REGULAR MEETING ***TELECONFERENCE MEETING NOTICE and AGENDA*** LOCATIONS LISTED BELOW

10:30 A.M.
Thursday, July 20, 2017
<u>Teleconference Phone Information</u>
(712) 775-7031 - Conference Code: 895081223

Call to Order and Roll Call Statement of Disclosure

Action Items

- 1. Approve Minutes from the Regular Meeting on July 13, 2017.
- 2. Approve Resolution No. 17-48 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Development, Renovation, Equipping and Furnishing of Facilities for the Benefit of San Diego Habitat for Humanity, Inc. or a Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
- 3. Approve Resolution No. 17-49 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Capital Projects), Series 2017, for the Purpose of Financing and Refinancing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
- 4. Approve Resolution No. 17-50 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Equipment Project), Series 2017, for the Purpose of Financing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
- 5. Approve Resolution No 17-51 Authorizing and Approving an Amended and Restated Program Administration Agreement in Connection with the California Enterprise Development Authority Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.

- 6. Approve Resolution No. 17-52 Authorizing and Approving an Amended and Restated Account Management Agreement in Connection with the California Enterprise Development Authority Residential Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.
- 7. Approve revisions to the PACE Program Report.
- 8. Appoint officers of the California Enterprise Development Authority (the "Authority").

Public Comment Chair Report PACE Report Other Business Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811

City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084 Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817

City of Santa Clarita (contact Jason Crawford or Marilyn Sourgose) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355 City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453 Los Angeles County
Economic Development
Corporation (LAEDC)
(contact Carrie Rogers or
Linden Johnson)
444 S. Flower St., 37th Floor
Los Angeles, CA 90071

County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10th Street Modesto, CA 95354 City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3rd Floor West Sacramento, CA 95691

This agenda can be obtained at www.ceda.caled.org. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 16.

MINUTES Regular Meeting ***TELECONFERENCE MEETING *** CEDA BOARD OF DIRECTORS Thursday, July 13, 2017

Teleconference Locations

California Association for City of Vista Sacramento Municipal Utility District

Local Economic (contact Kevin Ham or (contact Mather Kearney)

Development Reception) 6301 S Street

(contact Helen 200 Civic Center Dr. Sacramento, CA 95817

Schaubmayer) Vista, CA 92084

550 Bercut Drive, Suite G Los Angeles County

Sacramento, CA 95811 City of Lakeport Economic Development (contact Margaret Silveira or Corporation (LAEDC)

City of Santa Clarita Hilary Britton) (contact Carrie Rogers or

(contact Jason Crawford or 225 Park Street Linden Johnson)

Marilyn Sourgose) Lakeport, CA 95453 444 S. Flower St., 37th Floor

23920 Valencia Blvd., Suite Los Angeles, CA 90071

00 City of West Sacramento

Santa Clarita, CA 91355 (contact Aaron Laurel or Polly Harris)

County of Stanislaus 1110 West Capitol Avenue,

(contact Keith Boggs or 3rd Floor

Sheryl Swartz) West Sacramento, CA 95691

1010 10th Street, Suite 5003

1010 10th Street, Suite 5003 Modesto, CA 95354

Call to Order

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 am.

Roll Call

Members Present: Keith Boggs

Mather Kearney Aaron Laurel Gurbax Sahota Margaret Silveira*

* Joined late

CALED Management/Staff

Present: Helen Schaubmayer

Public: Christine Padilla, Dividend Finance

Statement of Disclosure

None

Gurbax Sahota announced that Resolution No. 17-36 (membership for the City of Upland) and Resolution No. 17-43 (ROI for the City of Madera) will be removed from the agenda and are not up for approval for this meeting.

Action Items

1. Approve Minutes from the Regular Meetings on July 6, 2017.

Motion: Board Member Aaron Laurel made the motion to approve minutes from the Regular Meeting on July 6, 2017. Board Member Keith Boggs seconded the motion on the floor. The motion passed with the following roll call vote:

Keith Boggs	Aye
Aaron Laurel	Aye
Gurbax Sahota	Ave

- 2. Approve Resolution No. 17-28 Approving Associate Membership of the City of Atwater in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 3. Approve Resolution No. 17-29 Approving Associate Membership of the City of Brentwood in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 4. Approve Resolution No. 17-30 Approving Associate Membership of the City of Corning in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 5. Approve Resolution No. 17-31 Approving Associate Membership of the City of Ione in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 6. Approve Resolution No. 17-32 Approving Associate Membership of the City of La Mirada in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 7. Approve Resolution No. 17-33 Approving Associate Membership of the City of Madera in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 8. Approve Resolution No. 17-34 Approving Associate Membership of the City of San Bernardino in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 9. Approve Resolution No. 17-35 Approving Associate Membership of the City of Santa Clarita in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.
- 10. Approve Resolution No. 17-37 Approving Associate Membership of the City of Weed in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.

Motion: Board Member Mather Kearney made the motion to approve Resolution No.'s 17-28 through 17-35 and 17-37. Board Member Aaron Laurel seconded the motion on the floor. The motion passed with the following roll call vote:

Keith Boggs	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that these membership resolutions were brought to CEDA by Dividend Finance based on the jurisdictions' interest in joining Figtree's PACE Program.

- 11. Approve Resolution No. 17-38 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Atwater.
- 12. Approve Resolution No. 17-39 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Brentwood.
- 13. Approve Resolution No. 17-40 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Corning.
- 14. Approve Resolution No. 17-41 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Ione.
- 15. Approve Resolution No. 17-42 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of La Mirada.
- 16. Approve Resolution No. 17-44 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of San Bernardino.
- 17. Approve Resolution No. 17-45 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Santa Clarita.
- 18. Approve Resolution No. 17-46 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Upland.
- 19. Approve Resolution No. 17-47 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Weed.

Motion: Board Member Keith Boggs made the motion to approve Resolution No.'s 17-38 through 17-42 and 17-44 through 17-47. Board Member Aaron Laurel seconded the motion on the floor. The motion passed with the following roll call vote:

Keith Boggs	Aye
Aaron Laurel	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Discussion: Helen briefed the Board that the adoption of the Resolution of Intention is the first step in a two-step process necessary for the implementation of CEDA/Figtree's PACE Program in the participating member jurisdictions. Board Chair Gurbax Sahota clarified that Resolution No. 17-36 (membership for the City of Upland) was removed because

Upland is already a CEDA member and Resolution No. 17-43 (ROI for the City of Madera) was removed as the City of Madera's resolution showed that it approved participation in the local PACE program and not the Figtree PACE program, requiring this item to be brought back to the jurisdiction.

Public Comment

Chair Report

Board Chair Gurbax Sahota stated that the Board of Directors will receive membership through CEDA's new membership CDFA. This will allow CEDA to market to other parties in the industry such as banks and financial advisors, giving CEDA more visibility.

Gurbax Sahota also requested feedback on a possible in-person CEDA meeting on August 24, 2017. There was interest among the Board and more information is to follow.

Helen stated there will be a meeting next week.

PACE Report

Board Chair Gurbax Sahota provided an update on the County of Kern rescinding its participation in all PACE programs, not only CEDA's/Figtree's program. This is due to the recent push from realtors and other representatives expressing concern about PACE.

Other Business

Adjournment

Motion: Board Member Keith Boggs made the motion to adjourn the meeting. Board member Mather Kearney seconded the motion on the floor. Board Chair Gurbax Sahota adjourned the meeting at 10:51 am by voice vote.

Staff Report		
Action Requested	Approve Resolution No. 17-48 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Development, Renovation, Equipping and Furnishing of Facilities for the Benefit of San Diego Habitat for Humanity, Inc. or a Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.	
Borrower(s)	San Diego Habitat for Humanity, Inc.	
Borrower Description	San Diego Habitat for Humanity, Inc. seeks to end poverty housing by creating affordable homeownership opportunities for low-income families. Since its local founding in 1988, San Diego Habitat for Humanity has built, rehabbed, and repaired 327 homes, serving over 1,000 adults and children with the help of over 175,000 volunteers. San Diego Habitat is committed to revitalizing whole communities through its Neighborhood Revitalization program, serving families by providing an expanded array of products, services, and partnerships and empowering residents to revive their neighborhoods and enhance their quality of life. In addition to building and repairing homes and communities, San Diego Habitat for Humanity operates three retail centers – the ReStores. Web site: https://www.sdhfh.org/	
	San Diego Habitat for Humanity, Inc. requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$5,500,000 to finance the acquisition, construction, development, renovation, equipping and furnishing of the Borrower's new headquarters facility located in San Diego, consisting of three industrial/office buildings with approximately 36,392 square feet of space and 69 parking spaces and for paying certain costs of issuance.	
Public Benefits	This tax-exempt financing will reduce San Diego Habitat's debt service payments, resulting in increased cash-flow available to support its valuable programs and services.	
TEFRA Hearing	A public hearing is scheduled to be held by the County of San Diego on July 18, 2017.	
Eligibility and Policy Review	CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Polices and Procedures The Borrower is capable of meeting the obligations incurred under the financing documents; The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; Proposed financing is appropriate for the project.	
Recommendation	Staff recommends approval of Resolution No. 17-48 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Development, Renovation, Equipping and Furnishing of Facilities for the Benefit of San Diego Habitat for Humanity, Inc. or a Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.	

RESOLUTION NO. 17-48

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT **AUTHORITY AUTHORIZING** AND APPROVING Α **AGREEMENT PURSUANT** TO WHICH THE **CALIFORNIA** ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR FOR THE **PURPOSE OF** FINANCING AND MORE LOANS REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, DEVELOPMENT, RENOVATION, EQUIPPING AND FURNISHING OF FACILITIES FOR THE BENEFIT OF SAN DIEGO HABITAT FOR HUMANITY, INC. OR A SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

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

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the County of San Diego (the "County") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

WHEREAS, San Diego Habitat for Humanity, Inc., a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the "Borrower Loan") in the aggregate principal amount not to exceed \$5,500,000 to the Borrower for the purpose of (1) financing the acquisition, construction, development, renovation, equipping and furnishing of the Borrower's new headquarters facility located at 8108, 8128 and 8148 Mercury Court, San Diego, California, consisting of three industrial/office buildings with approximately 36,392 square feet of space and

69 parking spaces (the "Facilities"); and (2) paying certain costs of issuance of such financing; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from Pacific Western Bank, or its successor (the "Lender") to the Authority (collectively, the "Authority Loan") to make the Borrower Loan; and

WHEREAS, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

- (a) A proposed form of Loan Agreement (the "Loan Agreement"), by and among the Lender, the Authority and the Borrower; and
- (b) A proposed form of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the County and surrounding community through the housing provided by the Borrower and, based on representations of the Borrower, the financing and refinancing of the costs of the acquisition, construction, development, renovation, equipping and furnishing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing of the costs of the acquisition, construction, development, renovation, equipping and furnishing of the Facilities.

Section 2. The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority's payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

Section 4. The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

Section 5. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$5,500,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 8. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 20th day of July, 2017.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

	ByGurbax Sahota, Chair
Attest:	
By Helen Schaubmaver Assistant Secretary	

Helen Schaubmayer, Assistant Secretary

Staff Report		
Action Requested	Approve Resolution No. 17-49 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Capital Projects), Series 2017, for the Purpose of Financing and Refinancing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.	
Borrower(s)	Paratransit, Incorporated	
Borrower Description	Founded in 1978, Paratransit, Inc. is a local public agency organized as a nonprofit dedicated to providing transportation services to individuals with disabilities, the elderly, and related agencies. Starting with just two vehicles, it now operates over 150 and is recognized as a national leader in coordinated transportation programs. Additionally, Paratransit's maintenance shop services vehicles for 40 other agencies in the region to supplement its revenues. Web site: http://www.paratransit.org/	
	Paratransit, Incorporated requests the Authority for Revenue Bonds in the aggregate principal amount not to exceed \$7,500,000 for the purposes of financing and refinancing the cost of acquisition, construction, restoration, improvement, renovation, furnishing, equipping and general development of real property, improvements and personal property located in Sacramento, California, consisting of administrative offices and equipment and for paying certain costs of issuance. The Bonds will be purchased by Wells Fargo Bank, National Association.	
Public Benefits	The organization advocates for a fully accessible, useable, and integrated public transportation system by providing innovative community transportation services.	
TEFRA Hearing	A public hearing is scheduled to be held by the County of Sacramento on July 25, 2017.	
Eligibility and Policy Review	CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Polices and Procedures The Borrower is capable of meeting the obligations incurred under the financing documents; The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;	
	■ Proposed financing is appropriate for the project.	
Recommendation	Staff recommends approval of Resolution No. 17-49 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Capital Projects), Series 2017, for the Purpose of Financing and Refinancing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.	

RESOLUTION NO. 17-49

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE BONDS (PARATRANSIT, INCORPORATED CAPITAL PROJECTS), SERIES 2017, FOR THE **PURPOSE** OF FINANCING REFINANCING FACILITIES FOR THE BENEFIT OF PARATRANSIT, INCORPORATED, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN **DOCUMENTS HEREIN SPECIFIED**

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into Financing Agreement to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the County of Sacramento is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

WHEREAS, Paratransit, Incorporated, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make issue its Revenue Bonds (Paratransit, Incorporated Capital Projects), Series 2017 (the "Bonds") in the aggregate principal amount not to exceed \$7,500,000, and to lend the proceeds thereof to the Borrower (the "Loan") for the purposes of financing and refinancing the cost of acquisition, construction, restoration, improvement, renovation, furnishing, equipping and general development of real property, improvements and personal property located at 2501 Florin Road, Sacramento, California and 7141 Woodbine Street, Sacramento, California, consisting of

administrative offices and equipment used by the Borrower in connection with its public benefit purposes (the "Facilities"), and (ii) paying certain costs of issuance in connection with the Bonds; and

WHEREAS, the Bonds will be purchased by Wells Fargo Bank, National Association (the "Purchaser") pursuant to a Financing Agreement, by and among the Purchaser, the Authority and the Borrower (the "Financing Agreement"); and

WHEREAS, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

- (a) A proposed form of the Financing Agreement; and
- (b) A proposed form of Assignment Agreement, between the Authority and the Purchaser (the "Assignment Agreement"); and

WHEREAS, the Facilities provide significant benefits to the residents of the County of Sacramento and surrounding communities through the transportation services provided by the Borrower to individuals with disabilities, the elderly, and related agencies in the Sacramento community, based on representations of the Borrower, the refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing and refinancing the Facilities.

Section 2. The Authority hereby approves of the issuance of one or more series of the Bonds on a tax-exempt basis in the principal amount not to exceed \$7,500,000, the purchase of the Bonds by the Purchaser pursuant to the Financing Agreement and making the Loan to the Borrower pursuant to the terms and provisions of the Financing Agreement. The Authority understands that the payments under the Loan will be assigned to the Purchaser to satisfy the Authority's payments under the Bonds. The payments to be made by the Authority to the Purchaser under the Bonds will be satisfied solely from payments made by the Borrower to the Purchaser (as assignee of Authority) under the Loan.

Section 3. The proposed form of the Financing Agreement by and among the Purchaser, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Financing Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Financing Agreement.

Section 4. The proposed form of the Assignment Agreement by and between the Authority and the Purchaser, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

Section 5. The Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Financing Agreement. The Bonds, when so executed, shall be delivered to the Purchaser in accordance with the Financing Agreement upon payment of the purchase price thereof.

Section 6. Repayment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Authority from the Loan pursuant to the Financing Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Bonds shall bear interest at the rate or rates set forth in the Financing Agreement.

Section 7. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Purchaser and the making of the Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Purchaser to an affiliate of Purchaser, accredited investor or qualified institutional buyer or any prepayment of the Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 8. All actions heretofore taken by the officials and agents of the Authority with respect to the Bonds and the Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Purchaser's counsel may deem necessary or advisable in order to consummate the Loan and the Bonds and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 9. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County of Sacramento has held the requisite hearing and the Board of Supervisors of the County of Sacramento has approved the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

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

PASSED AND ADOPTED this 20th day of July, 2017.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

	ByGurbax Sahota, Chair
Attest:	
ByHelen Schaubmayer, Assistant Secretary	

Helen Schaubmayer, Assistant Secretary

Staff Report		
Action Requested	Approve Resolution No. 17-50 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Equipment Project), Series 2017, for the Purpose of Financing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.	
Borrower(s)	Paratransit, Incorporated	
Borrower Description	Founded in 1978, Paratransit, Inc. is a local public agency organized as a nonprofit dedicated to providing transportation services to individuals with disabilities, the elderly, and related agencies. Starting with just two vehicles, it now operates over 150 and is recognized as a national leader in coordinated transportation programs. Additionally, Paratransit's maintenance shop services vehicles for 40 other agencies in the region to supplement its revenues. Web site: http://www.paratransit.org/	
	Paratransit, Incorporated requests the Authority for Revenue Bonds in the aggregate principal amount not to exceed \$2,500,000, for the purposes of financing the cost of acquisition, construction, restoration, improvement, renovation, furnishing, equipping and general development of real property, improvements and personal property located in Sacramento, consisting of administrative offices and equipment and for paying certain costs of issuance. The Bonds will be purchased by Wells Fargo Equipment Finance, Inc.	
Public Benefits	The organization advocates for a fully accessible, useable, and integrated public transportation system by providing innovative community transportation services.	
TEFRA Hearing	A public hearing is scheduled to be held by the County of Sacramento on July 25, 2017.	
Eligibility and Policy Review	CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Polices and Procedures The Borrower is capable of meeting the obligations incurred under the financing documents; The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; Proposed financing is appropriate for the project.	
Recommendation	Staff recommends approval of Resolution No. 17-50 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Paratransit, Incorporated Equipment Project), Series 2017, for the Purpose of Financing Facilities for the Benefit of Paratransit, Incorporated, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.	

RESOLUTION NO. 17-50

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE BONDS (PARATRANSIT, INCORPORATED EQUIPMENT PROJECT), SERIES 2017, FOR THE PURPOSE OF FINANCING FACILITIES FOR THE BENEFIT OF PARATRANSIT, INCORPORATED, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into Financing Agreement to, among other things, finance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the County of Sacramento is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

WHEREAS, Paratransit, Incorporated, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to issue its Revenue Bonds (Paratransit, Incorporated Equipment Project), Series 2017 (the "Bonds") in the aggregate principal amount not to exceed \$2,500,000, and to lend the proceeds thereof to the Borrower (the "Loan") for the purposes of financing the cost of acquisition, construction, restoration, improvement, renovation, furnishing, equipping and general development of real property, improvements and personal property located at 2501 Florin Road, Sacramento, California and 7141 Woodbine Avenue, Sacramento, California, consisting of administrative

offices and equipment used by the Borrower in connection with its public benefit purposes (the "Facilities"), and (ii) paying certain costs of issuance in connection with the Bonds; and

WHEREAS, the Bonds will be purchased by Wells Fargo Equipment Finance, Inc. (the "Purchaser") pursuant to a Financing Agreement, by and among the Purchaser, the Authority and the Borrower (the "Financing Agreement"); and

WHEREAS, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

- (a) A proposed form of the Financing Agreement; and
- (b) A proposed form of Assignment Agreement, between the Authority and the Purchaser (the "Assignment Agreement"); and

WHEREAS, the Facilities provide significant benefits to the residents of the County of Sacramento and surrounding communities through the transportation services provided by the Borrower to individuals with disabilities, the elderly, and related agencies in the Sacramento community, based on representations of the Borrower, the financing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing the Facilities.

