



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



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

**January 15, 2015**

**10:00 a.m.**

**California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor  
Sacramento, California**

145 Civic Center Drive  
Santa Clara, CA 95050

3130 Flavin Lane  
Pebble Beach, CA 93953

County of Butte  
7 County Center Drive  
Oroville, CA 95965

- I. Call the Roll (alternates designate which member they are representing).
- II. Consideration of the Minutes of the December 18<sup>th</sup> Regular Meeting.
- III. Staff Updates.
- IV. Consideration of the Consent Calendar.
- V. 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. NW Manor Community Partners, LP (Northwest Manor I), City of Pasadena, County of Los Angeles; up to \$9 million in multi-family housing revenue bonds. (Staff: Caitlin Lanctot)

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

- b. Little Zion Manor, LP (Little Zion Manor), City of San Bernardino, County of San Bernardino; up to \$12 million in multi-family housing revenue bonds. (Staff: Scott Carper)
- c. Aldersly Retirement Corporation (Aldersly Project), City of San Rafael, County Marin; up to \$7.5 million in revenue bonds. (Staff: Scott Carper)

VI. Approval of resolution approving an amended and restated master indenture for the CaliforniaFIRST Program reflecting the 2014 program expansion and other modifications to reflect operational matters; and approving consolidated Notice of Assessment and Payment of Contractual Assessment.

VII. Public Comment.

VIII. Adjourn.



**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
CONSENT CALENDAR**

1. Consent Calendar:
  - a. Approval of Wells Fargo Corporate Trust Services Invoice #1131846 for \$3,000.00 for trustee fees related to CSCDA SCIP revenue Bonds 2007B.
  - b. Approval of the City of San Pablo as a Program Participant.
  - c. Inducement of Community Preservation Partners, LLC (Amberwood I & II Apartments), City of Hanford, County of Kings; issue up to \$6 million in multi-family housing revenue bonds.
  - d. Inducement of St. Timothy's Preservation, LP (St. Timothy's Tower and Manor), City of Compton, County of Los Angeles; issue up to \$18 million in multi-family housing revenue bonds.
  - e. Inducement of WP Palmer Family Apartments, LP (Palmer Family Villas), City of Huron, County of Fresno; issue up to \$14 million in multi-family housing revenue bonds.
  - f. Inducement of Summit Rose Apartments, LP (Summit Rose Apartments), City of Escondido, County of San Diego; issue up to \$10 million in multifamily housing revenue bonds.

Thursday, January 15, 2015

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

**Item II**

Consideration of the Minutes of the December 18<sup>th</sup> Regular Meeting.

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

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

December 18, 2014

**MINUTES**

Commission co-chair Kevin O'Rourke called the meeting to order at 10:01 am.

**I. Roll Call.**

Commission members present: Terry Schutten and Dan Harrison. Kevin O'Rourke and Irwin Bornstein participated by conference telephone.

CSCDA Executive Director, Catherine Bando participated by conference telephone.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Scott Carper, GPM Municipal Advisors; Laura Labanieh, CSAC Finance Committee; Jon Penkower and James Hamill, Bridge Strategic Partners; Lina Thoreson, Orrick Herrington & Suttcliffe; John Landers, Morgan Stanley; and Mark Moring, Payper Cloud. Caitlin Lanctot and Mike LaPierre, GPM Municipal Advisors; Mimi Frusha, Renewable Funding; Karen Jones, Cottage Health; and Greg Stepanicich, Richards Watson & Gershon, participated by conference telephone.

**II. Approval of minutes—December 4, 2014.**

The commission approved the minutes for the regular meeting held December 4, 2014.

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

**III. Staff Updates.**

None.

**IV. Approval of Consent Calendar.**

1. Approve the City of Newport Beach as a program participant.
2. Approve the following bill for payment:
  - a. Wells Fargo Corporate Trust Services, invoice #1141578.

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

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

- a. Cottage Health System (Santa Barbara Cottage Hospital Master Plan), City of Santa Barbara, County of Santa Barbara; issue up to \$150 million in tax-exempt revenue bonds.

Cottage Health System (CHS) is a California nonprofit public benefit corporation that is the parent organization of three nonprofit public benefit corporations that own and operate acute care hospitals in Santa Barbara County: Santa Barbara Cottage Hospital, Goleta Valley Hospital, and Santa Ynez Valley Cottage Hospital. The three hospitals are located in Santa Barbara, Goleta and Solvang, respectively, and provide the majority of acute care hospital services in Santa Barbara County.

Santa Barbara Cottage Hospital has been replacing all of its inpatient care facilities at an estimated cost of more than \$800 million (issued by CSCDA). Their master plan includes seven phases, of which the first four are now complete. The remainder of the project entails demolition of some buildings and construction of new replacement buildings. CHS has requested that CSCDA issue nonprofit revenue bonds in an aggregate principal amount, not to exceed \$150 million. The proceeds will be used to refinance series 2003B bonds (\$47.98 million) and complete the next two phases, projected to be complete in late 2015.

Executive Director Bando has reviewed the transaction, and based on the overall project's public benefit, as well as compliance with CSCDA's 501(c)(3) nonprofit healthcare facilities policies, as well as the Authority's general and issuance policies, recommends that the Commission approve the project as submitted.

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

- b. Pilgrim Terrace Affordable, LP (Pilgrim Terrace), City of Santa Barbara, County of Santa Barbara; up to \$12 million in multifamily housing revenue bonds.

Pilgrim Terrace Apartments (Project) is an 84 unit senior residential property located in Santa Barbara, California. Pilgrim Terrace Affordable, LP (Borrower) has requested that CSCDA issue and deliver multifamily housing revenue obligations in the anticipated amount of \$12 million for the purpose of financing the acquisition and rehabilitation of the Project. The Project includes 76 one-bedroom units and seven two-bedroom units for low-income seniors in Santa Barbara.

The Project is comprised of 26 residential buildings and one community building on nearly ten acres. Amenities include laundry facilities, a service coordinator, balcony/patio, an adjacent park, and community garden. Unit renovations will include new cabinets, countertops, appliances, flooring and fixtures in all kitchens and baths. All windows will be replaced with new high efficiency units. Roofing will be repaired and replaced. Building exteriors will be repaired and repainted. The community room will receive a complete remodel, with the addition of a commercial-grade kitchen, computer lab, media lounge, meeting area and new offices. New furnaces will be installed throughout the property. Also, the site landscape will be upgraded and all exterior common areas will be improved. Rehabilitation is expected to begin in January 2015

and will take approximately eight months to complete. The Borrower has completed over 20 similar Projects throughout California and this is their second financing with CSCDA.

Based on the overall public benefits and project conformance with CSCDA issuance policies, Executive Director Bando recommends approval of the Project as submitted.

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

- c. Balboa Management Group, LLC (Silverlakes Equestrian & Sports Park), City of Norco, County of Riverside; up to \$22 million in taxable revenue bonds.

Balboa Management Group, LLC (Balboa) is developing the Silverlakes Equestrian and Sports Park facility on a 121 acre site located in Norco, California. Balboa has requested that CSCDA issue and deliver revenue obligations in the anticipated amount of \$22 million for the purpose of financing the construction of the new sports complex, focused on 25 youth soccer fields, paved parking, stadium seating, equestrian facilities (including 1,500 stalls) and recreational vehicle parking. The complex is expected to open in the summer of 2015.

Based on the overall public benefits and compliance with CSCDA general and issuance policies, staff recommends approval of the Project as submitted.

Motion to approve the project, as recommended by staff, by Harrison; second by O'Rourke; unanimously approved by roll-call vote.

## **VI. Update on CaliforniaFIRST Residential and Commercial PACE programs.**

Mimi Frusha of Renewable Funding presented the commissioners with performance statistics through December 14, 2014.

Some of the highlights for residential PACE are as follows: nearly 1,500 applications totaling \$31 million; funded nearly 130 projects totaling \$2.8 million; projects located in 16 counties and installed by 51 different contractors (64% relate to energy efficiency and 36% relate to renewable energy); 307 approved contractors.

Highlights for commercial PACE are as follows: 171 active applications; anticipate closing over \$10 million in Q1 of 2015.

## **VII. Public comment.**

None.

## **VIII. Adjournment.**

Commission co-chair Kevin O'Rourke adjourned the meeting at 10:29 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the commission is scheduled for  
**Thursday, January 15, at 10:00 a.m.**  
in the California Association of Counties' office at 1100 K Street, Sacramento, California.*

## Item IV

### Consent Calendar:

- a. Approval of Wells Fargo Corporate Trust Services Invoice #1131846 for \$3,000.00 for trustee fees related to CSCDA SCIP revenue Bonds 2007B.
- b. Approval of the City of San Pablo as a Program Participant.
- c. Inducement of Community Preservation Partners, LLC (Amberwood I & II Apartments), City of Hanford, County of Kings; issue up to \$6 million in multi-family housing revenue bonds.
- d. Inducement of St. Timothy's Preservation, LP (St. Timothy's Tower and Manor), City of Compton, County of Los Angeles; issue up to \$18 million in multi-family housing revenue bonds.
- e. Inducement of WP Palmer Family Apartments, LP (Palmer Family Villas), City of Huron, County of Fresno; issue up to \$14 million in multi-family housing revenue bonds.
- f. Inducement of Summit Rose Apartments, LP (Summit Rose Apartments), City of Escondido, County of San Diego; issue up to \$10 million in multifamily housing revenue bonds.



# Late Fee Notice

Corporate Trust Services

Date Sent: 12/22/2014

<b>Invoice Number</b> 1131846	<b>Original Billing Date</b> 11/04/2014	<b>Original Due Date</b> 12/04/2014	<b>Amount Due</b> \$3,000.00
CSCDA 2999 Oak Road Suite 710  Walnut Creek, CA 94597			<i>Please mail or wire payment to:</i> <b>Mailing Address:</b> Wells Fargo Bank WF 8113 P.O. Box 1450 Minneapolis, MN 55485-8113 <b>Wire Instructions:</b> ABA #: 121000248 DDA #: 1000031565 Swift Code: WFBUIUS6S Reference: Invoice #, Acct Name, Attn Name <b>ACH Instructions:</b> ABA #: 091000019 DDA #: 1000031565 Memo: Invoice #, Account Name, Attn Name
<i>Please return this portion of the statement with your payment in the envelope provided:</i>  <i>Please retain this portion for your records</i>			

Account Number: 22579900  
SCIP Revenue Bonds 2007B

Administration Charges

Trustee Fee

For the Period 11/29/2014 through 11/28/2015

\$3,000.00

<b>Original Amount Due:</b>	<b>\$3,000.00</b>
<b>Payments Received:</b>	<b>\$0.00</b>
<b>Late Charge:</b>	<b>\$0.00</b>
<b>Total Amount Due:</b>	<b>\$3,000.00</b>

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

**RESOLUTION 2014-173**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO JOIN THE CALIFORNIAFIRST PROGRAM, AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE INCORPORATED TERRITORY OF THE CITY, AND AUTHORIZING RELATED ACTIONS**

WHEREAS, Assembly Bill 32 requires the state to reduce greenhouse gas emissions to 1990 levels by the year 2020 (approximately 25% reduction) and reduce emissions by 80 percent by 2050;

WHEREAS, the City of San Pablo (the "City") adopted its Climate Action Plan in 2012 with a greenhouse reduction goal of 15% below 2005 levels by the year 2020;

WHEREAS, the City Climate Action Plan Objective E2 calls for a reduction in energy use in existing buildings by 20% and Strategy E2.2 calls for promoting financing strategies that encourage property owners to make energy efficiency investments in their properties;

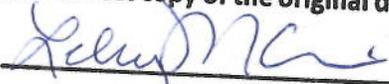
WHEREAS, the City desires to allow property owners within its jurisdiction ("Participating Property Owners") to participate in Property Assessed Clean Energy (PACE) financing programs;

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the City of San Pablo (the "City");

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments;

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

**I hereby certify that the foregoing is a full, true  
and correct copy of the original document.**

  
\_\_\_\_\_  
**Lehny M. Corbin, Deputy City Clerk**

WHEREAS, the City desires to allow the owners of property ("Participating Property Owners") within the incorporated territory of the City to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 within the incorporated territory of the City and to issue Bonds under the 1915 Act to finance the Improvements;

WHEREAS, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Pablo as follows:

Section 1. This City Council hereby finds and declares that properties in the City's incorporated area will benefit from the availability of the CaliforniaFIRST Program within the incorporated territory of the City and, pursuant thereto, the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 and the issuance of Bonds under the 1915 Act.

Section 2. In connection with the CaliforniaFIRST Program, the City hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within its jurisdiction and the issuance of Bonds under the 1915 Act; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.

(3) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST Program (the "Program Report"), and California Communities will

undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided, that California Communities shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the City Manager from time to time, are hereby designated as the contact persons for California Communities in connection with the CaliforniaFIRST Program: Jennifer Jackson, Environmental Program Analyst.

Section 5. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

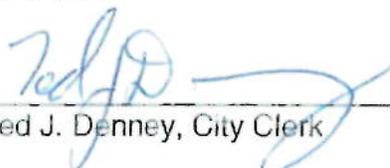
Section 7. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

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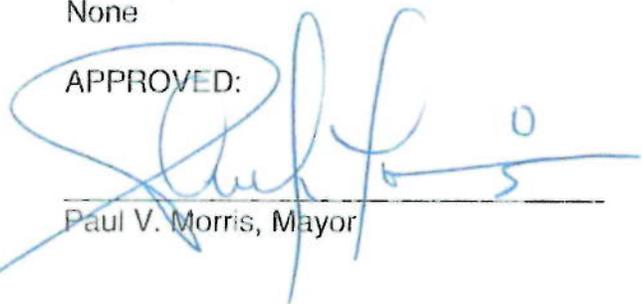
PASSED AND ADOPTED this 17<sup>th</sup> day of November, 2014, by the following vote to wit:

AYES:	COUNCILMEMBERS:	Calloway, Valdez, Kinney, Chao Rothberg and Morris
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

  
\_\_\_\_\_  
Ted J. Denney, City Clerk

APPROVED:

  
\_\_\_\_\_  
Paul V. Morris, Mayor

## Applicant Information

Primary Contact E-mail: [kbuckland@wncinc.com](mailto:kbuckland@wncinc.com)

Name of Developer: **Community Preservation Partners, LLC**

TIN or EIN: **87-0724333**

### Primary Contact

First Name: **Karen**

Last Name: **Buckland**

Title: **Director - Community Preservation**

#### Address:

Street: **17782 Sky Park Circle**

Suite:

City: **Irvine**

State: **California**

Zip: **92614**

Phone: **949-236-8135**

Ext:

Fax: **714-662-6834**

Email: **kbuckland@wncinc.com**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **TBD**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **54**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **54**

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **Community Preservation Partners, LLC**

First Name: **Karen**

Last Name: **Buckland**

Title: **Director - Community Preservation**

#### Address

Street: **17782 Sky Park Circle**

Suite:

City: **Irvine**

State: **California**

Zip: **92614**

Phone: **949-236-8135**

Ext:

Fax: **714-662-6834**

Email: **kbuckland@wncinc.com**

## Project Information

### Project Information

Project Name: **Amberwood I & II Apartments**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **Amberwood I & II Apartments**

**Facility Bond Amount: \$4,300,000.00**

#### Project Address:

Street or general location: **10960, 11280 Oakview Drive**

City: **Hanford**

State: **California**

Zip: **93230**

County: **Kings**

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

#### Total Number of Units:

Market:

Restricted: **88**

Total: **88**

Lot size: **6.6 acres**

Amenities:

Unit Amenities: Range, Refrigerator, Blinds and Patio. Project Amenities: On-site Management and Maintenance, Laundry Facility, Playground, Basketball Court and Picnic Area.

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

15 two-story walk up buildings and 2 one-story accessory buildings, wood frames, concrete slab on grade with painted stucco and T-111 exterior finishes. The roofs are gabled with asphalt shingles.

#### 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: 100

Total Number of Management Units: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	3	513.00	600.00	
2.	1 Bedroom	60	7	540.00	600.00	60.00
3.	2 Bedrooms	50	16	616.00	720.00	104.00
4.	2 Bedrooms	60	38	648.00	720.00	72.00
5.	3 Bedrooms	50	7	711.00	800.00	89.00

6.	3 Bedrooms	60	17	720.00	800.00	80.00
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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 District #:
21	14	32

## Financing Information

### Financing Information

Maturity 40 Years

#### Interest Rate Mode:

Fixed  Variable

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

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

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

#### Construction Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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#### Projected State Allocation Pool:

General  Mixed Income  Rural

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

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$4,300,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$2,070,020.00</u>
Developer Equity:	<u>\$35,045.00</u>
Other Funds (Describe):	
<b>NOI</b>	<u>\$145,125.00</u>
<b>Existing Replacement Reserves</b>	<u>\$78,709.00</u>
<b>Existing USDA RD 515 Loan</b>	<u>\$1,861,372.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$8,490,271.00</u>

#### Uses:

Land Acquisition:	<u>\$495,000.00</u>
Building Acquisition:	<u>\$2,100,000.00</u>
Construction or Remodel:	<u>\$2,950,200.00</u>
Cost of Issuance:	<u>\$82,734.00</u>
Capitalized Interest:	<u>\$145,125.00</u>
Reserves:	<u>\$254,000.00</u>
Other Uses (Describe):	
<b>Legal and Professional</b>	<u>\$165,000.00</u>
<b>Financing Costs</b>	<u>\$354,331.00</u>
<b>Developer Fee</b>	<u>\$833,781.00</u>
<b>Misc Soft Costs</b>	<u>\$135,100.00</u>
<b>Loan Take Out</b>	<u>\$975,000.00</u>
Total Uses:	<u>\$8,490,271.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe, LLP

#### Primary Contact

First Name: Thomas

Last Name: Downey

Title: Special Counsel

#### Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5965

Ext:

Fax: 415-773-5759

Email: tdowney@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

### Financial Advisor

Firm Name: N/A

#### Primary Contact

First Name: N/A

Last Name: N/A

Title: N/A

#### Address:

Street: N/A

Suite:

City: N/A

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

### Rebate Analyst

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

## Applicant Information

Primary Contact E-mail: [ganderson@bluegreenpreservation.com](mailto:ganderson@bluegreenpreservation.com)

Name of Developer: **BlueGreen Preservation and Development Company, LLC**

TIN or EIN: **462090367**

### Primary Contact

First Name: **Alejandro**

Last Name: **Lara**

Title: **Chief Operating Officer**

#### Address:

Street: **500 S. Grand Avenue**

Suite: **2200**

City: **Los Angeles**

State: **California**

Zip: **90071**

Phone: **3103096731**

Ext:

Fax:

Email: [alara@bluegreenpreservation.com](mailto:alara@bluegreenpreservation.com)

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **St. Timothy's Preservation, LP**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **N/A**

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

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

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **BlueGreen Preservation and Development Company, LLC**

First Name: **Vivian**

Last Name: **Lum**

Title: **Chief Executive Officer**

#### Address

Street: **500 S. Grand Avenue**

Suite: **2200**

City: **Los Angeles**

State: **California**

Zip: **90071**

Phone: **3109563577**

Ext:

Fax:

Email: [vlum@bluegreenpreservation.com](mailto:vlum@bluegreenpreservation.com)

## Project Information

### Project Information

Project Name: **St. Timothy's Tower and St. Timothy's Manor**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **St. Timothy's Tower**

**Facility Bond Amount: \$16,000,000.00**

#### Project Address:

Street or general location: **425 S OLEANDER AVE**

City: **Compton**

State: **California**

Zip: **90220**

County: **Los Angeles**

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

#### Total Number of Units:

Market: **2**

Restricted: **133**

Total: **135**

Lot size: **1.0022**

Amenities:

Unit amenities include a range, window blinds, refrigerator, garbage disposal, air conditioning and heating.

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

Concrete Block, 8 Story, One Building

#### 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: 2

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	Studio	50	44	290.00	915.00	625.00
2.	Studio	60	64	290.00	1,020.00	730.00
3.	1 Bedroom	50	11	290.00	915.00	625.00
4.	1 Bedroom	60	14	290.00	1,020.00	730.00

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 #:

44

State Senate District #:

35

State Assembly District #:

64

## 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:

#### 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:
<input type="text"/>	A+	<input type="text"/>

#### 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>\$16,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$1,481,577.00</u>
Developer Equity:	<u>\$</u>
Other Funds (Describe):	
<b>Deferred Developer Fee</b>	<u>\$1,542,171.00</u>
<b>Seller Note</b>	<u>\$2,500,000.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$21,523,748.00</u>

#### Uses:

Land Acquisition:	<u>\$250,000.00</u>
Building Acquisition:	<u>\$10,750,000.00</u>
Construction or Remodel:	<u>\$5,145,200.00</u>
Cost of Issuance:	<u>\$250,000.00</u>
Capitalized Interest:	<u>\$660,000.00</u>
Reserves:	<u>\$810,919.00</u>
Other Uses (Describe):	
<b>Developer Fee</b>	<u>\$2,500,000.00</u>
<b>Legal</b>	<u>\$90,000.00</u>
<b>Other Soft Costs</b>	<u>\$1,067,629.00</u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u>\$21,523,748.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick Herrington & Sutcliffe, LLP

#### Primary Contact

First Name: Justin

Last Name: Cooper

Title: Esquire

#### Address:

Street: 400 Sansome Street

Suite:

City: San Francisco

State: California

Zip: 94111

Phone: 4157735908

Ext:

Fax:

Email: JCooper@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name:BBCN

#### Primary Contact

First Name: Hassan

Last Name: Bouayad

Title: Senior Vice President and District Manager

#### Address:

Street: 2727 W. Olympic Blvd.

