Event under the foregoing definition.

“Intellectual Property Rights” means any and all: (i) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (ii) authorship rights, copyrights and copyrightable works (including computer programs) and rights in data and databases; (iii) patents, patent disclosures and inventions (whether patentable or not); (iv) trade secrets, know-how and other confidential information; and (v) all other intellectual property, in each case whether registered or unregistered and including all applications for, and renewals or extensions of such and all similar or equivalent forms of protection provided by applicable Law in any jurisdiction throughout the world.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity or a government or any political subdivision or agency thereof.

“Program Agreements” means each assessment contract and any other agreement or document relating to financing an Improvement under the AllianceNRG Program to which the Authority is a party.

“Resolutions” means collectively the Resolution of Intention, the Resolution Confirming Report and the Resolution of Issuance.

10.2 Glossary of Other Defined Terms. The following terms listed below shall have the meaning ascribed thereto in the Section indicated next to such term:

Act	Recitals
AllianceNRG Program	Recitals
AllianceNRG Team	Recitals
Arbitrator	8.1
Authority	Preamble
Bond Act	Recitals
Bonds	Recitals
breaching party	3.3(c)
Chapter 29	Recitals
Covered Jurisdictions	Recitals
Effective Date	Preamble
Improvements	Recitals
Initial Term	3.1
Master Indenture	Recitals
Master Program Administrator	Preamble
Municipality	1.2(a)(i)
non-breaching party	3.3(c)
Other Agreement	10.3
Participating Municipalities	1.2(a)(i)
Program	Recitals
Program Report	Recitals
Renewal Term	3.1
Resolution Confirming Report	Recitals
Resolution of Intention	Recitals
Resolution of Issuance	Recitals

Services	1.2
Term	3.1
Trustee	Recitals

10.3 Terms Generally; Certain Rules of Construction. In the case of each term defined in Section 10.1 by reference to the definition of such term in another agreement or instrument (an “Other Agreement”) hereto: (i) such definition is incorporated by reference herein with the same force and effect as if set forth at length herein; (ii) if such definition in such Other Agreement uses any capitalized term which is defined in such Other Agreement and also is defined in Section 10.1 or 10.2, then the definition of such capitalized term shall be that assigned to such term in Section 10.1 or 10.2 (as the case may be); and (iii) if such definition in such Other Agreements uses any capitalized term which is defined in such Other Agreement and is not also defined in Section 10.1 or 10.2, then the definition of such capitalized term shall be that assigned to such term in such Other Agreement and such definition of such capitalized term is incorporated by reference herein with the same force and effect as if set forth at length herein. The definitions in Sections 10.1 and 10.2 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The words “herein”, “hereof” and “hereunder” and words of similar import refer to this Agreement in its entirety and not to any part hereof unless the context shall otherwise require. All references herein to Sections, Exhibits and Schedules shall be deemed references to and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless otherwise expressly provided herein or unless the context shall otherwise require, any references as of any time to the “Certificate of Incorporation”, “Articles of Incorporation”, “charter”, “organizational or constituent documents” or “By-laws” of any entity, to any agreement (including this Agreement) or other contract, instrument or document or to any statute or regulation or any specific section or other provision thereof are to it as amended and supplemented through such time (and, in the case of a statute or regulation or specific section or other provision thereof, to any successor of such statute, regulation, section or other provision). Any reference in this Agreement to a “day” or number of “days” (without the explicit qualification of “Business”) shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day. Unless otherwise expressly provided herein or unless the context shall otherwise require, any provision of this Agreement using a defined term (by way of example and without limitation, such as “Affiliates” or “Participating Municipalities”) which is based on a specified characteristic, qualification, feature or status shall, as of any time, refer only to such Persons who have the specified characteristic, qualification, feature or status as of that particular time. The word “property” includes property and assets of any kind, whether real or personal, tangible or intangible.

IN WITNESS WHEREOF, the Authority and the Master Program Administrator have caused this Agreement to be executed as of the day and year first above written.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Name:
Title:

COUNTERPOINTE ENERGY SOLUTIONS LLC

By: _____
Name:
Title:

Exhibit A**To****Program Administration Agreement**

The Authority will be paid fees by the Master Program Administrator from the proceeds of the principal amount of the Bonds that the Master Program Administrator receives upon the issuance of the Bonds, as described herein, and from the interest on the Bonds, as summarized herein and as more fully described in the Master Indenture.

Except as set forth in this Exhibit A, the Master Program Administrator has no obligation to pay any fees to the Authority. Except for that portion of the proceeds of the principal amount of the Bonds that the Master Program Administrator receives, the balance of the proceeds of the principal amount of the Bonds that the Master Program Administrator receives is for the account of the Master Program Administrator.

Except for that portion of the proceeds of the interest on the Bonds that is allocated to the Authority under the Master Indenture, the balance of the proceeds of the interest on the Bonds is allocated as set forth in the Master Indenture. The description herein of the fees payable to the Authority from the proceeds of the interest on the Bonds is for reference purposes only and is subject to the actual terms of the Master Indenture.

The Authority will be paid a Base Fee in connection with the funding of the assessment contracts and an Ongoing Fee on each outstanding assessment contract on a commercial property, in each case as set forth and subject to the provisions below.