Section 2. The Authority hereby approves of the issuance of one or more series of the Bonds on a tax-exempt basis in the principal amount not to exceed \$2,500,000, the purchase of the Bonds by the Purchaser pursuant to the Financing Agreement and making the Loan to the Borrower pursuant to the terms and provisions of the Financing Agreement. The Authority understands that the payments under the Loan will be assigned to the Purchaser to satisfy the Authority's payments under the Bonds. The payments to be made by the Authority to the Purchaser under the Bonds will be satisfied solely from payments made by the Borrower to the Purchaser (as assignee of Authority) under the Loan.

Section 3. The proposed form of the Financing Agreement by and among the Purchaser, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Financing Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Financing Agreement.

Section 4. The proposed form of the Assignment Agreement by and between the Authority and the Purchaser, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

Section 5. The Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Financing Agreement. The Bonds, when so executed, shall be delivered to the Purchaser in accordance with the Financing Agreement upon payment of the purchase price thereof.

Section 6. Repayment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Authority from the Loan pursuant to the Financing Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Bonds shall bear interest at the rate or rates set forth in the Financing Agreement.

Section 7. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Purchaser and the making of the Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Purchaser to an affiliate of Purchaser, accredited investor or qualified institutional buyer or any prepayment of the Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 8. All actions heretofore taken by the officials and agents of the Authority with respect to the Bonds and the Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Purchaser's counsel may deem necessary or advisable in order to consummate the Loan and the Bonds and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 9. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

Section 10. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County of Sacramento has held the requisite hearing and the Board of Supervisors of the County of Sacramento has approved the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

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

PASSED AND ADOPTED this 20th day of July, 2017.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

	ByGurbax Sahota, Chair
Attest:	
By Helen Schaubmayer, Assistant Secretary	

I, the undersigned, the duly appointed and qua Enterprise Development Authority, do hereby certif adopted by the Board of Directors of said Authority Directors of said Authority held in accordance with law	y that the foregoing resolution was duly at a duly called meeting of the Board of
Helen	Schaubmayer, Assistant Secretary

Staff Report					
Action Requested	Approve Resolution No 17-51 Authorizing and Approving an Amended and Restated Program Administration Agreement in Connection with the California Enterprise Development Authority Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.				
Staff Discussion	This resolution approves the amended and restated Program Administration Agreement between the Authority and Dividend Finance, LLC. The revised Dividend/CEDA Program Administration Agreement addresses the following: 1. Changes that would allow the Authority to waive exclusivity, at Dividend's specific request, and allow Dividend to participate in specified Local PACE Programs for properties where the Local PACE Program is the sole PACE financing option. 2. Changing the context of Dividend's \$6,250 monthly payment to the Authority from a payroll reimbursement to a direct fee. 3. Enabling Dividend's "platform fee" business model for R-PACE originations, whereby Dividend funds the closing fee instead of the property owner. 4. A new services agreement with Willdan Financial to provide district administration services to Dividend on a sub-contracting basis.				
Recommendation	Staff recommends approving Resolution No 17-51 Authorizing and Approving an Amended and Restated Program Administration Agreement in Connection with the California Enterprise Development Authority Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.				

RESOLUTION NO. 17-51

RESOLUTION AUTHORIZING AND APPROVING AN AMENDED AND RESTATED PROGRAM ADMINISTRATION AGREEMENT IN CONNECTION WITH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY PROPERTY ASSESSED CLEAN ENERGY PROGRAM, AND AUTHORIZING AND DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED DOCUMENTS AND APPROVING

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

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

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

WHEREAS, in 2008, the California State legislature adopted Assembly Bill 811 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.12, et seq.) ("AB 811") and Assembly Bill 474 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.31, et seq.) ("AB 474") which authorize the formation of assessment districts for the financing of the installation of energy efficient, water savings equipment, seismic retrofitting and other measures to be affixed to the property of certain property owners who voluntarily participate in the assessment district; and

WHEREAS, pursuant to Resolution 12-31 adopted on September 6, 2012, the Authority created its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (as amended to date, the "Program"); and

WHEREAS, the Authority entered into a Program Administration Agreement, dated as of March 17, 2016 (the "Administration Agreement"), with Figtree Company, Inc. ("Figtree"), pursuant to which Figtree has been engaged to administer the Program on behalf of the Authority; and

WHEREAS, pursuant to Resolution 16-98 adopted on September 15, 2016, the Authority authorized Figtree's assignment of its rights and obligations under the Administration Agreement to Dividend Finance ("Dividend Finance"), the product of Figtree's merger with

Dividend Solar; and

WHEREAS, Dividend Finance has requested certain changes to the Program Administration Agreement deemed to be material to the advancement and growth of the Program; and

WHEREAS, the Authority wishes to approve a form of the amended and restated Program Administration Agreement, in substantially the form on file with the Secretary of the Authority (the "Amended and Restated Program Administration Agreement") that would reflect the requested changes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby approves the Amended and Restated Program Administration Agreement in substantially the form filed with the Secretary of the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Chair or the Vice Chair of the Board of Directors of the Authority (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories") executing the same, with the advice of the Authority's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Amended and Restated Program Administration Agreement.

Section 4. Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or appropriate, not inconsistent with the terms of this Resolution to effect the execution and delivery of the documents contemplated by this Resolution. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 5. All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

<u>Section 6.</u> All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

<u>Section 7.</u> The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 20th day of July, 2017.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

	Ву	
	Gurbax Sahota, Chair	
By		
Helen Schaubmayer, Assistant Secre	etary	

CERTIFICATE

Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 17-51
of the Board of Directors of the California Enterprise Development Authority duly adopted at its
meeting of July 20, 2017.
By
Helen Schaubmayer, Assistant Secretary
<i>3</i> /

I, Helen Schaubmayer, Assistant Secretary of the California Enterprise Development

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AMENDED AND RESTATED PROGRAM ADMINISTRATION AGREEMENT	Deleted: <sp></sp>
by and between	
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, as Authority	
and	
DIVIDEND FINANCE, LLC	Deleted: FIGTREE COMPANY, INC.
Dated as of July [], 2017	Deleted: March 17, 2016

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AMENDED AND RESTATED PROGRAM ADMINISTRATION AGREEMENT

THIS AMENDED AND RESTATED PROGRAM ADMINISTRATION AGREEMENT (this "Agreement") is made and entered into effective as of July [], 2017, by and between the CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the "Authority"), a California joint powers authority, and DIVIDEND FINANCE, LLC, a Delaware limited liability company ("Dividend"). The Authority and Dividend are each referred to herein as a "Party" and, together, the "Parties". This Agreement supersedes in its entirety that certain Agreement for Professional Services, dated as of March 17, 2016 by and between the Authority and Dividend (the "Previous Agreement"), which the Parties agree is terminated as of the effective date hereof. The Exhibits to this Agreement are incorporated herein by reference.

WHEREAS, the Parties desire to work together to establish the Program (as defined below) and to administer and operate the Program; and

WHEREAS, the Parties desire to set forth their respective rights, duties and obligations with respect to the Program and their roles related thereto.

NOW, THEREFORE, in consideration of the payments, covenants, conditions and agreements contained in this Agreement, the Parties agree as follows:

Section 1. Services. (a) The Authority hereby retains <u>Dividend</u> to implement its proprietary PACE program (the "Figtree Program" or the "Program") and provide the Program administration services for the Authority's approved Property Assessed Clean Energy ("PACE") jurisdictions. The specific services (the "Services") to be provided are set forth in the Scope of Services attached hereto as Exhibit A (the "Scope of Services"). <u>Dividend</u> hereby agrees to perform the Services in accordance with the terms of this Agreement.

- (b) The Authority agrees to cooperate with <u>Dividend</u> in enhancing and promoting the Program as the Board of Directors of the Authority may from time to time deem reasonable and appropriate.
- Notwithstanding anything contained in this Agreement to the contrary, this Agreement relates solely to the provision of the Services in the State of California and not any other jurisdiction. The Authority agrees that it will not retain any other service provider other than Dividend to perform any of the Services with respect to any projects within the State of California eligible for financing under the Program. In the event that the Authority is contacted directly by a property owner seeking to obtain PACE-assessment financing for a project within the State of California eligible for financing under the Program, the Authority shall refer the property owner to Dividend for implementation of the project by Dividend in accordance with the Program and this Agreement. Nothing in this Agreement shall be deemed to preclude the Authority from financing individual projects proposed to the Authority independently of Dividend in a manner other than pursuant to the Program if the relevant property owner elects to pursue financing that is not based on a PACE voluntary assessment program.

Dividend agrees that it will not serve as Program Administrator for any PACE bond issuer in the state of California, other than the Authority, until the earlier of the termination of this Agreement or until such time as one party has given the other a notice of its intention to not renew this Agreement pursuant to Section 3(b) hereof. Notwithstanding the forgoing, the terms of this section may be waived at Dividend's request of the Authority to grant Dividend the ability to participate in specified county or municipal level PACE programs in California (each a "Local PACE Program") with respect to any property which is

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statewide

located in a jurisdiction which has chosen not to make the Program available, despite Dividend's best effort; yet does make available the Local PACE Program. The Authority's approval of such waiver shall not be unreasonably withheld.

Section 2. Cost of Services and Dividend Compensation.

- (a) Dividend will provide the Services at no cost to the Authority and its member agencies. Dividend and the Authority will earn fees from the Program as described in Exhibit B, and such fees, the exclusive purchase right set forth in Section 2(b) below and the rights to Carbon Credits set forth in Section 2(c) below will be Dividend's compensation for its provision of the Services. Dividend agrees to reimburse the Authority for payroll expenses of staff performing work related to the Program in the form of a \$6,250.00 monthly payment, commencing with January 2017, upon being invoiced by the Authority.
- (b) The Authority hereby grants <u>Dividend</u> the exclusive right to purchase all PACE Assessment Contracts, and all Bonds secured by PACE Assessment Contracts (together "Financing Instruments") issued by the Authority with respect to projects originated by <u>Dividend</u> under the Program at a purchase price equal to the principal amount of such Financing Instruments, and <u>Dividend</u> may assign such right to investors or other third parties, provided that any purchaser of the Financing Instruments meets the Authority's eligibility requirements. The Authority and <u>Dividend</u>, each acting solely in their own discretion, may mutually agree on a case-by-case basis to make exceptions to this exclusive purchase right in cases where the relevant property owner requests the right for itself, an affiliate, or a third-party buyer arranged by such property owner to purchase a Financing Instrument backed by a PACE assessment on its property.
- (c) Where applicable, <u>Dividend</u> shall administer the accumulation and aggregation of the green attributes, carbon credits and GHG offsets ("Carbon Credits") that result from projects financed through the Program. <u>Dividend</u> shall coordinate the assignment of rights from property owners to <u>Dividend</u>. At the end of each calendar year, <u>Dividend</u> shall assign 50% of accumulated Carbon Credits to the Authority; provided that in connection with such assignment <u>Dividend</u> will provide no representations or warranties other than with respect to organization, authority and title to the Carbon Credits. The Authority shall have the right to sell, assign or transfer its portion of the Carbon Credits as it deems appropriate.

Section 3. Term and Termination of Agreement.

- (a) The term of this Agreement shall commence on the effective date hereof and shall remain in effect until December 31, 2021 (the "Initial Term"). The term of this Agreement shall renew automatically for successive five-year terms (the Initial Term, collectively with any applicable renewal terms, the "Term") through December 31, 2031, unless terminated in accordance with Sections 3(b) or (c) below.
- (b) After the Initial Term, either Party may notify the other of its intent to terminate this Agreement upon notice of at least 2 years and 3 month prior to the proposed date of termination. In such event, this Agreement will terminate at the date designated therefore in such notice and the Transition Period (as defined below) will commence 2 years prior to the termination of the thencurrent Term.

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- (c) This Agreement may be terminated by the Authority (i) upon the occurrence and during the continuance of an Event of Default by <u>Dividend</u> as provided in Section 7 hereof, (ii) a breach by <u>Dividend</u> of a written policy of the Authority that has a material detrimental effect on the Authority; provided that <u>Dividend</u> had received prior written notice of such policy or (iii) any fraudulent, unlawful, grossly negligent, dishonest or willful misconduct engaged in by <u>Dividend</u>. This Agreement may be terminated by <u>Dividend</u> upon the occurrence and during the continuance of an Event of Default by the Authority as provided in Section 7.
- (d) Following notice of termination of this Agreement, the Parties will use commercially reasonable efforts to effect a smooth termination of the Program or transition to another program administrator in a professional manner during a transition period (the "Transition Period") of 180 days following the date of the notice of termination.
- (e) A termination of this Agreement under any circumstances shall not affect any obligation to pay or entitlement to receive any amounts in accordance with this Agreement, any Master Assignment Agreements and related Supplemental Assignment Agreements, (together, the "Assignment Agreements") or any Master Indenture and related Supplemental Indentures (together, the "Indentures"), including Cost of Issuance Fees, Management Fees and Cost Recovery Fees (as such Fees are further described in Exhibit B) (i) owing by either Party to the other or (ii) owing to Dividend from administrative charges as contemplated by Exhibit B, the entitlement to which arose prior to the effective date of such termination, including, for the avoidance of doubt, all Program Fees to which Dividend is entitled pursuant to Exhibit B with respect to Financing Instruments issued prior to the effective date of termination, including during any applicable Transition Period.
- (f) The provisions of Sections 3 and 4 shall survive expiration or termination of this Agreement.

Section 4. Indemnification. <u>Dividend</u> shall defend, indemnify and hold harmless the Authority, its officers, employees, representatives, and agents (each an "Indemnified Party") from and against any and all actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, to which any Indemnified Party may become subject under any law (including federal or state securities laws) or at common law or otherwise, arising out of this Agreement, the Program, the Assessments, the Assessment Districts, the Improvements or the financing and marketing thereof, except to the extent due to malfeasance or bad faith by the Authority. This Section shall survive the termination of this Agreement.

Section 5. Insurance. <u>Dividend</u> shall maintain insurance as set forth in Exhibit C to this Agreement throughout the term of this Agreement.

Section 6. Confidentiality, Intellectual Property, Data Compilation and Records Maintenance.

a) <u>Confidentiality.</u> Except as otherwise set forth in this Agreement, all ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other documents and data provided by either Party to the other Party (including any copies or manuscripts of such information produced by a Party pursuant to this Agreement) or otherwise including any financial structure and financing approach in connection with the performance of this Agreement shall be held confidential by the other Party. Nothing furnished to either Party which is otherwise known

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to the receiving Party prior to such disclosure or is generally known, or has become known, to the related industry, and nothing that is subject to the California Public Records Act, shall be deemed confidential. Notwithstanding the above, any documents prepared for the Program that are intended to be provided to the public shall not be subject to the limitations of this Section.

- b) <u>Intellectual Property.</u> The Authority expressly acknowledges and agrees that any and all computer software, and all source code thereof, trademarks and marketing collateral used or developed by <u>Dividend</u> ("Proprietary Property") in performing the Services is proprietary and <u>Dividend</u>, or its licensors, shall at all times exclusively own all rights, title, and interest in such Proprietary Property, including all intellectual property rights contained therein. However, such computer software shall be made available to the Authority at no cost to the extent necessary to manage the Program or examine, review or audit Program records and documents. <u>Dividend</u> shall not obtain any rights to trademarks, copyrights or other intellectual property of the Authority or CalEd. <u>Dividend</u> shall not use the Authority's name or insignia in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the Authority.
- c) <u>Data Compilation</u>. The Authority acknowledges and agrees that <u>Dividend</u>, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Services and that such Data Compilations may be used by <u>Dividend</u> (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that <u>Dividend</u> will not, and shall ensure that its licensors will (i) not, sell or distribute any of the Authority's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis and (ii) comply with all applicable law in connection with such disclosure.
- d) Records Maintenance. Dividend shall maintain complete and accurate records, consistent with its records retention policy, but in no event for less than three years after repayment in full of any project financed under the Program. All such records shall be clearly identifiable. Dividend shall, at reasonable times and upon reasonable notice, allow a representative of the Authority and/or its agent during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Dividend shall, at reasonable times and upon reasonable notice, allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. At the expiration or termination of this Agreement, Dividend shall provide the Authority a full, complete and correct copy of all record maintained by Dividend in connection with the Program in such format as may be reasonably requested by the Authority.

Section 7. Default.

(a) An event of default (an "Event of Default") under this Agreement shall mean, with respect to either Party, the material failure or delay by such Party to perform any material term of this Agreement; provided, however, that if the Party that is otherwise claimed to be in default by the other Party commences to cure, correct or remedy the alleged default within 30 calendar days after receipt of written notice specifying such default and completes such cure, correction or remedy within 60 calendar days after receipt of such written notice, such Party shall not be deemed to be in default hereunder.

Deleted: Figtree Formatted: Level 1 (b) Delay in giving a written notice contemplated by Section 7(a) above shall not constitute a waiver of any default nor shall it change the time of default; provided, however, that the other Party shall have no right to exercise any remedy for an Event of Default hereunder without delivering the written default notice, as specified herein.

Section 8. Notice. All notices given hereunder shall be in writing. Notices shall be presented in person or by certified or registered United States Mail, return receipt requested, postage prepaid or by overnight delivery by a nationally recognized delivery service to the addresses set forth below. Notice presented by United States Mail shall be deemed effective on the third business day following the deposit of such Notice with the United States Postal Service. This Section 8 shall not prevent the Parties hereto from giving notice by personal service or telephonically verified electronic mail, which shall be deemed effective upon actual receipt of such personal service or telephonic verification. Either Party may change their address for receipt of written notice by notifying the other Party in writing of a new address for delivering notice to such Party:

to Dividend: Dividend Finance, LLC

3661 Buchanan St., 4th Floor

San Diego, CA 94123,

Attention: Legal Department
Email: legal@dividendsolar.com

to Authority: California Enterprise Development Authority,

550 Bercut Drive, Suite G Sacramento, CA 95814 Attention: Chair of the Board Email: gsahota@caled.org

Section 9. Compliance With Law. <u>Dividend</u> shall comply with all local, state, and federal laws, including, but not limited to, environmental acts, rules and regulations applicable to the work to be performed by <u>Dividend</u> under this Agreement. <u>Dividend</u> shall maintain all necessary licenses and registrations for the lawful performance of the work required of <u>Dividend</u> under this Agreement.