Suite: 213

City: Los Angeles

State: California

Zip: 90006

Phone: (213)2353113

Ext:

Fax: (213) 406-8906

Email: hassanb@bbcnbank.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:

## Applicant Information

Primary Contact E-mail: [aross@willowpartners.com](mailto:aross@willowpartners.com)

Name of Developer: **Willow Partners, LLC**

TIN or EIN: **77-0462802**

### Primary Contact

First Name: **Amelia**

Last Name: **Ross**

Title: **Director of Operations**

#### Address:

Street: **310 N Westlake Blvd**

Suite: **210**

City: **Westlake Village**

State: **California**

Zip: **91362**

Phone: **805-379-8555**

Ext:

Fax: **805-379-8556**

Email: **aross@willowpartners.com**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **WP Palmer Family Apartments, LP**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **08/28/2013**

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

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

### Secondary Contact

First Name: **Laura**

Last Name: **Slajchert**

Title: **Managing Member**

#### Address:

Street : **310 N Westlake Blvd**

Suite: **210**

City: **Westlake Village**

State: **California**

Zip: **91362**

Phone: **805-379-8555**

Ext:

Fax: **805-379-8556**

Email: **lslajchert@willowpartners.com**

### Primary Billing Contact

Organization: **Willow Partners, LLC**

First Name: **Amelia**

Last Name: **Ross**

Title: **Director of Operations**

#### Address

Street: **310 N Westlake Blvd**

Suite: **210**

City: **Westlake Village**

State: **California**

Zip: **91362**

Phone: **805-379-8555**

Ext:

Fax: **805-379-8556**

Email: **aross@willowpartners.com**

## Project Information

### Project Information

Project Name: **Palmer Family Villas**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **Rabobank**

**Facility Bond Amount: \$12,126,850.00**

#### Project Address:

Street or general location: **W. Palmer & S. Siskiyou**

City: **Huron**

State: **California**

Zip: **93234**

County: **Fresno**

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

#### Total Number of Units:

Market:

Restricted: **57**

Total: **57**

Lot size: **7.56 acres**

Amenities:

Community Room with full-kitchen

Computer Lab

Swimming Pool

Picnic Area

Tot Lot

Laundry Room

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

The property will consist of 7 residential two story type V garden style walk up buildings with spacious two and three bedroom apartments with two bathrooms. The flooring will be ceramic tile throughout the living room, kitchen and bathroom areas.

#### 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 Huron**

First Name: Tom

Last Name: Skinner

Title: City Planner

Phone: 559-675-8724

Ext:

Fax:

Email: tom@valleyplanningconsultants.com

#### Public Benefit Info:

Percentage of Units in Low Income Housing: 100

Percentage of Area Median Income(AMI) for Low Income Housing Units: 100

Total Number of Management Units: 1

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	2 Bedrooms	40	11	493.00	827.00	
2.	3 Bedrooms	40	8	569.00	1,162.00	593.00

3.	2 Bedrooms	45	13	554.00	827.00	273.00
4.	3 Bedrooms	45	8	640.00	1,162.00	522.00
5.	3 Bedrooms	50	16	711.00	1,162.00	451.00

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 #:

21

State Senate District #:

16

State Assembly District #:

31

## Financing Information

### Financing Information

Maturity 40 Years

#### Interest Rate Mode:

Fixed  Variable

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

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

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

#### Construction Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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#### Projected State Allocation Pool:

General  Mixed Income  Rural

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

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$12,126,850.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$</u>
Developer Equity:	<u>\$794,980.00</u>
Other Funds (Describe):	<u>\$</u>
<hr/>	<u>\$</u>
Total Sources:	<u>\$12,921,830.00</u>

#### Uses:

Land Acquisition:	<u>\$500,000.00</u>
Building Acquisition:	<u>\$</u>
Construction or Remodel:	<u>\$10,606,468.00</u>
Cost of Issuance:	<u>\$363,000.00</u>
Capitalized Interest:	<u>\$214,862.00</u>
Reserves:	<u>\$120,000.00</u>
Other Uses (Describe):	
<b>Hard &amp; Soft Cost Contingency</b>	<u><b>\$467,500.00</b></u>
<b>Construction Loan Interest</b>	<u><b>\$200,000.00</b></u>
<b>Loan Fees &amp; Costs/Escrow &amp; Title</b>	<u><b>\$90,000.00</b></u>
<b>Feasibility Studies</b>	<u><b>\$60,000.00</b></u>
<b>Legal &amp; Accounting</b>	<u><b>\$300,000.00</b></u>
Total Uses:	<u>\$12,921,830.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe

#### Primary Contact

First Name: Justin

Last Name: Cooper

Title: Principal

#### Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105

Phone: 415-773-5700

Ext:

Fax: 415-773-5759

Email: jcooper@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name:

#### Primary Contact

First Name:

Last Name:

Title:

#### Address:

Street:

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Financial Advisor

Firm Name:

#### 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:

## Applicant Information

Primary Contact E-mail: [clanctot@cscda.org](mailto: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 #:

50

State Senate District #:

38

State Assembly District #:

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):	
<b>Cash Flow from Operations</b>	<u><b>\$895,793.00</b></u>
<b>Deferred Developer Fee</b>	<u><b>\$1,193,654.00</b></u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u><b>\$15,276,307.00</b></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):	
<b>Developer Fee</b>	<u><b>\$1,604,000.00</b></u>
<b>Hard Cost Contingency</b>	<u><b>\$228,378.00</b></u>
<b>Soft Costs</b>	<u><b>\$289,099.00</b></u>
	<u>\$</u>
	<u>\$</u>
Total Uses:	<u><b>\$15,276,307.00</b></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:

## Item V

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. NW Manor Community Partners, LP (Northwest Manor I), City of Pasadena, County of Los Angeles; up to \$9 million in multi-family housing revenue bonds.  
(Staff: Caitlin Lanctot)

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	JANUARY 15, 2015
<b>APPLICANT:</b>	NW MANOR COMMUNITY PARTNERS, LP/WNC COMMUNITY PRESERVATION PARTNERS
<b>AMOUNT:</b>	UP TO \$9,000,000 OF MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION OF THE NORTHWEST MANOR I APARTMENTS LOCATED AT 985, 1009 NORTH RAYMOND AVE AND 1010, 1050 NORTH SUMMIT AVE IN PASADENA, CA
<b>CSCDA PROGRAM:</b>	HOUSING

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### **Background:**

The proposed project, Northwest Manor I Apartments (the “Project”), is a 44-unit property located in Pasadena, California. The Project application was filed on September 5, 2014 and induced on September 23, 2014.

### **Summary:**

NW Manor Community Partners, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$9,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 14 one-bedroom units and 30 two-bedroom units to low-income seniors in Pasadena.

The Project was constructed in the 1960s and consists of four two-story buildings. The rehabilitation encompasses substantial repairs and upgrades to both the interior units and exterior of the property, including: roof replacement, new windows, stucco repair, paint, new stairwell railings, energy efficient lighting, carport repair, laundry room updates, landscaping and updated playgrounds. Interiors will receive full kitchen and bathroom replacements, new flooring, energy efficient lighting, smoke detectors, paint, ceiling fans, and water heaters.

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

The Borrower has previously constructed or rehabilitated nearly 60 multifamily and senior housing properties, including 18 with CSCDA.

### **Public Benefit:**

- Project Affordability
  - 100% of the Project’s units will be income restricted:
    - 9 units reserved for tenants whose income is at or below 50% AMI
    - 34 units reserved for tenants whose income is at or below 60% AMI

- 1 manager unit
  - 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 public library
- Economic Benefits
  - Based upon \$10,732,445.00 Project costs using a 1.8 multiplier the Project produces approximately \$19,318,401 total economic activity, and at 2.1 jobs per unit produces approximately 92 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:** October 20, 2014, City of Pasadena, unanimous approval  
**CDLAC Approval:** December 10, 2014

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$9,000,000	83.86%
Developer Equity	\$300,982	2.80%
LIHTC Equity	\$1,045,018	9.74%
NOI	<u>\$386,445</u>	<u>3.60%</u>
Total Sources	\$10,732,445	100.00%

Uses:

Acquisition Cost	\$6,300,000	58.70%
Hard Construction Costs	\$1,680,569	15.66%
Architect & Engineering Fees	\$74,600	0.70%
Contractor Overhead & Profit	\$111,557	1.04%
Developer Fee	\$1,287,819	12.00%
Relocation	\$50,000	0.47%
Cost of Issuance	\$113,650	1.06%
Capitalized Interest	\$275,424	2.57%
Other Soft Costs (Marketing, Etc.)	<u>\$838,826</u>	<u>7.82%</u>
Total Uses	\$10,732,445	100.00%

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Lender: California Bank & Trust

**Financing Structure:**

The Bonds will be privately placed with California Bank & Trust. During the construction phase, the bonds will have a fixed interest rate of approximately 4.6%. After approximately 18 months, the bonds will convert to the permanent phase for no more than 18 years.

**Policy Compliance:**

The Project complies with the following policies:

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

**Executive Director Approval:**

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

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

**Attachments:**

1. Original application
2. CDLAC Resolution Exhibit A

## Applicant Information

Primary Contact E-mail: [kbuckland@wncinc.com](mailto:kbuckland@wncinc.com)

Name of Developer: **Community Preservation Partners, LLC**

TIN or EIN: **87-0724333**

### Primary Contact

First Name: **Karen**

Last Name: **Buckland**

Title: **Director - Community Preservation**

#### Address:

Street: **17782 Sky Park Cicle**

Suite:

City: **Irvine**

State: **California**

Zip: **92614**

Phone: **949-236-8135**

Ext:

Fax: **714-662-6834**

Email: **kbuckland@wncinc.com**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **TBD**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: **TBD**

No. of Multi-Family Housing Projects Completed in the Last 10 Years: **54**

No. of Low Income Multi-Family Housing Projects Completed in the Last 10 Years: **54**

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **Community Preservation Partners, LLC**

First Name: **Karen**

Last Name: **Buckland**

Title: **Director - Community Preservation**

#### Address

Street: **17782 Sky Park Cicle**

Suite:

City: **Irvine**

State: **California**

Zip: **92614**

Phone: **949-236-8135**

Ext:

Fax: **714-662-6834**

Email: **kbuckland@wncinc.com**

## Project Information

### Project Information

Project Name: **Northwest Manor I**

New Project Name(optional):

### Facility Information

#### Facility #1

Facility Name: **Northwest Manor I**

**Facility Bond Amount: \$9,000,000.00**

#### Project Address:

Street or general location: **985, 1009 N Raymond & 1010, 1050 N Summit**

City: **Pasadena**

State: **California**

Zip: **91103**

County: **Los Angeles**

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

#### Total Number of Units:

Market:

Restricted: **44**

Total: **44**

Lot size: **65,361 sqft**

Amenities:

Unit Amenities: Range, Refrigerator, Disposal and Window Coverings. Project Amenities: On-site Management.

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

Four two-story wood frame, concrete slab on grade buildings, with painted stucco finish and flat asphalt roofs.

#### 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	50	4	764.00	1,325.00	561.00
2.	1 Bedroom	60	10	917.00	1,325.00	408.00
3.	2 Bedrooms	50	9	917.00	1,500.00	583.00
4.	2 Bedrooms	60	21	1,101.00	1,500.00	399.00

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 #:

27

State Senate District #:

25

State Assembly District #:

41

## 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:

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#### Projected State Allocation Pool:

General  Mixed Income  Rural

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

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$9,000,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$3,254,104.00</u>
Developer Equity:	<u>\$158,971.00</u>
Other Funds (Describe):	
<b>NOI</b>	<u>\$236,059.00</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$12,649,134.00</u>

#### Uses:

Land Acquisition:	<u>\$440,000.00</u>
Building Acquisition:	<u>\$5,923,000.00</u>
Construction or Remodel:	<u>\$1,843,570.00</u>
Cost of Issuance:	<u>\$110,750.00</u>
Capitalized Interest:	<u>\$291,374.00</u>
Reserves:	<u>\$166,000.00</u>
Other Uses (Describe):	
<b>Legal and Professional</b>	<u>\$190,000.00</u>
<b>Financing Costs</b>	<u>\$227,000.00</u>
<b>Developer Fee</b>	<u>\$1,262,618.00</u>
<b>Misc Soft Costs</b>	<u>\$2,194,822.00</u>
	<u>\$</u>
Total Uses:	<u>\$12,649,134.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

#### Primary Contact

First Name: Thomas

Last Name: Downey

Title: Special Counsel

#### Address:

Street: 405 Howard Street

Suite:

City: San Francisco

State: California

Zip: 94105-2669

Phone: 415-773-5965

Ext:

Fax: 415-773-5759

Email: tdowney@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

### Financial Advisor

Firm Name: N/A

#### Primary Contact

First Name: N/A

Last Name: N/A

Title: N/A

#### Address:

Street: N/A

Suite:

City: N/A

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

### Rebate Analyst

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 92614

Phone: 949-236-8135

Ext:

Fax:

Email: kbuckland@wncinc.com

**RESOLUTION NO. 14-137**  
**(QUALIFIED RESIDENTIAL RENTAL PROJECT)**  
**EXHIBIT A**

1. Applicant: California Statewide Communities Development Authority
2. Application No.: 14-316
3. Project Sponsor: NW Manor Community Partners, LP (AHDF – NW Manor G/P, LLC & WNC – NW Manor G/P, LLC)
4. Project Management Co.: Professional Property Management, LLC
5. Project Name: Northwest Manor I Apartments
6. Type of Project: Acquisition and Rehabilitation/Family/Federally Assisted At-Risk
7. Location: Pasadena, CA
8. Private Placement Purchaser: Citibank, NA
9. The Private Placement Purchaser at the time of issuance will be the same as represented in the application.  
**Applicable**
10. Total Number of Units: 43 plus 1 manager unit
11. Total Number of Restricted Rental Units: 43
12. The term of the income and rental restrictions for the Project will be at least 55 years.
13. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.  
**Applicable**
14. Income and Rental Restrictions:  
For the entire term of the income and rental restrictions, the Project will have:  
  
At least 9 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 50% or below of the Area Median Income.  
  
At least 34 Qualified Residential units rented or held vacant for rental for persons or families whose income is at 60% or below of the Area Median Income.
15. For acquisition and rehabilitation projects, a minimum of \$10,000 in hard construction costs will be expended for each Project unit.  
**Applicable**
16. A minimum of \$0,000 of public funds will be expended for the Project.  
**Not Applicable**

**RESOLUTION NO. 14-137**

**Exhibit A**

Page 2 of 4

17. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.  
**Not Applicable**
18. If the Project received points for having large family units, for the entire term of the income and rental restrictions, the Project will have at least three-bedroom or larger units.  
**Not Applicable**
19. For a period of ten (10) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.  
**Not Applicable**
20. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents an after school programs of an ongoing nature on-site or there must be an after school program available to Project residents within 1/4 mile of the Project. The programs shall include, but are not limited to: tutoring, mentoring, homework club, and art and recreation activities to be provided weekdays throughout the school year for at least 10 hours per week.  
**Not Applicable**
21. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/4 mile of the Project.  
**Not Applicable**
22. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/4 mile of the Project.  
**Not Applicable**
23. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents health and wellness services and programs within 1/4 mile of the Project. Such services and programs shall provide individualized support for tenants (not group classes) but need to be provided by licensed individuals or organizations. The services shall include, but are not limited to: visiting nurses programs, intergenerational visiting programs, and senior companion programs. Services shall be provided for a minimum of 100 hours per year.  
**Not Applicable**
24. For a period of ten (10) years after the Project is placed in use, the Project will offer to Project residents a bona fide service coordinator. The responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or enrichment activities for tenants (such as holiday events, tenant council, etc.)  
**Not Applicable**
25. All projects that receive points for being a Federally Assisted At-Risk Project will renew all Section 8 HAP Contracts or equivalent Project-based subsidies for their full term, and will seek additional renewals, if available, throughout the Project's useful life.  
**Applicable**
26. All projects that receive points for being a Federally Assisted At-Risk Project based on an expiring Low Income Housing Tax Credit Regulatory Agreement or Tax-Exempt Bond Regulatory Agreement shall have a plan in place to re-certify the incomes of the existing tenants and shall not cause involuntary displacement of any tenant whose income may exceed the Project's income limits.  
**Not Applicable**

**RESOLUTION NO. 14-137**

**Exhibit A**

27. Applicants shall meet the multiple sustainable building standards utilizing landscaping and construction materials which are compatible with the neighborhood in which the proposed project is to be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected:

**Applicable**

Section Waived:

<input type="checkbox"/>	Energy Efficiency
<input type="checkbox"/>	CALGreen Compliance
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Roofs
<input type="checkbox"/>	Exterior Doors
<input type="checkbox"/>	Appliances
<input type="checkbox"/>	Window Coverings
<input type="checkbox"/>	Water Heater
<input type="checkbox"/>	Floor Coverings
<input type="checkbox"/>	Paint
<input type="checkbox"/>	Insulation

28. The project commits to becoming certified under any one of the following programs upon completion:
- a. Leadership in Energy & Environmental Design (LEED) **Not Applicable**
  - b. Green Communities **Not Applicable**
  - c. GreenPoint Rated Multifamily Guidelines **Not Applicable**
29. The project is a New Construction or Adaptive Reuse Project exceeding the Standards of Title 24, Part 6, of the California Building Code by:
- a. 17.5% **Not Applicable**
  - b. 20% **Not Applicable**
  - c. 25% **Not Applicable**
30. The Project will exceed the minimum energy efficiency certification requirements for New Construction/ Adaptive Reuse:
- a. LEED for Homes (Silver) **Not Applicable**
  - b. LEED for Homes (Gold) **Not Applicable**
  - c. Green Point Rated (100) **Not Applicable**
  - d. Green Point Rated (125) **Not Applicable**
31. The project is a Home Energy Rating System (HERS II) Rehabilitation Project that commits to improve energy efficiency above the current modeled energy consumption of the building(s) by:
- a. 15% **Not Applicable**
  - b. 20% **Not Applicable**
  - c. 25% **Not Applicable**
  - d. 30% **Not Applicable**
32. The project is a Rehabilitation Project that commits to developing, and/or managing the Project with the following Photovoltaic generation or solar energy:
- a. Photovoltaic generation that offsets tenants loads **Not Applicable**
  - b. Photovoltaic generation that offsets 50% of common area load **Not Applicable**
  - c. Solar hot water for all tenants who have individual water meters **Not Applicable**

**RESOLUTION NO. 14-137**

**Exhibit A**

Page 4 of 4

33. The project will implement sustainable building management practices that include: 1) development of a percent-specific maintenance manual including replacement specifications and operating information on all energy and green building features; 2) Certification of building management staff in sustainable building operations per BPI Multifamily Building Operator or equivalent training program; and 3) Undertaking formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required):

**Not Applicable**

34. The project will sub-meter centralized hot water systems for all tenants:

**Not Applicable**

**RESOLUTION NO. 15H-\_\_**

**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 \$9,000,000 FOR THE FINANCING OF A SCATTERED SITE MULTIFAMILY RENTAL HOUSING PROJECT TO BE GENERALLY KNOWN AS NORTHWEST MANOR I; 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, construction/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**, NW Manor Community Partners, 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 44-unit scattered site multifamily rental housing development to be generally known as Northwest Manor I, located in the City of Pasadena, California (collectively, the “Project”);

**WHEREAS**, on December 10, 2014 the Authority received an allocation in the amount of \$9,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, approval of the issuance of the Bonds (as defined herein) as provided herein is conditioned upon the receipt of the Allocation Amount for the Project from CDLAC;

**WHEREAS**, the City of Pasadena 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 \$9,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Northwest Manor I) 2015 Series C (the “Bonds”), provided that the 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 and very low income persons;

**WHEREAS**, the Bonds will be privately placed with California Bank & Trust (the “Bank”), as the initial purchaser of the Bonds, 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) a Master Agency Agreement (the “Agency Agreement”) to be entered into between the Authority and the Bank, as agent (the “Agent”);

(2) a Master Pledge and Assignment (the “Pledge Agreement”) to be entered into among the Authority, the Agent and the Bank, as bondholder; and

(3) a form of Regulatory Agreement and Declaration of Restrictive Covenants, to be entered into between the Authority and the Borrower with respect to each of the four parcels consisting of the Project (collectively, the “Regulatory Agreement”).

