



CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

“SCIP”

MANUAL OF PROCEDURES

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STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM CONTACT INFORMATION

California Statewide Communities Development Authority

James Hamill

1700 North Broadway, Suite 405
Walnut Creek, California 94596
(925) 476-5644
(925) 391-3590 (fax)
jhamill@cscda.org

Jon Penkower

1700 North Broadway, Suite 405
Walnut Creek, California 94596
(925) 476-5887
(925) 391-3590 (fax)
jpenkower@cscda.org

Program Administrator

Vo Nguyen

BLX Group, LLC
777 South Figueroa Street, Suite 800
Los Angeles, California 90017
(213) 612-2152
vnguyen@blxgroup.com

Justin Gagnon

BLX Group LLC
2711 North Haskell Avenue Lockbox #35,
Suite 2600
Dallas, Texas 75204
(919) 594-1862
jgagnon@blxgroup.com

Trustee

Jeanie Mar

Wilmington Trust National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
(714) 384-4153
jmar@wilmingtontrust.com



Assessment Administrator

David Taussig

David Taussig and Associates, Inc
5000 Birch Street, Suite 6000
Newport Beach, California 92660
(949) 955-1500
(949) 955-1590 (fax)
dtadavid@taussig.com

Nathan Perez

David Taussig and Associates, Inc.
100 West San Fernando Street, Suite 430
San Jose, California 95113
(800) 969-4382
nperez@taussig.com

Underwriter

Robert L. Williams, Jr.

RBC Capital Markets, LLC
345 California Street, Suite 2800
San Francisco, California 94111
(415) 445-8674
(415) 445-8679 (fax)
bob.williams@rbccm.com

SCIP Legal Counsel

Patricia L. Eichar

Orrick, Herrington & Sutcliffe LLP
400 Capitol Mall, Suite 3000
Sacramento, California 95814
(916) 329-7917
peichar@orrick.com



Executive Summary

Introduction

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

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

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

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

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

General Structure of SCIP

In general terms, this is how SCIP works. Upon receipt of a completed Application, including the Landowner Information Form (with attachments), the SCIP team reviews it to determine (a) eligibility of the Fees and Improvements for which the Applicant seeks financing and (b) creditworthiness of the Applicant and the Project. Once approved by the SCIP team, the Application is acknowledged by the Local Agency. Approved Applications are aggregated for inclusion in the next round of financing. Periodically, as warranted by the accumulation of approved Applications, the Authority issues tax-exempt revenue bonds (the “Bonds”). The proceeds from the Bonds are used to finance Fees and/or Improvements for qualifying Projects located throughout the state. For projects involving a sufficient amount of financing (generally \$5 million or more) a special standalone series of bonds may be issued to fund the Project



separately if the timing of issuance of a pooled financing does not suit the Project, subject to approval of the Authority.

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

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

Assessment District Format

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

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

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

The duties of staff of Local Agencies are correspondingly reduced and relate primarily to making developers aware of the availability of the SCIP program, making application forms available to interested developers, confirming the status of Projects for which Applications have been submitted, confirming the Fee and Improvement obligations for qualified Projects, determining when Improvements are completed and therefore ready for acquisition, and submitting requests to the Trustee for disbursement of SCIP funds to pay Fees and to acquire completed Improvements for Projects which have been funded. In addition, when Improvements will be financed, the Local Agency will be required to enter into an “Acquisition Agreement” with the



Applicant to provide the terms and conditions governing the acquisition of completed Improvements.

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

CFD Format

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

Financing Eligible Impact Fees

To be eligible for SCIP financing, Fees must (1) be payable as conditions of development approval for the Project or otherwise provide special benefit to the Project, and (2) proceeds of the Fees must be expended for public improvements which themselves would be eligible for SCIP financing, though the public improvements need not be related to or required for the Project. In addition, there are certain timing limitations that apply to Fees financed through SCIP, in particular that the Fees must not have been paid to the Local Agency more than 60 days prior to the submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse for the particular Project.

Within SCIP, there are two programs for funding eligible Fees, and either or both may be applicable for a given Project. The two programs are (1) the Fee Reimbursement Program and (2) the Fee Prefunding Program. In each case, for federal income tax purposes, the proceeds of the Bonds will be allocated to the public improvements actually financed by the Local Agency with the fee amounts received.

Under the Fee Reimbursement Program, payment of the Fees by the Applicant precedes the issuance of the Bonds, usually in connection with obtaining a building permit. In general, in order to include Fees in the Fee Reimbursement Program, the Fees must have been paid by the Applicant to the Local Agency (or other local agency, as applicable) no more than 60 days prior to submission of a completed Application and the Authority's issuance of a Declaration of Official Intent to Reimburse. In order to ensure compliance with the federal income tax requirements for the Bonds, when the Fees that are intended to later be reimbursed by the Bonds are paid to the Local Agency, the Local Agency transfers those Fees to SCIP for deposit in the Local Agency Account. That money is immediately available for requisition by the Local



Agency to make authorized fee expenditures, even before the Bonds are issued. But by holding and investing the unspent Fees until spent, the Authority is able to monitor the investment earnings (which accrue to the Local Agency) for federal tax law arbitrage purposes and track the timing requirements for allocating the proceeds of the later-issued Bonds to the public improvements financed by the Fees. SCIP encourages the Local Agency to spend those amounts as quickly as possible, and before any other fee revenues of the Local Agency. Once the proceeds of sale of the Bonds are available, the Applicant applies for reimbursement of the amount of eligible Fees which have been paid. If the Local Agency transfers paid fees to SCIP but Bonds are not issued the Fees are returned to the Local Agency by SCIP. In this way, the Local Agency is never at risk for the receipt of the Fees.

Under the Fee Prefunding Program, the Fees are funded from proceeds of the Bonds without the need for the Applicant to pay the Fees. For arbitrage rebate purposes, SCIP will invest and hold the proceeds representing the Fees. Again, those moneys are immediately available for requisition by the Local Agency to make authorized fee expenditures. Thus the full amount of Fees funded is immediately available to the Local Agency, irrespective of whether any portion of such Fees has yet become payable with respect to the Project. The advantage to the Applicant is that it never has to pay out of pocket any portion of the Fees, and the advantage to the Local Agency is that the full amount of Fees funded is immediately available to spend on qualified public improvements without waiting for any portion of the prefunded Fees to become due from the Applicant. The landowner receives a credit for fees paid from Bond proceeds in this way. Each Local Agency is encouraged but not required to develop procedures to track the amounts of such credits to the landowners.

Financing Eligible Improvements

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

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

Conclusion

The information and materials which follow in this Manual are intended to assist interested persons in further understanding SCIP and how it might be utilized to finance Fees and Improvements associated with a given Project. As indicated above in this Executive Summary, the focus in this Manual is on the Assessment District format. Upon request of an Applicant who



may have a preference for the CFD format, the SCIP team will review the Applicant's Project and determine, in consultation with the Applicant and the Applicant's consultants, whether the CFD format will be suitable.

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



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I Local Agency Participation in SCIP

1.01 Eligibility

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

- (a) The Local Agency must be or must become a member in good standing of the Authority prior to or concurrently with joining SCIP.
- (b) The Local Agency must have in place a development fee program pursuant to a Fee Statute (for fee financing) and/or desire to allow the financing of Improvements for eligible Projects.
- (c) If the Local Agency is not itself a city, county or city and county, the city or, if in unincorporated territory, the county in which each Project is located must be a SCIP participating Local Agency.

1.02 SCIP Resolution

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

1.03 Withdrawal from SCIP

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



II General Eligibility Requirements

2.01 General

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

2.02 Eligible Impact Fees

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

- (a) Fees must be levied under a Fee Statute (except that in limited circumstances, other fees payable as a condition of development may be eligible).
- (b) Fees must be collected by a Local Agency and levied by either the Local Agency or another governmental entity as a condition of new development or otherwise provide special benefit to the Project as determined by the Assessment Engineer, and be payable at time of (i) granting of entitlements, (ii) issuance of a building permit, (iii) connection to a utility system, or (iv) issuance of a certificate of occupancy. If fees are levied by another government entity and not a Local Agency SCIP participant, the Local Agency and the other government entity must enter into a fee collection agreement in substantially the form attached as **Appendix W**.
- (c) Fees must only be for the payment of Capital Costs of improvements to be owned by the Local Agency or another governmental entity.
- (d) The Local Agency (or other government agency collecting the Fee, as applicable) must reasonably expect to spend the Bond-funded Fees within 3 years of the date Bonds are issued.
- (e) Improvements to be funded with the Fees must be improvements that could be financed under the Assessment Act.

2.03 Eligible Improvements

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

- (a) The Improvements must be required as a condition of the development project which is the subject of the Application or otherwise provide special benefit to the Project as determined by the Assessment Engineer.
- (b) The Improvements must be authorized under the Assessment Act.



- (c) The Improvements must not have been completed and ownership transferred to the Local Agency or another governmental entity prior to submission of a completed Application and issuance, in connection therewith, of a Declaration of Official Intent to Reimburse pertaining thereto.
- (d) Improvements must be owned by the Local Agency or another government entity upon completion.