Section 10. Nondiscrimination. Dividend shall not discriminate against any person on the basis of race, color, creed, religion, natural origin, ancestry, sex, marital status or physical handicap in the performance of the Scope of Services of this Agreement. Without limitation, Dividend hereby certifies that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status of national origin. Further, Dividend shall promote affirmative action in its hiring practices and employee policies for minorities and other designated classes in accordance with federal, state and local laws. Such action shall include, but not be limited to, the following: recruitment and recruitment advertising, employment, upgrading and promotion. In addition, Dividend shall not exclude from participation under this Agreement any employee or applicant for employment on the basis of age, handicap or religion in compliance with State and federal laws.

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Section 11. Dividend and Each Subcontractor Are Independent Contractors. Dividend shall at all times during the performance of any work described in the Scope of Services be deemed to be an independent contractor. Neither Dividend nor any of its subcontractors shall at any time or in any manner represent that it or any of its employees are employees of the Authority or any member agency of the Authority. The Authority shall not be requested or ordered to assume any liability or expense for the direct payment of any salary, wage or benefit to any person employed by Dividend or its subcontractors to perform any item of work described in the Scope of Services. Under no circumstances shall the Authority be deemed to be an employer, partner, joint venturer, agent or principal of Dividend or any of Dividend's employees. Neither Dividend, nor any of Dividend's employees, shall be entitled to any benefits from or on behalf of the Authority, including without limitation worker's compensation, disability, unemployment, or paid time off Dividend shall be responsible for providing, at Dividend's expense, and in Dividend's own name, unemployment, disability, worker's compensation and other insurance covering Dividend and its employees, as well as all licenses and permits necessary for conducting the services under this Agreement.

Section 12. Severability. Each and every section of this Agreement shall be construed as a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof to certain circumstances shall be declared invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is declared invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 13. Entire Agreement. This Agreement constitutes the entire agreement between the Parties. This Agreement supersedes all prior negotiation, discussions and agreements between the Parties concerning the subject matters covered herein, including without limitation the <u>Previous</u> Agreement. The Parties intend this Agreement to be the final expression of their agreement with respect to the subjects covered herein and a complete and exclusive statement of such terms.

Section 14. Amendment or Modification. This Agreement may only be modified or amended by written instrument duly approved and executed by each of the Parties. Any such modification or amendment shall be valid, binding and legally enforceable only if in written form and executed by each of the Parties, following all necessary approvals and authorizations for such execution.

Section 15. Governing Law; Venue. This Agreement shall be governed by the laws of the State of California. Any legal action arising from or related to this Agreement shall be brought in the Superior Court of the State of California in and for the County of Sacramento.

Section 16. Non-Waiver. Failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the same provision or any remaining provisions of this Agreement.

Section 17. Assignment, Subcontracting and Outsourcing. This Agreement may not be assigned by <u>Dividend</u> without the prior written consent of the Authority in its sole and complete discretion. <u>Dividend</u> may not subcontract or outsource to any third party all or a portion of the Services without the prior reasonable written consent of the Authority, provided that <u>Dividend</u>

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shall remain primarily responsible for any work performed pursuant to any subcontract. The Outsourcing Agreement described in Exhibit A-1 is approved by the Authority. Notwithstanding the forgoing, the parties agree that Dividend may from time to time subcontract or outsource some of the Services to one of its majority-owned subsidiaries, provided that Dividend shall remain primarily responsible for any work performed pursuant to any subcontract.

Section 18. Representations of Parties. Each Party has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each Party executing this Agreement represents and warrants that the individuals who have signed this Agreement on its behalf are duly authorized to execute this Agreement.

Section 19. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which will constitute an original.

Section 20. Effectiveness of Agreement; Successors and Assigns. This Agreement shall not be binding on the Parties until signed by an authorized representative of <u>Dividend</u>, approved by the Authority's Board of Directors and executed by the Chair of the Board of Directors of the Authority or his designee. This Agreement shall be binding on the successors and assigns of the Parties.

Section 21. Conflicts of Interest. During the Term, Dividend shall disclose to the Authority the existence of any financial or personal interest in the Authority or any of the Authority's directors, officers or employees of Dividend or any Dividend director, stockholder, officer, employee, representative or subcontractor, including such persons' immediate family members (spouse and children, including adult children). Any such potential or actual conflict of interest shall be evaluated by the Authority in accordance with its conflicts of interest policy then in effect. As used herein, personal interests are interests or relationships that may appear to affect independent, unbiased judgment when participating in the decision making process on behalf of the Authority, where such decisions could materially benefit an individual's convictions or beliefs rather than the stated mission and best interests of the Authority. As used herein, financial interests are if a person has, directly or indirectly, through business, investment, or family, (a) an ownership or investment interest (more than 5%) in any entity with which the Authority has a transaction or arrangement, (b) a compensation arrangement with the Authority or with any entity or individual with which the Authority has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Authority is negotiating a transaction or arrangement.

Section 22. Consequential Damages and Limitation of Liability. The Authority and Dividend agree that in no event will either be liable to the other under this Agreement for any special damages, loss of revenue, loss of profit, operating costs or business interruption losses, regardless of cause, including breach of contract, negligence, strict liability or otherwise. The limitations and exclusions of liability set forth in this Section 22 shall apply regardless of fault, breach of contract, tort, strict liability or otherwise of Dividend and the Authority, their employees, directors, officers, stockholders, agent, representatives or subcontractors.

Section 23. Appointment of Bond Counsel and Underwriters. Dividend has organized a team of professionals including bond counsel, structuring counsel, investment banking advisors and an underwriter to facilitate a standardized, efficient and scalable financing product. Dividend may from time to time evaluate and modify the team members to maintain commercial viability of

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the Program. <u>Dividend</u> shall submit its evaluation and recommendation of <u>Dividend's</u> team members to the Authority for the Authority's reasonable approval and the Authority agrees to approve or reject said recommendation within 30 days of <u>Dividend's</u> request for approval.

Section 24. Periodic Reporting on Progress, Strategy and Alignment. During the term of this Agreement, appropriate representatives of <u>Dividend</u> and the Authority will meet in person or by telephone, as mutually agreed by the parties from time to time, at least once per month to review the progress with member agencies, the amount of financings under <u>Dividend's</u> Program, strategic plans, marketing programs, partnership opportunities and other matters relevant to the success of the joint initiatives described herein. Failure to meet during one month shall not constitute a default hereunder as long as each party sets a time and date to meet that is mutually agreeable.

Section 25. Periodic Review of Fee Structure. The parties agree to review the fees paid hereunder annually during the month of December for the term of this Agreement. The Parties agree to negotiate increases or decreases in fees hereunder in good faith based upon current market rates and to amend or cause to be amended the Indenture to give effect to any such increases or decreases. It is expected that fees hereunder shall not increase or decrease more than 10% per year.

Section 26. No Third Party Beneficiaries. Except as set forth in Section 4 with respect to the Indemnified Parties, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth above.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY	
By	
DIVIDEND FINANCE, LLC	Deleted: FIGTREE COMPANY, INC
By Eric White, Chief Executive Officer	Deleted: Mahesh Shah

EXHIBIT A

SCOPE OF SERVICES

Section 1. Services Performed by Dividend.

- (a) **PACE** Assessment District Formation. Dividend shall conduct the Program outreach efforts of educating, promoting and corresponding with cities and counties (each, a "Public Entity") in California to assist in their participation in the Program. Dividend shall work with the Authority and the Bond Counsel to prepare the necessary documents, resolutions and reports required for the formation of the PACE assessment district consistent with, and the continued compliance of the Program with, California Streets and Highways Code beginning with Sections 5898.10 (originally approved under Assembly Bill 811). The aforementioned documents shall be as follows:
 - (i) the Program Report updated from time to time;
 - (ii) the resolutions for a Public Entity authorizing the implementation of the Program in its jurisdiction;
 - (iii) indemnification agreements, to the extent required by the local jurisdiction;
 - (iv) the utility notices;
 - (v) the Authority resolutions of intention for district formation and for public hearing;
 - (vi) voluntary assessment contracts;
 - (vii) assessment district liens;
 - (viii) applicable disclosure related to the PACE financings; and
 - (ix) published notices in the appropriate newspapers of general circulation;
- (b) Property Owner and Contractor Services. Dividend shall provide the following customer service, administrative and closing services to eligible property owners and contractors to effect implementation and furtherance of the Program. Such property owner and contractor services shall be:
 - (i) Presence on the Internet to provide up-to-date Program materials and information including an electronic form of application for PACE financing for a property owner, an electronic form of application for participation in the Program as a registered contractor, and frequently asked questions.
 - (ii) Processing of property owners' applications for PACE financing and approval or denial of applications based on eligibility requirements.
 - (iii) Assisting property owners in obtaining written acknowledgment of existing mortgage lenders to the levying of commercial PACE assessments:

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- (iv) Keeping the Authority informed of the need to provide notice in accordance with all intercreditor agreements entered into by the Authority, in a manner and timing reasonably sufficient to allow the Authority to comply with such notice requirements, prepare any required notices on behalf of the Authority, and assist the Authority in all matters related thereto;
 - (v) Closing of PACE financings and recording the PACE liens;
- (vi) Making requisitions to a paying agent or trustee to disburse improvement funds per Account Management Agreements or Indentures, where applicable;
 - (vii) Processing contractor application pursuant to the Program guidelines;
- (viii) Develop and maintain quality control system to ensure contractors are accurately representing the terms of the Program to property owners;
- (ix) Ensure compliance with any applicable consumer protection rules, laws and industry standards or regulations; and
- (x) Live customer support with a toll-free phone number for property owner and contractor inquires available at least during normal business hours.
- (c) **Bond Administration Services.** Dividend shall provide bond administration services to the Authority and has contracted with Willdan Financial Services ("Willdan") to provide certain of these services as a subcontractor. If Willdan can no longer provide these services, Dividend shall be responsible for performing the services or finding a comparable replacement. Dividend shall indemnify the Authority in accordance with and as contemplated by Section 4 of the Agreement with respect to these services. The bond administration services shall be:
 - (i) Maintain a database of the parcels that have received PACE financing from the Program along with the relevant data for each parcel;
 - (ii) Establish and maintain amortization schedules for each parcel;
 - (iii) Request the placement of the annual assessment levy on the Secured County Property Tax Roll through the County Auditor-Controller;
 - (iv) Review county records on each January 31st and May 31st to determine delinquency;
 - (v) Begin delinquency control process including the commencement of the foreclosure of defaulting properties; and
 - (vi) Provide live customer service support with a toll-free phone number to field inquiries from property owners and other interested parties.

The complete Scope of Services and Fees for services agreed upon between <u>Dividend</u> and Willdan are provided in Exhibit A-I (attached hereto).

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Any contract entered into by <u>Dividend</u> with respect to Bond Administration Services, including, but not limited to contracts with Willdan and any indenture trustee with respect to the financings of the Program, shall be assignable to the Authority or its assignee upon the termination or expiration of this Agreement.

EXHIBIT A-1

WILLDAN FINANCIAL SERVICES (SUBCONTRACTOR) SCOPE OF SERVICES

Section 1. Basic Assessment District Services.

<u>Dividend</u> and Willdan Financial Services ("Willdan") have entered into an outsourcing agreement (the "Outsourcing Agreement") pursuant to which Willdan provides bond administration and other related assessment district services to the Authority, its member agencies and other <u>Dividend</u> customers for an agreed upon fee (see Section 2).

ADMINISTRATION SERVICES

- 1. Set-up and maintain a database reflecting each parcel within the PACE program. This database may include the following:
- Assessment lien information which includes assessor's parcel number, lien amount, assessment ID, and amortization schedule;
- Ownership information from County data (name(s), mailing address, and property situs information) and assessed valuation;
- Establish and maintain amortization schedules for each of the parcels through the term of the lien/loan;
- Bond information including bond closing date, debt service schedule, capitalized interest, reserve requirements and redemption premium; and
 - Status of assessment liens with respect to any contractual subordination agreements.
- Contact County assessor's office to obtain fund numbers for new districts, prepare
 and provide to the County all necessary documentation to set-up the submittal and apportionment
 process by July 20th of the calendar year prior to the August 10th deadline.
- 3. Prepare a preliminary report containing the levy totals including administration fees and applicable County fees prior to submitting to County.
- 4. Provide assessment installment information for each parcel, formatted in the required configuration, to the County Auditor/Controller's Office for placement on the property tax roll. Willdan will also provide all necessary documentation required by each county at the time of submittal.
- 5. Research and, if possible, resubmit installment amounts that are rejected by the County Auditor/Controller's Office. Any assessment installment that cannot be collected on the County property tax roll will be invoiced directly to the property owner of record on behalf of Dividend.
- 6. Prepare an Applied Report containing the parcel information such as the owner name, address, original lien amounts, and levy amounts submitted to the County.

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- 7. Provide a toll-free number to field inquiries from property owners, title companies and other interested parties regarding assessment proceedings and annual installments.
- §. Provide prepayment quotes of assessment liens upon request. Fees for this service are paid by the requesting party and may be charged to a credit card. WFS will obtain recordation information for prepaid assessments and coordinate the Release of Lien.
- 9. Perform financial analysis semi-annually at least two weeks prior to March and September bond payments. In this regard, WFS will update and track revenue fund balance by obtaining statements from fiscal agents. Below is a list of items that will be part of the financial analysis:
 - Recommendations for funds required for upcoming debt service payments.
 - Recommendations for the use of excess reserve funds (if applicable).
 - Recommendations for bond calls (if required), such as in the case of a payoff of bond lien by a property owner.
 - Reconciliation of County fees.
 - Recommendations for the use of surplus redemption funds (if applicable).

10. Securitization Process:

- Coordinate with various counties to establish new fund numbers.
- Set up new series of bonds and reconcile to parcel liens within series.
- Work with staff to provide necessary delinquency information and available parcel data as required.
- Assist underwriters in preparation of necessary tables. For example, value-to-lien, delinquency, etc.
- 11. Monitor delinquent installment payments in February, May, and August of each year, and provide reports identifying all delinquent parcels and the corresponding delinquent installment amounts to the County, Willdan will also provide "Teeter" program updates as the data becomes available from the counties.
- 12. Provide County Reconciliation Reports three times, a year comparing the county current parcels with the apportionments received by the Trustee.
- 13. Provide a report to the County Assessor's Office each year as required by Revenue and Taxation Code 163. The report will include a listing of each active parcel, the remaining assessment amount, and the owner of each parcel based on the County Secured Roll. Additional information will be provided for parcels that paid off their assessment during the year and will include the date and amount paid and, if available, the party paying off the assessment. In January of each year, this information will be sent electronically and in hardcopy format to the County.

DELINQUENCY MANAGEMENT SERVICES

1. To assure that Dividend complies with its obligations associated with foreclosure covenants to bondholders for the program, WFS will provide the following Delinquency

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Management services: Obtain data from each county to classify each property tax payment due as delinquent if not paid to the applicable county Tax Collector on or before the following delinquency dates: December 10th and April 10th (two installments).

- 2. Provide delinquency reports to Dividend in February, May and August.
- 3. Send a delinquency reminder letter to property owners with delinquent payments within 10 days of each February, May and August Delinquency Report.
- 4. Send a 30-day delinquency demand letter after the second installment of the tax bill becomes delinquent. Each demand letter will include a brochure providing answers to commonly asked questions concerning delinquencies.
- 5. Track and report to Dividend delinquency amounts that are covered by counties that participate in Teeter programs. Parcels for which delinquent amounts are paid in full to Dividend under such programs will no longer be classified as delinquent by WFS or Dividend. Counties generally pay under Teeter each September, except for Sacramento County which pays under Teeter each January.
- 6. By June 15th of each year, work with Dividend to identify all delinquencies associated with commercial PACE assessments that are subject to an intercreditor agreement in order to comply with delinquency cure rights.
- 7. By September 30 of each year (after the end of the tax year), report to Dividend and the Trustee all properties that are in default in all counties except Sacramento. For the County of Sacramento, defaults will be reported on the following January 30th, after the county's scheduled Teeter date. A parcel is in default if its special assessment payment has not been received, and if county Teeter payments have not been made in full for the parcel. Dividend will provide WFS copies of all apportionment details from each participating county.
- 8. Upon client approval, remove the delinquent installments of special assessments for the current and/or prior tax year(s) from the County tax roll. Such removal will comply with SB 1471.
- 9. Send a final 21-day delinquency foreclosure letter to each delinquent property owner after confirmation from Dividend for the removal of the delinquent special assessments. Foreclosure letters shall contain a brochure providing answers to Frequently Asked Questions (FAQs) regarding delinquencies and judicial foreclosures.
- 10. Send those parcels, whose special assessments continue to remain delinquent after twenty-one (21) days from the mailing of foreclosure letters, to the foreclosure attorney for collection of the delinquent special assessments, applicable penalties, interest, fees, and other authorized costs. The Dividend retained foreclosure counsel will collect these fees.
- 11. Provide a toll-free telephone number at WFS to field inquiries from staff, parcel owners, lenders, and other interested parties concerning annual installments and delinquencies throughout the entire Delinquency Management/foreclosure process.

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- 12. Assist foreclosure counsel to initiate judicial foreclosure proceedings; and in accordance with bond foreclosure covenants, prosecute those parcels sent to foreclosure. This service shall include stripping defaulted parcels from the tax rolls, sending foreclosure letters, and communicating with foreclosure counsel on behalf of Dividend. Foreclosure actions will be initiated through special third-party foreclosure counsel as contracted by Dividend or the Program Trustee. In all counties except Sacramento, WFS will support the initiation of judicial foreclosure proceedings by November 1 of each year. In Sacramento County, WFS will support initiation of judicial foreclosure proceedings by February 1 of each year. Costs for foreclosure services and foreclosure counsel shall be recouped from foreclosure proceeds.
- 13. Provide, upon request, payoff quotes for all interested parties for stripped delinquent assessment installments. Fees for this service are paid by the requesting party and may be charged to a credit card.

Subsequent Foreclosure Services

Once the delinquent assessments have been forwarded to judicial foreclosure counsel, WFS will, upon request, provide the following services:

- 1. Prepare and forward a detailed report of the parcels to be foreclosed to foreclosure counsel.
- 2. Provide foreclosure counsel with the necessary resolutions and other documents to proceed with the judicial foreclosure process.
- 3. Keep Dividend and foreclosure counsel apprised of special arising situations of which we become aware, such as bankruptcies of parcel owners, tax foreclosure sales, Deed of Trust "Trustee" foreclosure sales, and so forth.
- 4. Provide foreclosure counsel with "subsequent year" delinquency information consisting of any installments/years that become delinquent on parcels already in foreclosure.
- 5. Generally, respond to inquiries from Dividend staff and foreclosure counsel regarding the status of a foreclosure action and other relevant information.