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

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

Section 2. Pursuant to the JPA Law and the Pledge Agreement, 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 (Northwest Manor I) 2015 Series C,” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$9,000,000; provided 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 Pledge Agreement, and shall be executed on behalf of the Authority by the facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Pledge Agreement 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 Pledge Agreement, and the Bonds

shall not be deemed to constitute a debt or liability of the Authority or any Program Participant or Member of the Commission of the Authority (each, a “Member”).

Section 3. The Pledge Agreement 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 Pledge 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. The date, maturity date or dates (which shall not extend beyond August 1, 2059), interest rate or rates (which shall not exceed 12%), interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Pledge Agreement as finally executed.

Section 4. 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 5. The Regulatory Agreements in the forms presented at this meeting are hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreements, 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 Bonds to the Bank pursuant to the terms and conditions of the Pledge Agreement.

Section 7. The Bonds, when executed, shall be delivered to the Agent for registration. The Agent is hereby requested and directed to register the Bonds by executing the certificate of registration appearing thereon, and to deliver the 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 Agent. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price thereof.

Section 8. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things

and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, loan related documents, an assignment of deed of trust and such other documents as described in the Pledge Agreement 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 9. 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 Pledge Agreement and other documents approved herein.

Section 10. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this January 15, 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 January 15, 2014.

By \_\_\_\_\_  
Authorized Signatory

Item V

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:

- b. Little Zion Manor, LP (Little Zion Manor), City of San Bernardino, County of San Bernardino; up to \$12 million in multi-family housing revenue bonds. (Staff: Scott Carper)

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## SUMMARY AND APPROVALS

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<b>DATE:</b>	JANUARY 15, 2015
<b>APPLICANT:</b>	LITTLE ZION MANOR, LP/AMERICAN COMMUNITY DEVELOPERS, INC.
<b>AMOUNT:</b>	UP TO \$12,000,000 OF MULTI-FAMILY HOUSING REVENUE BONDS
<b>PURPOSE:</b>	FINANCE THE ACQUISITION OF THE LITTLE ZION MANOR APARTMENTS LOCATED AT 2000 JUBILEE COURT IN SAN BERNARDINO, CA
<b>CSCDA PROGRAM:</b>	HOUSING

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### **Background:**

The proposed project, Little Zion Manor Apartments (the “Project”), is a 125-unit property located in San Bernardino, California. The Project application was filed on May 13, 2014 and induced on May 22, 3014.

### **Summary:**

Little Zion Manor, L.P. (the “Borrower”) has requested CSCDA to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$12,000,000 (the “Bonds”) for the purpose of financing the acquisition and rehabilitation of the Project. The Project will continue to provide 30 one-bedroom units, 63 two-bedroom units, and 32 three-bedroom units to low-income families in San Bernardino.

The Project was originally constructed in 1982 on a 12.24 acre site in San Bernardino. The property consists of 32 buildings: 31 residential buildings and one community building that includes two management offices, a community room with computer lab, a community kitchen, and a laundry facility. The property amenities include: a community room, three playgrounds, extra storage, central laundry facilities, after school programs, security systems/video surveillance and on-site maintenance.

The rehabilitation includes improvements to the residential units, building exteriors, community building and site. The goal of the rehabilitation is to greatly improve the functionality, aesthetics, security, and energy efficiency of the complex in order to benefit both the tenants and community at large. Residential units will receive new windows, entry doors, toilets, bathroom fixtures, kitchen cabinets and countertops, paint, blinds, furnaces, smoke detectors, appliances, and drywall repairs. Building exteriors will receive new paint, gutter repairs, new roofs, stucco repairs, electrical upgrades, new asphalt, and general landscaping restoration.

The rehabilitation is expected to begin in February 2015 and take approximately 11 months to complete.

The Borrower has previously constructed or rehabilitated over 85 multifamily and senior housing properties throughout the United States, this is their first financing with CSCDA.

### **Public Benefit:**

- Project Affordability
  - 100% of the Project's units will be income restricted:
    - 37 units reserved for tenants whose income is at or below 50% AMI
    - 86 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 public school
  - The Project is located within ½ mile of a medical clinic
  - The Project will provide high speed internet to residents for at least 10 years
  - The Project will provide after school programs to residents
  - The Project will provide educational, health and wellness or skill building classes to residents
- Economic Benefits
  - Based upon \$23,076,661.00 Project costs using a 1.8 multiplier the Project produces approximately \$41,537,989.80 total economic activity, and at 2.1 jobs per unit produces approximately 263 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:** July 21, 2014, City of San Bernardino, unanimous approval  
**CDLAC Approval:** Anticipated January 21, 2015

**Estimated Sources and Uses:**

Sources:

Tax Exempt Bond Proceeds	\$10,900,000	47.23%
Taxable Debt - HUD 223f Loan	\$4,000,000	17.33%
Low Income Housing Tax Credit Equity	\$1,593,621	6.91%
Cash from Operations	\$760,000	3.29%
Deferred Costs	\$2,512,063	10.89%
Bridge Loan	<u>\$3,310,977</u>	<u>14.35%</u>
Total Sources	\$23,076,661	100.00%

Uses:

Acquisition Cost	\$13,500,000	58.50%
Hard Construction Costs	\$3,610,938	15.65%
Architect & Engineering Fees	\$95,000	0.41%
Contractor Overhead & Profit	\$263,875	1.14%
Relocation	\$61,750	0.27%
Cost of Issuance	\$372,925	1.62%

Developer Fee	\$2,377,676	10.30%
Capitalized Interest	\$765,094	3.32%
Reserves	\$945,918	4.10%
<u>Other Soft Costs</u>	<u>\$1,083,485</u>	<u>4.70%</u>
Total Uses	\$23,076,661	100.00%

**Finance Team:**

- Bond Counsel: Orrick, Herrington & Sutcliffe, LLP, San Francisco
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Underwriter: Citigroup Global Markets, Inc.

**Financing Structure:**

The Bonds will be publically sold to Citigroup Global Markets, Inc. The senior bonds will have an 18 month maturity during the construction phase. After construction completion, the Senior bonds will be replaced by a taxable HUD 223f loan, funded by PNC Real Estate.

**Policy Compliance:**

The Project complies with the following policies:

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

**Executive Director Approval:**

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

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

**Attachments:**

1. Original application

## Applicant Information

Primary Contact E-mail: [derek@acdmail.com](mailto:derek@acdmail.com)

Name of Developer: **ACD Partners XVIII L.L.C.**

TIN or EIN: **46-4920248**

### Primary Contact

First Name: **Derek**

Last Name: **Skrzynski**

Title: **Vice President**

#### Address:

Street: **20250 Harper Ave.**

Suite:

City: **Detroit**

State: **Michigan**

Zip: **48225**

Phone: **424-293-0784**

Ext:

Fax:

Email: **derek@acdmail.com**

#### Borrower Description:

Same as developer ?

Name of Borrowing Entity: **New Zion Manor Limited Partnership**

#### Type of Entity:

For-profit Corporation

Non-profit Corporation

Partnership

Other (specify)

Will you be applying for State Volume Cap?

Date Organized: 2-24-14

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

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

### Secondary Contact

First Name:

Last Name:

Title:

#### Address:

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **American Community Developers, Inc.**

First Name: **Derek**

Last Name: **Skrzynski**

Title: **Vice President**

#### Address

Street: **20250 Harper Ave.**

Suite:

City: **Detroit**

State: **Michigan**

Zip: **48225**

Phone: **424-293-0784**

Ext:

Fax:

Email: **derek@acdmail.com**

## Project Information

### Project Information

Project Name: **Little Zion Manor**

New Project Name(optional): **New Zion Manor**

### Facility Information

#### Facility #1

Facility Name: **N/A**

Facility Bond Amount: **\$1.00**

#### Project Address:

Street or general location: **2000 Jubilee Ct**

City: **San Bernardino**

State: **California**

Zip: **92411**

County: **San Bernardino**

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

#### Total Number of Units:

Market: **0**

Restricted: **125**

Total: **125**

Lot size: **12.24 acres**

#### Amenities:

Each unit will offer a range/oven, refrigerator, microwave, garbage disposal, carpet, tile, blinds, coat closet, patio and washer/dryer hook-ups in the three-bedroom townhouse units. The property will also provide the following project amenities: community room, three playgrounds, extra storage, laundry facility, on-site management, on-site maintenance, limited access gate, perimeter fencing, security/courtesy patrol, and video surveillance. On-site services will include: after school programs, adult education services, adult health and wellness services, and free high-speed internet for 10 years.

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

Originally constructed in 1982, the complex consists of 32 buildings: 31 residential buildings and one community building that includes two management offices, a community room with a computer lab, a community kitchen, and a laundry facility. The buildings are one-story and two-story townhouse structures with wood frame construction, stucco finish, and tiled mansard roofs.

#### 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 San Bernardino, Community Development Dept.**

First Name: **Aron**

Last Name: **Liang**

Title: **Senior Planner**

Phone: **(909) 384-7272**

Ext: **3332**

Fax:

Email: **liang\_ar@sbcity.org**

#### Public Benefit Info:

Percentage of Units in Low Income Housing: **100**

Percentage of Area Median Income(AMI) for Low Income Housing Units: **50**

Total Number of Management Units: **1**

#	Bedrooms (Unit Size)	%AMI	No. of restricted units	Restricted rent	Market rent	Expected savings
1.	1 Bedroom	50	30	569.00	882.00	313.00

2.	2 Bedrooms	50	7	683.00	1,120.00	437.00
3.	2 Bedrooms	60	55	820.00	1,120.00	300.00
4.	3 Bedrooms	60	31	947.00	1,582.00	635.00

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 #:

31

State Senate District #:

32

State Assembly District #:

47

## 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: PNC

#### Permanent Financing:

Credit Enhancement  None  
 Letter of Credit  Other (specify)

Name of Credit Enhancement Provider or Private Placement Purchaser: PNC

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

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#### Projected State Allocation Pool:

General  Mixed Income  Rural

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

## Sources and Uses

### Sources and Uses

#### Sources Of Funding

Tax-Exempt Bond Proceeds:	<u>\$10,800,000.00</u>
Taxable Bond Proceeds:	<u>\$</u>
Projected Tax Credits:	<u>\$6,248,252.00</u>
Developer Equity:	<u>\$1,393,837.00</u>
Other Funds (Describe):	
<b>HUD 221(d)(4) loan</b>	<u>\$13,495,000.00</u>
<b>Cash from Operations</b>	<u>\$681,188.00</u>
<b>45L Energy Credit Equity</b>	<u>\$245,000.00</u>
	<u>\$</u>
	<u>\$</u>
Total Sources:	<u>\$32,863,277.00</u>

#### Uses:

Land Acquisition:	<u>\$1,875,000.00</u>
Building Acquisition:	<u>\$11,625,000.00</u>
Construction or Remodel:	<u>\$3,437,500.00</u>
Cost of Issuance:	<u>\$252,600.00</u>
Capitalized Interest:	<u>\$641,012.50</u>
Reserves:	<u>\$394,125.00</u>
Other Uses (Describe):	
<b>HUD Loan fees</b>	<u>\$354,439.00</u>
<b>Builder - OH, BP, &amp; GR</b>	<u>\$437,312.50</u>
<b>Developer fee</b>	<u>\$2,338,053.00</u>
<b>Soft Costs</b>	<u>\$708,235.00</u>
	<u>\$</u>
Total Uses:	<u>\$22,063,277.00</u>

## Financing Team Information

### Bond Counsel

Firm Name: Orrick, Herrington & Sutcliffe LLP

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: 777 South Figueroa Street

Suite: Suite 3200

City: Los Angeles

State: California

Zip: 90017

Phone: (213) 629-2020

Ext:

Fax:

Email: rogerdavis@orrick.com

### Bank/Underwriter/Bond Purchaser

Firm Name: Citibank

#### Primary Contact

First Name: Sonia

Last Name: Rahm

Title: Vice President

#### Address:

Street: 444 S. Flower St.

Suite: 29th Floor

City: Los Angeles

State: California

Zip: 90071

Phone: (213) 239-1726

Ext:

Fax:

Email: sonia.m.rahm@citi.com

### Financial Advisor

Firm Name: Roberts Consulting, LLC

#### Primary Contact

First Name: Jon

Last Name: Roberts

Title: Principal

#### Address:

Street: 370 Blair Circle

Suite:

City: Aurora

State: Ohio

Zip: 44202

Phone: (330) 995-1083

Ext:

Fax:

Email: jonrllc@aol.com

### Rebate Analyst

Firm Name: TBD

#### Primary Contact

First Name: TBD

Last Name: TBD

Title: TBD

#### Address:

Street: TBD

Suite:

City: TBD

State: California

Zip: 90017

Phone: 1234567890

Ext:

Fax:

Email: tbd@gmail.com

**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 \$12,000,000 FOR THE FINANCING OF A MULTIFAMILY RENTAL HOUSING PROJECT TO BE KNOWN AS LITTLE ZION MANOR; 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, construction and development of multifamily rental housing projects in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (the “Housing Law”);

**WHEREAS**, Little Zion Manor Limited Partnership, a Michigan 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 125-unit multifamily rental housing development located in the City of San Bernardino, California and to be known as Little Zion Manor (the “Project”);

**WHEREAS**, on January 21, 2015, the Authority received an allocation in the amount of \$12,000,000 (the “Allocation Amount”) from the California Debt Limit Allocation Committee (“CDLAC”) in connection with the Project;

**WHEREAS**, the City of San Bernardino 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 \$12,000,000 aggregate principal amount of its Multifamily Housing Revenue Bonds (Little Zion Manor) 2015 Series A (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**, 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) A proposed form of Trust Indenture (the “Indenture”), to be entered into between the Authority and Wilmington Trust, National Association, as Trustee (the “Trustee”);

(2) A proposed form of Loan Agreement (the “Loan Agreement”), to be entered into between the Authority and the Borrower;

(3) A proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), to be entered into among the Borrower, the Authority and the Trustee; and

(4) A proposed form of Bond Purchase Agreement (the “Bond Purchase Agreement”) to be entered into by the Authority, Citigroup Global Markets, Inc., as Underwriter (the “Underwriter”), and the Borrower.

(4) A proposed form of Official Statement (the “Official Statement”) to be used in connection with the offering and sale of the 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 and the Indenture, 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 (Little Zion Manor) 2015 Series A” with appropriate modifications and series and sub-series designations as necessary, in an aggregate principal amount not to exceed \$12,000,000; provided 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 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, presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture, and the Bonds shall not be deemed to 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 February 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 Bonds shall be as provided in the Indenture 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 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 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 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 Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the 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 Bonds to or at the direction of the Underwriter in accordance with the Bond Purchase Agreement upon payment of the purchase price thereof.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to a tax certificate, 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 Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement, 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 10. 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, and other documents approved herein.

Section 11. This Resolution shall take effect upon its adoption.

**PASSED AND ADOPTED** by the California Statewide Communities Development Authority this January 15, 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 January 15, 2015.

By \_\_\_\_\_  
Authorized Signatory

## Item V

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:

- c. Aldersly Retirement Corporation (Aldersly Project), City of San Rafael, County Marin; up to \$7.5 million in revenue bonds. (Staff: Scott Carper)

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**SUMMARY AND APPROVALS**

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<b>DATE:</b>	JANUARY 15, 2014
<b>APPLICANT:</b>	ALDERSLY RETIREMENT CORPORATION
<b>AMOUNT:</b>	UP TO \$7.5 MILLION OF REVENUE BONDS
<b>PURPOSE:</b>	FINANCE AND/OR REFINANCE REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF A CONTINUING CARE RETIREMENT COMMUNITY
<b>PRIMARY ACTIVITY:</b>	CONTINUING CARE RETIREMENT COMMUNITY
<b>LEGAL STRUCTURE:</b>	501(C)(3) CORPORATION

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**Background:**

Aldersly, a nonprofit California corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Corporation”) owns a continuing care retirement community called Aldersly Garden Retirement Community (the “Community” or “Aldersly”). Originally founded and incorporated in 1921 by Danish organizations as a retirement home serving the Danish-American communities in California and Nevada, the Community has for many years welcomed anyone who meets its financial and other admission criteria. The Corporation is dedicated to serving the needs of its senior residents in the Danish tradition and spirit of respecting and caring for the elderly (the name Aldersly means “shelter for the aging”).

The Community is a continuing care retirement community (a “CCRC”) on a 3.5-acre campus located at 326 Mission Avenue in San Rafael, California, approximately 30 miles northwest of San Francisco. The Community is located near a variety of shopping areas, professional offices, places of worship and other community amenities. Regularly scheduled excursions provide convenient access to the San Francisco Bay Area’s world-class culinary, cultural and recreational venues.

The CCRC consists of a residential care facility for the elderly (“RCFE”) with a capacity of 86 units and a skilled nursing facility (“SNF”) with a capacity of 20 beds. The entire campus is licensed either as a RCFE or SNF. The RCFE consists of 56 residential living units (also known as “independent living” units) and 30 assisted living units, all of which are licensed by the California Department of Social Services (“Social Services”) under the RCFE Law. The Community’s Health Care and Rehabilitation Center (“Health Center”) is licensed by the California Department of Public Health (“Public Health”) as a SNF.

In 2002, the California Health Facilities Financing Authority issued \$7,125,000 Insured Senior Living Revenue Bonds (Insured by Cal-Mortgage) to finance the construction of the Project. The Borrower is requesting CSCDA to issue up to \$7,500,000 in revenue refunding bonds to refinance the outstanding 2002 Bonds, in addition to a small Help II loan financed in 2004 totaling approximately \$150,000.

**Public Benefit:**

The financing will allow Aldersly to improve certain facilities at the community, enhancing the quality of life for both current and future residents, while still maintaining affordable rates for its residents due to refinancing the 2002 bonds. In addition to providing affordable housing to seniors in Marin County and surrounding areas, the projects will promote commercial development within the County.

**TEFRA Information:**

TEFRA is scheduled for January 13, 2015 in Marin County. Staff will update the board as to the outcome of the hearing at its meeting.

**Finance Team:**

- Bond Counsel: Chapman & Cutler, LLP, Chicago
- Authority Counsel: Orrick, Herrington & Sutcliffe, LLP, Sacramento
- Placement Agent: Ziegler, Scottsdale

**Financing Structure:**

The Bonds will be publically offered by Ziegler. The interest rate will be fixed for approximately 26 years at approximately 4.10% and offered in \$5,000 denominations. The Bonds are expected to be rated in the “BBB” category. The proposed issuance is in accordance with CSCDA’s issuance guidelines.

**Estimated Sources and Uses:**

Sources:	<u>2015A</u> <u>Tax Exempt</u>	<u>2015B</u> <u>Taxable</u>	
Bond Proceeds	\$7,171,310.60	\$215,000.00	89.71%
Transfer of 2002 DSRF	573,710.52	0.00	6.97%
Transfer of 2002 P+I Fund	<u>273,183.77</u>	<u>0.00</u>	<u>3.32%</u>
Total Sources:	\$8,018,204.89	\$215,000.00	100.00%
 Uses:			
Refund Series 2002 Bonds	\$5,570,641.42	\$0.00	67.66%
Refund Help II Loan	140,000.00	0.00	1.70%
Project Fund	1,700,000.00	0.00	20.65%
Debt Service Reserve Fund	475,250.00	155,632.94	7.66%
Cost of Issuance	129,800.00	58,437.06	2.29%
Additional Proceeds	<u>2,513.47</u>	<u>930.00</u>	<u>0.04%</u>
Total Uses:	\$8,018,204.89	\$215,000.00	100.00%

**Executive Director Review and Recommendation:**

The Executive Director has reviewed the Aldersly transaction and based on the overall Project public benefit and finance related considerations detailed above and compliance with CSCDA's general and issuance policies, the Executive Director recommends, subject to the Bonds receiving a rating in the BBB category and the conclusion of the TEFRA hearing by Marin County on January 13, that the Commission approve of the Resolution as submitted to the Commission, which:

1. Approves the issuance of the bond;
2. Approves all necessary actions and documents in connection with the financing; and
3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

**Attachment:**

1. Original application

### Organization

Name of Organization: **Aldersly Retirement Corporation**

TIN or EIN:

### Primary Contact

First Name: **JoAnne**

Last Name: **Maxwell**

Title: **Executive Director**

Street: **326 Mission Avenue**

Suite:

City: **San Rafael**

State: **California**

Zip: **94901**

Phone: **415-453-7425**

Ext:

Fax:

Email: [joannemaxwell@aldersly.com](mailto:joannemaxwell@aldersly.com)

### Secondary Contact

First Name:

Last Name:

Title:

**Address:**

Street :

Suite:

City:

State:

Zip:

Phone:

Ext:

Fax:

Email:

### Primary Billing Contact

Organization: **Aldersly Retirement Corporation**

First Name: **JoAnne**

Last Name: **Maxwell**

Title: **Executive Director**

**Address:**

Street: **326 Mission Avenue**

Suite:

City: **San Rafael**

State: **California**

Zip: **94901**

Phone: **415-453-7425**

Ext:

Fax:

Email: [joannemaxwell@aldersly.com](mailto:joannemaxwell@aldersly.com)

## Project Information

Project type: **Healthcare: Continuing care**

Other:

Project Name: **Aldersly Project**

Small Issue Public Benefit Project?