2.04 Eligible Property Owners

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

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

2.05 Eligible Property

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

- (a) The property must consist of one or more parcels each of which must be a legal parcel in compliance with the Subdivision Map Act.
- (b) The application must be approved by each governmental entity whose Fees or Improvements will be funded and the application must be approved by a city or city and county or, if within unincorporated territory, a county, that is also a Local Agency SCIP participant. This applies even if no Fees or Improvements of such Local Agency will be funded.
- (c) The property must not be subject to any judgment lien, mechanics lien, or tax lien (other than for taxes levied but not yet due).



III Application Process & Review

3.01 Application

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

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

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

3.02 Application Fees

In order to apply for SCIP, Applicants must pay a non-refundable application fee (\$1,500 as of January 2019). The Application Fee may be adjusted from time to time by the Authority and the current fees are available upon request. The application fee must be included with the Application, with the check made payable to “Statewide Community Infrastructure Program,” and is non-refundable. Application fees will be deposited by the Program Administrator in the fund or account established for the payment of Program Administration Costs.

3.03 Application Review and Underwriting Criteria.

Completed Applications will be reviewed by SCIP Counsel and the SCIP Underwriter in accordance with the SCIP Timetable for the applicable Program Series. An Application can be approved, disapproved, or approved for partial funding. Approval of an application does not guarantee that bonds will be issued in the amount stated in the Application.

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



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

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

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



- (h) The Authority, on recommendation from the SCIP Underwriter and SCIP Counsel, reserves the right to reject any Application if it believes, in its sole discretion, that the Assessed Parcel(s), the Project or the Property Owner poses undue credit risks. Each Applicant must authorize the Program Administrator to obtain a copy of a credit report from one or more nationally recognized credit reporting agencies, and may be required to provide copies of banking statements and/or tax returns.
- (i) If the Project will include the funding of Improvements, the Applicant may be required to pay costs of preparation of the Engineer's Report in advance as determined by the Authority and any such payments shall be non-refundable.

3.04 Approval, Partial Approval and Rejection of Applications

Applications may either be approved or rejected.

- (a) If an Application is approved, the Program Administrator will arrange for the applied-for reimbursement to the Property Owner (to the extent of the Impact Fee Reimbursement Program) and the applied-for funding (to the extent of the Impact Fee Prefunding Program) of all Eligible Impact Fees and the applied-for funding of the estimated cost and expense of Eligible Improvements upon the issuance of the applicable Program Series.
- (b) If an Application is rejected, the Program Administrator will send a notice of rejection to the Applicant. Any application fees or other charges paid in connection with the Application are non-refundable.

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

After the application is approved, the exact dollar amount of funds the Bond issuance will provide is dependent upon a number of factors, including federal income tax requirements, Local Agency limitations, value to lien ratio, effective tax rate, and other credit factors.



IV Assessment Proceedings

4.01 Local Agency Requirements

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

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

4.02 Property Owner Requirements

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

4.03 Assessment Proceedings – General

All proceedings for the establishment of Assessment Districts and the issuance of Local Obligations and Bonds will be conducted by the Authority. Assessment proceedings are conducted by the Authority in full compliance with the requirements of Article XIID of the California Constitution (Proposition 2018). Upon determining which Applications have satisfied



the requirements of Article III for a Program Series, the Authority will commence the proceedings to establish the Assessment Districts. For each Program Series, the Authority will create a separate Assessment District for each Project being financed by such Program Series.

4.04 Engineer's Reports

For each Assessment District, the Assessment Engineer will prepare an Engineer's Report containing the items required by Section 10204 of the Assessment Act. The Engineer's Report must be signed by a California registered professional engineer and must be filed with the Authority. Each Local Agency will be required to cooperate with the Assessment Engineer to finalize the amounts and descriptions of Fees and Improvements included in the Engineer's Report.

4.05 Assessment Amount

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

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

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

4.06 Sequence of Events

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

- (a) Adoption of resolution of intention in substantially the form shown in Appendix I.
- (b) Adoption of resolution preliminarily approving Engineer's Report and calling public hearing in substantially the form shown in Appendix J.



- (c) Mail the Notice of Hearing to each Property Owner at the address shown on the most recent equalized assessment roll of the County or as otherwise known to the Assessment Engineer, in substantially the form attached as Appendix K. The Notice of Hearing will include a transmittal letter, the Assessment Ballot, the Consent and Waiver and a copy of the applicable preliminary Engineer's Report.
- (d) Assessment Ballots and Consents and Waivers must be returned to the Program Administrator no later than the deadline identified in the transmittal letter.
- (e) No earlier than 45 days after mailing of the notices, the Authority will conduct a joint public hearing for all Assessment Districts in the Program Series. Any Property Owner, Local Agency representative or member of the general public will be given the opportunity to testify at the hearing. Any Property Owner may withdraw their Assessment Ballot and Consent and Waiver at the hearing, and in such event, the Property Owner will not be included in the Assessment District and the Program Series.
- (f) At the conclusion of the hearing, the Authority will customarily adopt the following Resolutions:
 - (i) Resolution Confirming Assessment in substantially the form attached as Appendix D.
 - (ii) Local Obligation Resolution in substantially the form attached as Appendix E.
 - (iii) Revenue Bond Resolution in substantially the form attached as Appendix F. (See Article V – Bonds.)

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

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



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



V Bonds

5.01 Financing Structure

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

5.02 Bond Documents

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

5.03 Local Agency Closing Certificate

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

5.04 Arbitrage Rebate

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

5.05 Continuing Disclosure

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



5.06 Refunding Dividend Program

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



VI Funds Management & Administration

6.01 Deposits to SCIP

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

6.02 Access to SCIP Funds

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

6.03 Account Statements

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

6.04 Fee Account Allocation

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

6.05 Management of SCIP Funds

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



set forth in Appendix R. Investment earnings will be credited to each SCIP Account and subaccount therein for the benefit of the respective Local Agencies.

6.06 Rejected Applications

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

6.07 SCIP Record Retention Policy

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

6.08 Inspection of SCIP Accounting Records

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



VII Collection of Assessments

7.01 Annual Posting

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

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

7.02 Administrative Cost Assessment

Pursuant to Section 10204(f) of the Assessment Act, the Authority will annually levy an additional assessment to defray the costs of collection and administration of the assessments and the Local Obligations which are not otherwise reimbursed in an amount not to exceed 10% of the Assessment Installment for such year. Such amounts will be applied by the Authority to pay Program Administration Costs and a full accounting will be provided each year upon request to any Local Agency or Property Owner participating in a Program Series. In addition, each County will add up to \$8 per parcel to each semi-annual Assessment Installment pursuant the Assessment Bond Act as an administrative charge to defray the County's costs of collecting assessments on the tax roll.

7.03 Payment of Assessment Collections to Authority

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

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

7.04 Interest Earnings on Funds and Accounts and Assessment Credits

- (a) Expense Fund. Earnings on amounts held in the Expense Fund will be retained in such fund and applied as a credit against Program Administration Costs.



- (b) Local Agency Accounts. Earnings on amounts in each Local Agency Account shall be retained in each Local Agency Account and will be available for withdrawal by the Local Agency as provided in Section 6.02. At the direction of the Local Agency, such earnings may be applied as a credit against future Assessment Installments.
- (c) Revenue Fund. Earnings on amounts in the Revenue Fund for each Program Series held by the SCIP Trustee under each Trust Agreement shall be retained in such Revenue Fund and applied as a credit on the annual Assessment Installments in the next succeeding fiscal year, except:
 - (i) In the case of Refunding Bonds issued pursuant to the Refunding Dividend Program, such earnings may be applied to pay debt service on the Refunding Bonds in the event that prepayments of Assessments require such earnings to be applied to maintain cash-flow balance between the revenue from the Local Obligations and the debt service payments on the Refunding Bonds;
 - (ii) To the extent the portion of the Assessment Installments actually collected by the Authority for Program Administration Costs together with the amounts available in the Program Administration Fund is less than the Program Administration Costs, such earnings may be transferred to the Authority for deposit in the Program Administration Fund to pay Program Administration Costs; and
 - (iii) Notwithstanding the above, to the extent amounts are required to be deposited in the Rebate Fund to pay arbitrage rebate with respect to any Program Series, earnings on amounts in the Revenue Fund and any Local Agency Accounts in excess of the applicable bond yield (calculated pursuant to the Internal Revenue Code and the regulations issued thereunder) may be transferred to the Rebate Fund.

7.05 Prepayment of Assessments

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



7.06 Delinquent Assessment Installments

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

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



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

7.07 Tenders of Bonds Not Permitted

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



VIII Property Owner Information

8.01 Balance and Payoff Information

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

8.02 Disclosure of Assessment

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

8.03 Billing Questions

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



IX Miscellaneous

9.01 Use of this Manual

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

9.02 Contact Information

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

9.03 Limited Liability

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

9.04 Legal Representation

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

9.05 Interpretation

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



9.06 Revisions to this Manual

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

9.07 Waivers of Policy

The Legislative Body may, in its discretion, require additional measures and procedures, enhanced security, and higher standards in certain circumstances. Further, the Legislative Body may, in its discretion, waive any of the policies and procedures set forth herein to the extent permitted by law. Such waivers may only be granted by action of the Legislative Body. Any action taken by the Legislative Body that is inconsistent with these policies and procedures shall be deemed to constitute a waiver of such policy or procedure.