Additional Services Offered

WFS can, at the discretion and approval of Dividend, negotiate a repayment schedule (payment plan) with property owner(s) to cure the delinquency and avoid initiation of judicial foreclosure.

DISCLOSURE SERVICES

WFS can assist and advise on ongoing Disclosure matters. With regard to outstanding debt financings, WFS can provide guidance and direction to Dividend in preparing Disclosure reports. We can also help Dividend provide required financial and operating data requested by investors and which would, otherwise, be considered material in keeping securities holders informed of the investment quality of the debt issue. WFS is also willing and able to assist Dividend in responding to questions from investors and other market participants.

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In addition, WFS can assist with respect to new debt issues in developing reporting requirements for the Disclosure documents for compliance with relevant requirements and meeting demands for information from the marketplace.

Annual Financial Information Statement Preparation

With respect to the preparation of the Annual Financial Information Statement, WFS will provide one or all of the following services, as directed by Dividend:

- 1. Review pertinent documents relating to the debt issue, including the official statement, financial statements, and annual reports.
- Collect third-party data and other information required to be included in the Annual Financial Information Statement directly from trustees, fiscal agents, state and county agencies and others, as applicable.
 - Analyze the information for accuracy, materiality, and appropriateness.
- 4. Provide advice and direction on inclusion and presentation of the information in the Annual Financial Information Statement.
 - 5. Create a draft of the Annual Financial Information Statement for review by Dividend.
- 6. Discuss any relevant issues with Dividend regarding the report and address questions that may arise regarding Disclosure matters.
- 7. Finalize and disseminate the Annual Financial Information Statement, including as necessary, arranging for electronic and paper reproduction and distribution.

Dissemination

WFS will disseminate disclosure reports via the "EMMA" system established by the Municipal Securities Rulemaking Board (MSRB), the appropriate State Information Depository (SID), and any other party directed by Dividend. WFS will also post the final Disclosure reports on the WFS Website at www.willdan.com/financial/. In addition, WFS will also assist Dividend when requests for information are received and respond to questions from investors and other market participants.

Significant Event Notices

Upon notification by Dividend and/or if WFS becomes aware, and if deemed to be material, WFS will prepare Notices of Significant Events covering events enumerated in Rule 15c212(b) for review by Dividend.

CLIENT RESPONSIBILITIES

WFS will rely on obtaining the following information from Dividend:

An electronic listing of all parcels within the program, including the corresponding parcel information used for each parcel. Copies of agreements, amortization schedules and any other relevant information necessary to administer the assessments.

- Information for all contractually subordinated projects as they are executed.
- The annual administrative cost information to be incorporated into the annual levy each year.
- Parcel information for those properties that paid off during the year.
- Audited Financial Statements as required for Disclosure.

ANNUAL FILING UNDER REVENUE AND TAXATION CODE SECTION 163

Section 163 requires certain information to be filed annually with the County Assessor's Office for all districts receiving revenue from assessment liens created under the 1911, 1913, and 1915 Acts. In this regard, WFS will:

- 1. Update and file an annual information report with the County Assessor's Office, including:
 - The lien amount on each parcel in the district at the time the lien was created.
 - The date and amount of payment in satisfaction of the lien (in the case in which a lien has been completely satisfied), and the identity of the party that made that payment.
 - The amount of principal balance of the lien on each subject parcel.
 - 2. Provide copy of filing to the City's finance department.

ADDITIONAL SERVICES

<u>Dividend</u> may request <u>WFS</u> to perform the following additional services for an additional fee to be negotiated by the parties.

- Preparation of prepayment calculations as requested. Following each prepayment.
 WFS will prepare the appropriate bond call documents for the Trustee and prepare and record the notice of cancellation with the County.
- Assist Dividend staff with preparation and recording of program boundary maps in accordance with county guidelines.

WFS will rely on the validity and accuracy of Dividend's data and documentation to complete our analysis. WFS will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

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Section 2. Fee for Basic Services.

ADMINISTRATION SERVICES

All hourly rates, fees, and expenses are subject to increase, not to exceed the Consumer Price Index within the applicable region.

<u>Services</u>	<u>Fee</u>
Residential PACE Program	\$ 10 per financing
	.7% of levy or minimum of \$30 per parcel, maximum of \$120/parcel.
Commercial PACE Program	For projects with multiple parcels, .7% of annual levy subject to the minimum and maximum stated above plus \$5 per additional parcel to be spread over all parcels involved in loan.
Payoff Quotes (Per Request) *	
Non-bonded	<u>\$ 100</u>
Bonded	<u>\$ 50</u>
Securitization Set-up Fee	\$ 250 per county

^{*}Client will pay the fees for this service. Payoff quote fees will be incurred only for quotes that are provided in writing. Willdan will make a best effort to provide verbal quotes only to reduce fees incurred by Client.

DELINQUENCY MANAGEMENT SERVICES

Per Parcel/ Fees: As the service is rendered, the following per parcel fees are invoiced:

<u>Services</u>	<u>Fees</u>
Fees Ultimately Reimbursed to Agency by Propert	y Owner:
Delinquency Reminder Letter	<u>\$ 15</u>
Delinquency Demand Letter	<u>45</u>
Foreclosure Letter	<u>65</u>
Record Notice of Intent and Effect Removal from Tax Roll (1)	<u>125</u>
Payment Plan	200
Subsequent Foreclosure Services	<u>300</u>
Fees Paid Directly to WFS by Requestor:	
Delinquency Demand Payoff (2)	<u>\$ 50</u>
Zero Demand (2)	50

⁽¹⁾ This fee complies with Section 8833 of the California Streets and Highways Code and/or Section 53356.2 of the California Government Code, which requires recording of a Notice of Intent to Remove Delinquent Special Assessments and/or Special Taxes from the County tax roll. It DOES NOT include the County tax roll removal charge, or similar fee, if any.

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⁽²⁾ This fee is waived for the property owner (except for escrow purposes).

MUNICIPAL DISCLOSURE SERVICES

<u>Debt Issue(s)</u>	Annual Report Preparation Fee	<u>Annual</u> <u>Dissemination Fee</u>
Per Bonded District	\$ 1,500	Waived
Additional Future Parity Bond Issues		\$500
Significant Event Notice Preparation (If necessary)		Hourly Rates

ANNUAL FILING UNDER REVENUE AND TAXATION CODE SECTION 163

<u>Service</u>	<u>Fee</u>
Annual Filing Under Revenue and Taxation Code Section 163*	\$ 0.75 per parcel
Maximum Per District Fee	<u>\$75</u>

REIMBURSABLE EXPENSES

WFS will be reimbursed for out-of-pocket expenses. Examples of reimbursable expenses include, but are not limited to:

- Postage,
- Travel expenses,
- Mileage (current federal prevailing rate),
- Maps,
- Electronic data provided from the county and/or other applicable resources,
- Construction cost periodicals, and
- Copying (currently 6¢ per copy).

Any additional expense for reports or from outside services will be billed to Dividend. Charges for meeting and consulting with counsel, Dividend, or other parties regarding services not listed in the scope of work above will be at our then current hourly rates (see "Hourly Rates" section).

In the event that a third-party requests any documents, WFS may charge such third party for providing said documents in accordance with WFS' applicable rate schedule.

HOURLY RATES

Additional authorized services will be billed at WFS' then current hourly consulting rates. Our current hourly rates are presented below.

<u>Title</u>	<u>Hourly Rate</u>
Principal Engineer	<u>\$ 210</u>
Group Manager	<u>200</u>
Principal Consultant	200
Senior Project Manager	<u>165</u>
Project Manager	<u>145</u>
Senior Project Analyst	130
Senior Analyst	120
Analyst	100
Analyst Assistant	<u>75</u>
Property Owner Services Representative	55
Support Staff	50

EXHIBIT B

PROGRAM REVENUES

<u>Dividend</u> will derive direct revenues under the Program from the following three fee sources (the "Program Fees"): (i) cost of issuance fees; (ii) management fees included in the annual assessment; and (iii) annual cost recovery fees paid from a separate administrative charge collected in connection with the assessments underlying the Financing Instruments. <u>Dividend</u> will use the Program Fees to pay for the program development, marketing, and operating costs including legal, trustee, bond-counsel, bond administration costs, underwriter fees, investment banking fees, Authority fees overhead and profit.

The Program Fees shall be determined by the Authority and <u>Dividend</u> for each Financing Instrument issued for each PACE financing. The following Program Fees shall be deemed to be initial guidelines for the Program; provided, however, the Authority and <u>Dividend</u> may agree to modify the Program Fees for any financing. The Chair of the Authority shall have the authority to modify the Program Fees approved in this Agreement for any financing on behalf of the Authority.

- (a) PACE Cost of Issuance Fee (the "Cost of Issuance Fee"). The Cost of Issuance Fee shall be payable either: a) by the property owner concurrently with the closing of the Financing Instrument which first gives rise to the PACE financing (the "Originating Financing Instrument" and in all cases in this Agreement a "Financing Instrument"); or b) by Dividend at the time of bonding of the PACE Assessment Contract, or any earlier prepayment, in part or full, of the PACE Assessment Contract.
- 1) Commercial PACE Program: The Cost of Issuance Fee will be an amount not to exceed 4.00% of the total principal amount of the property owner's PACE financing, but may be reduced to no less than 2.00% at the election of <u>Dividend</u> as a result of negotiations with the relevant property owner, based on <u>Dividend's</u> good faith evaluation of the size, complexity and credit quality of the particular project.
- 2) Residential PACE Program: The Cost of Issuance Fee will be an amount not to exceed 7.00% of the total principal amount of the property owner's PACE financing, but may be reduced to no less than 2.00% at the election of <u>Dividend</u> based on good faith evaluation of competing financing products in the marketplace.

Depending on the nature of the Originating Financing Instrument, the Cost of Issuance Fee shall be collected by a Depository and deposited in a Cost of Issuance Account pursuant to an Account Management Agreement; or collected by the Indenture trustee and deposited in the Cost of Issuance Fund under the Indenture (together, the "Cost of Issuance Deposit Accounts"). Dividend will prepare a requisition for signature by the Authority for all disbursement of funds from the Cost of Issuance Deposit Accounts for the purpose of paying Financing Instrument closing costs such as trustee fees, underwriter or placement agent fees, bond counsel fees, the California Debt and Investment Advisory Commission fee, the Authority issuance fees (described below), and other incidental fees and costs (collectively, "Closing Costs"). The sum of the Cost of Issuance Fee less the Closing Costs for a Financing Instrument will be payable to Dividend as part of its compensation for the Services. Part of the Services to be provided by Dividend is to arrange for the performance of the services that give rise to such Closing Costs. Closing Costs to be paid from

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the Cost of Issuance Fee will not be incurred by the Authority without the prior consent of <u>Dividend</u>. The Authority agrees that, during the Term, it shall not modify any Indenture with respect to the application of the Cost of Issuance Fee without the prior written consent of <u>Dividend</u>.

The Authority shall be paid an issuance fee from the Cost of Issuance Fee collected at the time of each Originating Financing Instrument issuance in an amount equal to 0.30% of the principal amount of the Originating Financing Instrument at the time of each issuance.

- (b) Program Management Fee (the "Management Fee"). A Management Fee not in excess of 1.00% per annum of the outstanding principal amount of the Financing Instrument related to projects originated by <u>Dividend</u> shall be payable to <u>Dividend</u>, to the extent collected from each property owner and received by an Indenture trustee, on each March 2nd and September 2nd (or other dates as specified in an Indenture) following the collection of the assessment installments by the Indenture trustee. The Management Fee is fully earned by <u>Dividend</u> for each property financed upon the closing of the financing with respect to such property and shall be disbursed to <u>Dividend</u> by the Indenture trustee over the term of the financing. The Management Fee applicable to projects originated by <u>Dividend</u>, and Figtree <u>Company, Inc.</u>, shall continue to be payable to <u>Dividend</u>, to the extent collected from the property owner and received by the trustee, following termination of this Agreement. <u>Dividend</u> will have the full legal right to the Management Fee which can be pledged, capitalized, assigned or transferred at the discretion of <u>Dividend</u>, subject to the Authority's offset rights as set forth in subsection (d) below.
- **(c) Annual Cost Recovery Fee** (the "Cost Recovery Fee"). The Cost Recovery Fee is a fee charged to a property owner annually for the term of the PACE financing.
- 1. Commercial PACE Program: The Cost Recovery Fee is calculated in the amount of 3.00% of the annual PACE assessment. In no event shall the Cost Recovery Fee exceed 5.00% of the annual PACE assessment or the maximum amount permitted by law. The Cost Recovery Fee may be reduced to no less than 1.00% at the election of <u>Dividend</u> as a result of negotiations with the relevant property owner, based on <u>Dividend's good faith evaluation of the size</u>, complexity and credit quality of the particular project, and so long as the Cost Recovery Fee is sufficient to pay the Minimum Program Annual Fees (as defined below).
- Residential PACE Program: The Cost Recovery Fee is calculated in the amount of \$35 per parcel per annum.

The Cost Recovery Fee is collected by an Indenture trustee along with the semi-annual assessment installments and, will be apportioned to the Parties as follows:

First, to the Authority a fee in the amount of: i) 0.75% of the annual PACE assessment collected with respect to the Commercial PACE Program; and ii) \$5.00 per parcel per annum with respect to the Residential PACE Program.

Second, the remainder to <u>Dividend</u> to pay for the Trustee and Willdan annual fees, and any other annual fees which are due under the program for services contracted for or arranged by <u>Dividend</u> ("Third Party Contractor"). The annual fees of the Authority, the Trustee, Willdan and any other Third Party Contractor are hereby defined as the "Minimum Program Annual Fees").

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The Cost Recovery Fee will be disbursed to the Authority and <u>Dividend</u> by an Indenture trustee on each March 2nd and September 2nd (or other dates as specified in an Indenture) over the term of the assessment. Notwithstanding the foregoing, to the extent that the Cost Recovery Fee received by the Authority in any calendar year is less than \$10,000, <u>Dividend</u> shall deposit with the Authority no later than January 15 of the subsequent year the difference between the Cost Recovery Fee received by the Authority in such calendar year and \$10,000.

(d) Extraordinary Expenses. Extraordinary expenses incurred by the Authority, either directory or indirectly, with respect to the Program or the Financing Instruments applicable to projects originated by <u>Dividend</u> shall be payable by <u>Dividend</u> upon invoice by the Authority. If any Extraordinary Expenses are not paid within 60 days of invoice, the Authority may deduct, or instruct the Indenture trustee to deduct, such amounts from any Management Fee collected under any Financing Instrument.

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EXHIBIT C

INSURANCE REQUIREMENTS

<u>Dividend</u> shall maintain insurance policies issued by an insurance company or companies authorized to do business in the State of California and that maintain during the term of the policy a "General Policyholders Rating" of at least "A+," as set forth in the then most current edition of "Bests Insurance Guide," as follows:

- (a) Commercial General Liability Insurance. <u>Dividend</u> and each of its subcontractors shall maintain comprehensive commercial general liability insurance providing coverage for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than \$1,000,000 per occurrence.
- (b) Automobile Insurance. <u>Dividend</u> and each of its subcontractors shall maintain comprehensive automobile liability insurance of not less than \$100,000.00 combined single limit per occurrence for each vehicle leased or owned by <u>Dividend</u> or its subcontractors and used in performing work under this Agreement.
- (c) Workers' Compensation Insurance. <u>Dividend</u> and each of its subcontractors shall maintain workers' compensation insurance with statutory limits and Employer's liability insurance with limits of not less than \$1,000,000 for all workers under <u>Dividend's</u> and/or subcontractor's employment performing work under this Agreement.
- (d) Professional Liability (Errors and Omissions) Coverage. Dividend and each of its subcontractors shall maintain an insurance policy covering liability for errors and omissions of Dividend in performing the Scope of Services of this Agreement in an amount of not less than \$1,000,000.00.

Concurrent with the execution of this Agreement and prior to the commencement of any work by <u>Dividend</u>, <u>Dividend</u> shall deliver to the Authority copies of policies or certificates evidencing the existence of the insurance coverage required herein, which coverage shall remain in full force and effect continuously throughout the term of this Agreement. Each policy of insurance that <u>Dividend</u> purchases in satisfaction of the insurance requirements of this Agreement shall name the Authority as an additional insured and shall provide that the policy may not be cancelled, terminated or modified, except upon 30 days' prior written notice to the Authority.

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A database of registered contractors accessible through the Internet;

An Internet-accessible estimating tool to calculate the approximate cost of PACE financing;

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will be conducted prior to payment of the bond debt service, which determines required fund transfers that satisfy the principal and interest requirements, as well as determine excess funds available for credits against current assessments and/or for early

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Recommendation for Collection	Fund disbursements.	
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For residential projects, Willdan proposes a fee of \$10 per parcel.

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Willdan's annual fees shall be payable from Figtree's portion of the Cost Recovery Fee (as defined in Section (c) of Exhibit B.

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Section

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Preparation of the required program documents, including the engineer's report (or other similar document), assessment agreements, and other related items;

Review of the assessment documentation for each parcel;

Recording of the assessment agreements with the appropriate county Recorder's Office;

Attend meetings and provide consulting services and advice to existing clients and/or potential clients; and Coordinate foreclosure action proceedings as needed.