### Facility #1

Facility Name: **Aldersly**

Facility Bond Amount: **\$7,000,000.00**

#### Project Address:

Street or general location: **326 Mission Avenue**

City: **San Rafael**

State: **California**

Zip: **94901**

County: **Marin County**

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

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: **Marin County**

First Name:

Last Name:

Title:

Phone:

Ext:

Fax:

Email:

### Government Information

#### Project/Facility is in:

Congressional District #:

State Senate District #:

State Assembly District #:

## Financing Information

### Financing Information

Tax Exempt: \$ 7,000,000.00  
Taxable: \$  
Total Principal Amount: \$ 7,000,000.00  
Maturity 25Years

#### Interest Rate Mode:

Fixed  Variable

Denominations: \$5,000

#### Type of Offering:

Public Offering  Private Placement  
 New Construction  Acquisition of Existing Facility  
 Refunding

#### Financing:

Credit Enhancement  Letter of Credit  
 None  
 Other

Name of Credit Enhancement Provider or Private Placement Purchaser:

#### Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

BBB

## Financing Team Information

### Bond Counsel

**Firm Name:** Chapman and Cutler

**Primary Contact**

**First Name:** John

**Last Name:** Bibby

**Title:** Partner

**Address:**

**Street:** 111 W. Monroe Street

**Suite:**

**City:** Chicago

**State:** Illinois

**Zip:** 60603

**Phone:** 312-845-2964

**Ext:**

**Fax:**

**Email:** jbibby@chapman.com

### Bank/Underwriter/Bond Purchaser

**Firm Name:** Ziegler

**Primary Contact**

**First Name:** Sarkis

**Last Name:** Sarkis Garabedian

**Title:** Senior Vice President

**Address:**

**Street:** 8501 N. Scottsdale Road

**Suite:** 250

**City:** Scottsdale

**State:** Arizona

**Zip:** 85253

**Phone:** 312-705-7232

**Ext:**

**Fax:**

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### 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. \_\_NP-\_\_**

**CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,500,000 TO FINANCE, REFINANCE INDEBTEDNESS USED TO FINANCE, OR REIMBURSE THE COST OF THE ACQUISITION, CONSTRUCTION, EXPANSION, REMODELING, RENOVATION, FURNISHING AND EQUIPPING OF CONTINUING CARE FACILITIES FOR ALDERSLY AND OTHER MATTERS RELATING THERETO

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

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements in order to promote economic development;

WHEREAS, the Authority is authorized by a resolution adopted March 21, 1991, to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 which are determined by the Authority to satisfy the criteria set forth in such resolution (the “*Eligible Organizations*”);

WHEREAS, pursuant to the provisions of the Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, the County of Marin (the “*County*”) is a Program Participant, and such County is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Chapter 1, Division 1 of Title 3 of the Government Code of the State of California;

WHEREAS, pursuant to the provisions of the Act and the Agreement, the Authority is authorized to enter into installment purchase and/or sale agreements with the Eligible Organizations and to deliver certificates of participation evidencing interests therein;

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement with the Eligible Organizations;

WHEREAS, Aldersly, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “*Corporation*”), wishes to finance, refinance indebtedness used to finance, or reimburse the cost of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of continuing care facilities (the “*Project*”) owned and operated by the Corporation and located in the County;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to a Bond Trust Indenture (the “*Series 2015A Bond Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “*Bond Trustee*”), the Authority will issue the California Statewide Communities Development Authority Revenue Refunding Bonds, Series 2015A (Aldersly) (the “*Series 2015A Bonds*”) for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Loan Agreement (the “*Series 2015A Loan Agreement*”), between the Authority and the Corporation, the Authority will loan the proceeds of the Series 2015A Bonds to the Corporation for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to a Bond Trust Indenture (the “*Series 2015B Bond Indenture*” and, together with the Series 2015A Bond Indenture, the “*Bond Indentures*”), between the Authority and the Bond Trustee, the Authority will issue the California Statewide Communities Development Authority Taxable Revenue Bonds, Series 2015B (Aldersly) (the “*Series 2015B Bonds*” and, together with the Series 2015A Bonds, the “*Bonds*”) for the purpose, among others, of refinancing the Project and paying costs incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to a Loan Agreement (the “*Series 2015B Loan Agreement*” and, together with the Series 2015A Loan Agreement, the “*Loan Agreements*”), between the Authority and the Corporation, the Authority will loan the proceeds of the Series 2015B Bonds to the Corporation for the purpose, among others, of refinancing the Project and paying costs incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “*Purchase Contract*”), among B.C. Ziegler & Company, as underwriter (the “*Underwriter*”), the Authority and the Corporation, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Bond Indentures to finance and refinance the Project, to fund debt service reserve accounts and to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Bonds will be offered for sale through an Official Statement (the “*Official Statement*”);

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

- (1) Proposed forms of the Series 2015A Bond Indenture and the Series 2015B Bond Indenture;
- (2) Proposed forms of the Series 2015A Loan Agreement and the Series 2015B Loan Agreement;
- (3) A proposed form of the Purchase Contract; and
- (4) A proposed form of the Official Statement to be used by the Underwriter in connection with the offering and sale of the Bonds.

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

*Section 1.* Pursuant to the Act and the Bond Indentures, the Authority is hereby authorized to issue its revenue bonds designated as (i) the “California Statewide Communities Development Authority Revenue Refunding Bonds, Series 2015A (Aldersly)” and (ii) the “California Statewide Communities Development Authority Taxable Revenue Bonds, Series 2015B (Aldersly)” in an aggregate principal amount not to exceed Seven Million Five Hundred Thousand dollars (\$7,500,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Bond Indentures, as made available to the Commissioners. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Commission of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 14R-58 of the Authority, adopted on November 6, 2014 (each, an “*Authorized Signatory*”), and attested by the manual or facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority or the manual signature of any Authorized Signatory.

*Section 2.* The proposed form of Series 2015A Bond Indenture and the proposed form of Series 2015B Bond Indenture, each as made available to the Commissioners, are hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Indentures in substantially said forms, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The trustee, dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Bond Indentures, as finally executed.

*Section 3.* The proposed form of Series 2015A Loan Agreement and the proposed form of Series 2015B Loan Agreement, each as made available to the Commissioners, are hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the

Authority, to execute and deliver the Loan Agreements in substantially said forms, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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

*Section 5.* The proposed preliminary form of Official Statement, as made available to the Commissioners, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute the Official Statement, in substantially said form, with such changes and insertions therein as any member of the Commission, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

*Section 6.* The Underwriter is hereby authorized to distribute the Official Statement in preliminary form, to persons who may be interested in the purchase of the Bonds and to deliver the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

*Section 7.* The Bonds, when executed as provided in Section 1, shall be delivered to the Bond Trustee for authentication by the Bond Trustee. The Bond Trustee is hereby requested and directed to authenticate the Bonds by executing the Bond Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Bond Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

*Section 8.* The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

*Section 9.* All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

*Section 10.* Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County has held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, and has approved the issuance of the Series 2015A Bonds as may be required thereby and in accordance with Section 9 of the Agreement to provide financing and refinancing for the Project.

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of January, 2015.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on January 15, 2015.

By: \_\_\_\_\_

Authorized Signatory  
California Statewide Communities  
Development Authority

## Item VI

Approval of resolution approving an amended and restated master indenture for the CaliforniaFIRST Program reflecting the 2014 program expansion and other modifications to reflect operational matters; and approving consolidated Notice of Assessment and Payment of Contractual Assessment.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING AN AMENDED AND RESTATED MASTER INDENTURE FOR THE CALIFORNIAFIRST PROGRAM REFLECTING THE 2014 PROGRAM EXPANSION AND MAKE CERTAIN OTHER MODIFICATIONS TO REFLECT OPERATIONAL MATTERS; A CONSOLIDATED NOTICE OF ASSESSMENT AND PAYMENT OF CONTRACTUAL ASSESSMENT FOR THE CALIFORNIAFIRST PROGRAM; AND ORDERING OTHER RELATED MATTERS**

**ALL COVERED JURISDICTIONS**

**WHEREAS**, the California Statewide Communities Development Authority (“California Communities”) is authorized under the authority granted to California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (beginning with Section 6500) in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (beginning with Section 589810) (“Chapter 29”) to levy contractual assessments to finance the installation of certain improvements; and

**WHEREAS**, this Commission previously adopted the resolutions shown in Appendix 1 for the counties, and cities in Los Angeles County, listed at Appendix 1 (each, a “Covered Jurisdiction,” and collectively, the “Covered Jurisdictions”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “Resolutions of Intention”), to initiate proceedings under Chapter 29 in and for the territory within each Covered Jurisdiction (the “Program Area”) to establish the CaliforniaFIRST program (the “Program”), pursuant to which California Communities would enter into contractual assessments to finance distributed generation renewable energy sources and energy efficiency and water efficiency improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “Bond Law”), and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

**WHEREAS**, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted the resolutions listed in Appendix 1 for the Covered Jurisdictions, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “Initial Resolutions Confirming Program Report”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended, the “Program Report”) addressing all the matters required by Chapter 29, including a draft agreement between California Communities and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements (“Assessment Contracts”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Authorized Improvements; and

**WHEREAS**, the Commission subsequently amended those of the Program Reports that were approved prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Appendix 1 under the heading “2012 Resolutions Amending Program Report” for the related Covered Jurisdictions; and

**WHEREAS**, the Commission subsequently amended the Program Reports relating to the then-member Covered Jurisdictions by adopting Resolution No. 14R-23 on May 22, 2014 and Resolution No. 14R-59 on November 6, 2014 (such resolutions, together with the Initial Resolutions Amending Program Report and Resolutions Amending Program Report, the “Resolutions Confirming Program Report”); and

**WHEREAS**, pursuant to the Resolutions Confirming Program Report, the Commission, among other things, confirmed and approved Program Reports that addressed all the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a form of Assessment Contract between California Communities and property owners participating in the Program providing for payment of contractual assessments; and

**WHEREAS**, under Chapter 29 and the Bond Law, the Commission adopted the resolutions listed in Appendix 1 under the heading “Original Resolutions of Issuance” for the Covered Jurisdictions, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” which among other matters, authorized the issuance of one or more series of improvement bonds of California Communities upon the security of assessments levied on the participating parcels within the Program Area under Chapter 29 and the Bond Law, and provided that the issuance of the bonds would be in accordance with the Bond Law and a master indenture and authorized the execution thereof; and

**WHEREAS**, under Chapter 29 and the Bond Law, the Commission adopted Resolution No. 14R-24, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions,” on May 22, 2014, approving the issuance of bonds (the “Bonds”) from time to time under a master indenture (with each series of Bonds issued pursuant to a separate supplemental indenture) and forms of the master indenture and a supplemental indenture, and subsequently, California Communities and Wilmington Trust, National Association, as trustee (the “Trustee”), entered into a Master Indenture, dated as of July 24, 2014 (the “Original Master Indenture”), to provide the terms and conditions of the Bonds; and

**WHEREAS**, California Communities wishes to amend and restate the Original Master Indenture, in accordance with its terms, by executing the Amended and Restated Master Indenture in substantially the form on file with the Secretary (the “Amended and Restated Master Indenture”) in order to reflect the 2014 Program expansion and make certain other modifications to reflect operational matters; and

**WHEREAS**, Section 5898.24(f) of Chapter 29, which became effective as of January 1, 2015, pursuant to Assembly Bill 1883, permits California Communities to authorize the document required by Section 5898.24(d), called the Payment of Contractual Assessment Required, and the notice of assessment required by Section 5898.32 to be combined and recorded as a single document in order to reduce the costs associated with contractual assessments, and a form of the combined Notice of Assessment and Payment of Contractual

Assessment Required (“Combined Notice of Assessment and Payment of Contractual Assessment Required”) is on file with the Secretary for the purpose;

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

1. The above recitals are true and correct.

2. The Commission hereby approves the Amended and Restated Master Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by an Authorized Signatory of California Communities (as designated by a current resolution of this Commission), and the execution thereof by an Authorized Signatory shall be conclusive evidence of the approval of any such changes or additions. This Commission hereby authorizes and directs an Authorized Signatory to execute the final form of Amended and Restated Master Indenture for and in the name of California Communities for the Bonds. This Commission hereby authorizes the delivery and performance of the Amended and Restated Master Indenture, as supplemented by related supplemental indentures, for the Bonds.

3. The Commission hereby approves the Combined Payment of Contractual Assessment Required and Notice of Assessment as required under Section 5898.24(f) of Chapter 29, in substantially the form on file with the Secretary.

4. All actions heretofore taken by the officers and agents of California Communities with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the proper officers of California Communities, including an Authorized Signatory, are hereby authorized, for and in the name and on behalf of California Communities, to do any and all things and take any and all actions and execute and deliver any and all documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

\*\*\*\*\*

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 15th day of January 2015.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of California Communities at a duly called meeting of the Commission of California Communities held in accordance with law on January 15, 2015.

By: \_\_\_\_\_  
Authorized Signatory  
California Statewide  
Communities Development  
Authority

## APPENDIX 1

### 1. Counties:

Alpine	Placer
Alameda	Plumas
Amador	Riverside
Butte	Sacramento
Calaveras	San Benito
Colusa	San Bernardino
Contra Costa	San Diego
Del Norte	San Francisco
El Dorado	San Joaquin
Fresno	San Luis Obispo
Glenn	San Mateo
Humboldt	Santa Barbara
Imperial	Santa Clara
Inyo	Santa Cruz
Kern	Shasta
Kings	Sierra
Lake	Siskiyou
Lassen	Sonoma
Madera	Solano
Marin	Stanislaus
Mariposa	Sutter
Mendocino	Tehama
Merced	Trinity
Modoc	Tulare
Monterey	Tuolumne
Mono	Ventura
Nevada	Yolo
Napa	Yuba
Orange	

## 2. Cities in Los Angeles County

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

### 3. Resolutions of Intention:

Covered Jurisdiction(s)	Resolution of Intention #	Date
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
2014 Program Expansion*	14R-18	4/17/2014
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

#### 4. Initial Resolutions Confirming Report:

Covered Jurisdiction(s)	Resolution Confirming Report #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
2014 Program Expansion*	14R-32	7/17/2014
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

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\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

**5. 2012 Resolutions Amending Program Report:**

<b>Covered Jurisdiction(s)</b>	<b>Resolution Confirming Report #</b>	<b>Date</b>
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

**6. Original Resolutions of Issuance:**

<b>Covered Jurisdiction</b>	<b>Resolution #</b>	<b>Date</b>
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
2014 Program Expansion*	14R-31	7/17/2014
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

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\* Consists of Covered Jurisdictions shown in this Appendix 1, Pages 1 and 2, that are not otherwise shown in this table.

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AMENDED AND RESTATED MASTER INDENTURE

between

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION**  
as Trustee

Dated as of **[Dated Date]**  
Amending and Restating a Master Indenture, dated as of July 24, 2014,  
and thereafter supplemented

**Relating to:**

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**  
**CaliforniaFIRST**  
**Limited Obligation Improvement Bonds**  
**([Tranche Identifier])**

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## MASTER INDENTURE

**THIS AMENDED AND RESTATED MASTER INDENTURE** (this “**Master Indenture**”) is made and entered into as of [Dated Date], between the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (the “**Authority**”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (the “**Trustee**”),

### **BACKGROUND:**

**WHEREAS**, the Authority is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “**Act**”) pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

**WHEREAS**, the Commission of the Authority (the “**Commission**”) previously adopted the resolutions shown in Exhibit C for the counties (each, a “**County**”), and cities in Los Angeles County, listed at Appendix 1 (collectively, the “**Covered Jurisdictions**,” and each, a “**Covered Jurisdiction**”), each entitled “Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements” (collectively, the “**Resolutions of Intention**”), to initiate proceedings under the Act in and for the territory within each Covered Jurisdiction (the “**Program Area**”) to establish the CaliforniaFIRST program (the “**Program**”), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolutions of Intention; and

**WHEREAS**, by the Resolutions of Intention, the Commission provided that one or more series of bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “**Bond Law**”), and reference to the Resolutions of Intention is hereby expressly made for further particulars; and

**WHEREAS**, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Commission adopted the resolutions listed in Exhibit D for the Covered Jurisdictions, each entitled “Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters” (collectively, the “**Initial Resolutions Confirming Program Report**”), pursuant to which the Commission, among other things, (i) confirmed and approved a report (as subsequently amended as described below, the “**Program Report**”) addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements (“**Assessment Contracts**”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

**WHEREAS**, the Commission subsequently amended those of the Program Reports that were approved prior to the effectiveness of Assembly Bill 44 and Senate Bill 1340 by adopting the resolutions listed in Exhibit E under the heading “**2012 Resolutions Amending Program Report**” for the related Covered Jurisdictions; and

**WHEREAS**, the Commission subsequently amended the Program Reports relating to the then-member Covered Jurisdictions by adopting Resolution No. 14R-23 on May 22, 2014, and Resolution No. 14R-59 on November 6, 2014 (such resolutions, together with the Initial Resolutions Amending Program Report and 2012 Resolutions Amending Program Report, the “**Resolutions Confirming Program Report**”), in each case in order to implement certain policy changes and to amend the definition of “Authorized Improvements” as permitted by the Initial Resolutions Confirming Program Report and 2012 Resolutions Amending Program Report; and

**WHEREAS**, pursuant to the Resolutions Confirming Program Report, the Commission, among other things, confirmed and approved a report that, as subsequently amended, addressed all the matters set forth in Sections 5898.22 and 5898.23 of the Act, including a form of assessment contract between the Authority and property owners participating in the CaliforniaFIRST Program providing for payment of contractual assessments; and

**WHEREAS**, under the Act and the Bond Law, the Commission adopted the resolutions listed in Exhibit F for the Covered Jurisdictions, each entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (each, an “**Original Resolution of Issuance**”; collectively, the “**Original Resolutions of Issuance**”), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of the Bonds (as defined herein) would be in accordance with the Bond Law and a master indenture and authorized the execution thereof; and

**WHEREAS**, it is contemplated that the Commission will adopt further resolutions from time to time, as required by the Act, to establish the Program in one or more additional jurisdictions and authorize the issuance of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within such jurisdictions; and

**WHEREAS**, it is further contemplated that the Commission may adopt additional resolutions from time to time authorizing the issuances of specific series of improvement bonds in accordance with related supplemental indentures, and the execution of such supplemental indentures; and

**WHEREAS**, in order to issue the Bonds (as defined herein), the Authority and Trustee previously entered into a Master Indenture, dated as of July 24, 2014, which was thereafter supplemented (the “**Original Master Indenture**”), to provide the terms and conditions of the Bonds; and

**WHEREAS**, the Authority desires to amend and restate the Original Master Indenture with the consent of the owners of the Bonds in accordance with the requirements of Section 8.01(A) of the Original Master Indenture; and

**WHEREAS**, it is in the public interest and for the benefit of the Authority and the owners of the Bonds that the Authority enter into this Master Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the Assessments securing the Bonds and the administration and payment of the Bonds; and

**WHEREAS**, the Authority has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Law, the Original Resolutions of Issuance, as amended and supplemented by one or more Supplemental Resolutions of Issuance (as defined in this Master Indenture) and this Master Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Master Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE**, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

## ARTICLE I

### STATUTORY AUTHORITY AND DEFINITIONS

**Section 1.01. Authority for this Master Indenture.** This Master Indenture is entered into under the Act, the Bond Law and the Original Resolutions of Issuance.

**Section 1.02. Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Master Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

**“Accredited Investor”** means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended,

**“Act”** has the meaning ascribed to it in the recitals in this Master Indenture.

**“Administrative Expense Fund”** means the fund designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Administrative Expense Fund,” established and administered pursuant to Section 4.03.

**“Administrative Expenses”** means costs directly related to the administration of the Program, as determined by the Authority in its sole discretion, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of the Authority or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a county or otherwise); the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of the Authority or its designee of complying with the disclosure provisions of the Act, the Bond Law, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of the Authority or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of the Authority staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the Authority for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments.

**“Assessment” or “Assessments”** means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), including the principal component, interest component, Administrative Expense component and any proceeds of the redemption or sale of property, sold as a result of foreclosure of the lien of the unpaid contractual assessment(s), but excluding Penalties and Interest.

**“Assessment Contract”** means a contract between the Authority and the owner of a Participating Parcel pursuant to which the owner agrees to pay Assessments and the Authority agrees to finance the installation of Improvements on the Participating Parcel.