Glossary of Terms

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

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

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

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

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

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

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

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

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

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



Assessment Administrator means David Taussig & Associates, LLP or any successor firm appointed by the Authority as the Assessment Administrator for SCIP.

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

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

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

Assessment Engineer means David Taussig & Associates LLP or any successor firm appointed by the Authority as the Assessment Engineer for SCIP.

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

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

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

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

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

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

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

Costs of Issuance means, with respect to each Program Series, all costs of issuing the Bonds and the Local Obligations, including without limitation costs of appraisals, engineer's reports, apportionment fees, absorption studies, credit enhancement (such as bond insurance), rating agency fees, underwriter's discount, legal fees and expenses, Authority fees and expenses, trustee fees and expenses, printing, publication, document



reproduction, filing and recording costs and any other cost related to the issuance of the Bonds or the Local Obligations. Costs of issuance may also include an amount calculated by the Authority as the amount necessary to pay Program Administration Costs through the first full fiscal year of each Program Series.

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

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

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

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

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

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

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

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

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

Foreclosure Counsel means an attorney or firm of attorneys designated from time to time by the Legislative Body to act as counsel to the Authority in prosecuting foreclosure actions in connection with SCIP.



Legislative Body means the commission of the Authority.

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

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

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

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

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

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

Program Administrator means BLX Group LLC, or any successor firm appointed by the Authority as the Program Administrator for SCIP.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

SCIP Trustee means Wilmington Trust National Association, or any successor appointed by the Authority as Trustee for SCIP.

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

State means the State of California.



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

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

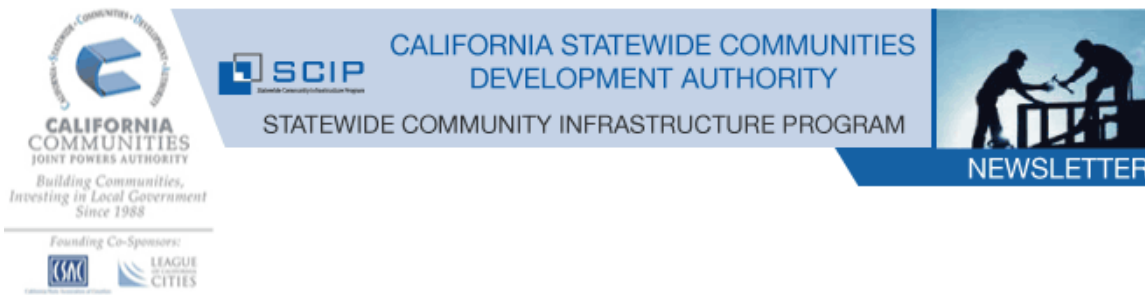


Appendices

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



APPENDIX A Form of Application and Landowner Information



SCIP APPLICATION

Applicant Information

Name of Project: _____

Location/Address of Project Site: _____

Project Proceeds Requested: _____

Name of Developer: _____

Contact Information

Name: _____ Title: _____

Address: _____ City: _____

Zip Code: _____ Telephone: _____

Email: _____ FAX: _____

Applicant Acknowledgment and Certification

One of the following is true and correct: (A) The undersigned represents the owner(s) of the project, including a joint owners by tenancy in common, community property, joint tenancy or otherwise, or (B) the undersigned has this project under option. The undersigned Applicant acknowledges and agrees that it shall comply with all applicable provisions of the California Labor Code, including, as applicable, the payment of prevailing wage. As respects any and all claims related to prevailing wage, the undersigned assumes all responsibility for the payment of prevailing wage and the compliance with prevailing wage laws, if required, and specifically waives any and all rights against the California Statewide Communities Development Authority and each participating local agency with respect to the project that is a subject of this application, as well as their agents, employees, agencies and consultants (the "Indemnified Parties") pursuant to Labor Code Section 1726(c) and any analogous federal law and agrees to defend and fully indemnify the Indemnified Parties for damages, claims, fines, penalties, litigation expenses, costs, attorney's fees and interest relating to the project.

Signed: _____ Dated: _____

Social Security Number or Taxpayer ID Number: _____



Local Agency Information (Include Each Applicable Local Agency)

Local Agency Name: _____

Mailing Address

(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

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

Signed: _____ Dated: _____

Local Agency Name: _____

Mailing Address

(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

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

Signed: _____ Dated: _____



Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

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

Signed: _____ Dated: _____

Local Agency Name: _____

Mailing Address
(City/County/State/Zip): _____

Contact Information

Name: _____ Title: _____

Telephone: _____ FAX: _____ Email: _____

Local Agency Acknowledgement

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

Signed: _____ Dated: _____



SCIP LANDOWNER INFORMATION

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

OWNERSHIP

Name of Landowner:

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

Name of Developer: (if different from Landowner).

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

PROPERTY INFORMATION

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

Number of gross acres owned:

Number of acres proposed for development:

Number of acres developed to date, if any:

List the Assessor’s Parcel Numbers for the Property:

How long have you owned the Property?



DEVELOPMENT IMPACT FEES TO BE FINANCED BY SCIP

(Attach Fee Schedule or list below)

Type (water, sewer, road, etc.)	Local Agency	Amount of Fee (specify per unit, equivalent dwelling unit or other calculation method and total)
<i>TOTAL:</i>		



IMPROVEMENTS TO BE FINANCED BY SCIP

Type (water, sewer, road, etc.)	Local Agency	Budgeted Cost
<i>TOTAL:</i>		

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

YES____ NO____. If YES, please describe the arrangement and attach a copy of agreements describing the arrangement.

Describe the proposed land use of the Property:

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

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

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



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

What is the status of recordation of a final map (circle one)?

None

Tentative Map

Recorded Final Large Lot Map

Recorded Final Subdivision Map

Other (explain)

Will any impact fees be owing after funding by SCIP as a condition to develop the Property? YES____ NO____. If YES, please explain and provide an estimated amount.

Please list all discretionary approvals (including vesting tentative subdivision map, conditional use permits, Section 404 permits, fish and wildlife permits, and any other governmental permits) that are still needed for development of the Project.

Is any development currently underway on the Property? YES____ NO____. If YES, please give a general description and provide information as to estimated construction or permit value.

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

Has construction financing been obtained? YES____ NO____. If YES, please describe the source and amount of such loan. Please provide any other information on how the project is to be financed.

Has the developer or any partner or related entity of the landowner ever filed for bankruptcy or been declared bankrupt? YES____ NO____ If YES, specify date and location of court where bankruptcy action took place:



Are there any other foreseeable circumstances not described above that could prevent or significantly delay the proposed development of the Property? YES_____ NO_____. If YES, please explain. Please attach a copy of the most recent tax bill for the Property and evidence that current installments due have been paid.

PAYMENT OF TAXES/ASSESSMENTS

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

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

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

EXPERIENCE OF LANDOWNER AND DEVELOPMENT GROUP

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



CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM



NOTICE REGARDING DISCLOSURE

In 1994, the Securities and Exchange Commission adopted amendments (the “Amendments”) to Rule 15c2-12 under the Securities Exchange Act of 1934 relating to certain required disclosure information that must be made available to prospective purchasers of municipal bonds. Under the Amendments and other federal and state securities laws, certain material information must be disclosed (i) in connection with the initial offering of bonds with respect to material persons”; and (ii) on an ongoing basis with respect to obligated persons.”

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

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

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

Name: _____

Title: _____

Address: _____

Phone Number: _____

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



SUBMITTAL INSTRUCTIONS

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

Statewide Community
Infrastructure Program
c/o Orrick, Herrington & Sutcliffe
400 Capitol Mall, Suite 3000
Sacramento, CA 95814
Attention: Patricia Eichar
Phone: (916) 329-7917
Fax: (916) 329-4900
Email: peichar@orrick.com

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

Statewide Community
Infrastructure Program
c/o BLX Group LLC
777 South Figueroa Street,
Suite 800
Los Angeles, California 90017
Phone: (213) 612-2152
Fax: (213) 612-2499
Email: vnguyen@blxgroup.com

APPENDIX B
Form of Assessment Ballot

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

OFFICIAL PROPERTY OWNER ASSESSMENT BALLOT

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

This assessment ballot may be used to express either support for or opposition to the proposed assessment district. **In order to be counted, this assessment ballot must be marked (“Yes” or “No”), dated and signed below by an authorized representative of the owner.** The ballot must then be delivered to the California Statewide Communities Development Authority (the “Authority”) either by mail or in person, as follows:

Mail Delivery: If by mail, return by overnight parcel service delivery to _____, Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, CA 94105.

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

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

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL ASSESSMENT BALLOT

Property Owner Name: _____

Assessment No.

Parcel No.