	Staff Report
Action Requested	Approve Resolution No. 17-52 Authorizing and Approving an Amended and Restated Account Management Agreement in Connection with the California Enterprise Development Authority Residential Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.
Staff Discussion	This resolution is to approve the amended and restated Account Management Agreement between the Authority, Dividend Finance, LLC and LordSPV. The revised LordSPV/Dividend/CEDA Account Management Agreement ("AMA") addresses the following: 1. Enabling Dividend's "platform fee" business model for R-PACE originations, whereby Dividend funds the closing fee instead of the property owner. 2. Enabling Dividend to be reimbursed directly from CEDA's AMA accounts for R-PACE project cost milestone payments that have been advanced by Dividend. 3. Changes required to address prepayments prior to bonding of an R-PACE assessment contract.
Recommendation	Staff recommends approving Resolution No. 17-52 Authorizing and Approving an Amended and Restated Account Management Agreement in Connection with the California Enterprise Development Authority Residential Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION NO. 17-52

RESOLUTION AUTHORIZING AND APPROVING AN AMMENDED AND RESTATED ACCOUNT MANAGEMENT AGREEMENT IN CONNECTION WITH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM, AND AUTHORIZING AND DIRECTING THE EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

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

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

WHEREAS, in 2008, the California State legislature adopted Assembly Bill 811 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.12, et seq.) ("AB 811") and Assembly Bill 474 (codified at Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.31, et seq.) ("AB 474") which authorize the formation of assessment districts for the financing of the installation of energy efficient and water savings equipment (the "Improvements") to be affixed to the property of certain property owners who voluntarily participate in the assessment district; and

WHEREAS, pursuant to Resolution 12-31 adopted on September 6, 2012, the Authority created its Water Efficiency and Property Assessed Clean Energy (PACE) and Job Creation Program (as amended to date, the "Program"); and

WHEREAS, pursuant to the Program, certain Member Jurisdictions (the "Participating Member Jurisdictions") have formed contractual Energy and Water Efficiency Property Assessed Clean Energy (PACE) Assessment Districts (the "Assessment Districts") within their boundaries and have executed or shall execute certain Participation Agreements with the Authority (the "Participation Agreements"); and

WHEREAS, certain property owners within the boundaries of the Participating Member Jurisdictions (the "Property Owners") have agreed to participate in the Program by voluntarily

authorizing the recording of assessment liens (the "Assessment Liens") on their residential property of up to four units (the "Property") pursuant to an assessment contract (the "Assessment Contract") in consideration for the financing of the installation of the Improvements to be affixed to their Property; and

WHEREAS, Section 5898.28(h) of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, which became effective as of January 1, 2015, with the enactment of Assembly Bill 1883, permits the Authority to transfer its right, title and interest in and to any Assessment Lien for a term not to exceed three years (each, an "Assignment") if bonds have not been issued with respect to such Assessment Liens; and

WHEREAS, Dividend Finance has requested certain changes to the Account Management Agreement deemed to be material to the advancement and growth of the Program; and

WHEREAS, the Authority wishes to approve a form of the amended and restated Account Management Agreement, in substantially the form on file with the Secretary of the Authority (the "Amended and Restated Account Management Agreement") that would reflect the requested changes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

<u>Section 1</u>. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby approves the Amended and Restated Account Management Agreement in substantially the form filed with the Secretary of the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Chair or the Vice Chair of the Board of Directors of the Authority (individually, an "Authorized Signatory" and, collectively, the "Authorized Signatories") executing the same, with the advice of the Authority's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Amended and Restated Account Management Agreement.

Section 4. Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or appropriate, not inconsistent with the terms of this Resolution to effect the execution and delivery of the documents contemplated by this Resolution. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 5. All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each

Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

<u>Section 6.</u> All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

<u>Section 7.</u> The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 20th day of July, 2017.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

	By	
	Gurbax Sahota, Chair	
By		
Helen Schaubmayer, Assistant Secretary	<u>—</u>	

CERTIFICATE

I, Helen Schaubmayer, Assistant Secretary of the California Enterprise Developmer	ıt
Authority hereby certify the foregoing to be a full, true and correct copy of Resolution No. 17-5	2
of the Board of Directors of the California Enterprise Development Authority duly adopted at it meeting of July 20, 2017.	ts

By	
_	Helen Schaubmayer, Assistant Secretary

AMENDED AND RESTATED DIVIDEND RESIDENTIAL PACE ACCOUNT MANAGEMENT AGREEMENT

This AMENDED AND RESTATED DIVIDEND RESIDENTIAL PACE ACCOUNT MANAGEMENT AGREEMENT (this "Agreement") is made and entered into effective as of July [], 2017 (the "Effective Date") by and among California Enterprise Development Authority, a public entity established pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California ("Authority"), and Dividend Finance, LLC a Delaware limited liability company ("Program Administrator") and Lord Securities Corporation, a Delaware corporation (the "Verifying Agent").

In consideration of the mutual promises hereinafter contained, the Authority, Program Administrator and Verifying Agent covenant and agree as follows:

ARTICLE I DEFINITIONS

"Payment(s)" means the transfer of money through the Depository.

"Assessment Law" means Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.12 et seq.) and Chapter 29 Part 1 of Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.)

"Assessment Contract" has the meaning specified in the Master Assignment Agreement.

"Assignment Date" means, for a particular Transferred Interest, the "date of transfer" indicated in an Assignment Instrument executed by Transferor and Transferee

"Assignment Instrument" means an Assignment Instrument in the form attached to the Master Assignment Agreement as Exhibit A that specifies, among other things, the assessment contract(s) being assigned on such date and the consideration payable on such date by the Transferee.

"Assignment Termination Date" has the meaning specified in the Master Assignment Agreement.

"COI Account Deposit Record" means a record of the deposit of funds into a Depository Account, distinct and separate from any Assignment Instrument consideration, to pay costs associated with the Program, substantially in the form attached hereto as Exhibit C.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Transferred Interests and their transfer to the PACE Bond Trustee, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority, costs and fees relating to any bond insurance policy, compensation to any financial consultants or underwriters, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"COI Account Requisition" means a requisition of funds from a Depository Account to pay costs associated with the Program, substantially in form attached hereto as Exhibit B.

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"Depository" means Wells Fargo Bank N.A., or another depository bank as may be designated by the Authority in writing

"Depository Account(s)" means the commercial banking accounts established by the Authority with the Depository as detailed in Article III.

"Program" means the California Enterprise Development Authority Residential Property Assessed Clean Energy (PACE) Program.

"Improvement(s)" means distributed renewable energy, energy efficiency, water conservation, electric vehicle charging and seismic retrofit equipment to be located on improved residential property (of one to four units) within the_Authority's Participating Member Jurisdictions as authorized pursuant to the Assessment Law.

"Improvement Account Requisition" means a requisition of funds from a Depository Account to pay costs of the Improvements, substantially in the form attached hereto as Exhibit A.

"Member Jurisdictions" means the public agency members comprising the Authority.

"PACE Bond Trustee" means the trust company designated by the Authority from time to time as an indenture trustee with respect to bonds issued under the Program.

"Prepayment(s)" means Payment(s) received into a Depository Account to effectuate the prepayment, in part or full, of an Assessment Contract as specified under the terms of said Assessment Contract.

"Property Owner" has the meaning specified in the Master Assignment Agreement.

"Participating Member Jurisdictions" means the Member Jurisdictions which have created districts pursuant to the Assessment Law in order to participate in the Program.

"Re-Conveyance Instrument" means a Re-Conveyance Instrument in the form attached to the Master Assignment Agreement as Exhibit C that specifies, among other things, the assessment contract(s) being re-conveyed on such date and the required transfers from the Depository Accounts.

"Transferred Interests" has the meaning specified in the Master Assignment Agreement.

"Transferee" means Figtree PACE Bond Holdings, LLC, a Delaware limited liability company, as transferee under the Master Assignment Agreement.

ARTICLE II APPOINTMENTS

1. The Authority hereby appoints Program Administrator as its agent with respect to transacting in the Depository Accounts to perform the duties hereinafter set forth solely for the purpose of administering the Program.

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- 2. Program Administrator hereby accepts such appointment in accordance with, and subject to, the Program Administration Agreement and agrees to perform the duties hereinafter set forth.
- 3. The Authority hereby appoints Verifying Agent as its agent with respect to verifying the transactions in the Depository Accounts (and any subaccounts thereto) to perform the duties hereinafter set forth.
- 4. Verifying Agent hereby accepts such appointment in accordance with the terms hereof and agrees to perform the duties hereinafter set forth.

ARTICLE III DEPOSITORY ACCOUNTS

1. The table below identifies the Depository Accounts established by the Authority with the Depository.

Name	Account Number	
Improvement Account 1	4479433377	
COI Account 1	4479433393	
Capitalized Interest Account 1	4479433419	
Reserve Account 1	4943100735	
Prepayment Lockbox 1	[TBD]	
Improvement Account 2	4479433385	
COI Account 2	4479433401	
Capitalized Interest Account 2	4479433427	
Reserve Account 2	4943100743	
Prepayment Lockbox 2	[TBD]	
Operating Account	4974747677	
Payment Staging Account	[TBD]	

ARTICLE IV DEPOSIT OF FUNDS ON AN ASSIGNMENT DATE

- 1. Program Administrator shall arrange for the receipt, in immediately available funds, of the total consideration specified in each Assignment Instrument, from the Transferee, on each Assignment Date and the immediate deposit thereof into the Depository Accounts as specified in the Assignment Instrument.
- consideration, Program Administrator shall arrange for the deposit of funds into a COI Account, distinct and separate from the total assignment consideration, at any time prior to re-conveyance. Each such deposit must be listed in a COI Account Deposit substantially in the form attached as Exhibit C hereto, and submitted by Program Administrator to the Authority and to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Improvement Account Requisition into its internal tracking system.

2. To the extent any Assignment Instrument does not provide for a deposit to a COI Account from the total

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- 3. Program Administrator shall not make any other deposits into the Depository Accounts, other than the deposits into the Operating Account described in Article VIII Section 8, unless expressly agreed to by the Authority in writing with written notice to Verifying Agent.
- 4. Concurrently with each deposit into the Depository Accounts, Program Administrator shall provide an electronic copy of the related Assignment Instrument to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Assignment Instrument into its internal tracking system.

ARTICLE V DISBURSEMENT OF FUNDS FROM THE DEPOSITORY ACCOUNTS

- 1. Program Administrator shall make Payments from Depository Accounts designated for Improvements to:
 - a) contractors registered with the Program;
 - b) Property Owners; and
 - c) the Program Administrator as reimbursement for advancing funds to registered contractors in lieu of direct funding of project costs from a Depository Account.

All such Payments are to pay for the cost associated with the Improvements in accordance with the guidelines of the Program as may be in effect from time to time. Each such Payment for an Improvement must be listed in an Improvement Account Requisition, substantially in the form attached as Exhibit A hereto, and submitted by Program Administrator to the Authority and to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Improvement Account Requisition into its internal tracking system.

- 2. Program Administrator shall make Payments from Depository Accounts designated for Costs of Issuance only to the Authority, Program Administrator and other professionals who themselves have invoiced the Program for services provided. Each such Payment for Costs of Issuance must be listed in an COI Account Requisition, substantially in the form attached as Exhibit B hereto, and submitted by Program Administrator to the Authority for its consent. Program Administrator shall provide to Verifying Agent a copy of each fully executed COI Account Requisition in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each COI Account Requisition into its internal tracking system.
- 3. Program Administrator shall <u>make Payments from the Depository Accounts to effectuate the prepayment</u> of Assessment Contracts as more fully described in Article VI.
- 4. Program Administrator shall provide the Authority and Verifying Agent a record of any failed Payments, as reported by the Depository, prior to re-initiating any such failed disbursements.
- 5. Program Administrator shall arrange for the transfer to a PACE Bond Trustee, in immediately available funds, of the amounts and from the Depository Accounts specified in an Re-Conveyance Instrument, the substantial form of which is provided in Exhibit C. Each Re-Conveyance Instrument shall be submitted by Program Administrator, not less than three (3) business days prior to the proposed transfer, to the Authority and to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Re-Conveyance Instrument into its internal tracking system.

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- 6. Program Administrator shall not make any transfer or payment from the Depository Accounts not specifically provided for in this Article, unless expressly agreed to by the Authority in writing with written notice to Verifying Agent.
- 7. Within two (2) business days of receipt of each Re-Conveyance Instrument, Verifying Agent shall provide written verification to the Authority that all remaining funds associated with the loans identified in such Re-Conveyance Instrument are being transferred to the PACE Bond Trustee.

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ARTICLE VI PREPAYMENTS OF ASSESSMENT CONTRACTS

- 1. Program Administrator shall monitor the Depository Accounts designated for Prepayments on a daily basis and, upon receipt, promptly make Payments to the Transferee to effectuate the prepayment of the associated Assessment Contracts. Each such Payment must be listed in a Prepayment Requisition, substantially in the form attached as Exhibit D hereto, and submitted by Program Administrator to the Authority and to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Improvement Account Requisition into its internal tracking system.
- 2. To the extent a Prepayment is received for an Assessment Contract that has been identified as a Transferred Interest in a Re-Conveyance Instrument, the Program Administrator shall promptly notify the associated PACE Bond Trustee and get instructions for its transfer via Payment. Each such Payment must be listed in a Prepayment Requisition, substantially in the form attached as Exhibit D hereto, and submitted by Program Administrator to the Authority and to Verifying Agent in an Excel format or other format reasonably requested by Verifying Agent. Verifying Agent shall promptly incorporate the data from each Improvement Account Requisition into its internal tracking system.

ARTICLE VII OTHER TRANSFERS OF FUNDS

1. From time to time, Program Administrator may arrange for the transfer of funds between Depository Accounts; but solely for the maintenance of proper account balances, and only if expressly agreed to by the Authority in writing with written notice to Verifying Agent.

ARTICLE VIII ADDITIONAL DUTIES OF PROGRAM ADMINISTRATOR AND VERIFYING AGENT

- 1. Program Administrator shall: (i) keep and maintain such records in such form and manner as it shall determine in its sole discretion; and (ii) perform such related duties as may be necessary. Such records shall upon prior written request be available for inspection by authorized officers, employees, and agents of the Authority during normal business hours. Upon the termination of this Agreement, Program Administrator shall deliver to the Authority copies of such records reflecting all transactions in the Depository Accounts to date, in the form and manner kept by Program Administrator.
- 2. Program Administrator agrees to take no action to alter any aspect of the capabilities of the Depository Accounts including, but not limited to, their setup with the Depository, services provided by the Depository and authorized users of the Depository Accounts, unless expressly agreed to by the Authority in writing.

- 3. Program Administrator is not due any specific remuneration for the provision of the services provided herein. The only payments to be made to Program Administrator from funds in the Depository Accounts is amounts identified in: a) Article V Section 1, for which Program Administrator has advanced funds to registered contractors in lieu of direct funding of project costs from a Depository Account; and b) Article V Section 2; for which the Authority has approved a COI Account Requisition.
- 4. Within five (5) business days of receipt of each monthly banking statement from the Depository with respect to the Depository Accounts, Verifying Agent shall provide to the Authority and Program Administrator a written verification that: (a) all loan level activity reported by Program Administrator in all Assignment Instruments, Improvement Account Requisitions, COI Account Requisitions, COI Account Deposit Record and Re-Conveyance Instruments provided during the statement period tie to the balance in the Deposit Accounts reported by the Depository; (b) the sum of all Payments detailed in all Improvement Account Requisitions provided by Program Administrator for each uniquely identified financing do not exceed the original deposit into the Improvement Accounts attributable to such uniquely identified financing; and (c) Program Administrator has reasonably met its obligation to replenish the Operating Account during each banking statement period as described in Section 8 of this Article. Verifying Agent agrees to promptly notify the Authority and Program Administrator if the verifications detailed in this Section cannot be provided based upon the information furnished.
- 5. This Agreement expressly and exclusively sets forth the duties of Verifying Agent with respect to any and all matters pertinent hereto, and no implied duties or obligations shall be read into this Agreement against Verifying Agent.
- 6. Verifying Agent acts hereunder as a verifying agent only, and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of this Agreement or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing such subject matter. Verifying Agent shall be under no duty to investigate or inquire as to the validity or accuracy of any document, agreement, instruction or request furnished to it hereunder believed by it to be genuine and Verifying Agent may rely and act upon, and shall not be liable for acting or not acting upon, any such document, agreement, instruction or request.
- 7. Verifying Agent shall be entitled to reasonable compensation from Program Administrator in connection with the performance by it of service under this Agreement. The parties hereto agree that Verifying Agent's fees shall be due and payable in the amount of: 1) a one-time acceptance fee of \$5,000 payable upon the execution of this Agreement; and 2) an annual fee of \$17,500 payable each year upon the anniversary of this Agreement as invoiced to Program Administrator.
- 8. Program Administrator hereby agrees to initially fund the Operating Account in the amount of \$2,500. The Depository has been directed by the Authority to periodically debit the Operating Account in amounts reflecting all of its reasonable fees ("Banking Fees") associated with activity in all the Depository Accounts, net of interest earnings associated with all of the Depository Accounts. Within five (5) business days of receipt of each monthly banking statement from the Depository with respect to the Depository Accounts, Program Administrator agrees to make a deposit to the Operating Account in the amount of the Depository's gross Banking Fees as reported in each respective banking statement.
- 9. Program Administrator acknowledges the Authority's right to all interest earnings associated with all the Depository Accounts and reflected in the Operating Account. The Authority may, from time to time, withdraw said interest earnings from the Operating Account with written notice to Program Administrator and Verifying Agent.
- 10. Program Administrator hereby agrees to indemnify and hold Verification Agent and the Authority, their respective affiliates, officers, employees, successors, assigns, attorneys and agents (each an

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"Indemnified Party") harmless from all losses, costs, claims, demands, expenses, damages, penalties and attorney's fees suffered or incurred by any Indemnified Party as a result of anything which it may do or refrain from doing in connection with this Agreement or any litigation or cause of action arising from or in conjunction with this Agreement or involving the subject matter hereof or the Depository Accounts or monies deposited therein or for any interest upon any such monies, including, without limitation, arising out of the negligence of Verification Agent or the Authority; provided that the foregoing indemnification of any Indemnified Party shall not extend to the gross negligence or willful misconduct of such Indemnified Party.

ARTICLE IX
GENERAL

- 1. This Agreement shall remain in full force and effect until July [], 2018, and thereafter shall automatically renew for successive one-year terms unless the Authority or Program Administrator gives written notice of termination thereof not less than 30 days prior to the end of any term. Notwithstanding the foregoing, this Agreement shall remain in full force and effect with respect to each Transferred Interest until such Transferred Interest has been re-conveyed to the Authority pursuant to a Re-conveyance Instrument. Verification Agent may resign at any time by giving the Authority and Program Administrator, or be discharged by the Authority and Program Administrator upon, at least 30 days advance notice, but such resignation or dismissal shall not be effective until a successor Verification Agent has been named and accepts the appointment or until another disposition of the subject matter of this Agreement has been agreed to by the parties.
- 2. Any notice, instruction, request for instructions or other instrument in writing authorized or required by this Agreement to given to either party shall be deemed given if addressed and mailed certified mail to it at its offices at the address first above written, or at such other place as such party may from time to time designate in writing.
- 3. This Agreement may not be amended or modified in any manner except by a written agreement executed by all parties to this Agreement. This Agreement constitutes the entire agreement among the parties hereto in connection with the subject matter of this Agreement, and no other agreement entered into among the parties, or any of them, shall be considered as adopted or binding, in whole or in part, upon Verifying Agent notwithstanding that any such other agreement may be referred to herein or deposited with Verifying Agent or Verifying Agent may have knowledge thereof, and Verifying Agent's rights and responsibilities shall be governed solely by this Agreement.
- 4. This Agreement shall extend to and be binding upon the parties hereto and their respective successors and assigns.
- 5. Nothing in this Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.
- 6. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to conflicts of laws principles thereof.
- 7. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterparts were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement.