**“Auditor”** means the auditor/controller or tax collector of the applicable county, or such other official of the county who is responsible for preparing real property tax bills.

**“Authority”** means the California Statewide Communities Development Authority, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

**“Authority Counsel”** means the general counsel of the Authority or designated counsel to the Authority with respect to the Bonds.

**“Authorized Denominations”** means, for each series of Bonds, an amount equal to the least of (a) \$100,000 and any increment of \$5,000 in excess of \$100,000 (provided, however, one Bond of the series may be in an odd amount in excess of \$100,000) and (b) the initial principal amount of the Outstanding Bonds of the series.

**“Authorized Officer”** means an Authorized Signatory as designated by a resolution of the Commission of the Authority.

**“Bond”** or **“Bonds”** means all series of the Authority’s bonds entitled “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]),” as authorized, executed and delivered under the Indenture.

**“Bond Counsel”** means Jones Hall, A Professional Law Corporation, and its successors, and any other attorney or firm of bond counsel selected by the Authority.

**“Bond Law”** has the meaning ascribed to it in the recitals to this Master Indenture.

**“Bond Register”** means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

**“Bond Year”** means, with respect to any series of Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of such series of Bonds and end on the next September 2, and (ii) the last Bond Year may end on a Payment Date on which the Bonds are fully redeemed.

**“Business Day”** means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

**“Capitalized Interest Account”** means the account within the Redemption Fund and designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Capitalized Interest Account,” established and administered under Section 4.01 hereof.

**“Closing Date”** means, with respect to any series of Bonds, the date of the initial issuance and delivery of such series of Bonds.

**“Commission”** means the Commission of the Authority.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, origination fees; printing expenses; rating agency fees, if any; filing and recording fees; expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financing advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds.

**“Costs of Issuance Fund”** means the Costs of Issuance Fund established and administered pursuant to Section 4.06.

**“County”** has the meaning ascribed to it in the recitals hereto, except that for purposes other than the recitals, such term shall also be deemed to refer to any counties that join the Program from time to time hereafter.

**“Covered Jurisdiction”** has the meaning ascribed to it in the recitals hereto, except that for purposes other than the recitals, such term shall also be deemed to refer to any cities or counties that join the Program from time to time hereafter.

**“Debt Service”** means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the principal of the Outstanding Bonds is paid as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

**“Event of Default”** means any event described as an Event of Default in Section 9.01.

**“Federal Securities”** means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

(a) direct obligations of the Export-Import Bank,

(b) certificates of beneficial ownership issued by the Farmers Home Administration,

(c) participation certificates issued by the General Services Administration

(d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,

(e) project notes issued by the United States Department of Housing and Urban Development, and

(f) public housing notes and bonds guaranteed by the United States of America.

**“Foreclosure Expense Reserve Account”** means the account within the Administrative Expense Fund and designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Foreclosure Expense Reserve Account,” established and administered under Section 4.03 hereof.

**“Foreclosure Expense Reserve Account Cap”** means, as of the date of calculation, that amount that equals 0.25% of the Outstanding principal amount of all Bonds.

**“Improvements”** means the distributed generation renewable energy, energy efficiency and water efficiency improvements to be installed on the Participating Parcels pursuant to the Assessment Contacts.

**“Indenture”** means the Master Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture executed under the provisions of the Master Indenture.

**“Master Indenture”** means this Master Indenture.

**“Officer’s Certificate”** or **“Certificate of the Authority”** means a written certificate of the Authority signed by an Authorized Officer of the Authority.

**“Original Master Indenture”** means the Master Indenture, dated as of July 24, 2014, and supplemented through but not including the date of this Master Indenture, between the Authority and Trustee, which is amended and restated by this Master Indenture.

**“Original Resolution(s) of Issuance”** has the meaning ascribed to it in the recitals to this Master Indenture.

**“Outstanding”** when used as of any particular time with reference to Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

- (i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Article X;
- (iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the Authority pursuant to the Indenture.

**“Owner”** or **“Bond Owner”** means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

**“Participating Parcel Value”** means, with respect to a Participating Parcel, (i) the market value based on an automated valuation model value provided by Core Logic or another independent third party selected by the Program Administrator (an **“AVM Value”**), (ii) if an AVM Value is not available and the related property owner has obtained an appraisal, performed

within three months of the date of sale of any proposed Bonds, from a licensed appraiser acceptable to the Program Administrator, such appraised value or (iii) if an AVM Value is not available and the related property owner has not obtained a recent appraisal, the most recent assessed value of the Participating Parcel as listed in the related records of the county in which such Participating Parcel is located.

**“Participating Parcels”** means the parcels within a Covered Jurisdiction’s Program Area that are subject to the lien of an Assessment pursuant to an Assessment Contract and that are specified in a Supplemental Indenture.

**“Payment Dates”** means March 2 and September 2 of each year, commencing on the date designated in the Supplemental Indenture for the applicable series of Bonds.

**“Penalties and Interest”** means, with respect to a Participating Parcel, any (i) penalties on any delinquent contractual assessment installment levied on the Participating Parcel pursuant to an Assessment Contract, excluding any such penalties that are payable to the applicable county and (ii) interest on a contractual assessment levied on the Participating Parcel pursuant to an Assessment Contract in excess of (A) the scheduled interest installments provided in the Assessment Contract and (B) the interest accrued on any past-due principal installments at the same interest rate reflected by the scheduled interest installments provided in the Assessment Contract.

**“Penalties and Interest Fund”** means the fund designated “California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Penalties and Interest Fund,” established and administered under Section 4.05 hereof.

**“Permitted Investments”** means any of the following:

- (a) Federal Securities.
- (b) Federal Housing Administration debentures.
- (c) Unsecured certificates of deposit, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, interest-bearing money market accounts, and bankers’ acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee and its affiliates) the short-term obligations of which are rated “A-1” or better by S&P.
- (d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million (including those of the Trustee and its affiliates).
- (e) Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.
- (f) State Obligations, which means
  - (i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and

credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations that may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in (i) the Wilmington Trust Government Money Market Account, or (ii) a money market mutual fund rated AAAM or AAAM-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from funds for services

rendered, (2) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

**"Prepayment Account"** means the account within the Redemption Fund and designated "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Prepayment Account," established and administered under Section 4.01 hereof.

**"Prepayments"** means prepayments of any scheduled payments of Assessments received by the Authority, including the principal component, the interest component and any prepayment premium, but excluding any Administrative Expense component of such prepayments (which shall be deposited into the Administrative Expense Fund).

**"Principal Office"** means the corporate trust office of the Trustee in Costa Mesa, California, located at such address as will be specified in a written notice by the Trustee to the Authority under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

**"Program Administrator"** means Renewable Funding LLC, as administrator of the Program, or its successors and assigns.

**"Program Area"** has the meaning ascribed to it in the recitals hereto.

**"Program Fund"** means the fund designated "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Program Fund," established and administered under Section 4.02.

**"Program Report"** has the meaning ascribed to it in the recitals hereto.

**"Record Date"** means the 15th day of the calendar month immediately preceding the applicable Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

**"Redemption Fund"** means the fund designated "California Statewide Communities Development Authority CaliforniaFIRST Limited Obligation Improvement Bonds ([Tranche Identifier]), Redemption Fund," established and administered under Section 4.01.

**"Reserve Fund"** means the debt service reserve fund established for the Bonds in Section 4.04 hereof.

**"Reserve Fund Cap"** means, as of the date of calculation, the amount that equals 10% of the Outstanding principal amount of all Bonds.

**“Reserve Fund Deposit Amount”** means, as to any Bond on the Closing Date thereof, 0.25% of the original principal amount thereof.

**“Reserve Fund Surplus”** means, as of September 3rd of any Bond Year, the amount by which the moneys on deposit in the Reserve Fund exceed the Reserve Fund Cap.

**“Series COI Deposit Amount”** has the meaning set forth in Section 4.06.

**“Supplemental Indenture”** means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Commission under the Bond Law and which agreement is amendatory of or supplemental to this Master Indenture (as previously amended or supplemented), but only if and to the extent that such agreement is specifically authorized hereunder.

**“Supplemental Resolution of Issuance”** has the meaning given that term in a Supplemental Indenture.

**“Tax Code”** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

**“Trustee”** means Wilmington Trust, National Association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

### **Section 1.03. Interpretation.**

**(A)** Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

**(B)** Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

**(C)** All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

**Section 1.04. Indenture Constitutes Contract.** In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or

maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

**Section 1.05. Amendment and Restatement of Original Master Indenture.**

**(A)** This Master Indenture shall constitute a full amendment and complete restatement of the Original Master Indenture in accordance with Section 8.01(A) of the Original Master Indenture, except that Section 8.02 of the Original Master Indenture shall not be given effect (including but not limited to the opinion of Bond Counsel required thereby). In the case of any inconsistency between this Master Indenture and the Original Master Indenture, the terms of this Master Indenture shall control.

**(B)** Except to the extent set forth in this Master Indenture, the provisions of the Supplemental Indentures executed pursuant to the Original Master Indenture shall survive after the effective date of this Master Indenture and be governed by this Master Indenture.

**ARTICLE II**  
**THE BONDS**

**Section 2.01. Bonds Authorized.** The Authority hereby authorizes the issuance of one or more series of Bonds in Authorized Denominations under and subject to the terms of the Original Resolutions of Issuance, the Indenture, the Act and other applicable laws of the State of California in an initial principal amount not to exceed in the aggregate \$305,000,000. Pursuant to the Original Resolutions of Issuance, the Authorized Officers of the Authority are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Bond Law, the Original Resolutions of Issuance and the Indenture.

**Section 2.02. Procedures for Issuance of Bonds.**

**(A) General.** The Authority may at any time issue a series of the Bonds in Authorized Denominations payable from the Assessments and secured by a lien upon the Assessments equal to and on a parity with the lien and charge securing Outstanding Bonds previously issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such series of the Bonds:

(1) All the requirements of Section 3.03 have been met.

(2) The issuance of such series of the Bonds has been duly authorized pursuant to the Bond Law and all applicable laws, and the issuance of such series of the Bonds has been provided for by a Supplemental Indenture, in substantially the form attached hereto as Exhibit A, duly executed by the Authority and the Trustee.

(3) The initial principal amount of such series of Bonds shall not cause the aggregate initial principal amount of Bonds issued pursuant the Indenture to exceed \$305,000,000.

**(B) Payment of Interest.** Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Payment Date. The Bonds will bear interest from the Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding a Payment Date to such Payment Date, both days inclusive, in which event they will bear interest from such Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, in connection with a newly authenticated replacement Bond pursuant to Sections 2.05, 2.06, 2.08 and 2.09, if interest on any Outstanding Bond is in default at the time of authentication of such newly authenticated replacement Bond, such newly authenticated replacement Bond will bear interest from the Payment Date to which interest had previously been paid or made available for payment on the Outstanding Bond.

**(C) Method of Payment.** Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Payment Date by first class mail to the

registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Payment Date (or by wire transfer made on such Payment Date upon the written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of a series of Bonds is payable in lawful money of the United States of America on each September 2 (except in the case of a redemption, in which case it may be paid on any Payment Date) and in the amounts shown in the applicable Supplemental Indenture for such series of Bonds (except in the case of a redemption, in which case it must be paid in the applicable redemption amount, including any related premium), and, solely in the case of the redemption in whole or the maturity date of a series of Bonds, upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds the principal of which is entirely paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of the Authority, issue a certificate of destruction of such Bonds to the Authority.

### **Section 2.03. Redemption.**

**(A) General.** The Bonds will be subject to (i) mandatory redemption from amounts received by the Authority as Prepayments as provided further in the applicable Supplemental Indenture and (ii) with respect to any series of Bonds with a maturity of greater than ten years, optional redemption of such series of Bonds by the Authority in whole, but not in part, after ten years have elapsed since the issuance of such series of Bonds as provided further in the applicable Supplemental Indenture. Any redemption of the Bonds pursuant to clauses (i) and (ii) of the previous sentence must be accompanied by accrued interest on the principal of the Bonds to be redeemed in addition to any applicable premium as calculated in accordance with the related Supplemental Indenture(s).

The Authority will provide written directions at the time of any redemption, including any directions as to the provisions of Part 11.1 of the Bond Law that will apply to the advance payment of Assessments and to the calling of any series of the Bonds. The Authority will advise the Trustee of such provisions to the extent not specified herein.

Whenever less than all of the Outstanding Bonds of a series are called for redemption pursuant to Section 2.03(A)(i), the Trustee will select the Bonds for redemption, and the amounts of such Bonds to be redeemed, on a pro rata basis (based on the outstanding principal amounts of such Bonds) among the Bonds of that series. Upon the occurrence of a partial redemption of a series of Bonds, the debt service schedule for such series shall be reduced in a manner that maintains, as closely as practicable, level annual debt service.

**(B) Notice to Trustee.** The Authority will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to a Supplemental Indenture not less than 35 days prior to the applicable redemption date.

### **(C) Redemption Procedure by Trustee.**

(i) Mailing of Notice. If any series of Bonds is designated for redemption under the terms of a Supplemental Indenture, the Trustee will cause notice of any redemption to be mailed to the respective Owners of any Bonds of such series designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of

the Trustee, at least 30 days but no more than 60 days before the date designated for redemption.

Any failure to so mail any redemption notice or the failure of any person or entity to receive any such redemption notice, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such series of Bonds.

(ii) Contents of Notice. Such notice will state the following:

(1) the applicable Payment Date that will be the redemption date,

(2) the redemption price,

(3) the date of issue of the series of the Bonds,

(4) the identities of the Bonds to be redeemed,

(5) as to any series of Bonds redeemed in part pursuant to Section 2.03(A)(i), the principal amount thereof to be redeemed,

(6) that any series of Bonds redeemed in whole must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price, and

(7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. For any redemption described in Section 2.03(A)(ii), the Authority may provide conditional notice of redemption that is subject to receipt of sufficient funds to accomplish the redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

**(D) Effect of Redemption.** From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds or portion of Bonds so called for redemption have been deposited into the Redemption Fund (with respect to optional redemption pursuant to Section 2.03(A)(ii)) or the Prepayment Account (with respect to mandatory redemptions pursuant to Section 2.03(A)(i)) on the date fixed for redemption, then such Bonds or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed in full by the Trustee pursuant to this Section 2.03 will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of the Authority, issue a certificate of destruction of such Bonds to the Authority.

**Section 2.04. Execution of Bonds.** The Bonds of each series will be executed on behalf of the Authority by the manual or facsimile signature of the Treasurer, or its duly authorized designee, and attested by the manual or facsimile signature of the Secretary, or its duly authorized designee. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of the Authority by such persons who, as of the actual date of the execution of such Bond will be the proper officers of the Authority although at the nominal date of such Bond any such person will not have been such officer of the Authority.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in the applicable Supplemental Indenture, executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

**Section 2.05. Transfer of Bonds.**

**(A) General.** Any Bond may, in accordance with its terms, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by the Bond Owner. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same series, for like aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither the Authority nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Payment Date.

**(B) Transfer Restrictions.** Unless the Trustee shall have been otherwise directed in an Officer's Certificate that is accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, (i) each purchaser of a Bond must be an Accredited Investor and (ii) the Bond(s) of a series may only be transferred in an Authorized Denomination to an Accredited Investor as long as there will not be more than 35 owners of such series of Bonds (when considered in the aggregate with all other owners of Bonds of such series), each of whom delivers to the Trustee and the Authority an executed letter substantially in the form of Exhibit B attached to this Master Indenture.

**Section 2.06. Exchange of Bonds.** Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of Authorized Denominations and of the same maturity and series. The cost for any services rendered or any expenses incurred

by the Trustee in connection with any such exchange will be paid by the Authority. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither the Authority nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Payment Date.

**Section 2.07. Bond Register.** The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by the Authority during regular business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

**Section 2.08. Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such Authorized Denominations as may be determined by the Authority, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under the Indenture as definitive bonds authenticated and delivered hereunder.

**Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond becomes mutilated, the Authority, at the expense of the Owner of that Bond, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of the Authority, deliver a certificate of destruction thereof to the Authority.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, the Authority, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by the Authority and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.



## ARTICLE III

### SECURITY; ISSUANCE OF BONDS

**Section 3.01. Security for the Bonds; Pledge of Assessments and Funds.** The Bonds will be secured by a first pledge of all of the Assessments (except amounts deposited into the Administrative Expense Fund) and all moneys and Permitted Investments deposited in the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account (except amounts described in the final paragraph of Section 4.01(B)) therein, provided that the moneys in such accounts shall only be used to pay Debt Service on the Bonds as directed in an Officer's Certificate pursuant to Section 4.01(B)), the Penalties and Interest Fund (excluding any amounts that are required under this Master Indenture to be used for purposes other than the payment of principal of and interest on the Bonds) and the Reserve Fund, in each case, until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Article X.

**Section 3.02. Limited Obligation.** All obligations of the Authority under the Indenture and the Bonds are not general obligations of the Authority, but are limited obligations, payable solely from the Assessments and the funds pledged therefor hereunder. None of the faith and credit of the Authority, any Covered Jurisdiction or the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. The Authority has no taxing power.

The Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Law and are payable solely from and secured solely by the Assessments and the amounts in the Redemption Fund, the Reserve Fund and the Penalties and Interest Fund as provided in this Master Indenture. Notwithstanding any other provision of the Indenture, the Authority is not obligated to advance available surplus funds from the Authority treasury to cure any deficiency in the Redemption Fund; provided, however, the Authority is not prevented, in its sole discretion, from so advancing funds.

**Section 3.03. Requirements for Issuance of Bonds.** All series of Bonds issued under Supplemental Indentures will constitute Bonds hereunder and will be secured by a lien on the Assessments and funds pledged for the payment of the Bonds hereunder on parity with all other Bonds Outstanding. The Trustee may establish subaccounts within any of the funds or accounts established under this Master Indenture at the written request of the Authority or if the Trustee determines that such subaccounts are beneficial for record-keeping purposes. The Authority may issue a series of Bonds subject to the following specific conditions precedent:

**(A) Compliance.** The Authority will be in compliance with all covenants set forth in the Indenture, and issuance of the series of Bonds will not cause the Authority to exceed the bonded indebtedness limit established for the Program.

**(B) Same Payment Dates.** The Supplemental Indenture providing for the issuance of such Bonds will provide that interest thereon will be payable on the Payment Dates, and principal thereof will be payable on September 2 in any year in which principal is payable on any outstanding series of Bonds.

**(C) Reserve Fund, Capitalized Interest Account and Foreclosure Expense Reserve Account Deposits.** The Supplemental Indenture providing for the issuance of such Bonds shall provide for deposits into the (i) Reserve Fund in an amount equal to the Reserve

Fund Deposit Amount, (ii) Capitalized Interest Account in an amount, if any, equal to the capitalized interest provided for in the Assessment Contracts underlying the series of Bonds issued pursuant to such Supplemental Indenture, and (iii) Foreclosure Expense Reserve Account, if required by the Authority, such that the amount on deposit therein as a result will not exceed the Foreclosure Expense Reserve Account Cap (calculated, for such purpose only, as if the proposed series of Bonds were Outstanding). The amount deposited into the Reserve Fund pursuant to any Supplemental Indenture shall be available to pay debt service for all Outstanding Bonds as provided for in Section 4.04. The amount deposited into the Capitalized Interest Account pursuant to any Supplemental Indenture shall be available to make interest payments on the related series of Bonds, as provided in Section 2.01 of that Supplemental Indenture.

**(D) Value.** For each Participating Parcel the installation of Improvements on which will be financed as a result of issuance of the series of Bonds, the Participating Parcel Value of such parcel shall be no less than the minimum required value determined pursuant to the Program Report for residential properties.

**(E) Coverage.** The total principal and interest components of the Assessment installments payable under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds through the final maturity date of such series of Bonds.

In addition, the principal and interest components of the Assessment installments that would be delinquent on December 10 and April 10 in each Bond Year under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds on the Payment Dates during such Bond Year.

**(F) Notice of Assessment.** A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to the Act and the Bond Law.

**(G) Certificates.** The Authority will deliver to the Trustee an Officer's Certificate certifying that the conditions precedent to the issuance of such series of Bonds set forth in subsections (A), (B), (C), (D), (E) and (F) of this Section 3.03 have been satisfied.

**(H) Opinions of Bond Counsel.** The Authority will deliver:

(i) An opinion of Bond Counsel substantially to the effect that (a) the Authority has the right and power under the Bond Law to execute and deliver the Supplemental Indenture, and the Supplemental Indenture has been duly and lawfully executed and delivered by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights), (b) the Bonds of such series are a valid and binding limited obligation of the Authority, enforceable in accordance with the terms thereof (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights) and the terms of the Indenture and the Bond Law, and (c) the Bonds of such series have been duly and validly authorized and issued in accordance with the Bond Law and the Indenture. Bond Counsel shall provide a reliance letter addressed to the initial purchaser of the series of

Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser on the related Closing Date indicating that Bond Counsel has delivered the opinion to the Authority on that date and the initial purchaser and such funding entities may rely on the opinion as if it had been addressed to them.