Amount of Assessment

_____ \$ _____



ASSESSMENT BALLOT MEASURE

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

Yes _____

No _____

Date: _____

Owner Signature(s): _____

APPENDIX C
Form of Property Owner Consent and Waiver

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

CONSENT AND WAIVER

The undersigned hereby certifies, consents and waives as follows:

1. The undersigned acknowledges receipt of (a) the Notice of Public Hearing and Assessment Ballot Procedure, (b) the Official Property Owner Assessment Ballot and (c) the Engineer's Report pertaining to the Statewide Community Infrastructure Program Assessment District No. _____ (County of _____, California), for which the public hearing is scheduled for _____, 20____, at the time and place set forth in the notice.
2. The undersigned is/are the owner(s) or an authorized representative of the owner(s) of the parcel(s) identified in the section entitled "Assessment Roll" of the Engineer's Report as Assessment No. _____, with a proposed assessment to be levied on said property in the aggregate amount of \$_____.
3. The undersigned hereby consents to the levy of the assessment(s) upon the above-mentioned parcel(s) in said amount by action of the California Statewide Communities Development Authority following the close of the public hearing on _____, 20____.
4. The undersigned hereby expressly acknowledges that the assessment installments payable with respect to the above-mentioned parcel(s) shall not be subject to reduction, offset, or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.
5. The undersigned expressly waive each of the following:
 - (a) any and all defects in notice or procedure in the conduct of the public hearing and the assessment ballot procedure, whether known or unknown;
 - (b) the entitlement to pay all or any portion of the assessment(s) levied upon the above-mentioned parcel(s) in cash (which entails the benefit of a cash payment discount) prior to the issuance, sale and delivery of bonds upon the security of the unpaid assessment(s);
 - (c) the entitlement to file any lawsuit or other proceeding to challenge any aspect of the proceedings of the California Statewide Communities Development Authority relative to Statewide Community Infrastructure



Program Assessment District No. _____ (County of _____, California), including without limitation, the assessment ballot proceeding, the levy of the assessment(s) or the issuance, sale and delivery of bonds, which entitlement would otherwise extend 30 days beyond levy of the assessment(s) (currently scheduled to occur on _____, 20__) pursuant to Section 10400 of the California Streets and Highways Code;

- (d) the right to notice and a hearing on any modifications or changes to the Engineer's Report between the preliminary approval thereof on _____, 20__, and the final approval thereof following the close of the public hearing on _____, 20__;
- (e) in the case of any changes in configuration of the parcel(s) between the preliminary approval of the Engineer's Report on _____, 20__ and the final approval thereof on _____, 20__, which results in increase in the assessment(s) to be levied on the above-mentioned parcel(s), the undersigned hereby consents to such increased assessment(s) and hereby waives any and all mailed notice or further hearing which would otherwise be required by law in order for the California Statewide Communities Development Authority to consider such increase in assessment; and
- (f) mailed notice of recording of assessment(s).

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

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

[NAME OF PROPERTY OWNER]

By _____
(signature)

(print name and title of signer)

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



APPENDIX D
Form of Resolution Confirming Assessment

RESOLUTION NO. _____

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

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

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

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

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

WHEREAS, in accordance with the direction of this Commission provided in the Resolutions of Intention, the Assessment Engineer of the Authority for SCIP, as Engineer of Work (the "Engineer of Work"), prepared and filed with the Authority on _____, 20__, _____ separate reports for each of the Districts containing the information regarding such



Districts required by Section 10204 of the Streets and Highways Code of the State of California, which reports were duly presented to this Commission for preliminary consideration; and

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

WHEREAS, prior to the public hearing on the date hereof, the Engineer of Work found it necessary to prepare and submit modified engineer’s reports (the “Final Engineers Reports”) for all of the Districts due to requests from certain property owners to reduce the assessment amount, remove parcels, reflect subdivision of parcels, and/or effect certain ministerial modifications; and

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

WHEREAS, there have been filed with the Authority separate certificates with respect to each District setting forth the time and manner of the compliance with the requirements of law for mailing (a) the notices of the public hearing and assessment ballot procedure and (b) the property owner assessment ballots, as required by Article XIID; and

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

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

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



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

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

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

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

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

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

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

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

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



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

Section 6. Bonds representing unpaid Assessments, and bearing interest at a rate not to exceed twelve (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, of the Streets and Highways Code of the State of California) (the "1915 Act"), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

Section 7. This Commission hereby finds and determines that either each of the owners or an authorized representative of each of the owners of each of the parcels assessed in these proceedings has executed and filed with the administrator of SCIP (the "Program Administrator") a form of Consent and Waiver by which the entitlement otherwise given to each such owner to pay all or any part of the subject Assessment or Assessments in cash within the 30-day cash payment period has been waived, and by which the property owner consents to the changes to the Engineer's Report between the preliminary approval thereof on _____, 20__ and the approval of the Final Engineer's Reports by this Resolution. Accordingly, this Commission hereby confirms that the amount of unpaid Assessments is equal to the full amount of the Assessments levied and directs the Program Administrator to proceed forthwith, without the necessity of the 30 day cash payment period otherwise required, to provide for the issuance, sale and delivery of limited obligation improvement bonds in a principal amount not to exceed the Assessments levied.

Section 8. The Program Administrator is hereby authorized and directed to prepare the auditors record for each District, pursuant to the Streets and Highways Code, and to transmit said auditors record to the County Auditor of the County within which each District is located. The assessment installments for the initial series of bonds issued for the District shall be apportioned among the parcels in each District having an unpaid Assessment.

Section 9. The Program Administrator is hereby directed to record the Final Engineer's Reports with the Authority. The Program Administrator is hereby further directed to record the assessment diagrams contained in the Final Engineer's Reports and the notices of assessment in the office of the County Recorder of the County within which each District is located in the time, form and manner as required by law.

Section 10. This Resolution shall take effect immediately upon its passage.



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

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 and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



EXHIBIT A

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



APPENDIX E
Form of Local Obligation Resolution

RESOLUTION NO. _____

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

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

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

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

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



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

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

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

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

WHEREAS, in connection with the financing of development impact fees and capital improvements pursuant to the Authority's Statewide Community Infrastructure Program (the "Program"), this Commission has determined to issue one or more separate series of its Statewide Community Infrastructure Program Limited Obligation Improvement Bonds, relating to each District (the "Local Obligations"), pursuant to a Trust Agreement in substantially the form currently on file with this Commission (the "Trust Agreement"), by and between the Authority and Wilmington Trust, National Association (the "Trustee"), such Local Obligations to be registered in the name of the Trustee and each series thereof to be issued in an aggregate principal amount not to exceed the principal amount of unpaid Assessments of the applicable District; and

WHEREAS, for the purpose of funding the Local Obligations and thereby financing the development impact fees and public capital improvements in the Districts as described above, this Commission, is expected from time to time to authorize its Statewide Community Infrastructure Program Revenue Bonds in one or more series (the "Revenue Bonds") pursuant to the same Trust Agreement as the Local Obligations to be acquired; and



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

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

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

WHEREAS, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

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

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

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

Section 3. A separate series of Local Obligations shall be issued for each District as provided in the Trust Agreement and shall represent and shall be secured by the unpaid Assessments of each such District in accordance with the provisions of the



1915 Act and pursuant to the provisions of the Resolutions of Intention and proceedings taken thereunder. Each series of the Local Obligations shall be issued in an aggregate principal amount not to exceed the unpaid Assessments as set forth in Exhibit A to this Resolution, shall bear interest at rates not to exceed __%, and shall be known as the “California Statewide Communities Development Authority Statewide Community Infrastructure Program Limited Obligation Improvement Bonds,” with appropriate series and sub-series designations as determined by the Authority. The Local Obligations may be issued in one or more issuances and pursuant to the same or a separate Trust Agreement as other Local Obligations of the Authority.

Section 4. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”), is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

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

Section 6. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Executive Director of the Authority, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the members of the Commission of the Authority, the Authority’s general legal counsel and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Local Obligations and to carry out the purposes of this Resolution.

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



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

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 and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



EXHIBIT A

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

APPENDIX F
Form of Revenue Bond Resolution

RESOLUTION NO. _____

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

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

WHEREAS, this Commission has completed its legal proceedings under the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000 of the Streets and Highways Code of the State of California) (the “1913 Act”) in connection with the formation of certain assessment districts identified in said proceedings, as identified on Exhibit A attached hereto (the “Districts”); and

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

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



WHEREAS, this Commission has determined to issue one or more separate series of Local Obligations, for each District (collectively, the “Local Obligations”), to be issued pursuant to that certain Trust Agreement (the “Trust Agreement”) between the Authority and Wilmington Trust, National Association, as Trustee (the “Trustee”), to be registered in the name of the Trustee and to bear such series designations as set forth in the Trust Agreement, which Local Obligations will fund certain public capital improvements and the payment of certain development impact fees which will, in turn, fund public capital improvements (the “Fees and Improvements”); and

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

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

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

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

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

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

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the Financing Program do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority



is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, Government Code Section 5852.1 requires that the Commission of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Commission of the Authority has obtained from RBC Capital Markets, LLC, the underwriter, the required good faith estimates and such estimates have been disclosed at this meeting; and

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

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

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

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

Section 3. The form and substance of the Trust Agreement made available to the Commissioners at this meeting is hereby approved. Any member of the Commission of the Authority, the Executive Director of the Authority, or their administrative delegates duly authorized pursuant to a resolution of the Authority (each, an “Authorized Signatory”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Bond Purchase Agreement is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes therein as any member of the Commission may require or approve



in consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Continuing Disclosure Certificate is hereby approved. Any Authorized Signatory is hereby authorized to execute and deliver said Continuing Disclosure Certificate in substantially the form on file with the Secretary and presented to this meeting, with such changes as any member of the Commission may require or approve in consultation with Disclosure Counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. Any Authorized Signatory is hereby authorized to execute the final Official Statement to be derived therefrom.