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8. Any notice or other communication to be given hereunder shall be in writing and shall be delivered by hand (including, without limitation, by express courier against written receipt) or sent by registered prepaid first class mail or by facsimile copy to the persons or addresses specified below:

Authority:

California Enterprise Development Authority 550 Bercut Drive, Suite G

Sacramento, California 95811 Telephone: (916) 448-8252 Facsimile: (916) 448-3811

Program Administrator:

Attention: Chair

Dividend Finance, LLC 3661 Buchanan St, 4th Floor San Francisco, CA 94123 Telephone: (415) 805-7000

Facsimile: (415) 805-7000 Attention: Legal Department

Verifying Agent:

Lord Securities Corporation 48 Wall Street, 27th Floor New York, NY 10005 Attention: General Counsel

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective corporate officers, thereunto duly authorized, as of the day and year first above written.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

EXHIBIT A

IMPROVEMENT ACCOUNT REQUISITION NO.

REQUISITION FOR DISBURSEMENTS FROM AN IMPROVEMENT ACCOUNT

The undersigned hereby states and certifies:

- (a) that the undersigned is an authorized representative of Dividend Finance, LLC;
- (b) that, pursuant to Article V Section 1 of the Account Management Agreement, dated as of July 1, 2017 (the "Agreement"), by and between California Enterprise Development Authority and Dividend Finance, LLC, the undersigned hereby acknowledges an Payment from an Improvement Account to each of the payees designated on Attachment A-1 attached hereto and incorporated herein by this reference, the respective sums set forth opposite such designated payees, in payment of actual costs of installing the Improvements;
 - (c) that the amounts disbursed are properly chargeable to the Improvement Account identified;
- (d) that the amounts disbursed have not been the subject of another requisition which has been paid; and
 - (e) that all conditions set forth in Article V, Section 1 of the Agreement have been satisfied.

Dated:, 20_	
DIVIDEND FINANCE, LLC	
By:	
Authorized Officer	

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ATTACHMENT A-1 IMPROVEMENT ACCOUNT REQUISITION NO. ___ IMPROVEMENT ACCOUNT NUMBER: ____

DISBURSEMENT INFORMATION

<u>Loan</u> Number	County & APN	IAR Identifier	Disbursement Amount	Beneficiary Name	Contractor Identifier	<u>Contractor</u>

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EXHIBIT B

COI ACCOUNT REQUISITION NO. ___

REQUISITION FOR DISBURSEMENTS FROM A COI ACCOUNT

The undersigned hereby states and certifies:

- (a) that the undersigned is an authorized representative of Dividend Finance, LLC;
- (b) that, pursuant to Article V Section 2 of the Account Management Agreement, dated as of July [], 2017 (the "Agreement"), by and between California Enterprise Development Authority and Dividend Finance, LLC, the undersigned hereby acknowledges a Payment from a COI Account to each of the payees designated on Attachment B-1 attached hereto and incorporated herein by this reference, the respective sums set forth opposite such designated payees, in payment for services provided;
 - (c) that the amounts disbursed are properly chargeable to the COI Account identified;
- (d) that the amounts disbursed have not been the subject of another requisition which has been paid; and
 - (d) that all conditions set forth in Article V, Section 2 of the Agreement have been satisfied.

Dated:, 20
DIVIDEND FINANCE, LLC
Ву:
Authorized Officer
Dated:, 20
CALIFORNIA ECONOMIC DEVELOPMENT AUTHORITY
Зу:
Authorized Officer

Deleted: September 1, 2016

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ATTACHMENT B-1 COI ACCOUNT REQUISITION NO. ___ COI ACCOUNT NUMBER: ____

DISBURSEMENT INFORMATION

<u>Loan</u> <u>Number</u>	County & APN	CAR Identifier	Disbursement Amount	<u>Beneficiary</u> <u>Name</u>	Beneficiary Identifier

TOTAL DISBURSEMENT AMOUNT:

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EXHIBIT C

COI ACCOUNT DEPOSIT RECORD NO.

DEPOSIT TO A COI ACCOUNT

The undersigned hereby states and certifies:

- (a) that the undersigned is an authorized representative of Dividend Finance, LLC;
- (b) that, pursuant to Article IV Section 2 of the Account Management Agreement, dated as of July [], 2017 (the "Agreement"), by and between California Enterprise Development Authority and Dividend Finance, LLC, the undersigned hereby acknowledges a deposit to a COI Account as detailed on Attachment C-1 attached hereto and incorporated herein by this reference;
 - (c) that the amounts deposited are properly creditable to the COI Account identified; and
 - (e) that all conditions set forth in Article IV, Section 2 of the Agreement have been satisfied.

Dated: , 20
DIVIDEND FINANCE, LLC

By:

Authorized Officer

ATTACHMENT C-1 COI ACCOUNT DEPOSIT NO. COI ACCOUNT NUMBER:

DEPOSIT INFORMATION

<u>Loan</u> <u>Number</u>	County & APN	<u>CAD</u> <u>Identifier</u>	Principal Amount	Deposit Amount

TOTAL DEPOSIT AMOUNT:	
TOTAL DEPOSIT AMOUNT:	

EXHIBIT D

PREPAYMENT REQUISITION NO.

REQUISITION FOR DISBURSEMENTS FROM DEPOSITORY ACCOUNTS TO EFFECTUATE PREPAYMENT OF ASSESSMENT CONTRACTS

The undersigned hereby states and certifies:

- (a) that the undersigned is an authorized representative of Dividend Finance, LLC;
- (b) that, pursuant to Article VI of the Account Management Agreement, dated as of July [__], 2017 (the "Agreement"), by and between California Enterprise Development Authority and Dividend Finance, LLC, the undersigned hereby acknowledges the disbursement, to effectuate the prepayment of Assessment Contracts, from the Depository Accounts detailed on Attachment D-1 attached hereto and incorporated herein by this reference;
- (c) that the amounts disbursed are properly chargeable to the Depository Accounts identified; and
 - (e) that all conditions set forth in Article VI of the Agreement have been satisfied.

Dated:	, 20
DIVIDEND FINANCE,	LLC
<u>By:</u>	

Authorized Officer

ATTACHMENT D-1 PREPAYMENT REQUISITION NO.

DISBURSEMENT INFORMATION

<u>Loan</u> <u>Number</u>	County & APN	PPR Identifier	Full/Partial Prepayment	Prepayment Disbursement	Improvement Disbursement	COI Disbursement	<u>Cap-l</u> <u>Disbursement</u>	Reserves Disbursement	Total Disbursement

DEPOSITORY ACCOUNTS FOR DISBURSEMENT TO EFFECTUATE PREPAYMENT

Depository Account Name	Depository Account Number	<u>Deposit Amount</u>
	TOTAL DISBURSEMENT:	



DIVIDEND FIGTREE PACE PROGRAM

This Residential Assessment Contract (this "Contract") is entered into on <<Today>> between the California Enterprise Development Authority (the "Authority") and the record owner(s) (individually, or collectively, "you") of the fee title to the real property listed on Exhibit A (your "Property").

The Authority, a group of cities and counties which are members of a joint exercise of powers authority, has created the Figtree PACE Program (the "Program") to allow the financing or refinancing of distributed generation renewable energy sources, electric vehicle charging infrastructure, improvements to energy efficiency, water efficiency, and similar improvements authorized by law that are permanently fixed to real property (the "Authorized Improvements") by levying contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29"), and issuing improvement bonds secured by unpaid contractual assessments under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following)(the "1915 Act").

Under Chapter 29, assessments may be levied only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time it is levied, by a contract between the property owner and the public agency. The Authority has completed the proceedings required by Chapter 29 for the territory that is within the boundaries of the City or County listed on Exhibit A (the "Participating Entity").

Your Property is located within the Participating Entity's boundaries, and the Participating Entity has allowed (a) owners of property within its jurisdiction to participate in the Program and (b) the Authority to conduct assessment proceedings under Chapter 29, and issue bonds under the 1915 Act, to finance or refinance the Authorized Improvements.

The Authority has appointed Dividend Finance LLC (together with any successors or assignees, "Dividend"), as the Program administrator under this Contract.

1. Purpose.

You and the Authority are entering into this Contract for the purpose of financing or refinancing of the installation of the Authorized Improvements listed on Exhibit A (the "Improvements"). The Authority will not finance or refinance items other than those listed as Authorized Improvements on Exhibit A and the cost of issuance and capitalized interest listed in Exhibit B.

2. The Property.

This Contract applies to the real property listed on <u>Exhibit A</u>. You have given the Authority current evidence of your ownership of fee title to your Property, and if signing on behalf of a legal entity, you have all legal authority necessary to sign this Contract on that entity's behalf.

3. Contract to Pay Assessment.

- a. <u>Payment of Assessment.</u> You freely and willingly agree to pay the "Assessment" (as defined in section 3b). Interest will accrue on the Assessment at the interest rate listed on <u>Exhibit B</u> of this Contract, beginning on the date that the Authority first assigns this Contract or issues bonds to finance or refinance the installation of the Improvements (the "Funding Date"). Unless this Contract says otherwise, the Assessment will be paid in the installments listed on <u>Exhibit</u> B.
- b. <u>Calculation of Assessment.</u> The amount of the Assessment will be equal to the costs of the Improvements plus all associated costs, fees and interest. <u>Exhibit B</u> of this Contract is based on the Improvements identified in <u>Exhibit A</u> of this Contract at the time of application and an assumed funding date (the "Estimated Assessment").

Before any payment is disbursed to a contractor, you will be required to execute a Certificate of Completion for the associated work. After the Authority has disbursed the final payment of the cost of Improvements, you will receive a Closing Statement detailing the Assessment, as recalculated to reflect all the final costs and the actual Funding Date, and the schedule of Assessment installment payments.



If at any time after executing this Contract but before the Authority disburses final payment, you change the Improvements from those originally appearing in Exhibit A, but: (i) the Improvement categories and types do not change from those identified in Exhibit A of this Contract; and (ii) the amount of the Assessment reflecting the changes to the Improvements is less than or equal to the Estimated Assessment, you and the Authority are not required to execute an "Addendum" (as defined in Section 4) and this contract will remain in force and the Assessment will be calculated according to the methodology outlined in this section 3(b).

- c. <u>Changes Requiring an Addendum</u>. If any change is subject to the provisions of Section 4, you and the Authority must execute an Addendum. Under no circumstances will the Authority provide financing under this Contract if the Improvement categories and types change from those identified in <u>Exhibit A</u> without executing an Addendum. Under no circumstances will the Authority finance an Assessment in an amount greater than the Estimated Assessment without executing an Addendum.
- d. <u>Administrative Expenses.</u> You acknowledge that the Authority may add amounts to an annual installment of the Assessment in order to pay for the administrative costs associated with the Assessment and its financing (the "Fee"), pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a).
- e. <u>Prepayment of the Assessment.</u> You may prepay the Assessment, in whole or in any amount of at least \$1,500, (the "Prepayment Amount") at any time by paying the sum of:
 - i. all delinquent Assessment installments plus penalties accrued to the date of prepayment;
 - ii. the Prepayment Amount;
 - iii. interest on the Prepayment Amount to the second business day of the second month following the date the prepayment is made.
- f. No <u>Discount.</u> You agree that the Assessment will not be subject to reduction, offset or credit of any kind for any reason, including the performance or condition of improvements.

4. Addendum.

You and the Authority agree to execute an addendum to this Contract (the "Addendum") if at any time after executing this Contract but before payment of the amount of the Assessment is disbursed to eligible payees you (i) change the Improvement categories or types from those originally listed in Exhibit A or (ii) the amount of the re-calculated Estimated Assessment is greater than the amount of the Estimated Assessment originally listed in Exhibit B or (iii) it becomes necessary to correct the name, capacity, title, party or clerical errors in the Contract. In any such case the Authority will issue to you an Addendum with the necessary corrections. Once you sign and return the Addendum the Authority will execute the Addendum, which will become part of, and be incorporated into, this Contract as if it were part of the original Contract.

5. Collection of Assessment; Lien.

- a. The Assessment, the Fee, and the interest and penalties on the Assessment that result from any installment of the Assessment being past due creates a lien against your Property until paid, and will be collected, and the lien will be equal to and independent of the lien for general taxes (as set forth in Chapter 29).
- b. You acknowledge that if any Assessment installment is not paid when due, the Authority has the right to have the past due installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of your Property to pay the past due installments, associated penalties and interest, and all costs of suit, including attorneys' fees.
- c. You acknowledge that the Authority may assign this Contract or pledge the related Assessment and lien as security for bonds to finance the Improvements. You also acknowledge that the Authority may bind itself through a financing covenant which will require it to exercise its judicial foreclosure rights to recover the past due Assessment installments.

6. Financing or Refinancing of the Improvements.

a. <u>Contract to Finance or Refinance Improvements.</u> The Authority agrees to use the Assessment and the Fee to finance or refinance the Improvements, including paying the Authority's reasonable costs of administering the Program,

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Deleted: the later of the first March 2nd or September 2nd following the Funding Date, or



as long as you comply with the conditions for the financing or refinancing that the Authority sets. The financing or refinancing may be in the form of paying for the ownership of the Improvements or paying or prepaying for the energy or other output of the Improvements (subject to the requirements of Chapter 29). A third party may own the Improvements for tax purposes or otherwise. You acknowledge that the Improvements confer a special benefit to the Property.

b. <u>Assessment Installments.</u> You agree to the assignment of this Contract, and/or the Authority issuing bonds to finance or refinance the installation of the Improvements. The interest rate used to calculate the Assessment installments can be found on <u>Exhibit B</u>. If the Authority decides in its sole discretion that based on the Certificates of Completion you provide to the Authority, the cost of the Improvements is less than the amount shown on <u>Exhibit B</u>, then it may reduce the Assessment installments (as well as the total amount at closing), and after final payment of the cost of Improvements, the Authority will provide you with a schedule of annual Assessment installments that reflects annual installments that are less than those currently listed on <u>Exhibit B</u>. The Authority's decision will be final and conclusive.

7. Projects with Multiple Contractors and/or Improvements.

If you engage one or more contractors (each a "Contractor," including their designees) to install or construct one or more Improvements, the installation or construction of which Improvements will not be completed simultaneously, you and the Authority agree as follows:

- The Assessment will be calculated for the full scope of Improvements and the Authority will assign this Contract and/or issue bonds, starting the accrual of interest consistent with Section 3(a) of this Contract.
- For a Contractor to obtain payment for an individual Improvement prior to completion of all Improvements you will be required to submit a Certificate of Completion.
- iii. For completion of each subsequent Improvement you will be required to submit a Certificate of Completion.
- iv. Upon receipt of the final Certificate of Completion, the Authority will cause the amount corresponding to the Improvement, both as stated in the final Certificate of Completion, to be paid to the Contractor which installed the Improvement provided, however, that:
 - a. If the balance of funds under this Contract exceeds the sum of all amounts of the Certificates of Completion, the Authority will cause such excess to be applied (i) to your next assessment payment due under this Contract, or (ii) to the reduction of the outstanding balance of the Assessment as calculated by the methodology outlined in Sections 3 and 4 of this Contract, or
 - b. If the balance of funds under this Contract is less than the sum of all amounts of the Certificates of Completion, you shall be individually responsible for paying such difference to the applicable Contractor, and such payment will be excluded from the Assessment under this Contract.
- v. If for any reason any one or more of the Improvements listed in Exhibit A or a subsequent Addendum is not installed by the expiration date noted on the Notice to Proceed, the unutilized funds will be applied to the Assessment to reduce the outstanding balance.

8. Term.

Unless this Contract says otherwise, this Contract expires when the final payment or prepayment of the Assessment is made.

9. Contract Runs with the Land.

This Contract sets the rights and obligations that are for the Property's benefit, so the rights and obligations pass from you to a new property owner in the event the property is sold or ownership is otherwise transferred pursuant to Civil Code Section 1462.

10. Subdivision.

If the Property is subdivided before you pay off the Assessment, the Assessment will be assigned to each of the newlycreated parcels on a per-acre basis, unless the Authority, in its sole discretion, decides to allocate the Assessment in a different way.

11. Recording Documents.



You agree to authorize and direct the Authority to have the various notices (and other documents required by Chapter 29 and other applicable laws to be recorded against the Property), recorded in the County Recorder's office.

12. Notice

If required by applicable law, you agree to provide written notice to the Property's subsequent purchaser that he is obligated to pay the Assessment pursuant to this Contract.

13. Waiver.

By signing this Contract you agree to waive:

- a. Any other applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot, **because** this Contract reflects your free and willing consent to pay the Assessment after a noticed public hearing;
- b. Your right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the Authority's actions in connection with the Program; and
- c. The right to recover from (and you also fully and irrevocably release the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from) any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) (the "Potential Damages"), relating to this Contract's subject matter that you may now have or later get against the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity (the "Other Related Parties"), because you agree that the Authority is entering into this Contract only to help you with the financing or refinancing of the installation of the Improvements, and that the Authority and the Participating Entity have no responsibility of any kind for, and will not be liable as a result of installating, operating, financing, refinancing, maintaining or making the Improvements.

14. Responsibility.

You agree that you and your successors in interest to fee title in the Property will be solely responsible for installing, operating and maintaining the Improvements. You acknowledge that the Property will be responsible for paying the Assessment regardless of whether the Improvements are properly installed, operated, maintained, or perform as expected.

15. Section 1542 of the California Civil Code.

If the waivers and agreements in <u>Sections 13</u> and <u>14</u> are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, you intend the waivers and agreements in <u>Sections 13</u> and <u>14</u> to bar any and all Potential Damages, of any character, nature and kind, known or unknown, supected or unsuspected, and you agree to waive any and all rights and benefits that you are granted by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

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

BY INITIALING BELOW, YOU HEREBY WAIVE THE PROVISIONS OF SECTION 1542 SOLELY REGARDING THE MATTERS WHICH ARE THE SUBJECT OF THE WAIVERS AND RELEASES IN <u>SECTIONS 11</u> AND 12 OF THIS CONTRACT.

Property Owner 1 Initials: Property Owner 2 Initials:

Property Owner 3 Initials: Property Owner 4 Initials:



The waivers, releases and agreements in Sections 11, 12 and 13 will still apply after this Contract has terminated.

16. Indemnification.

You agree to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and the Other Related Parties, from and against all Potential Damages and any demands of any nature related directly or indirectly to, or arising out of or connected with (a) your participation in the Program, (b) the Assessment, (c) the Improvements, or (d) any other fact, circumstance or event related to this Contract's subject matter, regardless of whether the Potential Damages accrue before or after this Contract's effective date.