Base Fee

The Authority will be paid a Base Fee for each assessment contract that is funded. The Base Fee will be paid solely from the portion of the principal amount of the Bonds that the Master Program Administrator receives as its Program Administration Fee.¹ The Base Fee is an amount equal to a percentage of the project costs financed by the assessment, based on the following schedule (expressed as a percentage of the project costs financed by the assessment):

Residential	Commercial		
All	<\$300,000	\$300,000 - \$1 million	>\$1 million
0.875%	0.25%	0.10%	0.05%

¹Under the AllianceNRG Program, at the funding of an assessment, each property owner will be charged a program administration fee ("Program Administration Fee"). The Program Administration Fee is in addition to other fees and expenses charged to the property owner at such funding to cover third party costs and expenses incurred for the account of the property owner in connection with originating and funding the assessment, such as a recording fee, the Trustee's fee and prepaid interest

Adjustment of Base Fee

The Program Administration Fee is subject to change from time to time. The Authority acknowledges that the Base Fee as described above is based on the Program Administration Fees for residential and commercial properties as in effect on the Effective Date (each, a “Base Program Administration Fee”) and that the Base Fee is subject to change as set forth in this Exhibit A. For purposes of this Exhibit A, the Base Program Administration Fees for financings for residential properties (one to four family dwellings) and commercial properties (properties other than residential properties) are as follows (expressed as a percentage of the project costs financed by the assessment):

	Residential	Commercial
Base Program Administration Fee	6.4%	5.0%

In the event the Program Administration Fee for a category of financings is set from time to time to an amount less than the Base Program Administration Fee for such category of financings, the Base Fee will be reduced each time in proportion to the ratio of the Program Administration Fee to the Base Program Administration Fee, but not below 50% of the amount of the Base Fee set forth above. In the event the Program Administration Fee for a category of financings is increased at any time from time to time after the Program Administration Fee is reduced below the Base Program Administration Fee, the Base Fee will be increased each time in proportion to the increase of the Program Administration Fee, but not above 100% of the amount of the Base Fee set forth above.

Ongoing Fee

The Authority will be paid an Ongoing Fee for each outstanding assessment contract on a commercial property. The Ongoing Program Administration Fee will be paid solely from the payment of the interest paid on the Bond funding the outstanding assessment in an amount equal to a percentage of the principal amount of each outstanding assessment, based on the following schedule of the original principal amounts of the assessments:

Commercial		
<\$300,000	\$300,000 - \$1 million	>\$1 million
0.25%	0.10%	0.05%

Payment of the Ongoing Fee will be subject to the receipt of funds by the Trustee pursuant to the Master Indenture, and will be allocated and paid in accordance with the Master Indenture.

Most Favored Nations

The Authority represents that, as of the Effective Date, the Base Fee and the Ongoing Fee, taken individually, are at least as favorable to Master Program Administrator as those provided to any other program administrator for the Program. The Authority agrees that if during the Term it has in effect or places into effect with any program administrator of the Program a lower Base Fees or Lower Ongoing Fees, the Authority will promptly provide notice to Master Program

Administrator of, and unconditionally offer to Master Program Administrator, such lower Base Fees or lower Ongoing Fees effective as of the effective date to which such lower Base Fees or lower Ongoing Fees are effective to any other program administrator. To the extent necessary, the Authority will agree to notify the Trustee and amend the Master Indenture in order to provide for the lower Ongoing Fee.

Exhibit B

To

Program Administration Agreement

Insurance

1. Minimum Requirements. The Master Program Administrator shall, at its expense, procure and maintain during the Term insurance policies with the coverage and in the amounts set forth below:
 - a. Commercial General Liability - \$1,000,000 per occurrence and in the aggregate;
 - b. Professional Liability - \$1,000,000 per claim and in the aggregate;
 - c. Commercial Auto Liability -\$1,000,000 combined single limit;
 - d. Employer Liability - \$1,000,000; and
 - e. Workers' Compensation – Statutory.
2. Subcontractors. The Master Program Administrator shall also require all of its subcontractors to procure and maintain the same insurance for the duration of their engagement as a subcontractor.
3. Verification of Coverage. The Master Program Administrator shall furnish the Authority with original certificates of insurance and endorsements effecting coverage required by this Agreement.
4. Post-Term. The Master Program Administrator shall, at its expense, maintain for a period of three years following the Term the Professional Liability Policy described above.

**AGENDA OF THE
SPECIAL MEETING OF THE
CALIFORNIA STATEWIDE FINANCING AUTHORITY**

May 7, 2015

10:00a.m. or upon adjournment of CSCDA Regular Meeting

League of California Cities

1400 K Street, 3rd Floor

Sacramento, California

709 Portwalk Place
Redwood City, CA 94061

27788 Hidden Trail Road
Laguna Hills, CA 92653

County of Butte
7 County Center Drive
Oroville, CA 95965

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

County of Monterey
168 West Alisal Street
Salinas, CA 93901

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the April 9, 2015 Special Meeting.
- III. Consideration of the Appointment of a Pricing Agent and/or Financial Advisor in connection with the Refunding and Restructuring of the California Statewide Financing Authority 2002 and 2006 Pooled Tobacco Settlement Asset-Backed Bonds. (Cathy Bando)
 - I. Public Comment
 - II. Adjourn



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 _____ on _____, at __: __ m. Signed
_____. Please fax signed page to (925) 933-8457.