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

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

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

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Commission of the Authority, the Assistant to the Secretary, and other appropriate officers and agents of the Authority with respect to the transactions contemplated by this resolution are hereby ratified, confirmed and approved.

Section 8. This Resolution shall take effect immediately upon its passage.



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

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 and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By: _____

Authorized Signatory
California Statewide Communities
Development Authority



APPENDIX G -1
Form of SCIP Resolution

RESOLUTION NO. _____

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

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

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

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

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



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

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

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

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

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

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

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

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

(2) The Participating Developers, who shall be the legal owners of such property, execute a written consent to the levy of assessment in connection with SCIP by the Authority and



execute an assessment ballot in favor of such assessment in compliance with the requirements of Section 4 of Article XIID of the State Constitution.

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

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

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

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

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



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



* * *

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

AYES: Council/Board Members _____

NOES: Council/Board Members _____

ABSENT: Council/Board Members _____

ABSTAIN: Council/Board Members _____



EXHIBIT A TO FORM OF SCIP RESOLUTION

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



EXHIBIT B TO FORM OF SCIP RESOLUTION

FORM OF ACQUISITION AGREEMENT

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN

[CITY/COUNTY OF _____]

AND

[DEVELOPER]

Dated as of _____, 20__



ACQUISITION AGREEMENT

Recitals

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

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

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

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

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

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

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

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

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



Agreement

ARTICLE I

DEFINITIONS; ASSESSMENT DISTRICT FORMATION AND FINANCING PLAN

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

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

“Acquisition Improvements” shall have the meaning assigned to such term in Recital C and are described in Exhibit A.

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

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

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

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

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

“Authority” means the California Statewide Communities Development Authority.

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

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

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

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



“Local Agency” means the [City/County of _____].

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

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

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

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

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

“SCIP Trustee” means Wilmington Trust, National Association, as trustee under the SCIP Trust Agreement.

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

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

Section 1.03. Deposit and Use of Available Amount.

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

(b) The Authority will cause the SCIP Trustee to establish and maintain the [Developer] Acquisition Account for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the [Developer] Acquisition Account shall remain in the [Developer] Acquisition Account for use as provided herein and pursuant to SCIP. The amounts in the [Developer] Acquisition Account shall be withdrawn by the Local Agency in



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

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

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

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

Section 2.02. Letting and Administration of Construction Contracts. State law requires that all Acquisition Improvements shall be constructed as if they were constructed under the direction and supervision of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the guidelines of the Local Agency for letting and administering said contracts. The Developer agrees that all such contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California.



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

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

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

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

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

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

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



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

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

ARTICLE III

MISCELLANEOUS

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



or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

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

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

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

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

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

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



If to the Local Agency:

[City/County of _____]
[Address to Come]

If to the Developer:

[Developer]
[Address to Come]

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

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

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

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

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

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

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

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



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

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

[CITY/COUNTY OF _____]

By _____
[Mayor/Board Chair]

ATTEST:

[City Clerk/Clerk of the Board]

By _____

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

By _____
(Signature)

(Print Name)



Exhibit A to the Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

ACQUISITION IMPROVEMENTS

- 1.
- 2.
- 3.
- 4.

BUDGETED AMOUNTS



Exhibit B to The Acquisition Agreement

FORM OF SCIP REQUISITION

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

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

Request Date: [Insert Date of Request]

Name of Developer: [Developer]

Withdrawal Amount: [Insert Acquisition Price]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

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

[CITY/COUNTY OF _____]

By : _____

Title: _____

G-1-19

Exhibit C to Form of SCIP Resolution

[CITY/COUNTY OF _____] CONTACTS FOR SCIP PROGRAM

Primary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

Secondary Contact

Name:

Title:

Mailing Address:

Delivery Address (if different):

E-mail:

Telephone:

Fax:

[Add additional contacts as needed]

APPENDIX G-2
Sample Staff Report
Resolution to Join SCIP

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

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

Background: CSCDA is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the [City/County of _____] (the “[City/County]”).

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

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.

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

The benefits to the [City/County] include:

- As in conventional assessment financing, the [City/County] is not liable to repay the bonds issued by CSCDA or the assessments imposed on the participating properties.
- CSCDA handles all district formation, district administration, bond issuance and bond administration functions. A participating [city/county] can provide tax-exempt financing to property owners through SCIP while committing virtually no staff time to administer the program.
- Providing tax-exempt financing helps participating cities and counties cushion the impact of rising public capital improvements costs and development impact fees on property owners.
- The availability of financing will encourage developers to pull permits and pay fees in larger blocks, giving the participating [city/county] immediate access to revenues for public infrastructure, rather than receiving a trickle of revenues stretched out over time. As part of the entitlement negotiation process, the possibility of tax-exempt financing of fees can be used to encourage a developer to pay fees up front.
- In some cases, the special assessments on successful projects can be refinanced through refunding bonds. Savings achieved through refinancing will be directed back to the participating [city/county] for use on public infrastructure, subject to applicable federal tax limitations.

The proposed resolution authorizes CSCDA to accept applications from owners of property within our planning jurisdiction to apply for tax-exempt financing of public capital improvements and development impact fees through SCIP. It also authorizes CSCDA to form assessment districts within our [City’s/County’s] boundaries, conduct assessment proceedings and levy assessments against the property of participating owners. It approves the form of an Acquisition Agreement, attached to the resolution as Exhibit B, to be entered into between the

[City/County] and the participating property owner/developer, if applicable, to provide the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law.

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

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

APPENDIX G-3
Form of Notice of Public Hearing

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

NOTICE OF PUBLIC HEARING

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

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

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

[CITY/COUNTY] OF _____

[Name]

[City Clerk/Clerk of the Board]

APPENDIX H
Sample SCIP Timetable

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

APPENDIX I
Form of Resolution of Intention to be Adopted by CSCDA

**RESOLUTION OF INTENTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO FINANCE
IMPROVEMENTS AND/OR THE PAYMENT OF DEVELOPMENT
IMPACT FEES FOR PUBLIC CAPITAL IMPROVEMENTS IN THE
PROPOSED ASSESSMENT DISTRICT NO. _____ (COUNTY OF
_____, CALIFORNIA), APPROVING A PROPOSED BOUNDARY
MAP, MAKING CERTAIN DECLARATIONS, FINDINGS AND
DETERMINATIONS CONCERNING RELATED MATTERS, AND
AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH**

WHEREAS, under the authority of the Municipal Improvement Act of 1913 (the “1913 Act”), being Division 12 (commencing with Sections 10000 and following) of the California Streets and Highways Code (the “Code”), the Commission (the “Commission”) of the California Statewide Communities Development Authority (the “Authority”) intends to finance, through its Statewide Community Infrastructure Program, the payment of certain development impact fees for public capital improvements (the “Improvement Fees”) and/or to finance certain public capital improvements to be constructed by or on behalf of the property owner(s) and to be acquired by the _____ or another local agency (the “Improvements”) as described in Exhibit A attached hereto and by this reference incorporated herein, and all of which are of benefit to the property within the proposed Assessment District No. _____ (County of _____, California) (the “Assessment District”);

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

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

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

Section 1. The above recitals are true and correct.

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

Section 3. The Commission has designated a registered, professional engineer as Engineer of Work for this project, and hereby directs said firm to prepare the report containing the matters required by Sections 2961(b) and 10204 of the Code, as supplemented by Section 4 of Article XIII D of the California Constitution.

Section 4. The proposed boundary map of the Assessment District is hereby approved and adopted. Pursuant to Section 3111 of the Code, the Secretary of the Authority is directed to file a copy of the map in the office of the County Recorder of the County of _____ within fifteen (15) days of the adoption of this resolution.

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

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

Section 7. Bonds representing unpaid assessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, will be issued in the manner provided by the Improvement Bond Act of 1915 (Division 10 of the Code), and the last installment of the bonds shall mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date.

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

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

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

Section 11. To the extent any Improvement Fees are paid to the Authority in cash with respect to property within the proposed Assessment District prior to the date of issuance of the bonds, the amounts so paid shall be reimbursed from the proceeds of the bonds to the property owner or developer that made the payment.

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

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 and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, 20__.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

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

APPENDIX J
Form of Resolution Preliminarily Approving Engineer's Report

RESOLUTION NO. _____

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

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

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

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

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

Section 3. This Commission hereby sets ____ p.m., or as soon thereafter as the matter may be heard, on _____, _____, at the office of the California State Association of Counties, _____, _____, California 95814, as the time and place for a public hearing of protests to the proposed financing of development impact fees and/or public capital improvements, the proposed levy of assessments, the amounts of individual assessments, and related matters as set forth in said report, and any interested person may appear and object to said financing of development impact fees and/or public capital improvements, or to the extent of said assessment district or to said proposed assessment.

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

Section 5. _____, Engineer of Work, _____, _____, _____, (____) ____-____, is hereby designated to answer inquiries regarding the report and the protest proceedings.

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

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

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 and noticed meeting of the Commission of the Authority held in accordance with law and at which a quorum was present and acting throughout on _____, ____.