(ii) A supplemental opinion of Bond Counsel addressed to the initial purchaser of the series of Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser substantially to the effect that (a) the Original Resolution of Issuance and Supplemental Resolution of Issuance relating to the Bonds of such series were duly adopted at meetings of the governing board of the Authority that were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (b) the Bonds of such series are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (c) the Assessments levied on the Participating Parcels are valid assessments under California law, each Assessment constitutes a lien on the applicable Participating Parcel, and the lien of the Assessments is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (1) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, (2) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment related to a Participating Parcel, (3) easements constituting servitudes upon or burdens to the applicable Participating Parcel, (4) water rights, the record title to which is held separately from the title to the applicable Participating Parcel, and (5) restrictions of record; and that the lien of each Assessment has the same priority as the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, if any, within which the applicable Participating Parcel is located.

Notwithstanding the foregoing, the Authority may issue a series of Bonds as refunding bonds without the need to satisfy the requirements of clauses (D) or (E) above, and, in connection therewith, the Officer's Certificate in clause (G) above need not make reference to said clauses (D) and (E).

**Section 3.04. No Acceleration.** The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

**Section 3.05. Refunding of Bonds.** To the extent set forth in a Supplemental Indenture, the Bonds may be refunded on an optional basis by the Authority pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor and in accordance with Section 2.03(A)(ii) hereof. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 11, or 11.1 of the Bond Law.

**Section 3.06. Indenture for Benefit of Bond Owners.** The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority will be for the equal benefit, protection and security of the registered owners of the Bonds.

**ARTICLE IV**  
**FUNDS AND ACCOUNTS**

**Section 4.01. Redemption Fund.**

**(A) Establishment of Redemption Fund.** The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Law. Moneys in the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below.

Within the Redemption Fund there are hereby established the following accounts:

(i) the Prepayment Account, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Law to assure the timely mandatory redemption of Bonds and closed if all the Assessments are paid in full; and

(ii) the Capitalized Interest Account, to the credit of which deposits will be made from the proceeds of any series of Bonds for which interest has been capitalized to pay interest on such series of Bonds.

**(B) Disbursements.** On each Payment Date, the Trustee will withdraw amounts from the Redemption Fund sufficient to pay to the Owners of the Bonds the principal of, and interest and any premium then due and payable on, the Bonds; provided, however, that the Trustee shall withdraw and apply amounts on deposit in the Prepayment Account, in accordance with Section 2.02 of the relevant Supplemental Indenture, or the Capitalized Interest Account, in accordance with Section 2.01 of the relevant Supplemental Indenture, only on the Trustee's receipt of an Officer's Certificate indicating which series of Bonds shall be paid with such amounts.

If on any Payment Date there are insufficient funds in the Redemption Fund (and the Capitalized Interest Account for the purpose provided in this Section 4.01) to pay to the Owners of the Bonds the principal of, and interest and any premium (relating to an optional redemption) then due and payable on, the Bonds, the Trustee will apply the available funds first to the payment of accrued and unpaid interest on the Bonds, then to the payment of principal and premium (relating to an optional redemption) due on the Bonds, and then to payment of principal due on the Bonds by reason of Bonds called for optional redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund (excluding the accounts therein) after payment of interest on the Bonds through such September 2 and the payment of principal and premium due on the Bonds through such September 2 for the following purposes in the following priority: (i) *first*, to deposit to the Reserve Fund an amount equal to the Reserve Fund Cap minus the amount then on deposit in the Reserve Fund and (ii) *second*, to transfer to the Authority for deposit into the Foreclosure Expense Reserve Account an amount equal to the Foreclosure Expense Reserve Account Cap minus the amount then on deposit in the Foreclosure Expense Reserve Account. Any remaining amounts in the Redemption Fund (excluding the accounts therein) shall remain in the

Redemption Fund and shall be available for the payment of principal, interest and premium on the Bonds in accordance with this Section 4.01(B) on the next Payment Date.

If a series of Bonds is called for redemption pursuant to Section 2.03(A)(i) at a time when amounts funded from the proceeds of such series remain on deposit in the Capitalized Interest Account, the Trustee shall transfer the portion of such amounts that is no longer required to pay interest for such series, after giving effect to the redemption, to the Prepayment Account for application toward the payment of the applicable redemption price.

Notwithstanding the provisions of this Section 4.01, and prior to any disbursements described thereby, the Trustee shall return by check to the owner of a Participating Parcel any amounts on deposit in the Redemption Fund that the Program Administrator determines (as notified to the Trustee in writing) to constitute an overpayment by the owner.

**(C) Investment.** Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

**(D) Transfers from Reserve Fund.** Amounts transferred to the Redemption Fund from the Reserve Fund in accordance with Section 4.04(A) will be used in accordance with Part 16 of the Bond Law as directed in an appropriate Officer's Certificate.

#### **Section 4.02. Program Fund.**

**(A) Establishment of Program Fund.** The Program Fund is hereby established as a separate fund to be held by the Trustee. Deposits will be made to the Program Fund from the proceeds of each series of Bonds in an amount set forth in the applicable Supplemental Indenture. Moneys in the Program Fund will be held by the Trustee and will be disbursed as provided in paragraph (B) of this Section.

**(B) Disbursement.** Amounts in the Program Fund will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Program Report, as set forth in an Officer's Certificate containing the amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Upon receipt of notice from the Authority that the remainder of funds on deposit in the Program Fund with respect to a particular Assessment Contract will not be required to be applied to completion of the related Improvement(s), the Trustee shall transfer any amounts that were previously deposited into the Program Fund related to the related Participating Parcel (and investment earnings thereon) to the Prepayment Account of the Redemption Fund. The Trustee will maintain the Program Fund until the Authority (with 30 days' advance notice to the Program Administrator) directs the Trustee to close it, and then the Trustee will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to make payments on the Bonds as they come due.

**(C) Investment.** Moneys in the Program Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Program Fund.

### **Section 4.03. Administrative Expense Fund.**

**(A) Establishment of Administrative Expense Fund.** The Administrative Expense Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which deposits will be made as required by Section 5.01(A) and as otherwise required by the Bond Law.

Within the Administrative Expense Fund there is hereby established the Foreclosure Expense Reserve Account, to the credit of which initial deposits will be made as provided in each Supplemental Indenture, and further deposits will be made pursuant to Sections 4.01(B) and 4.05(B).

Moneys in the Administrative Expense Fund shall be disbursed as provided below.

**(B) Disbursement.** Amounts in the Administrative Expense Fund (excluding the Foreclosure Expense Reserve Account) shall be used by the Authority to pay Administrative Expenses.

Except as provided in Section 5.01(C), moneys in the Foreclosure Expense Reserve Account shall be used to pay the costs of complying with the Authority's obligations under Section 5.02 of this Master Indenture.

**(C) Closing the Administrative Expense Fund.** The Authority shall close the Administrative Expense Fund following the final maturity date of the Bonds and payment of all outstanding Administrative Expenses. Upon closing the Administrative Expense Fund, any remaining funds shall be transferred to the Authority and shall be used for any lawful purpose.

**(D) Investment.** Moneys in the Administrative Expense Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by the Authority in the Administrative Expense Fund to be used for the purposes of such fund.

### **Section 4.04. Reserve Fund.**

**(A) General.** The Reserve Fund is hereby established as a separate fund to be held by the Trustee. Moneys in the Reserve Fund will be held by the Trustee for the benefit of the Owners of the Bonds. Except as provided below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely on a Payment Date (including any moneys deposited into the Redemption Fund pursuant to Section 4.05(B)(i) on such Payment Date) for the purpose of paying the interest and premium on and the principal of the Bonds in the event that insufficient moneys are available in the Redemption Fund for such purposes in accordance with Section 4.01(B).

**(B) Investment.** Moneys in the Reserve Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Reserve Fund.

**(C) Reserve Fund Surplus.** If the amount on deposit in the Reserve Fund on September 3 of any Bond Year exceeds the Reserve Fund Cap, the Trustee shall, within 10

business days of such determination, transfer the amount equal to the Reserve Fund Surplus for deposit into the Administrative Expense Fund.

**(D) Transfers in Connection with Prepayments.** Notwithstanding paragraph (C) or anything else contained herein to the contrary, if any portion of the amounts on deposit in the Reserve Fund, including any Reserve Fund Surplus, is attributable to a Prepayment, the Trustee shall transfer such portion to the Prepayment Account in accordance with Section 8884 of the Bond Law.

#### **Section 4.05. Penalties and Interest Fund.**

**(A) Establishment of Penalties and Interest Fund.** The Penalties and Interest Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by this Master Indenture or the Bond Law. The Penalties and Interest Fund shall be deemed to be an account within the Redemption Fund for purposes of the Bond Law. Moneys in the Penalties and Interest Fund will be held by the Trustee for the benefit of the Authority and the Owners of the Bonds and will be disbursed as provided below.

**(B) Disbursements.** On each Payment Date, the Trustee will withdraw the amounts on deposit in the Penalties and Interest Fund and apply them (in the following priority) to (i) *first*, deposit into the Reserve Fund up to the amount of any previously unreimbursed draws on the Reserve Fund, (ii) *second*, pay or reimburse the payment of Administrative Expenses (excluding any Administrative Expenses payable or paid from the Foreclosure Expense Reserve Account pursuant to Section 4.03(B)) incurred by the Authority that relate to any delinquent Assessment installment and exceed the estimated Administrative Expenses shown in the related Assessment Contract, as such excess amounts are identified in a Certificate of the Authority, (iii) *third*, deposit into the Foreclosure Expense Reserve Account an amount equal to the Foreclosure Expense Reserve Account Cap minus the amount then on deposit in the Foreclosure Expense Reserve Account, and (iv) *fourth*, pay interest in excess of the scheduled interest payable to the Owners of the Bonds on a pro rata basis, based on the outstanding principal amount of Bonds owned by each Owner on the Business Day immediately prior to such Payment Date.

**(C) Investment.** Moneys in the Penalties and Interest Fund shall be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Penalties and Interest Fund.

#### **Section 4.06. Costs of Issuance Fund.**

**(A) Establishment of the Costs of Issuance Fund; Deposit.** The Costs of Issuance Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which a deposit will be made from the proceeds of each series of Bonds (with respect to the related series of Bonds, the “**Series COI Deposit Amount**”). Moneys in the Costs of Issuance Fund will be held in trust by the Trustee and disbursed as provided in paragraph (B) of this Section for the payment or reimbursement of Costs of Issuance.

**(B) Disbursement.** Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance with respect to each series of Bonds up to the Series COI Deposit Amount, as set forth in a Certificate of the Authority identifying the series of Bonds and containing respective amounts to be paid to the designated payees and delivered to the Trustee

concurrently with the delivery of that series of Bonds, or in any future requisition submitted by the Authority to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein, and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of an invoice from any such payee that requests payment in an amount that is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of the Authority requesting payment of Costs of Issuance. After a period of 90 days from the final date of delivery of a series of Bonds, the Trustee will transfer the remainder of the related Series COI Deposit Amount, including any investment earnings thereon, to the Redemption Fund. The Trustee will maintain the Costs of Issuance Fund until the Authority directs the Trustee to close it.

**(C) Investment.** Moneys in the Costs of Issuance Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by the Authority in the Costs of Issuance Fund to be used for the purposes of such fund.

## ARTICLE V

### REPRESENTATIONS AND COVENANTS OF THE AUTHORITY

**Section 5.01. Collection of Assessments.** The Authority will comply with all requirements of the Act, the Bond Law and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

**(A)** The Assessments will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, except as otherwise provided by law. All sums received by the Authority from the collection of the Assessments will be transferred to the Trustee for deposit into the Redemption Fund as and when received, except those amounts in respect of the Administrative Expense component thereof, as identified in an Officer's Certificate, which will be transferred to the Trustee for deposit into the Administrative Expense Fund).

All sums received by the Authority from the collection of Penalties and Interest, as identified to the Trustee in an Officer's Certificate, will be transferred to the Trustee for deposit into the Penalties and Interest Fund.

**(B)** The Authority will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. The Authority is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

**(C)** With respect to each county of the State of California, in the event that such county files a petition under Chapter 9 of the United States Bankruptcy Code or is otherwise unable or unwilling to include the Assessment installments on the county's tax roll and to collect such amounts on the property tax bill as set forth in Section 5.01(B), the Authority covenants to take such actions as shall be necessary to enforce the statutory obligations of such county to include the Assessment installments on the tax roll, and to collect such amounts on the property tax bills of the Participating Parcels. In addition, in the event that a county does not collect the Assessment installments on its tax roll for any Bond Year, and to the extent permitted by law, the Authority shall use its best efforts to collect such Assessment installments by directly billing the owners of the Participating Parcels for their respective Assessment installments. For purposes of complying with this clause (C), the Authority may utilize any amounts made available to it by the Program Administrator or that are on deposit in the Foreclosure Expense Reserve Account, or reimburse itself from amounts added to the Administrative Expense component of any levy of Assessment installments.

**(D)** With respect to each county of the State of California, in the event that such county files a petition under Chapter 9 of the United States Bankruptcy Code, the Authority shall seek post-petition relief (i) to obtain a relief from the automatic stay applicable in bankruptcy cases with respect to all Assessment installments received by such county prior to such petition being filed to enable such Assessment installments to be paid to the Trustee, and (ii) to ensure

that all Assessment installments received by such county following such petition being filed are timely paid to the Trustee.

**Section 5.02. Foreclosure.**

**(A)** The Authority hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 through 8835, inclusive, of the Bond Law and the conditions specified in this Section 5.02

No later than October 1 each year, the Authority will determine whether any single Participating Parcel is delinquent in the payment of two or more semi-annual installments of Assessment payments and, if so, will notify Authority Counsel of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the succeeding December 1. Authority Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings.

However, notwithstanding the foregoing, the Authority may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if the Authority has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of and interest and premium on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

**(B)** In the event that a foreclosure judgment is entered in favor of the Authority in any foreclosure proceeding undertaken pursuant to this Section 5.02 and the applicable Participating Parcel fails to sell for the minimum price required by Streets & Highways Code Section 8832, the Authority shall not petition the court to modify the judgment and authorize such Participating Parcel to be sold at a lower minimum price or without a minimum price, pursuant to Streets & Highways Code Section 8836, without the prior written consent of the Owner(s) of 75% or more of the principal amount of the Outstanding Bonds.

**(C)** The Authority shall assign the causes of action and the foreclosure proceedings to a trustee upon (i) receipt of a written request for assignment from the Owner(s) of all the Outstanding Bonds, (ii) identification of the trustee to which such assignment is to be made and (iii) the agreement by such Owner(s) to assume all costs and expenses of such foreclosure proceedings and the release of the Authority of its obligations under this Section 5.02 to prosecute such foreclosure proceedings with respect to the relevant Participating Parcel.

**(D)** The Authority shall provide an electronic Officer's Certificate to the Trustee (who will be required to provide such Officer's Certificate to the Program Administrator and Bond Owners) no earlier than the first Business Day of the month preceding each Payment Date and no later than the Record Date prior to such Payment Date, which Officer's Certificate shall contain the following information with respect to any delinquent Assessment installment or Assessment installments:

- (i) the identity of the Participating Parcel for which each such Assessment installment is delinquent;

(ii) the date upon which each such Assessment installment became delinquent;

(iii) the amount of each such delinquent Assessment installment;

(iv) the date upon which the complaint initiating judicial foreclosure proceedings against each such Participating Parcel was filed or if such complaint has not been filed, the date on which such complaint is required to be filed pursuant to Section 5.02;

(v) the date that judgment in judicial foreclosure proceedings was entered against any such Participating Parcel and the party in whose favor such judgment was entered; and

(vi) the date that any such Participating Parcel was sold at a judicial foreclosure sale.

**Section 5.03. Punctual Payment.** The Authority will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

**Section 5.04. Extension of Time for Payment.** In order to prevent any accumulation of claims for interest after maturity, the Authority will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

**Section 5.05. Against Encumbrance.** The Authority will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds.

**Section 5.06. Books and Accounts.** The Authority will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Authority, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by the Authority or Trustee hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

**Section 5.07. Protection of Security and Rights of Owners.** The Authority will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Authority, the Bonds will be incontestable by the Authority.

**Section 5.08. Compliance with Law; Completion of Improvements.** The Authority will comply with all applicable provisions of the Act and the Bond Law in providing financing for the Improvements, but the Authority will have no obligation to advance any funds to complete the Improvements in excess of the proceeds of the Bonds available therefor.

**Section 5.09. Further Assurances.** The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably

necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

**Section 5.10. Representations of the Authority.** The Authority hereby warrants and represents on the date hereof as follows:

(A) The Authority is a joint powers authority duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, authority and power to enter into and carry out the terms and conditions of this Master Indenture.

(B) No approval of, or consent from, any governmental authority (other than the Authority's governing body) is required for the execution, delivery or performance by the Authority of this Master Indenture.

(C) This Master Indenture, when executed and delivered by the Authority, shall be duly and validly authorized, executed and delivered by the Authority.

(D) The execution, delivery and performance by the Authority of this Master Indenture and the performance by the Authority of its obligations under this Master Indenture and the transactions contemplated hereby and thereby,

(i) do not contravene any provisions of law applicable to the Authority, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which the Authority is a party, by which the Authority may be bound, to which the Authority or its property may be subject.

(E) This Master Indenture constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in this Master Indenture.

## ARTICLE VI

### INVESTMENTS; LIABILITY OF THE AUTHORITY

**Section 6.01. Deposit and Investment of Moneys in Funds.** The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Trustee shall invest any such moneys in the investments specified in clause (h)(i) of the definition of Permitted Investments.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from the Authority as a conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

**Section 6.02. Limited Liability of Authority.** The Authority will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than from the amounts pledged in Section 3.01.

**Section 6.03. Employment of Agents by Authority.** In order to perform its duties and obligations hereunder, the Authority may employ such persons or entities as it deems necessary or advisable. The Authority will not be liable for any of the acts or omissions of such persons or

entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

**ARTICLE VII**  
**THE TRUSTEE**

**Section 7.01. Appointment of Trustee.** Wilmington Trust, National Association, at the Principal Office, is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

**(A)** Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give the Authority written notice of any such succession hereunder.

**(B)** The Authority may remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

**(C)** The Trustee may at any time resign by giving written notice to the Authority and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Authority will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

**(D)** If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, the Authority will promptly appoint a successor Trustee by an instrument in writing.

**(E)** If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to the Authority written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

**Section 7.02. Liability of Trustee.** With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of the Authority, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement, or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers unless the Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in

the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

**(H)** The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

**(I)** The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

**(J)** The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

**Section 7.03. Reporting; Books and Accounts.** The Trustee will provide to the Authority, Program Administrator and Bond Owners the following reports:

- (i) Upon the remittance by the Authority to the Trustee of any amounts representing an Assessment installment (including delinquent installments) or Prepayment, the amount of such Assessment installment or Prepayment to be deposited to each fund and account established in the Indenture (each, an "**Account**").
- (ii) Not later than five (5) Business Days after each Record Date: (a) the amounts to be credited to the payment of outstanding principal, interest and premium on the outstanding Bonds from each Account on the next succeeding Payment Date and (b) the balances in each Account immediately prior to and after the distributions from each Account on the next succeeding Payment Date.

- (iii) Such other information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as the Authority and Bond Owners may reasonably request.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein, the Program Fund, the Reserve Fund and the Penalties and Interest Fund. Such books of record and accounts, as well as electronic copies of executed Assessment Contracts, will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of the Authority and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

**Section 7.04. Consultation with Counsel; Notice to Trustee.** The Trustee may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Master Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

**Section 7.05. Compensation; Indemnification.** The Authority will pay to the Trustee as an Administrative Expense from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture, but the Trustee will not have a lien therefor on any funds at any time held by it under the Indenture.

The Authority further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligation of the Authority under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

## ARTICLE VIII

### MODIFICATION OR AMENDMENT OF THE INDENTURE

#### Section 8.01. Conditions for Amendment.

**(A) Amendment with Consent of Bond Owners.** The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Authority to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond;
- (ii) permit the creation by the Authority of any pledge or lien upon the Assessments other than the lien created for the benefit of the Bonds (except as provided in Sections 2.02 and 3.03);
- (iii) reduce the percentage of Bonds required for the amendment hereof; or
- (iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

**(B) Amendment without Consent of Bond Owners.** The Indenture and the rights and obligations of the Authority and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) Additions. To add to the covenants and agreements of the Authority contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the Authority.
- (ii) Not Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Authority may deem necessary or desirable and not inconsistent with the Indenture, and which will not adversely affect the rights of the Owners of the Bonds.
- (iv) Issuance of Bonds. To issue additional series of Bonds in accordance with the Indenture, except as provided in Section 8.08.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for one or more series of the Bonds.