The provisions of this Section 14 will still apply after this Contract has terminated.

17. Right to Enter and Inspect.

You agree to grant the Authority, its agents and representatives: (a) the right to enter the Property to inspect the Improvements at any reasonable time, after reasonable notice, and (b) the right to examine and copy any documents that relate to the Improvements.

18. Carbon Credits.

You agree that the Authority or its assignees will own any carbon credits attributable to the Improvements.

19. Program Application.

You represent and warrant to the Authority that the information, and representations about yourself and the Property in the Program Application submitted to the Authority that relate to your request for financing are true and correct as of this Contract's effective date.

20. Amendment.

Except as mentioned in Section 5.b., this Contract may only be modified if you and the Authority agree in writing.

21. Binding Effect.

This Contract is effective for the benefit of, and is binding on you, the Authority, and your and its respective successors and assigns.

22. Assignment.

The Authority may assign any or all of its rights and obligations under this Contract without your consent. The Figtree PACE Program is administered by Dividend as the Program Administrator for the Authority. The Authority may assign this Contract or pledge the related Assessment and lien as security for bonds to finance or refinance the Improvements. The obligation to pay the Assessment reflected in this Contract is the Property's obligation and nothing that you do can impair in any way any of the Authority's rights, including the Authority's rights to pursue judicial foreclosure of the Assessment lien and to enforce collection of the Assessment or any installment of the Assessment against the Property.

23. Exhibits.

Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if the entire Exhibit A and Exhibit B were included in this Contract.

24. Severability.

If any court of competent jurisdiction holds any provision of this Contract to be invalid or unenforceable, the holding will not invalidate or cause any other provision of this Contract to be unenforceable.

25. Supplements.

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You and the Authority agree that you will, from time to time, sign, acknowledge and deliver, or have signed, acknowledged and delivered, any supplements to this Contract and any other documents that may reasonably be required in order to achieve this Contract's expressed purpose.

26. Governing Law and Venue.

(a) This Contract will be interpreted and governed according to the laws of the State of California applicable to contracts made and performed in the State of California; (b) this Contract will be enforceable in the State of California; and (c) with the exception of the resolution of claims provisions contained Section 32 of this Agreement, any action arising under this Contract will (unless the Authority waives it in writing) be filed and maintained in the Superior Court of California, County of Sacramento, provided, however, that actions to foreclose past due installments of the Assessment will be filed and maintained in the Superior Court of California in the County listed on Exhibit A.

27. Counterparts.

This Contract may be signed in several counterparts. Each counterpart will be considered an original, and all of the counterparts will be considered a part of the same contract.

28. Electronic Signatures.

- a. You and the Authority acknowledge and agree that this Contract may be signed by one or more electronic means ("Electronic Signatures"). You and the Authority agree that each of you will consider sending each other Electronic Signatures to be effective signature and delivery of this Contract by the sending party, and that the Electronic Signatures will be considered complete and satisfactory evidence of the sending party's intent for the signatures and this Contract's terms and conditions to bind the sending party. You and the Authority agree that Electronic Signatures will be considered original signatures for all purposes.
- b. You and the Authority agree to accept Electronic Signatures that you provide to each other as: (i) full and sufficient intent of each of you to have this Contract bind you, (ii) effective signature and delivery of this Contract, and (iii) making this Contract an original for all purposes, without the need for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.
- c. If Electronic Signatures are used to sign this Contract, you and the Authority agree to accept the terms of, and intend and sign this Contract by your Electronic Signature to this Contract.

29. Monitoring and Recording of Communications.

The Program may monitor and/or record telephone calls and other electronic communications for the purposes of security and customer service. By entering into this Contract you agree to have your telephone calls and other electronic communications with the Program monitored and/or recorded.

30. Right to Cancel.

You may cancel this transaction, without cost, until 11:59 pm midnight after the third business day after whichever of the following events occurs last ("Event"):

- (1) The date on which you signed the Assessment Contract.
- (2) The date you received your Financing Estimate and Disclosures.
- (3) The date you received this notice of your right to cancel.
- 31. Existing Instruments. BEFORE ENTERING INTO THIS CONTRACT, YOU SHOULD CAREFULLY REVIEW ANY EXISTING MORTGAGE OR SIMILAR INSTRUMENT THAT AFFECTS THE PROPERTY OR TO WHICH YOU ARE SUBJECT. YOUR ENTERING INTO THIS CONTRACT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENT. DEFAULTING UNDER YOUR EXISTING LOANS MAY HAVE SERIOUS NEGATVIE CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF YOUR EXISTING LOANS. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOS OFFERRED BY



THE AUTHORITY. THIS MAY MEAN THAT YOU MAY BE REQUIRED TO PREPAY THE ASSESSMENT BEFORE YOU SELL OR REFINANCE YOUR HOME.

32. Resolution Of Claims: IMPORTANT – PLEASE READ THIS CLAIM RESOLUTION PROVISION CAREFULLY AND ENTIRELY. IT IS PART OF YOUR AGREEMENT AND WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY YOU AND WE MAY RESOLVE ANY CLAIMS NOW OR IN THE FUTURE. IT CONTAINS A JURY TRIAL WAIVER, DISCOVERY LIMITATIONS, AND A CLASS OR REPRESENTATIVE ACTION WAIVER.

Part I. Agreement to Arbitrate

- (A) Definitions. In this Resolution of Claims provision:
 - 1. "You" or "your" means you as well as any person claiming through such you including without limitation any subsequent owner of your Property;
 - 2. "We" or "us" mean the Authority and its respective parents, subsidiaries, affiliates, predecessors, successors and assigns, as well as the officers, directors and employees of each of them;
 - 3. For purposes of this Claims Resolution clause, you agree that this agreement to arbitrate will inure to the benefit of and may be enforced by: (a) Dividend, any Participating Entity, or any affiliate of Dividend Finance, and each of their respective parents, subsidiaries, affiliates, predecessors, successors and assigns, as well as the officers, directors and employees of each of them, (b) any third party named as a co-defendant or corespondent with us or any such beneficiary named in this sub-paragraph, or (c) anyone whose conduct is challenged by you in a Claim which is otherwise subject to this Claim resolution clause. For purposes of this Claim resolution provision, "we" or "us" shall include any beneficiary referenced in this sub-paragraph;
 - 4. "Claim" or "Claims" mean any dispute, claim or controversy (whether based on contract, tort, intentional tort, constitution, statute, ordinance, common law or equity, whether pre-existing, present or future, and whether seeking monetary, injunctive, declaratory or any other relief) arising from or relating to the relationship between us and you arising from or related to this Contract or the installation of any Improvements installed on Your Property (including claims arising prior to or after the date of the Agreement, and claims that are currently the subject of purported class action litigation in which you are not a member of a certified class), and includes claims that are brought as counterclaims, cross claims, third party claims or otherwise, as well as disputes about the making, validity, enforceability, or scope of this agreement to arbitrate, all of which shall be heard and determined by the arbitrator.
 - 5. Unless defined specifically in this Section 32, terms defined elsewhere in this Contract shall have the same meaning in Section 32 as elsewhere in the Contract.
- (B) <u>Arbitration of Claims</u>. Any Claim shall be resolved by binding arbitration administered by JAMS, under its Streamlined Arbitration Rules in effect at the time a Claim is filed ("Rules"). In the event that JAMS is unable or unwilling to serve as the arbitration administrator, then the arbitration shall be administered by (1) the American Arbitration Association under its Consumer Arbitration Rules, or, if AAA is unable or unwilling to serve, then (2) another arbitration administrator mutually agreed upon or, if there is no agreement, selected by a court of competent jurisdiction. You can obtain the Rules and other information about initiating arbitration by contacting the American Arbitration Association at 1633 Broadway, 10th Floor, New York, NY 10019, (800) 778-7879, www.adr.org; or by contacting JAMS at 1920 Main Street, Suite 300, Irvine, CA 92614, (949) 224-1810, www.jamsadr.com. The address for serving any arbitration demand or claim on us is Dividend Solar, Inc., 3661 Buchanan Street, 3rd Floor, San Francisco, CA 94123, and Attention: Legal Department.
- (C) Notwithstanding sub-paragraph B, either party may without breaching or waiving this arbitration agreement: (1) seek and obtain such provisional relief or remedies as shall otherwise be available judicially pending appointment of the arbitrator, (2) bring their Claim in small claims court on an individual basis, or (3) exercise such self-help remedies as are authorized by law or contract. Further, we may pursue judicial foreclosure as otherwise permitted by applicable law and Section 26 without breach or wavier of this agreement to arbitrate.
- (D) We will pay all filing and administration fees charged by the administrator and arbitrator fees including the fees of any appeal allowed under this arbitration provision. Each party shall bear its own attorney's, expert's and witness



fees, which shall not be considered costs of arbitration; however, if a statute gives you the right to recover these fees, then these statutory rights will apply in arbitration.

- (E) Any Claim shall be resolved by a single arbitrator selected by the parties within (30) days of the commencement of the arbitration in accordance with the criteria set forth herein. The arbitrator shall be selected from the JAMS panel of neutrals then active on the roster maintained by the JAMS office located closest to your residence and the arbitrator shall be a retired federal judge, a retired state appellate judge, or a retired state trial judge, which state trial judge shall have had 10 or more years of judicial experience. In the event that the parties do not agree on the identity of the arbitrator, JAMS shall appoint an arbitrator in accordance with the Streamlined Rules and these criteria. The arbitrator shall have the authority to award monetary damages and may grant any non-monetary remedy, including injunctive relief, that is available under applicable law. The arbitrator will have no authority to award consequential damages, indirect damages, treble damages or punitive damages, or any monetary damages not measured by the prevailing party's economic damages, unless such an award is authorized under applicable law. Any in-person arbitration hearing will be held in Sacramento County, California.
- (F) Any court of competent jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding except that: (1) any party may exercise any appeal right under the Federal Arbitration Act (9 U.S.C. §§1-16) (the "FAA"); and (2) any party may appeal any award relating to a claim for more than \$100,000 to a three-arbitrator panel appointed by the arbitration administrator, which will reconsider de novo any aspect of the appealed award. The panel's decision will be final and binding, except for any appeal right under the
- (G) YOU AND WE AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN OUR INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION. Further, the arbitrator may not consolidate more than one person's claims. The arbitrator shall have no power to arbitrate any Claims on a class action basis or Claims brought in a purported representative capacity on behalf of the general public, other borrowers, or other persons similarly situated. YOU AND WE AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THE PARTIES ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY. YOU AND WE ACKNOWLEDGE THAT ARBITRATION WILL LIMIT OUR LEGAL RIGHTS, INCLUDING THE RIGHT TO PARTICIPATE IN A CLASS ACTION, THE RIGHT TO A JURY TRIAL, THE RIGHT TO CONDUCT FULL DISCOVERY, AND THE RIGHT TO APPEAL (EXCEPT AS PERMITTED IN PART I, SUB-PARAGRAPH (F), OR UNDER THE FEDERAL ARBITRATION ACT).
- (H) You and we acknowledge that agreement to arbitrate is made pursuant to a transaction involving interstate commerce. The FAA shall govern this agreement to arbitrate, and no state law governing arbitration shall govern this agreement to arbitrate or any issues relating to the arbitrability of Claims or the enforcement of this agreement to arbitrate including without limitations any issues respecting the enforceability of sub-paragraph (G) of Part I.
- (I) Subject to and without limiting sub-paragraph H, in conducting the arbitration and rendering its award, the arbitrator shall apply: (a) the rules of the applicable arbitration administrator (except as they conflict with **this** agreement to arbitrate as set forth set forth in Part I) and (b) rules of decision governing the substance of the underlying Claim. For purposes of part b of this sub-paragraph, the arbitrator shall apply as rules of decision: (x) federal law (to the extent that the underlying Claim arises under federal law) and/or (y) the law of the state of California without reference to its choice of law rules (to the extent the substance of the underlying Claim does not arise under federal law). The arbitrator shall honor claims of privilege and shall apply statutes of limitations as recognized under applicable law.
- (J) If any portion of this agreement to arbitrate is deemed invalid or unenforceable for any reason, it shall not invalidate the remaining portions of this section. However, if sub-paragraph (G) of Part I is deemed illegal, invalid or unenforceable, in whole or in part, then you and we agree that any Claim will be resolved in accordance with Part II.
- (K) YOU UNDERSTAND THAT YOU MAY REJECT THE PROVISIONS OF THIS AGREEMENT TO ARBITRATE IN WHICH CASE NEITHER US NOR YOU WILL HAVE THE RIGHT TO ELECT ARBITRATION AND, INSTEAD, YOU AND WE AGREE THAT ANY CLAIM WILL BE RESOLVED IN A REFERENCE ACTION PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 638, AS SET OUT IN PART II, BELOW. Rejection of this agreement to arbitrate will not affect the remaining parts of this Application. To reject this agreement to arbitrate, you must send us written notice of your rejection within 30 days after the date that this Agreement was made. You



must include your name, address, and account number. The notice of rejection must be mailed to Dividend at 3661 Buchannan Street 4th Floor, San Francisco, CA Attn: Legal Department. This is the only way that you can reject this agreement to arbitrate claims, which shall survive the termination of this Application (unless you opt out).

Part II: Reference Action Pursuant To California Code of Civil Procedure, Section 638:

- (A) To the extent not defined in this Part II, the Definitions set forth in Part I shall govern this Part II.
- (B) To the extent that you reject arbitration or if (a) the agreement to arbitrate Claims set forth in Part I is held to be wholly invalid, unenforceable or illegal, or if Part I, sub-paragraph G, is held to be invalid, unenforceable, or illegal, in whole or in part, then you and we agree that any Claim between you and us will be resolved pursuant to the provisions for reference and trial by referee (without jury) set forth in California Code of Civil Procedure Section 638 et seq., as expressly modified by the provisions hereof (a "Reference Action"). YOU AND WE AGREE THAT, BY ENTERING INTO THIS AGREEMENT FOR A JUDICIAL REFERENCE THE PARTIES ARE EACH WAIVING THE RIGHT TO A TRIAL BY JURY AND LIMITING DISCOVERY RIGHTS THAT WE MAY OTHERWISE HAVE. HOWEVER, IN THE REFERENCE ACTION, YOU WILL BE ABLE TO BRING OR PARTICIPATE IN A CLASS OR REPRESENTATIVE ACTION TO THE EXTENT OTHERWISE ALLOWED BY LAW.
- (C) The referee ("Referee") shall be a retired federal judge, a retired state appellate judge, or a retired state trial judge, which state trial judge shall have had 10 or more years of judicial experience. The Referee shall be appointed who is either (i) agreed to by the parties within (30) days of notice by any party to the others of the intention to invoke this judicial reference agreement to resolve the Claim, or (ii) failing such agreement, is appointed pursuant to California Code of Civil Procedure Section 640. The parties agree that an action to obtain appointment of referee may be commenced in the Superior Court of California in and for the County where you reside at the time the proceeding is commended or in any other court of competent venue and jurisdiction. The parties hereto agree that any party may (and, if necessary, the other party shall join in such filing) file with the Clerk of the appropriate Superior Court, and/or with the appropriate judge of such Court, any and all petitions, motions, applications or other documents necessary to obtain the appointment of such a Referee and/or temporary judge. We will pay all fees charged by the referee for his or her time on the matter and any administrative fee that he or she shall charge. Each party shall bear its own attorney's, expert's and witness fees; however, if a statute gives you the right to recover these fees, then these statutory rights will apply.
- (D) You and we agree that the Referee shall be appointed for all purposes (including, without limitation, (x) ruling on any and all discovery matters and motions and any and all pretrial or trial motions, (y) setting a schedule of pretrial proceedings including any and all such pre-trial and trial proceedings with respect to class or representative actions, and (z) making any other orders or rulings a sitting judge of the Superior Court would be empowered to make in any action or proceeding in the Superior Court). Any matter before the Referee shall be governed by the substantive law of California excluding its choice of law rules except as otherwise specifically agreed by the parties and approved by the Referee. The parties intend this general reference agreement to be specifically enforceable in accordance with the California Code of Civil Procedure. Any appeal or writ review of the decisions of the Referee shall be appealable to the same extent as provided by law.. The Referee shall in his/her statement of decisions set forth his/her findings of fact and conclusions of law.
- (E) Pursuant to California Code of Civil Procedure 2016.030, you and we agree that discovery shall be conducted in accordance with the JAMS Streamlined Arbitration Rules identified in sub-paragraph B, above, however the Referee retains discretion, for good cause shown, to require additional discovery. It is the parties' intention that the parties and the Referee shall use their best efforts to (i) complete the exchange of documents contemplated in the Streamlined Rules be completed no later than two months from the date (the "Referee Date") the Referee is appointed (whether by stipulation or by the Court), and (ii) set trial on a date that is within six months after the Referee Date. You and we agree that motions for summary judgment or summary adjudication may be heard on thirty days' notice.
- (F) Nothing in this Part II shall prejudice the right of either party (1) seek and obtain such provisional relief or remedies as shall otherwise be available judicially pending appointment of the Referee, (2) bring their Claim in small claims court on an individual basis, (3) exercise such self-help remedies as are authorized by law or contract. Further, if resolution of the Claim is governed by this Part II, then we agree to pursue judicial foreclosure in the reference action to the extent allowed by law. However, to the extent applicable law requires that judicial foreclosure



be pursued in another manner, you agree that we are authorized to so without breach or wavier of this reference agreement in Part II.

BY PLACING YOUR INITIALS BELOW THIS NOTICE YOU CERTIFY THAT YOU HAVE READ AND AGREED TO THIS CLAIM RESOLUTION PROVISION IN ITS ENTIRETY AND UNDERSTAND THAT IT LIMITS OR WAIVES CERTAIN RIGHTS, INCLUDING THE RIGHT TO MAINTAIN A COURT ACTION (OTHER THAN AS SET FORTH IN THIS PROVISION, OR IN AN ACTION TO ENFORCE THE ARBITRATOR'S AWARD), THE RIGHT TO A JURY TRIAL, THE RIGHT TO PARTICIPATE IN ANY FORM OF CLASS, REPRESENTATIVE OR CONSOLIDATED CLAIM (EXCEPT as stated in Part II) , AND THE RIGHT TO ENGAGE IN DISCOVERY, EXCEPT AS PROVIDED HEREIN.

OUR Initials:	
Property Owner 1 Initials:	Property Owner 2 Initials:
Property Owner 3 Initials:	Property Owner 4 Initials:

33. Contract Documents.

F

You understand and acknowledge that the entire agreement between you and the Authority includes each and every document in the List of Documents on <u>Exhibit B</u> to this Contract (together, the "Contract Documents"). By signing this Contract you acknowledge and agree that:

- a. You have had enough time to review and have reviewed each of the Contract Documents and have had the opportunity to ask the Authority any questions that you may have about the Contract Documents.
- You have reviewed, understand, agree to and affirm each and every representation and warranty contained in your application.