By _____
Authorized Signatory
California Statewide Communities
Development Authority

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

APPENDIX K
Form of Notice of Hearing

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

NOTICE OF PUBLIC HEARING AND ASSESSMENT BALLOT PROCEDURE

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

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

amount of the assessment proposed for your parcel or parcels. The reason that an assessment is proposed for your parcel or parcels is that the Authority has determined, preliminarily, that such property is specially benefited by the financing of the public capital improvements and the development impact fees imposed upon your parcel or parcels through participation in the Program. The basis upon which the amount of the proposed assessment was calculated is set forth in the section entitled "Method of Assessment" of the enclosed report.

Reference is made to the section entitled "Assessment Diagram/Boundary Map" of the enclosed report for a map showing the individual parcels proposed to be assessed.

4. Pursuant to Sections 2960, 2961 and 10200 of the Streets and Highways Code, the Authority intends to comply with the requirements of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 by proceeding under Part 7.5 of Division 4 of the Streets and Highways Code ("Part 7.5"). Please see the section entitled "Debt Limitation Report" of the enclosed report for the information required by Part 7.5. As set forth in the Debt Limitation Report section, this component of the report will be revised upon receipt of an appraisal report which will establish that the total true value of the parcels of land and improvements which are proposed to be assessed is at least twice the total amount of (i) unpaid assessments already levied against the property to be assessed, together with (ii) the amount of the proposed assessment for that property.
5. The Authority intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels of land in the proposed assessment district to pay various costs and expenses incurred from time to time by the Authority and not otherwise reimbursed to the Authority which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, in an amount not to exceed ten percent (10.0%) of the annual principal and interest amount levied upon each parcel in said assessment district. This annual assessment shall be in addition to any fee charged pursuant to Sections 8682 and 8682.1 of the Streets and Highways Code. Please see the section entitled "Administration" of the enclosed report on this topic.
6. It is the intention of the Authority that any delinquent assessment installment shall be subject to the same penalties and interest as are applicable to general property taxes, and that the Tax Collector of the County of _____ shall collect such penalties with and as a part of such delinquent assessment installments, and all penalties collected shall be deposited into the bond redemption fund for such bonds.
7. Assuming the Authority levies assessments as intended, property owners will be provided an opportunity to pay all or any part of such assessments in cash unless, as presently expected, this entitlement is waived in writing by 100% of such property owners. Following the termination of the cash payment period, bonds representing unpaid assessments and bearing interest at a rate not to exceed twelve percent (12.0%) per annum shall be issued by the Authority pursuant to the Improvement Bond Act of 1915 (Division 10, Streets and Highways Code), and the last installment of the bonds shall

mature not to exceed twenty-nine (29) years from the second day of September next succeeding twelve (12) months from their date. These estimates are subject to change, and the actual duration of payments and interest rate will be determined only at the time of the bond sale.

8. For further particulars, you may refer to the Resolution of Intention and the enclosed Engineer's Report, both of which are on file with the Assessment Engineer. Inquiries about the assessment proceedings will be answered by _____, Assessment Administrator, at (____) _____.
9. As provided by Section 4 of Article XIID of the California Constitution and Section 53753 of the California Government Code, an Official Property Owner Assessment Ballot has been enclosed with this notice, along with a self-addressed, return envelope by which the assessment ballot may be returned to the _____ of Orrick, Herrington & Sutcliffe LLP. Please note that **THIS IS THE OFFICIAL ASSESSMENT BALLOT AND NOT A SAMPLE BALLOT**. No further assessment ballot will be provided to you. This assessment ballot may be used by the owner or owners of the subject parcel to express either support for or opposition to the proposed assessment. Please see the assessment ballot for instructions respecting the alternative methods for submitting the ballot either by mail (which may be done using the enclosed envelope) or by personal delivery, either prior to or at the time of the public hearing of protests, including continuations of said public hearing. See the enclosed ballot for further instructions.

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

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

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

DATED: _____

Secretary, California Statewide
Communities Development Authority

Enclosures: Preliminary Engineer's Report
 Official Property Owner Assessment Ballot

APPENDIX L
Form of Recorded Notice of Assessment

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

_____, Secretary
California Statewide Communities
Development Authority
c/o David Taussig & Associates, Inc.
110 West San Fernando Street, Suite 430
San Jose, CA 95113
Attention: _____

NOTICE OF ASSESSMENT

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

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

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

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

Reference is made to the Assessment Diagram hereinabove referred to and the Assessment Roll recorded in the office of the Superintendent of Streets of said Authority on _____, 20__.

Said Assessment Roll recorded in the office of the Superintendent of Streets is referred to determine the amount of each assessment levied against each parcel of land shown upon the assessment diagram.

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

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

Dated: _____

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By _____
_____, Secretary

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

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

APPENDIX M
Form of Published Notice of Recording of Assessment

NOTICE OF ASSESSMENT

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

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

Dated: _____

_____, Secretary
California Statewide Communities
Development Authority

APPENDIX N
Form of Local Agency Closing Certificate

LOCAL AGENCY CLOSING CERTIFICATE
([Local Agency])

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

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

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

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

1. With respect to each Assessed Parcel and the Projects to be constructed thereon, each of the following is true to the best knowledge of the undersigned without undertaking any investigation or inquiry:
 - a. The Projects have been approved by the Local Agency and have received all discretionary development permits and approvals (including, as applicable, general and specific plans, zoning, tentative or final subdivision maps, development agreements, use permits and other discretionary permits, but not including design review and approval related to architectural features, landscaping or similar items) required to be issued by the Local Agency.
 - b. There is no legal impediment or limitation which would prevent the Projects from going forward as approved in a timely fashion.
 - c. The provisions of the California Environmental Quality Act have been complied with in connection with the approvals described in subparagraph (a) above.

- d. There is no litigation pending or to the knowledge of the Local Agency threatened which challenges the development of the Projects or the Local Agency's participation in SCIP nor is there any basis therefor.
 - e. The owners of the Assessed Parcels are not delinquent in the payment of any tax, assessment, fee or charge levied by the Local Agency on or as a result of the ownership or development of the Assessed Parcels.
- 2. The resolution of the Local Agency by which it joined SCIP and the resolution of the Local Agency by which it approved the form of acquisition agreement were duly adopted by the governing body of the Local Agency, have not been amended, modified, repealed or rescinded and are in full force and effect as of the date hereof.
 - 3. The Local Agency is a member in good standing of the California Statewide Communities Development Authority.
 - 4. The Tax Certifications attached hereto as Exhibit A are true and correct.
 - 5. The Improvements to be acquired by the Local Agency were either (i) in existence and installed in place on or before [Adoption Date of Resolution of Intention], the date the California Statewide Communities Development Authority adopted its resolution of intention for the above referenced district, or (ii) were constructed as if they had been constructed under the direction and supervision or under the authority of the Local Agency.

Dated: [Program Series Closing Date]

[LOCAL AGENCY]

Authorized Representative

SCHEDULE I

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

SCIP Program Series: Series 20__

County Location: [County]

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

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

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

* Not to exceed

EXHIBIT A

LOCAL AGENCY TAX CERTIFICATION

The Local Agency hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the “Program”) Revenue Bonds, Series 20 __, in an aggregate amount \$_____ (the “Participation”). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the “Bonds”) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”).

1.1 Use of Facilities. The proceeds of the Participation (the “Proceeds”) will be used to finance the construction or acquisition of certain public improvements (the “Facilities”). The Local Agency or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Local Agency will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Local Agency or another state or local government agency.

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

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

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Account (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days

after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the Local Agency for costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the reimbursement declaration related to such transfer attached hereto as Exhibit B, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.

APPENDIX O

Arbitrage Rebate and Yield Restriction Services

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

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

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

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

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

APPENDIX P

Continuing Disclosure Services

SERVICES PROVIDED BY AUTHORITY

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

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

SERVICES TO BE PROVIDED BY PROGRAM ADMINISTRATOR

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

I. With respect to each Annual Report:

- (1) Determine from the Continuing Disclosure Agreement what categories of information are required to be included in the Annual Report, about which obligated persons, by whom and by when it must be provided to the Municipal Securities Rulemaking Board (the “MSRB”).
- (2) Assist the officers or employees of the Authority designated with responsibility for continuing disclosure to assemble information necessary for the Annual Report.

- (3) Review material compiled to determine whether it covers the categories referred to in (1) above. Make appropriate follow-up inquiries based on the information compiled.
- (4) Circulate proposed form of Annual Report to the SCIP Trustee and the Authority for review and comment; make appropriate revisions.
- (5) Prepare and circulate for execution appropriate certifications of the Authority and others regarding information included in the Annual Report.
- (6) Submit or confirm submission of the Annual Report to the MSRB.
- (7) Maintain, or cause to be maintained, for at least six (6) years, a record of the Annual Report submitted to the MSRB.

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

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

APPENDIX Q
SCIP Disbursement Form

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Phone: 213-612-2152
Fax: 213-612-2499

Re: 20[] Statewide Community Infrastructure Program ("SCIP") Financing

Project Name: _____
Assessment District: _____

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

Subaccount(s)	Amount
----------------------	---------------

Total:

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.
2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Total amount above is greater than the funds held by SCIP on behalf of the [LOCAL AGENCY], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [LOCAL AGENCY], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

Unless amended by prior written notice to the Program Administrator, the disbursement amount shall be forwarded to the financial institution and account provided to the Program Administrator as part of the [Local Agency] SCIP enrollment materials.