(vi) Reserve Fund Deposits. To provide for the satisfaction with funds other than Bond proceeds of the obligation to make a deposit into the Reserve Fund in an amount equal to the Reserve Fund Deposit Amount with respect to each series of Bonds.

(vii) Federal Tax Law. To comply with applicable provisions of the Tax Code relating to tax-exempt bonds or federal tax credit bonds.

**Section 8.02. Procedure for Amendments.** The Authority and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

**(A)** A copy of such Supplemental Indenture, together with, if applicable, a request to Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

**(B)** With respect to Supplemental Indentures pursuant to Section 8.01(A), such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of the required principal amount of the Bonds then Outstanding as determined in accordance with Section 8.01(A) (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

**(C)** With respect to Supplemental Indentures pursuant to Section 8.01 (and in the case of Section 8.01(A), after the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture), the Trustee will mail a notice to the Owners, by first class mail, stating in substance, as applicable, that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will be deemed conclusively binding (except as otherwise specifically provided in this Article) upon the Authority and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Notwithstanding anything contained in this Section 8.02, if the unanimous consent of Owners is obtained, the foregoing provisions of this Section 8.02 may be waived in their entirety.

**Section 8.03. Disqualified Bonds.** Bonds owned or held for the account of the Authority, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of the Authority (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, the Authority will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

**Section 8.04. Effect of Supplemental Indenture.** From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of the Authority and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

**Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment.** The Authority may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by the Authority, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as the Authority may select and designate for that purpose, a suitable notation will be made on such Bond.

The Authority may determine that new Bonds, so modified as in the opinion of the Authority is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

**Section 8.06. Amendatory Endorsement of Bonds.** The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**Section 8.07. Execution of Supplemental Indenture.** Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

**Section 8.08. Special Amendments.** Notwithstanding anything to the contrary herein, this Master Indenture and any Supplemental Indentures may be amended and modified in the following manner at any time when all of the Bonds (except any Bonds owned by the Program Administrator or its affiliates or their respective successors and assigns) are owned by the same Owner or its affiliates or their respective successors and assigns (collectively, the “**Sole Owner**”):

(A) The Sole Owner may direct the Trustee and Authority in writing to divide any Outstanding series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) into two or more series of Bonds and allocate, in its sole discretion, the Assessments that would have been allocated to the Outstanding series upon mandatory redemption (in accordance with Section 2.03(ii)), or for any payments of interest from the Capitalized Interest Account, among the series resulting from such division. The Trustee and Authority agree to enter into a new Supplemental Indenture for each series of Bonds resulting from the division and any other related documentation.

(B) The Sole Owner may direct any series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) to be deemed issued under a separate master indenture and related supplemental indenture that are substantially identical to this Master Indenture and the related Supplemental Indenture(s) for such series of Bonds. As a result, the Assessments that secure the series of Bonds under the separate master indenture and related supplemental indenture(s) will secure only the series of bonds deemed issued under that separate master indenture and related supplemental indenture(s). The Trustee and Authority agree to enter into any such separate master indentures and supplemental indentures and any other related documentation.

## ARTICLE IX

### EVENTS OF DEFAULT; REMEDIES

**Section 9.01. Events of Default.** Any one or more of the following events will constitute an “Event of Default”:

(A) Default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same will become due and payable, whether on any Payment Date on which principal is due, the maturity date with respect to such Bond or on the date of a redemption thereof;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable, whether on any Payment Date, the maturity date with respect to such Bond or on the date of a redemption thereof;

(C) Default by the Authority in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the Authority has knowledge of such default or has been given notice in writing of such default by the Trustee or any Owner; *provided, however*, if in the reasonable opinion of the Authority the default can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default if corrective action is instituted by the Authority within such thirty (30) day period and the Authority shall thereafter diligently and in good faith cure such failure within thirty (30) days after such original thirty (30) day period;

(D) Failure of the Owners to have a perfected first priority security interest in the Assessments and other collateral; or

(E) The filing by the Authority of a voluntary petition in bankruptcy, or failure by the Authority promptly to lift any execution, garnishment or attachment, or adjudication of the Authority as bankrupt, or assignment by the Authority for the benefit of creditors, or the entry by the Authority into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Authority in any proceedings instituted under the provisions of the United States Bankruptcy Code.

**Section 9.02. Remedies of Owners.** Following the occurrence of an Event of Default, any Owner will have the right for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce such Owner’s rights against the Authority and any of the members, officers and employees of the Authority, and to compel the Authority or any such members, officers or employees to perform and carry out their duties under the Act or the Bond Law and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will

affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest and premium (if any) on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not (i) affect any subsequent default or breach of duty or contract, (ii) impair any rights or remedies on any such subsequent default or breach or (iii) affect any other Owner's rights hereunder with respect to such default or breach of duty or contract. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or the Bond Law or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by any Owner.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the Authority and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act, the Bond Law or any other law.

In no event will the Trustee have any responsibility to cure or cause the Authority or any other person or entity to cure an Event of Default hereunder.

**ARTICLE X**  
**MISCELLANEOUS**

**Section 10.01. Discharge of Indenture.** Subject to the provisions of Section 2.03 hereof regarding redemption, if the Authority pays and discharges the entire outstanding principal, interest and premium on all of the Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee, in trust for deposit, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as the Authority may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums, at or before their respective maturity dates;

and if the Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of the Authority, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of the Authority under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, (ii) the obligation of the Authority to assure that no action is taken or failed to be taken if such action or failure adversely affects the tax status of the Bonds under the Tax Code, and (iii) the obligation of the Authority to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds outstanding are discharged pursuant to this Section, thereafter Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture in accordance with this Section 10.01 will be filed with the Trustee by the Authority.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to the Authority to be used by the Authority as provided in the Act and the Bond Law.

**Section 10.02. Benefits of Indenture Limited to Parties.** Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the Authority will be for the sole and exclusive benefit of the Owners and the Trustee.

**Section 10.03. Successor is Deemed Included in All Reference to Predecessor.**

Whenever in the Master Indenture or any Supplemental Indenture either the Authority or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the Authority or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 10.04. Execution of Documents and Proof of Ownership by Owners.**

Any request, declaration or other instrument that the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by the Authority or the Trustee in good faith and in accordance therewith.

**Section 10.05. Waiver of Personal Liability.** No member, officer, agent or employee of the Authority will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

**Section 10.06. Notices to and Demand on Authority and Trustee.** All notices or communications herein required or permitted to be given to the Authority or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to the Authority: California Statewide Communities  
Development Authority  
1100 K Street  
Sacramento, CA 95814  
Attention: Chair

If to the Trustee: Wilmington Trust, National Association  
650 Town Center Drive, Suite 600  
Costa Mesa, California 92626  
Attention: Corporate Trust Services

**Section 10.07. Partial Invalidity.** If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in

any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

**Section 10.08. Unclaimed Moneys.** Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Bond Register, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

**Section 10.09. Applicable Law.** The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

**Section 10.10. Conclusive Evidence of Regularity.** The issuance of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Assessments.

**Section 10.11. Payment on Business Day.** In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal (and any premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Payment Date until such Business Day.

**Section 10.12. Counterparts.** This Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

\*\*\*\*\*

**IN WITNESS WHEREOF**, the Authority and the Trustee have caused this Master Indenture to be executed, all as of the date first written above.

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

By: Treasurer

By: \_\_\_\_\_  
Authorized Signatory

WILMINGTON TRUST, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Consented to for purposes of Section 8.01(A)  
of the Original Master Indenture, and  
acknowledged and agreed, by all Owners  
as of the date hereof, being:

GOLDEN BEAR WAREHOUSE, LLC

By: \_\_\_\_\_  
Authorized Signatory

PACE FINANCE LLC

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**  
**FORM OF SUPPLEMENTAL INDENTURE**

## EXHIBIT B

### FORM OF TRANSFER LETTER

**California Statewide Communities Development Authority**  
Sacramento, CA

[name of Trustee]

Re: [name of bonds]

Ladies and Gentlemen:

The California Statewide Communities Development Authority (the "Issuer") has issued the above-referenced bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the Amended and Restated Master Indenture, dated as of \_\_\_\_, 20\_\_, amending and restating a Master Indenture, dated as of July 24, 2014 and thereafter supplemented (the "Master Indenture"), as amended or supplemented by one or more Supplemental Indentures (the Master Indenture as supplemented, the "Indenture") relating to the Bonds.

In connection with our purchase on the date hereof of \$\_\_\_\_ principal amount of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the Bonds.

(f) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the Bonds (including the security therefor) and the

matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(g) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds.

(i) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(j) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

Bond Purchaser agrees to defend, indemnify and hold harmless the Authority from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Authority in any way relating to or arising out of a transfer of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Master Indenture.

**EXHIBIT C**  
**RESOLUTIONS OF INTENTION**

<b>Covered Jurisdiction</b>	<b>Resolution #</b>	<b>Date</b>
Alameda	10R-15	1/27/2010
Fresno	10R-2	1/27/2010
Kern	10R-3	1/27/2010
Marin	13R-21	9/20/2013
Monterey	10R-4	1/27/2010
Napa	13R-22	9/20/2013
Sacramento	10R-5	1/27/2010
San Benito	10R-6	1/27/2010
San Diego	10R-7	1/27/2010
San Luis Obispo	10R-8	1/27/2010
San Mateo	10R-9	1/27/2010
Santa Clara	10R-10	1/27/2010
Santa Cruz	10R-11	1/27/2010
Solano	10R-12	1/27/2010
Tulare	13R-23	9/20/2013
2014 Program Expansion*	14R-18	4/17/2014
Ventura	10R-13	1/27/2010
Yolo	10R-14	1/27/2010

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\* Consists of Covered Jurisdictions shown in Appendix 1 to the Master Indenture that are not otherwise shown in this table.

## EXHIBIT D

### INITIAL RESOLUTIONS CONFIRMING PROGRAM REPORT

Covered Jurisdiction	Resolution #	Date
Alameda	10R-45	3/10/2010
Fresno	10R-46	3/10/2010
Kern	10R-47	3/10/2010
Marin	13R-29	10/24/2013
Monterey	10R-48	3/10/2010
Napa	13R-30	10/24/2013
Sacramento	10R-51	3/10/2010
San Benito	10R-52	3/10/2010
San Diego	10R-53	3/10/2010
San Luis Obispo	10R-54	3/10/2010
San Mateo	10R-55	3/10/2010
Santa Clara	10R-49	3/10/2010
Santa Cruz	10R-50	3/10/2010
Solano	10R-56	3/10/2010
Tulare	13R-28	10/24/2013
2014 Program Expansion*	14R-32	7/17/2014
Ventura	10R-57	3/10/2010
Yolo	10R-58	3/10/2010

\* Consists of Covered Jurisdictions shown in Appendix 1 to the Master Indenture that are not otherwise shown in this table.

**EXHIBIT E**

**2012 RESOLUTIONS AMENDING PROGRAM REPORT**

<b>Covered Jurisdiction</b>	<b>Resolution #</b>	<b>Date</b>
Alameda	12H-10	2/02/2012
Fresno	12H-9	2/02/2012
Kern	12H-11	2/02/2012
Monterey	12H-12	2/02/2012
Sacramento	12H-13	2/02/2012
San Benito	12H-14	2/02/2012
San Diego	12H-15	2/02/2012
San Luis Obispo	12H-16	2/02/2012
San Mateo	12H-17	2/02/2012
Santa Clara	12H-18	2/02/2012
Santa Cruz	12H-19	2/02/2012
Solano	12H-20	2/02/2012
Ventura	12H-21	2/02/2012
Yolo	12H-22	2/02/2012

## EXHIBIT F

### ORIGINAL RESOLUTIONS OF ISSUANCE

Covered Jurisdiction	Resolution #	Date
Alameda	10R-29	3/10/2010
Fresno	10R-30	3/10/2010
Kern	10R-31	3/10/2010
Marin	13R-35	10/24/2013
Monterey	10R-32	3/10/2010
Napa	13R-36	10/24/2013
Sacramento	10R-35	3/10/2010
San Benito	10R-36	3/10/2010
San Diego	10R-37	3/10/2010
San Luis Obispo	10R-38	3/10/2010
San Mateo	10R-39	3/10/2010
Santa Clara	10R-33	3/10/2010
Santa Cruz	10R-34	3/10/2010
Solano	10R-40	3/10/2010
Tulare	13R-34	10/24/2013
2014 Program Expansion*	14R-31	7/17/2014
Ventura	10R-41	3/10/2010
Yolo	10R-42	3/10/2010

\* Consists of Covered Jurisdictions shown in Appendix 1 to the Master Indenture that are not otherwise shown in this table.

## APPENDIX 1

### Covered Jurisdictions

#### 1. Counties:

Alpine	Placer
Alameda	Plumas
Amador	Riverside
Butte	Sacramento
Calaveras	San Benito
Colusa	San Bernardino
Contra Costa	San Diego
Del Norte	San Francisco
El Dorado	San Joaquin
Fresno	San Luis Obispo
Glenn	San Mateo
Humboldt	Santa Barbara
Imperial	Santa Clara
Inyo	Santa Cruz
Kern	Shasta
Kings	Sierra
Lake	Siskiyou
Lassen	Sonoma
Madera	Solano
Marin	Stanislaus
Mariposa	Sutter
Mendocino	Tehama
Merced	Trinity
Modoc	Tulare
Monterey	Tuolumne
Mono	Ventura
Nevada	Yolo
Napa	Yuba
Orange	

## 2. Cities in Los Angeles County

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

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO

Renewable Funding LLC  
500 12<sup>th</sup> St, Suite 300  
Oakland, CA 94607

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**NOTICE OF ASSESSMENT  
AND  
PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED**

**California Statewide Communities Development Authority  
CaliforniaFIRST Program  
County of [Property County]**

**NOTICE IS HEREBY GIVEN** that:

Pursuant to the requirements of Sections 5898.24(d) and 5898.32 of the Streets and Highways Code of the State of California, the undersigned Secretary of the Commission of the California Statewide Communities Development Authority, State of California, hereby gives notice that an assessment has been levied against the property described below pursuant to the Agreement to Pay Assessment and Finance Improvements attached as Exhibit 1 hereto (the "Agreement").

Current Property Owner [index] Name:	[Property Owner Name]
Property Address:	[Property Address]
County in which Property is Located:	[Property County]
Assessor's Parcel Number:	[APN]
Legal Description of Property Subject to the Contractual Assessment:	See Exhibit 2
Annual Assessment Obligation Amount:	[\$[Annual Assessment Obligation Amount]
Assessment Amount:	[\$[Assessment Amount]
Date or Circumstances under Which the Contractual Assessment Expires:	See Section 6 of the Agreement.
Purpose of Contractual Assessment:	See Section 5 of the Agreement.
Entity to which funds from the contractual assessment will be paid:	California Statewide Communities Development Authority, 2999 Oak Rd., Suite 710, Walnut Creek, CA 94597.

Notice is further given that upon the recording of this notice in the office of the county recorder, the assessment shall become a lien upon such real property.

Dated: «noa\_date»

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

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Authorized Signatory

**EXHIBIT 1**

**AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS**

**EXHIBIT 2**

**LEGAL DESCRIPTION OF PROPERTY**



**CSCDC**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT CORPORATION



**AGENDA OF THE MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

**January 15, 2015**

**10:15 a.m. or upon adjournment of the regularly scheduled CSCDA Board Meeting  
California State Association of Counties  
1100 K Street, 1<sup>st</sup> Floor  
Sacramento, California**

145 Civic Center Drive  
Santa Clara, CA 95050

3130 Flavin Lane  
Pebble Beach, CA 93953

County of Butte  
7 County Center Drive  
Oroville, CA 95965

- I. Call the Roll (alternates designate which member they are representing).
- II. Approve the Minutes of the October 9 & November 20, 2014 Meeting.
- III. Approve all necessary actions; the execution and delivery of all necessary documents; and authorize any signatory to sign all necessary documents in connection with the following:
  - a. Approve the making of \$12,000,000 in qualified low income community investments by CSCDC 6 LLC to a for profit affiliate of Worthington Square in City of Imperial, County of Imperial, California.
- IV. Staff Updates.
- V. Public Comment.

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. 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 1100 K Street, Sacramento, California on \_\_\_\_\_, 2015 at \_\_\_: \_\_\_ \_\_m,  
Signed \_\_\_\_\_ . Please fax signed page to (925) 933-8457.

**REGULAR MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION  
(CSCDC)**

League of California Cities  
1400 K Street, Sacramento, California

October 9, 2014

**MINUTES**

Commission chair Larry Combs called the meeting to order at 10:51 am.

**I. Roll Call**

Commission members present: Larry Combs and Dan Harrison. Irwin Bornstein and Alternate Commissioner Ron Holly, representing Dan Mierzwa participated by conference telephone.

CSCDA Executive Director, Catherine Bando participated by conference telephone.

Others present included: Perry Stottlemeyer, Norman Coppinger and Chris McKenzie, League of California Cities; Mike LaPierre and Scott Carper, HB Capital; Laura Labanieh Campbell, CSAC Finance Corporation; and Mark Paxson, State Treasurer's Office. Mercedes Baumbach, HB Capital; Tricia Ortiz, Richards Watson & Gershon; Patricia Eichar, Orrick Herrington & Sutcliffe; and Mimi Frusha, Renewable Funding participated by conference telephone.

**II. Approval of minutes—September 23, 2014**

The commission approved the minutes for the regular and special meetings held September 23, 2014.

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

**III. Approve all necessary actions, the execution and delivery of all necessary documents and authorize any signatory to sign all necessary documents for the following:**

- a. Approve the making of \$8.5 million in qualified low income community investments by CSCDC 7 LLC to a nonprofit affiliate of Open Door Community Health Centers (ODCHC), all locations in California.

ODCHC operates eight health clinics throughout Humboldt and Del Norte Counties with approximately 65,000 patients. ODCHC employs more than 400 members of the community, which is expected to grow to approximately 500 employees by the end of 2015. They actively seek out areas of special needs to provide high quality health care and education to persons without access to care because of financial, geographical or social barriers.

ODCHC intends to begin construction on two new facilities within the next 24 months to help meet demand in the region. The New Markets Tax Credit financing will allow ODCHC to refinance existing debt.

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

**IV. Staff updates.**

Scott Carper (HB Capital) announced the closing of the Big Brothers financing. The City of Santa Ana is excited about the project and is releasing an announcement.

**V. Public Comment.**

None.

**VI. Adjournment.**

Chair Larry Combs adjourned the meeting at 11:00 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

**MEETING OF THE  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION  
(CSCDC)**

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

November 20, 2014

**MINUTES**

Commission chair Larry Combs called the meeting to order at 10:28 am.

**I. Roll Call.**

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

CSCDA Executive Director, Catherine Bando participated by conference telephone.

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

**II. Approval of minutes—October 9, 2014.**

This item is deferred until the next meeting.

**III. Approve all necessary actions, the execution and delivery of all necessary documents and authorize any signatory to sign all necessary documents in connection with the following:**

- a. Approve the making of \$7 million in qualified low income community investments by CSCDA 8 LLC to a nonprofit affiliate of Carson Block in City of Eureka, County of Humboldt, California.

The Northern California Indian Development Council (NCIDC) is a nonprofit organization dedicated to promoting the social and economic well-being of the low-income American Indian population residing in 57 counties and 107 reservations in California. NCIDC's headquarters are in the historic Carson Block Building, located in the non-metropolitan low-income community of Eureka. NCIDC facilitates a wide variety of programs designed to meet the needs of American Indian communities, including employment and training services, kindergarten through post-secondary education assistance, substance abuse programs, and other emergency and support services for American Indian tribes.

NCIDC purchased the historic Carson Block Building in 1986, and it has served as their headquarters ever since. NCIDC seeks to preserve and revitalize the building (project), which was originally constructed in 1891. The architecturally significant three-story, 50,000 square foot building is a

cornerstone of Eureka's Historic Old Town District. The long-term sustainability of the building is in jeopardy. It is constructed of unreinforced masonry and requires a seismic retrofit under state and local ordinances. The building provides facilities to NCIDC, as well as to other tenants. Currently, state and local government offices are prohibited from leasing space in the building due to the seismic issues.

The project will allow for a full seismic retrofit, as well as other improvements, which will lead to greater occupancy. The financing will also refinance a \$9.7 million loan.

This will be a multi-CDE transaction including \$7 million in New Market Tax Credit (NMTC) allocation from Consortium America, and \$7 million NMTC from CSCDC.

Based on the overall finance-related considerations and community benefits associated with the project, Executive Director Bando recommends approval.

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

#### **IV. Staff Updates.**

None.

#### **V. Public comment.**

None.

#### **VI. Adjournment.**

Commission chair Larry Combs adjourned the meeting at 10:37 am.