Dated: _____

[LOCAL AGENCY]

Signature: _____
Print Name: _____
Title: _____

APPENDIX R

SCIP Investment Policy

Introduction

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

Scope

This Policy applies to all SCIP-related funds.

Standard of Care

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

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

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

Investment Objectives

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

1. Safety

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

2. Liquidity

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

3. Yield

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

Permitted Investments

1. Direct Obligations of the United States of America

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

2. Federal Agency Obligations

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

3. Negotiable Certificates of Deposit

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

4. Commercial Paper

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

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

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

5. Bankers' Acceptances

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

6. Money Market Mutual Funds

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

7. Repurchase Agreements

Repurchase Agreements shall be limited to the following conditions:

- With any domestic bank the long term debt of which is rated "AA" or better by S&P and "Aa2" by Moody's (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank rated at least "AA" by S&P and "Aaa" by Moody's or "AAA" by S&P and at least "Aa" by Moody's.

- With (i) any broker-dealer with “retail customers” which has, or the parent company of which has, long-term debt rated at least “AA” by S&P and “Aa” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investor’s Protection Corp. (SIPC);
- With any corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least “AA” by S&P and “Aa” by Moody’s; provided that;
- The market value of the collateral is maintained for United States Treasury Obligations and Government National Mortgage Association Obligations at 104% of the invested balance, and for Federal National Mortgage Association Senior debt obligations and Federal Home Loan Mortgage Corporation Senior debt obligations at 105% of the invested balance, such collateral must also meet the Further Collateral Requirements below;
- Failure to maintain the requisite collateral percentage will require the Program Administrator or the SCIP Trustee to liquidate the collateral;
- The SCIP Trustee, or a third party acting solely as agent therefor (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
- The repurchase agreement states, and an opinion of counsel is rendered to the effect, that the SCIP Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in case of bearer securities, this means the Holder of the Collateral is in possession);
- The transferor represents that the collateral is free and clear of any third-party liens or claims;
- An opinion is rendered that the repurchase agreement is a “repurchase agreement” as defined in the United States Bankruptcy Code;
- There is or will be a written agreement governing every repurchase transaction;
- The SCIP Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and
- The SCIP Trustee receives an opinion of counsel (which opinion shall be addressed to the SCIP Trustee) that such repurchase agreement is legal, valid and binding and enforceable against the provider in accordance with its terms.

8. Local Agency Investment Fund (LAIF)

9. State Obligations

State obligations shall be limited to the following:

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

10. Forward Purchase Agreements

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

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

11. Investment Agreements

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

- Each Investment Agreement will limited to agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or in the case of a guaranteed corporations the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company t the claims paying ability of the guarantor, is rated at lest “AA” by S&P and” Aa2” by Moody’s; provided, that prior written notice of an investment in the investment agreement is provided to S&P and Moody’s and, provided, further, by the terms of the investment agreement.

- Interest payments are to be made to the SCIP Trustee at times and amounts as necessary to pay debt service on the Bonds;
- the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in the SCIP Manual of Procedures other than acquisition of alternative investment property upon not more than seven days prior notice;
- the Investment Agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- the SCIP Trustee and the Authority shall receive the opinion of domestic counsel (which opinion shall be addressed to the Authority) that such Investment Agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);
- the Investment Agreement shall provide that if during its terms (a) the provider's or the guarantor's rating by either S&P or Moody's is withdrawn or suspended or falls below "AA" or "Aa2", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Authority or the SCIP Trustee within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the SCIP Trustee or a Holder of the Collateral, United States Treasury Obligations at 104% of the invested balance which are free and clear of any third-party liens or claims and which meets the Further Collateral Requirements below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the SCIP Trustee), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A", or, with respect to a foreign bank, below, "AA" or "Aa2" by S&P or Moody's, as appropriate, the provider must, at the direction of the Program Administrator or the SCIP Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Program Administrator or SCIP Trustee.
- The investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the SCIP Trustee has perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the SCIP Trustee is in possession); and
- The investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Program Administrator or the SCIP Trustee, be accelerated and amounts invested and

accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Program Administrator or SCIP Trustee, as appropriate.

Prohibited Investments

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

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

Reporting Requirements

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

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

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

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

Safekeeping and Custody

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

Review of Policy

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

Delegation of Authority

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

APPENDIX S
Form of Initial Demand Letter of Delinquent Property Owner

Date _____

Property Owner Name _____

Address _____

City, State ZIP _____

Re: _____

California Statewide Communities Development Authority

Statewide Community Infrastructure Program

CSCDA SCIP Assessment District No. _____

County of _____ Assessor's Parcel Number _____

Dear Property Owner:

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

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

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

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX T
Form of Second Letter of Delinquent Owner

Date _____

Property Owner Name _____
Address _____
City, State ZIP _____

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

Dear Property Owner:

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

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

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

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

Very truly yours,

[Assessment Administrator]

Delinquency Management

APPENDIX U
Form of Lender Demand Letter

Date _____

Lender Name _____
Address _____
City, State ZIP _____

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

Ladies and Gentlemen:

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

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

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

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

Sincerely,

[Assessment Administrator]

Cc: [Property Owners]

APPENDIX V
Form of Disclosure Notice to Subsequent Purchasers

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

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

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

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

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

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

PAYMENT OF THE DEVELOPMENT IMPACT FEES, PUBLIC CAPITAL IMPROVEMENTS AND THE PUBLIC FACILITIES INTO ACCOUNT IN DECIDING WHETHER TO PURCHASE THIS PROPERTY.

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

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

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

Acknowledged:

Date

Prospective Buyer

Date

Prospective Buyer

Lot No. _____

Tract No. _____

APPENDIX W
Form of Fee Collection Agreement

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

This FEE COLLECTION AND DISBURSEMENT AGREEMENT (this “Agreement”), dated as of _____ 1, 20__, by and among the [FEE RECIPIENT] (“Fee Recipient”), a California special district, the [SCIP PARTICIPANT LOCAL AGENCY], a municipal corporation of the State of California (the “SCIP Participant”) and the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”);

W I T N E S S E T H:

WHEREAS, the Fee Recipient is entitled to receive from time to time certain amounts paid by developers of real property (each a “Developer”) within the jurisdiction of the SCIP Participant as impact fees, connection fees or other capital charges;

WHEREAS, the SCIP Participant is a participant in CSCDA’s Statewide Community Infrastructure Program (“SCIP”);

WHEREAS, as a participant in SCIP, the SCIP Participant has established an account with CSCDA held by Wilmington Trust, National Association, as trustee (the “SCIP Trustee”) and administered by BLX Group LLC (the “SCIP Program Administrator”) in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held (the “SCIP Participant SCIP Account”);

WHEREAS, certain fees or capital charges collected by Fee Recipient (the “Fees”) are eligible for financing through SCIP, subject to approval of Bond Counsel (as defined herein);

WHEREAS, the Fees may be paid to Fee Recipient by Developers, for subsequent reimbursement from the proceeds of bonds (the “Bonds”) issued through SCIP, or the Fees may be paid directly to Fee Recipient from proceeds of the Bonds;

WHEREAS, in order to allow the Fees to be financed through SCIP, Fee Recipient has requested that for any Developer which applies for SCIP financing with respect to Fees payable with respect to a development project within the SCIP Participant, SCIP Participant collect the Fees and remit them to CSCDA for deposit in a separate subaccount within the SCIP Participant SCIP Account;

WHEREAS, in accordance with Fee Recipient’s request, and in order to allow the Fees to be financed through SCIP, the SCIP Participant has determined to collect the Fees on Fee Recipient’s behalf and to remit the Fees to CSCDA to be held in a separate subaccount within the SCIP Participant SCIP Account, and to make or cause to be made disbursements from such subaccount in accordance with properly executed requisitions of the Fee Recipient in the form attached as Exhibit B hereto;

NOW, THEREFORE, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:

Section 1. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Authorized Officer” means (a) when used with respect to CSCDA, any member of the governing board of CSCDA and such additional person or persons, if any, duly designated by CSCDA in writing to act on its behalf, and (b) when used with respect to Fee Recipient, any person or persons duly designated by Fee Recipient in writing to act on its behalf.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP, or any other nationally recognized firm appointed by CSCDA to serve as bond counsel in connection with the issuance of Bonds.

“Bonds” means bonds issued by CSCDA to finance development impact fees, including the Fees, in connection with SCIP.

“CSCDA” means the California Statewide Communities Development Authority, its successors and assigns.

“Fee Recipient” means the [Fee Recipient], a California special district.

“Fees” means those certain development-related fees to be financed through SCIP, approved by Bond Counsel and payable from time to time to Fee Recipient.

“SCIP” means the Statewide Community Infrastructure Program, a program of CSCDA.

“SCIP Participant” means the [SCIP Participant Local Agency], California.

“SCIP Participant SCIP Account” means the SCIP Participant’s account with CSCDA held by the SCIP Trustee and administered by the SCIP Program Administrator in which certain amounts collected on behalf of the SCIP Participant in connection with SCIP are held.

“SCIP Funds” means payments of Fees received by Fee Recipient, as more fully described in Section 3, together with all of the investment earnings on such Fees.

“SCIP Program Administrator” means BLX Group LLC, its successors and assigns or any other administrator appointed by CSCDA as the administrator of SCIP.

“SCIP Trustee” means Wilmington Trust, National Association, its successors and assigns.

Section 2. Collection of Fees; SCIP Financing.

(a) Fee Recipient acknowledges that it has the authority to collect and use the Fees for its own benefit. Fee Recipient acknowledges that, subject to approval as set forth in Section 3, the Fees may be financed through SCIP, and agrees to allow the SCIP Participant to collect the Fees from time to time with respect to Developers applying for SCIP financing on the Fee Recipient’s behalf (i) from such Developers prior to the issuance of a particular series of

Bonds, or (ii) from proceeds of a particular series of Bonds following the issuance of such Bonds.

(b) For any Developer applying for SCIP financing of Fees pertaining to a project within the jurisdiction of the SCIP Participant, the SCIP Participant agrees to collect the Fees from time to time for the Fee Recipient's benefit. Upon collection, the SCIP Participant shall remit the Fees to CSCDA, to be deposited as set forth in Section 4.

Section 3. Approval of Fees. The Authorized Officers of Fee Recipient, or their designees, are authorized under this Agreement to approve the financing of Fees through SCIP. No Fee may be financed through SCIP except with the written approval of an Authorized Officer of Fee Recipient or his designee, which approval shall be evidenced by the signature of such Authorized Officer next to each such Fee shown on Exhibit A attached hereto or in such other written form as may be acceptable to the parties hereto. The written approval of an Authorized Officer shall be required only once rather than on a project-by-project basis, and such approval shall constitute approval for the financing of such authorized fees for any and all applications which may be received by CSCDA requesting financing of such authorized fees for a given project.

Section 4. Agreement to Hold Fees in SCIP Participant SCIP Account. CSCDA agrees to receive or cause to be received by the SCIP Trustee the Fees collected by the SCIP Participant on behalf of the Fee Recipient. CSCDA shall establish or cause to be established within the SCIP Participant SCIP Account a separate subaccount (the "[Fee Recipient] Subaccount"). The Fees financed using Bond proceeds shall be deposited in the [Fee Recipient] Subaccount and held there by the SCIP Trustee and segregated from all other funds within the SCIP Participant SCIP Account, and except for investment purposes, shall not be commingled with any other funds held by the SCIP Trustee. Investment earnings on the [Fee Recipient] Subaccount shall be retained in the such subaccount for the benefit of the Fee Recipient except to the extent a portion of such earnings are requested to pay rebate or yield reduction payments to the U.S. Treasury pursuant to the Internal Revenue Code. Amounts on deposit in the [Fee Recipient] Subaccount shall be disbursed only in accordance with Section 5 of this Agreement. All Fees funded through Bond proceeds shall be deemed paid by the Developer in the amount of the Bond proceeds on the date that such Bond proceeds are deposited in the SCIP Participant SCIP Account.

Section 5. Disbursements from SCIP Participant SCIP Account. CSCDA shall disburse or cause to be disbursed moneys on deposit in the [Fee Recipient] Subaccount only as provided herein. Moneys on deposit in the [Fee Recipient] Subaccount shall be disbursed pursuant to written requisitions of the Fee Recipient, in substantially the form attached hereto as Exhibit B and executed by an Authorized Officer of the Fee Recipient. CSCDA, the SCIP Program Administrator and the SCIP Trustee may conclusively rely on such requisitions for purposes of making such disbursements.

All disbursements from the [Fee Recipient] Subaccount to the Fee Recipient shall be made by wire transfer of immediately available funds or by check payable to the Fee Recipient's bank account number at a bank located within the United States on file with the SCIP Trustee, unless another method of payment is requested in writing by the Fee Recipient.

Section 6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto. CSCDA agrees to terminate this agreement upon request of Fee Recipient upon delivery to CSCDA of an opinion Bond Counsel to the effect that the termination of this Agreement will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Amendment of this Agreement. This Agreement may be amended only by a written instrument executed by the parties hereto; provided that any such amendment shall be conditioned upon delivery to CSCDA of an opinion of Bond Counsel to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8. Successors in Interest. This Agreement and all of the provisions hereof shall be binding on the parties hereto and their successors and assigns.

Section 9. Third Party Beneficiaries. The SCIP Program Administrator is expressly declared to be a third party beneficiary of this Agreement. No other third party beneficiary of this Agreement is intended or implied. Except as to the express third party beneficiary identified herein, nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any other third party.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Agreement.

Section 11. Choice of Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any legal action arising out of this Agreement shall be filed in and adjudicated by a court of competent jurisdiction in the [SCIP Participant Local Agency], State of California.

Section 12. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

Section 13. Notices. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to this Agreement shall be addressed to the appropriate party at the addresses set forth below.

Fee Recipient: [Fee Recipient Address]

SCIP Participant: [SCIP Participant Local Agency Address]

CSCDA: California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, CA 95814
Attention: Treasurer

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date set forth beside their signatures below.

Dated: _____, 20____

[FEE RECIPIENT]

Authorized Officer

[LOCAL AGENCY SCIP PARTICIPANT]

Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

Authorized Signatory

EXHIBIT A TO FORM OF AGREEMENT

Approved Fees

Fee	Project	Expected Amount	Approved by Authorized Officer	Date
		\$		

EXHIBIT B TO FORM OF AGREEMENT

SCIP Disbursement Form

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Phone: 213-612-2152
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

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

<u>Subaccount(s)</u>	<u>Amount</u>
----------------------	---------------

Total:

Wiring Instructions:

The undersigned hereby additionally certifies as follows:

1. The use to which these funds have been or will be put is a permitted use pursuant to the fees indicated for public capital improvements, and this disbursement is not being made for the purpose of reinvestment.

2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.

3. If the Total amount above is greater than the funds held by SCIP on behalf of the [Fee Recipient], the Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.

4. To the extent the disbursement is being made prior to the date the bonds have been issued, this disbursement form serves as the declaration of official intent of the [Fee Recipient], pursuant to Treasury Regulations 1.150-2, to reimburse itself with respect to expenditures made from the Fees Sub-accounts referenced above in the amount requested.

5. The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). [Fee Recipient] will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. To the extent any of such Improvements are sold to an entity that is not a state or local government agency, [Fee Recipient] will seek the advice and approval of bond counsel to the Authority prior to any such sale. [Fee Recipient] will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of [Fee Recipient] or another state or local government agency. The average expected useful life of such Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

Dated: _____

Signature: _____

Print Name: _____

EXHIBIT C TO FORM OF AGREEMENT

SCIP Tax Representations

The Fee Recipient hereby makes the following representations of facts and expectations and covenants to comply with the requirements of this Tax Certification in connection with its participation in the Statewide Community Infrastructure Program (the “Program”) Revenue Bonds, Series ____, in an aggregate amount (including allocable costs, capitalized interest, reserve fund and original issue premium) of \$_____ (the “Participation”). The representations and covenants contained in this Tax Certification are in furtherance of the requirements of the Program and are designed to support the conclusion that the interest paid on the bonds issued to fund the Program and the Participation (the “Bonds”) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”).

1.1 Use of Facilities. The proceeds of the Participation (the “Proceeds”) will be used to finance the construction or acquisition of certain public improvements (the “Facilities”). The Fee Recipient or another state or local government agency will own, and for the entire useful life of the Facilities reasonably expects to own, all of the Facilities. To the extent any of the Facilities are sold to an entity that is not a state or local government agency, the procedures outlined in the SCIP Reference Manual will be followed. The Fee Recipient will not allow any of the Proceeds or any of the Facilities to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) and will not loan any of the Proceeds. All of the Facilities will be used in the performance of essential governmental functions of the Fee Recipient or another state or local government agency.

The average expected useful life of the Facilities is at least 20 years.

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

1.3 Expenditure of Proceeds. Proceeds and other deposits under the Program are not treated as spent on the Facilities until the Local Agency makes a transfer to a person unrelated to the Local Agency and such transfer represents a payment for the Facilities. A payment for the Facilities will occur if Proceeds or other deposits under the Program are transferred from the Local Agency Accounts (as defined in the Trust Agreement relating to the Participation) either (a) to the Local Agency and actually used to make a payment to a person unrelated to the Local Agency no later than three days after the transfer or (b) directly to a third party at the direction of the Local Agency to pay the cost of the Facilities, or (c) to the Local Agency to reimburse the

Local Agency of costs of the Facilities paid before the date of the transfer. To the extent Proceeds or other deposits under the Program are transferred to the Local Agency to reimburse the Local Agency for costs of Facilities paid before the date of the transfer, Proceeds will only be treated as spent if (i) such costs were originally paid no earlier than 60 days before the date of the respective reimbursement declaration related to such transfer attached hereto as Schedule I, and (ii) the disbursement of Proceeds to reimburse for such costs occurs within 18 months of the date the costs were paid or 18 months of the date the respective Facilities was placed in service (whichever is later), but in no case more than 3 years after the date the costs were paid by the Local Agency.