Submitted by: Perry Stottlemeyer, League of California Cities staff

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**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**  
**SUMMARY AND APPROVAL**

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**DATE:** JANUARY 15, 2015

**BORROWER:** WORTHINGTON SQUARE QALICB

**PURPOSE:** APPROVE THE MAKING OF \$12,000,000 IN QUALIFIED LOW INCOME COMMUNITY INVESTMENTS BY CSCDC 6 LLC TO A FOR PROFIT LLC THAT WILL OWN THE WORTHINGTON SQUARE MIXED USE PROJECT.

**LEGAL STRUCTURE:** CALIFORNIA LIMITED LIABILITY CORPORATION

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**Background:**

The City is striving to improve its downtown in anticipation of future growth and plans to enhance the downtown area with improved streets and landscaping. To date, downtown Imperial has incorporated a library, a park, the City Hall. The Worthington Square project (“Project”) will be a key development in the City’s effort to shape the downtown environment by providing needed apartment housing along with needed retail goods and services and low/moderate income job creation for this low-income community. The Project has already helped attract approximately \$23M of additional investment including a 61-unit senior housing project under construction and 108-key Holiday Inn Express hotel in the planning phase. Construction for a Dollar General store just a couple of blocks away is also about to begin.

The Project was conceived as a joint effort between multi-family developer R.D. Brown Company (“RDBCo”) and the City of Imperial, as a significant catalyst for the redevelopment goals of the City planners. RDBCo has been working in the City of Imperial for over ten years and recently completing Villas Pacifica, an 80-unit residential development. RDBCo has been working in the multifamily development industry for over 20 years, being involved in all aspects of various developments from land acquisition, project design, construction management, lease-up, and rental management.

RDBCo has teamed up with John McGinnis of Del Mar Investments for Worthington Square (together, the “Sponsor”). Mr. McGinnis is a successful multi-faceted investor in many different types of businesses, and is also the primary owner of Del Mar Pacific Construction (“DMP”), a San Diego-based general contractor with over 15 years of experience specializing in the construction of residential projects. DMP will be the General Contractor for Worthington Square.

The Sponsor searched several avenues for securing the needed additional capital over the last two years without success. The investment package has been presented to thirty-five different groups or individual investors, all with no success. The Project’s location in Imperial Valley, which is located in a largely rural, agricultural-based economy, has made it less attractive for lenders and investors. There are a few small lenders in the region and the larger lenders have indicated they are not interested. All lenders and investors have declined to participate in the Project because of the rural nature and agricultural economy present in the Valley and these institutions do not want to go into areas like Imperial Valley.

## **Project:**

The Project will be the new construction of a mixed-use development in the heart of downtown Imperial, CA. The Project will include 11,000 SF of commercial retail space along with 48 residential apartment units with 10 of the 48 units (21%) designated as affordable housing. The commercial space has the ability to be divided into units as compact as 1,100 SF each, enabling the attraction of numerous small local businesses that are expected to provide much needed goods, services, and employment opportunities to this distressed low-income community. The City has signed an LOI to lease 4,500 SF of the commercial space and use it to provide programming for LIC residents.

The Project will be the “signature” project for the City of Imperial (“City”), and kick-start the redevelopment plans for the downtown center. It has a high level of support from City officials, including all members of the City Council, the Mayor, and the City Planning Manager. The City has shown its support of the Project by contributing approximately \$1.9M towards the Project’s construction.

The NMTC financing will allow the Sponsor to begin and complete construction of the Project, which has been fully designed but has been on hold pending the gap financing required. The City of Imperial was considered a non-metropolitan (i.e. rural) area prior to the 2010 census, and historically (and recently) has not seen significant investment from financial institutions given its relatively small population of under 15,000 people. The City is a prime example of the type of community that has a demonstrable need for an investment catalyst and the benefits of the NMTC program, which is a key theme expressed in CSCDC’s NMTC application.

## **NMTC Financing:**

The Sponsor is seeking \$12,000,000 in New Markets Tax Credit (“NMTC”) allocation from CSCDC to assist with the financing of the Project, which would generate the proceeds necessary to appropriately capitalize the Project budget, provide a reasonable rate of return (high single digits IRR) to the Sponsor (who is contributing over \$1.5M to the Project), and fund a \$30k charitable contribution annually for 7 years to fund the City’s priority programs for LIPs to be managed out of the Project.

The Project financing will also utilize loan proceeds provided to the Sponsor by Clearinghouse Community Development Financial Institution (“CCDFI”), in the amount of \$5.25M.

## **Community Impacts:**

The Project is expected to result in the following community impacts:

- **Affordable Housing:** The Project will provide the community with 10 units set aside for low- income residents at or below 80% of AMI. Affordable units will be distributed throughout the residential income apartments (equal to 21% of the total unit count). The Developer has completed another project within the City limits and included affordable housing units in that development as well. The residential portion of the Project will be managed by a property manager who has several years of experience managing low and moderate income projects.
- **Job Creation:** The Project is expected to create approximately 79-95 direct construction jobs (full time equivalent 1-year jobs) and up to 48 permanent FTE jobs projected to be hired by tenants in the commercial space (4 of which will be for the residential portion of the Project and will involve job training by the property manager). The permanent jobs created are expected to be living wage jobs.

These numbers are significant given this small community of less than 15,000 people.

- Community Goods or Services to Low-Income Communities: The City of Imperial is extremely tight on space and they have limited funds necessary to implement their existing and planned socially responsible programs targeting low-income persons (“LIPs”). The City intends to lease 4,500 sq. ft. of commercial space at the subject property to operate socially geared programs to assist LIPs. To make this a reality, the Sponsor is also pledging to make a charitable contribution for an amount not less than \$30,000/year for up to 7-years for the purpose of funding these socially responsible programs for LIPs. Possible programs that the City of Imperial is considering to operate at the subject Property include:

a) Preschool Enrichment Program – a morning and afternoon preschool would provide space for up to 48 preschool children ages 2½-5 year old to play, learn and explore. Additional programs would include parent & child classes that explore art, crafts, gymnastics, yoga and dance for up to 300 participants annually. Staffing would include 3 certified staff in addition to qualified contract staff to instruct specialty programs;

b) Youth Enrichment Program – as the Project is walking distance from each of the local elementary, middle and high schools, it is an ideal location to provide after school programming which is in great demand. This would provide a safe place and the opportunity for supervised homework assistance for up to 48 youth, along with programming for exploring activities such as art, dance, culinary skills, life skills and safety for up to 200 youth annually. Staffing would include 3 certified staff in addition to qualified contract staff to instruct specialty programs; and

c) Adult and Senior Programs – proposed programming would provide activities, exercise (Zumba, Tai Chi, yoga, and dance) and activity support groups (driver refresher courses for seniors with anxiety, health insurance counseling for seniors) for up to 100 adults for ongoing programming and up to 200 adults for special services and activities annually. Staffing would include qualified contract staff and volunteers.

A specific program amongst these options will be formalized and agreed upon by the City and Sponsor prior to the closing of a NMTC transaction.

- Commercial Goods or Services to Low-Income Communities: The targeted tenants for the remaining 6,500 SF of the commercial space at the Project include basic goods and services missing in the community such as a coffee house, locally owned small businesses such as a hair and nail salon, boutique shops, health/vitamin store and other locally owned professional offices such as an accounting, legal or finance offices. Not only do these types of uses provide everyday services to the community, but they also staff a significant number of people in desirable livable wage jobs.
- Increased Access to Healthy Foods: The Project is located in a Food Desert where community residents have limited access to healthy foods. This is ironic because Imperial County is an agricultural based economy where the demand for healthy farmed goods is enormous and the local farmers that specialize in local produce typically sells their grown goods elsewhere.

The City of Imperial hosts a Farmers Market located on the street directly in front of the Project that is well attended and supplies affordable healthy foods, music and other community activities free to the community. This event is only held once a month and the City of Imperial has expressed the strong desire to increase the frequency of the Farmers Market providing the low-income community

critically needed access to healthy foods. This will also increase the opportunity for local farmers to sell their goods, once again improving the economy. As the City is constrained by the costs to host a Farmers Market more frequently, the Sponsor has pledged to the City of Imperial funds to offset direct costs on an annual basis to make the Farmer's Market a more frequent event.

- Targeting Women and Minority Owned Businesses: The Sponsor will target hiring local women and minority owned businesses (“W/MBE”) and locally-owned businesses for services required for the construction and operation of the Project. The Sponsor will use its best efforts to achieve a standard of 20% of the value of the general contract dollars to be awarded to women/minority business entity subcontractors for this Project. The Sponsor will also encourage W/MBE businesses to lease retail space at the Project.
- Catalyst for Future LIC Development: This Project will further develop the downtown community of Imperial and is a catalyst for other nearby developments that will ultimately lead to the revitalization of the City. Specifically, the completion of this Project will likely stimulate the forward efforts and repositioning of the main Commerce area within the City downtown, along with several additional projects located on Main Street.
- Environmentally Sustainable Outcomes: The Project will be incorporating a solar-generated electrical system for 100% of the residential lighting needs, and also represents smart development and green development, enhancing the neighborhood by providing well designed density at a prominent location in downtown Imperial. Additionally, the Project design includes environmentally sound “green” building practices that will reduce energy and water consumption, incorporate recycled materials, treated storm water runoff, and will promote sustainability throughout construction and operations. Furthermore, the Project design encourages pedestrian activity along two sides of the site plan and contributes to 24/7 activity that is critical to an urban infill development.

**Advisory Board Approval:**

On December 8, 2014, CSCDC’s Advisory Board unanimously recommended approval of the Project.

**Finance Team:**

- Tax Credit Investor: Chase Community Equity, LLC
- Investor Counsel: Dentons, Chicago IL
- CSCDC Counsel: Nixon Peabody LLP, Washington DC
- Borrower Counsel: Bocarsly Emden Cowan Esmail & Arndt LLP, Los Angeles CA

## Estimated Sources and Uses:

Leverage Lender		Uses	
<b>Sources</b>		<b>Uses</b>	
Senior Loan - CCDFI	\$ 5,250,000	Leverage Loan	\$ 8,022,000
City - Land	310,000		
City - Site Dev't	400,000		
City - Construction	1,200,000		
Sponsor Cash	862,000		
<b>Total</b>	<b>\$ 8,022,000</b>	<b>Total</b>	<b>\$ 8,022,000</b>

Investment Fund		Uses	
<b>Sources</b>		<b>Uses</b>	
Leverage Loan	\$ 8,022,000	CSCDC QEI	\$ 12,000,000
NMTC Equity	3,978,000		
<b>Total</b>	<b>\$ 12,000,000</b>	<b>Total</b>	<b>\$ 12,000,000</b>

CSCDC Sub CDE		Uses	
<b>Sources</b>		<b>Uses</b>	
CSCDC QEI	\$ 12,000,000	CDE Upfront Fee	\$ 360,000
Managing Member Capital Contribution	12,000	QLICI Loan A1 and A2	5,250,000
		QLICI Loan B	2,772,000
		QLICI Loan C	3,618,000
		Operating Reserve	12,000
<b>Total</b>	<b>\$ 12,012,000</b>	<b>Total</b>	<b>\$ 12,012,000</b>

QALICB		Uses	
<b>Sources</b>		<b>Uses</b>	
QLICI Loan A1 and A2	\$ 5,250,000	Acquisition	\$ 310,000
QLICI Loan B	2,772,000	Hard Costs	
QLICI Loan C	3,618,000	Structure Costs	6,141,000
Sponsor Equity	668,700	Off-Site Improvements	475,000
		General Contractor Fee (General Conditions Included)	650,000
		Soft Costs	
		Architecture & Engineering	610,000
		Business Legal	30,000
		Permits/Entitlements	720,000
		Insurance	110,000
		Developer's Admin & Costs Reimb.	195,000
		Construction Management: Represents Owners	180,000
		Survey and Inspection	50,000
		Land Closing Costs and Misc Fees	25,000
		Owner's Contingency	854,064
		Senior Loan Origination Fee	78,750
		Community Impact programming/grant to City	210,000
		Operating Deficit Reserve (Lease up)	180,000
		CSCDC Underwriting Fee	135,000
		CSCDC Origination Fee	105,000
		CSCDC 6 LLC AM Fee Paid at Closing	8,400
		CSCDC 6 LLC Fee and Expense Reserve	423,600
		NMTC Consultant Fee	\$ 180,000
		NMTC Transaction Closing Costs	370,000
		Interest During Construction	257,886
<b>Total</b>	<b>\$ 12,298,700</b>	<b>Total</b>	<b>\$ 12,298,700</b>

**Approvals:**

Based on the overall finance related considerations and community benefits associated with the Project, the Directors of CSCDC shall approve the Resolution (in the form of Attachment 1) as submitted to the Directors, which:

1. Approves all necessary actions and documents in connection with the Project financing; and
2. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION  
(Worthington Square)**

At a meeting duly called on January 15, 2015, the Board of Directors of California Statewide Communities Development Corporation, a California nonprofit public benefit corporation (the "Allocatee"), for itself and in its capacity as managing member the Sub-CDE (defined below), does hereby adopt the following resolutions:

**WHEREAS**, the Allocatee and CSCDC 6 LLC, a California limited liability company ("Sub-CDE"), were organized for the purpose of participating in the federal New Markets Tax Credit ("NMTC") program, designed by Congress to encourage investment in (i) the rehabilitation and construction of commercial, retail, office and manufacturing space in low-income communities; (ii) businesses and nonprofits active in low-income communities; and (iii) the provision of technical assistance and other services to businesses active in low-income communities; and

**WHEREAS**, by law, NMTC investments must be made through a qualified community development entity (a "CDE"), which is a legal entity that (i) has as its primary mission serving or providing investment capital for low-income communities or low-income persons, and (ii) maintains accountability to residents of low-income communities through their representation on an advisory board to the CDE; and

**WHEREAS**, the Allocatee was certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a CDE, and the Allocatee submitted an Eleventh Round (2013) New Markets Tax Credit Allocation Application (the "Application"); and

**WHEREAS**, Sub-CDE was certified by the CDFI Fund as a subsidiary CDE of the Allocatee; and

**WHEREAS**, the Allocatee received an allocation of NMTCs under Section 45D of the Internal Revenue Code of 1986, as amended, in the amount of \$38,000,000 of NMTC authority (the "Allocation") in connection with its Application; and

**WHEREAS**, the Allocatee, as managing member, and CSCDC Manager, LLC, as the non-member manager, entered into that certain operating agreement of Sub-CDE dated January 30, 2014 (the "Initial Sub-CDE Operating Agreement") to govern the Sub-CDE; and

**WHEREAS**, the Initial Sub-CDE Operating Agreement was amended and restated pursuant to that certain First Amended and Restated Operating Agreement of the Sub-CDE (the "First A&R Sub-CDE Operating Agreement"), dated as of September 30, 2014, by and among the Allocatee, Chase NMTC Worthington Square Investment Fund, LLC (f/k/a Chase NMTC Butte Investment Fund, LLC), a Delaware limited liability company ("Investor Member"), and CSCDC Manager, LLC, as withdrawing member; and

**WHEREAS**, pursuant to the First A&R Sub-CDE Operating Agreement, Investor Member made an equity investment in the Sub-CDE in an amount equal to \$10,000,000 (the "Initial CDE Investment") in return for a 99.99% equity interest in the Sub-CDE; and

**WHEREAS**, pursuant to that certain Sub-Allocation Agreement, dated as of September 30, 2014, by and between the Allocatee and Sub-CDE, the Allocatee sub-allocated a \$10,000,000 portion of the Allocation to the Sub-CDE (the "Initial Sub-Allocation"); and

**WHEREAS,** the Allocatee will sub-allocate an additional portion of the Allocation in an amount equal to \$2,000,000 to the Sub-CDE (the “Second Sub-Allocation” and, together with the Initial Sub-Allocation, the “Sub-Allocations”) and will memorialize the Sub-Allocations with a certain Amended and Restated Sub-Allocation Agreement (the “A&R Sub-Allocation Agreement”); and

**WHEREAS,** the Allocatee and Investor Member seek to amend and restate the First A&R Sub-CDE Operating Agreement (as amended and restated, the “Second A&R Sub-CDE Operating Agreement”) pursuant to which the Investor Member will increase its equity investment in the Sub-CDE by making an additional capital contribution of \$2,000,000 (the “Second CDE Investment” and, together with the Initial CDE Investment, the “CDE Investments”); and

**WHEREAS,** the CDE Investments will be or have been designated as a “qualified equity investment” as such term is defined in Section 45D of the Code (“QEI”, collectively the “QEIs”); and

**WHEREAS,** in accordance with the Second A&R Sub-CDE Operating Agreement, the Sub-CDE will use substantially all of the QEI proceeds to make one or more loans to a to-be-formed entity (“Worthington QALICB”) in the aggregate original principal amount of \$11,640,000 (the “CDE Loan”); and

**WHEREAS,** the CDE Loan is expected to constitute a “qualified low-income community investment” (as defined in Section 45D of the Code and the Treasury Regulations and Guidance) (a “QLICI”) for purposes of the NMTC program which have flexible, non-conventional, or non-conforming terms and conditions; and

**WHEREAS,** it is the intention of the Board that the Allocatee enter into certain transaction documents, for itself or in its capacity as the managing member of the Sub-CDE, in connection with the above described transactions and QEIs that are necessary to evidence and govern such transactions, including, but not limited to the agreements set forth on Exhibit A attached hereto and made a part hereof (collectively, the “Transaction Documents”).

**NOW, THEREFORE, BE IT**

**RESOLVED,** that each of the Transaction Documents and the transactions contemplated thereby are hereby approved, ratified and confirmed in all respects;

**RESOLVED,** that each of the following individuals (each an “Authorized Signatory”) be, and each of them hereby is singly or jointly, authorized, empowered and directed, to execute, deliver and perform any Transaction Document for or in the name of the Allocatee and on behalf of the Allocatee as managing member of the Sub-CDE, and with such changes, variations, omissions and insertions as they shall approve, the execution and delivery thereof by them to constitute conclusive evidence of such approval: Scott Carper, Norman Coppinger, Nancy Parrish, Jean Hurst, Catherine Bando, Mike LaPierre, and Laura Campbell; and be it further

**RESOLVED,** that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other affidavits, certificates, agreements, instruments and documents, to pay all fees, charges and expenses, and to do or cause to be done all other acts and things which are required or provided for under the terms of the Transaction Documents or which may be necessary or, in his or her or their opinion, desirable and proper in order to effect the purposes of the foregoing resolution and to

cause compliance by the Allocatee or Sub-CDE, as the case may be, with all of the terms, covenants and conditions of the Transaction Documents on the part of the Allocatee or Sub-CDE, as the case may be, to be performed or observed; and be it further; and be it further

**RESOLVED**, that any and all documents, instruments and other writings previously executed and delivered or acts performed by the Authorized Signatories, in the name and on behalf of the Allocatee or the Sub-CDE, as the case may be, in connection with the transactions, be, and the same hereby are, consented to in all respects and are hereby ratified, confirmed and approved.

**RESOLVED**, that the Authorized Signatories, acting singly or jointly be, and hereby are, authorized and directed to execute and deliver all other documents approved by the Board and to do or cause to be done all other acts and things which may be necessary in the ordinary course of the business of CSCDC and/or the Sub-CDE; and be it further

**RESOLVED**, that these resolutions may be executed in counterparts, including by signature pages provided by facsimile or in PDF format, which together shall constitute one and the same instrument.

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[Signature Page Follows]

**IN WITNESS WHEREOF**, the Board of Directors of the Allocatee have executed and adopted these Resolutions at its meeting duly called and held on January 15, 2015, at which a quorum of the Board of Directors was present or represented.

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Larry Combs  
President

ATTEST:

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Dan Harrison  
Secretary

## EXHIBIT A

### Transaction Documents

1. CDE Recapture Indemnification Agreement, by and among Allocatee, Sub-CDE, and Chase Community Equity, LLC, a Delaware limited liability company (“Chase”),
2. Second A&R Sub-CDE Operating Agreement,
3. New Markets Fee and Expense Agreements, by and among Worthington QALICB, the Allocatee, Sub-CDE, Investor Member, and Chase,
4. Termination of Unwind Agreement, by and among the Allocatee, Sub-CDE, Investor Member, Chase, and JPMorgan Chase Bank, N.A.,
5. A&R Sub-Allocation Agreement,
6. Loan Agreement, by and between the Sub-CDE and Worthington QALICB,
7. Subordination, Nondisturbance, and Attornment Agreement by and between the Worthington QALICB, Sub-CDE, certain other lenders and/or tenants,
8. Community Benefits Agreement, by and among Worthington QALICB, Sub-CDE, and Allocatee,
9. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion, by Sub-CDE and Allocatee,
10. Account Pledge and Control Agreement by and among the Sub-CDE, Worthington QALICB, and certain other lenders and/or account holders
11. Construction Monitoring and Disbursement Agreement by and among Worthington QALICB, Sub-CDE, and [certain other entities and/or bank],
12. Loan Disbursement Agency Agreements by and between Sub-CDE and [the applicable bank], and
13. Other related documents.