Before signing this Contract, you have read and understood your acknowledgments and disclosures contained in the (a) Application, (b) the Financing Estimate & Disclosures, and (c) this Contract.

You must execute and return this Contract to the Authority so that it is received by the Authority no later than <<PACEExpDateDoc>>. If you fail to return this Contract, executed, by the indicated date, you may be required to enter into a new contract, the terms of which may differ from this Contract.

You and the Authority have signed this Contract, or (if you are signing on behalf of a legal entity) have had this Contract signed in your respective names by your respective duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date under the parties' signatures below.

Property Owner 1:	Property Owner 2:	Authority:
< <dsasset_borrower_contact>></dsasset_borrower_contact>	< <dsasset_pace_borrower2_contact>></dsasset_pace_borrower2_contact>	California Enterprise Development Authority
Name (please print)	Name (please print)	Name (please print)
Signature	Signature	Signature
Date	Date	Date

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Property Owner 3:	Property Owner 4:
< <dsasset_borrower3_contact>></dsasset_borrower3_contact>	< <dsasset_borrower4_contact>></dsasset_borrower4_contact>
Name (please print)	Name (please print)
Signature	Signature
Date	Date



EXHIBIT A

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

Description of Property:

Property Owner(s) Name(s):

<<dsAsset_Borrower_Contact>> <<dsAsset_PACE_Borrower2_Contact>> <<dsAsset_Borrower3_Contact>> <<dsAsset_Borrower4_Contact>>

Property Address: <<dsAsset_BorrowerAddress>> <<dsAsset_BorrowerAddress2>>

APN: <<ds_Project_Assessors_Parcel_Number>>

Participating Entity: <<ds_Project_PACE_Jurisdiction>>

County: <<ds_Project_PACE_County>>

Description of Improvements:

The Improvements include:

Solar Panels: <<DS_Project_Panel_Quantity>> <<DS_Project_Panel_Manufacturer>> <<dsProject_Panel_Model_Numbers>>

Inverters: <<DS_Project_Inverter_Quantity>> <<DS_Project_Inverter_Manufacturer>> <<dsProject_Inverter_Model_Numbers>>



EXHIBIT B

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

List of Contract Documents:

The Contract consists of these documents:

- This Contract and the Exhibits;
- Any Addendum entered into pursuant to Section 4 of this Contract;
- The Application;
- The Right to Cancel;
- The Financing Estimate & Disclosures;
- The Completion Certificate or, pursuant to Section 7, each applicable Certificate of Completion;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required;
- The Closing Statement

Schedule of Annual Assessment Installments:

1. Financing Terms

Total Financed Amount	< <ds_project_amount_to_be_financed>></ds_project_amount_to_be_financed>
Term of Financing (Years)	< <dsasset_pace_term_in_years>></dsasset_pace_term_in_years>
Simple Interest Rate	< <ds_project_sp_interest_rate>></ds_project_sp_interest_rate>
APR	< <paceaprdoc>></paceaprdoc>
Closing Date	< <paceclosingdatedoc>></paceclosingdatedoc>

2. Financing Amount Summary

· manonig / unounit ourinnal j	
Cost of Improvements	< <ds_project_contract_price>></ds_project_contract_price>
Capitalized Interest (based on closing date through < <paceclosingdatedoc>>)</paceclosingdatedoc>	< <ds_project_capitalized_interest>></ds_project_capitalized_interest>
Total	< <ds amount="" be="" financed="" project="" to="">></ds>

3. Annual Assessment Installments

Annual (Principal & Interest)	< <paceannpmtdoc>></paceannpmtdoc>
Annual Administrative Assessment Fee	\$35.00
Total Contractual Assessment Payment	< <pacetotannualpmtdoc>></pacetotannualpmtdoc>



Schedule of Annual Assessment Installments

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Annual Administrative Assessment Fee	Total Contractual Assessment Payment
< <rpace20amorttable_sta rt>></rpace20amorttable_sta 					

FOLLOWING THE FINAL PAYMENT TO THE CONTRACTOR FOR THE COST OF IMPROVEMENTS THE PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE FINAL COSTS AND ACTUAL FUNDING DATE. YOU WILL RECEIVE A CLOSING STATEMENT DETAILING THE ASSESSMENT, THE ACTUAL ANNUAL ASSESSMENT INSTALLMENTS, AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ASSESSMENT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND AMOUNT OF THE ANNUAL ASSESSMENT INSTALLMENTS WILL BE SPECIFIED IN A DOCUMENT ENTITLED "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED," WHICH WILL BE RECORDED WITH THE COUNTY IN WHICH THE PROPERTY IS LOCATED. PROJECTS THAT ARE COMPLETED AND FUNDED PRIOR TO JUNE 30 THE PROVINCT OF THE ASSESSMENT WILL START IN NOVEMBER OF THE SAME CALENDAR YEAR. IF THE PROJECT IS COMPLETED AND FUNDED AFTER JUNE 30 THE THE REPAYMENT WILL START IN NOVEMBER OF THE SAME CALENDAR YEAR.

Costs of Issuance Summary (paid by Dividend, as the Administrator, and not included in the financing amount)

Issuer Fee, Bond Counsel Fee, Trustee Fee and State Filing Fee	
(See Financing Estimate and Disclosures)	\$

Prepayment:

<u>Prepayment of the Assessment.</u> You may prepay the Assessment, in whole or in any amount of at least \$1,500, (the "Prepayment Amount") at any time by paying the sum of:

- i. all delinquent Assessment installments plus penalties accrued to the date of prepayment;
- ii. the Prepayment Amount;
- iii. interest on the Prepayment Amount to the second business day of the second month following the date the prepayment is made.

Deleted: the later of the first March 2nd or September 2nd following the Funding Date, or

	Staff Report		
Action Requested	Approve revisions to the PACE Program Report.		
Staff Discussion	 The Program Report is being updated to correctly reflect certain underwriting criteria required to be eligible for participation in the CAEATFA PACE Loss Reserve Fund. Remove reference to seismic under Eligible Improvements for the Residential PACE Program as CAEATFA's program is for residential only and they do not allow seismic for residential. Revise language regarding CAEATFA's financing limit to 15% up to \$700k and 10% thereafter. 		
Recommendation	Staff recommends approving the revisions to the PACE Program Report.		

FIGTREE PACE

Program Report

Revised: <u>July 20, 2017</u>

Deleted: August

Deleted: 4, 2016

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I. INTRODUCTION

This report ("Program Report") has been prepared in compliance with Section 5898.22 and 5898.23 of Chapter 29 of the California Streets and Highways Code in connection with the development and implementation of a Commercial and Residential Property Assessed Clean Energy ("PACE") financing program (the "Program"), within the jurisdictions of California cities and counties that are members of the California Enterprise Development Authority, also known as CEDA (the "Authority"), or those cities and counties which will become members of the Authority (collectively the "Participating Agencies").

The Program is an economic development initiative of the Authority designed to increase adoption of commercial building and home efficiency improvements through project-enabling funding. The Program gives property owners in California access to upfront funding for energy efficiency, renewable energy, and water conservation improvements and, additionally, electric vehicle charging stations, seismic strengthening retrofits, and other property improvement projects. Funding these types of property improvements creates local jobs, encourages sustainable building practices, and promotes the climate protection goals of municipalities – all without relying on public funds.

AUTHORITY FOR THE PROGRAM

The California Enterprise Development Authority is a joint powers authority established by the California Association for Local Economic Development (CALED). The Program was established pursuant to California Assembly Bill 811, adopted in 2008, which provides for the use of voluntary contractual assessments to fund property improvements that promote the public purpose of efficient energy and water resource consumption and seismic strengthening.

This Program Report, as the authoritative document for the Program, fulfills the requirements of Section 5898.22 and 5898.23 of Chapter 29 of the California Streets and Highways Code and contains the following:

- Policies of the Authority concerning contractual assessments
- **Authorized improvements** for Program financing (See Exhibit C)
- Identification of the official authorized to enter into contractual assessments on behalf of the Authority (See section I.A)
- Maximum aggregate dollar amount of assessments authorized for the Program (See section VIII.C)
- Guidelines for prioritizing financing requests (See section VIII.D)
- Underwriting criteria for Program eligibility (See sections II.A and IV.A)
- Safeguards used to ensure total annual property tax and assessments on property will not exceed 5% of property value per California Code (See sections VIII.A.2 and VIII.B.2)
- Fundraising plan for capital to pay for work performed (See sections III and V)
- Summary of discussions with the County Auditor/Controllers (See sections II.D and IV.C)
- Maps showing the territory, with delineated boundaries, in which contractual assessments are
 offered (See Exhibits A-1 through A-132)
- **Draft Assessment Contracts** between a Property Owner and the Authority specifying the terms and conditions of the financing (*See Exhibit B*)

1

4829-6142-0561.1

A. Parties Identified in this Report

This section identifies the critical service providers of the Program. Service providers may change from time to time and additional service providers may be used at the discretion of the Authority and/or the Program Administrator, as required.

1. Issuing Agency

California Enterprise Development Authority (CEDA) 550 Bercut Drive, Suite G Sacramento, CA 95811 Phone: 916-448-8252

Phone: 916-448-8252 Web: ceda.caled.org

CEDA has authorized its Chair, Vice Chair or their designees to enter into contractual assessments on behalf of CEDA.

2. Program Administrator

Figtree Company, Inc. ("Figtree"): Figtree is a PACE funder based in San Diego, CA. The Authority has designated Figtree as the Program Administrator for the Program. Figtree provides programs that enable capital for environmentally friendly products and services.

3. Bond Administrator

Willdan Financial Services ("Willdan"): Willdan is a subsidiary of Willdan Group, Inc., a publicly traded company (NASDAQ: WLDN), specializing in financial and economic consulting for growth planning, revenue generation, debt administration and municipal services.

B. Participating Agencies Included in this Program Report

The cities and counties that have adopted the required resolutions authorizing the Authority to establish and administer a PACE assessment district on their behalf (previously defined as each a "Participating Agency," collectively "Participating Agencies") are listed in Exhibit A together with boundary maps..

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C. Background

Assembly Bill 811 (the "Legislation") was approved by the California Legislature and signed into law by the Governor in 2008. The Legislation was subsequently amended with the passage of Assembly Bill 474 in 2009, Assembly Bill 44 and Senate Bill 1340 in 2010, Senate Bill 555 and Assembly Bill 184 in 2011, and Assembly Bill 1883 in 2014. Under these bills, the California Legislature declared that a public purpose is served by financing property improvement projects related to renewable energy, energy efficiency, water conservation and seismic strengthening through voluntary contractual assessment programs. The Legislation applies to residential, commercial, industrial, and other real property.

The Program provides California cities and counties with a turnkey approach to making PACE funding available to Property Owners within their jurisdictions. On December 15, 2011 the Authority approved the Program, becoming the requisite public agency for assessment district formation. Subsequently, cities and counties have opted to participate in the Program by joining the Authority and passing the requisite resolutions. The Program is open for enrollment of additional municipalities at any time.

D. Program Administration

The Program is sponsored by the Authroity, which is authorized to form assessment districts on behalf of the Participating Agencies and enter into Assessment Contracts with Property Owners. Figtree has been retained by the Authority as the Program Administrator for all administrative, outreach, and funding activities of the Program, including but not limited to:

- Advising Participating Agencies on Program setup;
- · Community education and marketing outreach;
- · Responding to Property Owner inquiries;
- · Approving contractors for Program participation;
- Processing assessment financing applications (the "Application");
- Bond administration and lien recordation;
- Facilitating the distribution of funds.

E. Funding Plans

In order to provide funding that suits the economics of energy efficiency, renewable energy, water conservation and seismic retrofit projects, the Program has been designed to accommodate various sources and methods of funding the Authorized Improvements.

Authorized Improvements may be funded through one or more of the following or any other legally available method approved by the board of the Authority:

- Issuance of municipal bonds: Issuing municipal bonds for either a single project or a pool of projects.
- Free market sourcing: Facilitating an "open market" model by which a borrower can choose its
 own PACE lender and CEDA may issue a micro bond or assign the Assessment Contract for the
 benefit of the PACE lender.
- Warehouse Lending Facility: Utilizing warehouse or interim facility to fund PACE projects and temporarily assign Assessment Contracts until a takeout through securitization or issuance of bonds.

4829-6142-0561.1

CEDA has authorized its Chair, Vice Chair or their designee to execute agreements whereby Assessment Contracts entered into as part of the Program are assigned to a third party in conjunction with any of the funding methods outlined above.

F. Geographic Parameters

The Program is available to Property Owners within the legal jurisdiction of the Participating Agencies. Certain aspects of the Program may vary by jurisdiction; you may contact the Program Administrator to verify availability in your area.

G. Adoption of Program by Municipalities

Cities and counties may adopt the Program provided they are an associate member of the Authority. A city or county may become an associate member of the Authority by passing a membership resolution through the city/county council/board of supervisors. Interested cities and counties should contact the Program Administrator for further instructions regarding membership.

A city may adopt the Program independently of its county. To do so, the city council must pass a resolution adopting the Program together with the Authority's Associate Membership Agreement (if not already a member of the Authority). The Program Administrator will facilitate adoption documents on behalf of the joining city.

When a county adopts the Program, the Program becomes available to Property Owners in the county's unincorporated areas; incorporated cities gain a simplified approach to Program participation. A city within a participating county may opt-in to the Program by the city's legislative body adopting a resolution authorizing inclusion in the existing county Program. If the city is not a member of the Authority, it must also adopt a membership resolution. The Program Administrator will facilitate adoption documents on behalf of the joining city.

H. Authorized Improvements

The Program requires qualification of proposed improvements and equipment prior to entering into any assessment agreement with participating Property Owners. Authorized Improvements are defined as renewable energy, energy efficiency, water conservation, seismic strengthening retrofits, and electric vehicle charging stations that meet certain standards set forth by the Program Administrator and/or the Authority. Such standards may be modified from time to time to accommodate new technologies and minimum performance requirements. Further details about the Authorized Improvements are set forth in Exhibit C.

I. Changes to Report

The Program Administrator, with the approval of the Authority, may make changes to this Report that are reasonably determined to be necessary to clarify its provisions, accomplish Program goals, and provide additional services that do not conflict with any existing provisions.

The Program Administrator, with the approval of the Authority, may modify from time to time the Assessment Contract (Exhibit B), the Authorized Improvements (Exhibit C), and PACE financing applications (Commercial and Residential PACE) (Exhibit D) as deemed necessary. Participating Agencies may request modifications to the Program Report and the Authority may approve such modifications if

deemed appropriate. Any changes to the Program Report that materially change the Program will be made only with the approval of the Authority Chair, Vice Chair or their designee.

II. COMMERCIAL PACE PROGRAM

A. Eligible Commercial Property Owners and Property Classifications

Commercial property owners seeking financing under the Program must meet certain qualifications as described in this Section II. Further qualifications may be described in other documents including the application for PACE funding and Commercial PACE Assessment Contract.

ELIGIBLE COMMERCIAL PROPERTY OWNERS

Property Owners may be individuals, associations, business entities, cooperatives, and other ownership entities of taxable real property. Not-for-profit ownership entities generally qualify for PACE funding under the Program provided that the Property exists in its county's property tax rolls, even if no property taxes are payable.

The underwriting criteria for qualifying Program participants include:

- Applicant(s) is/are the legal owner(s) of the Property described in the Application
- Property Owner is current on property taxes for the Property
- Property Owner is current on private property debt and has not been delinquent in the past three (3) years or since owning the Property, if less than 3 years
- Mortgage lender(s) has/have been provided the Notice of Request for Lender Consent and Acknowledgement (if applicable)
- Property Owner has not declared bankruptcy in the past five (5) years
- Property is not listed as an asset in bankruptcy
- The lien-to-value ratio (excluding assessed financing amount) does not exceed one hundred percent (i.e. no negative equity)
- Property is developed and located within the jurisdiction of a Participating Agency
- Property is classified as Commercial (including Industrial, multifamily, etc.)

ELIGIBLE COMMERCIAL PROPERTY CLASSIFICATIONS

Under the Program, Commercial property is defined as improved real property designated for nonresidential use with the exception of multifamily properties with five or more units. Examples of eligible commercial property include but are not limited to:

- Multifamily Units (5 or more units)
- Manufacturing/Industrial
- Office
- Shopping Centers

- Houses of Worship
 - Hotel
- Retail/Wholesale
- Restaurants

B. Eligible Improvements

The Program accommodates a wide range of property improvements, consistent with the following provisions.

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• Authorized Improvements must be permanently fixed to the Property.

- Funding is provided only for the portion of project costs directly associated with the installation or
 construction of the Authorized Improvements (discussed further in section II.C).
- Funding is made available for the following types of Authorized Improvements:
 - Energy efficiency
 - Renewable energy
 - Water conservation
 - Electrical vehicle charging infrastructure
 - Seismic improvements
 - Alternative/ Custom Improvements

Note on Alternative/ Custom Improvements: Upon review and approval by the Program Administrator, funding is made available for emerging technologies for energy, water, or seismic improvements that provide new ways to save or generate energy or water or, in the in case of seismic improvements, are reasonably deemed to provide enhanced structural protection in the event of a seismic event. These improvements will be evaluated on a case-by-case basis.

For further examples of Authorized Improvements, see Exhibit C.

C. Eligible Costs

Eligible costs of Authorized Improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, materials, labor, legal fees, appraisal fees, drafting, engineering, application fees, permit fees, processing fees, energy audit, and inspection charges. Remodeling and repair costs do not qualify for Program financing except to the extent such construction is required for installation or construction of the Authorized Improvements. Such equipment may include solar leases where such leases meet requirements of the PACE Program. The Program may also fund the prepayment of a power purchase agreement for renewable energy.

Property Owners are encouraged to obtain bids from multiple Eligible Contractors Property Owners must protect their own interests and obtain satisfactory price, service, and warranties from Eligible Contractors. The role of Participating Agencies is limited to authorizing a special assessment district. The Property Owner is fully responsible for his or her purchase, service and performance expectations, and warranties.

In each case, the Program Administrator will determine whether the estimated equipment and installation costs are reasonable. The Program Administrator reserves the right to evaluate market conditions and, at its discretion, require additional bids to determine whether costs are reasonable. While the Property Owner is encouraged to select the bidder of his or her choice from the list of Eligible Contractors, the amount available for funding may be limited to an amount deemed reasonable by the Program Administrator.

In the event that (a) the acquisition, construction and/or installation of the Improvements (including, but not limited to commencing the permit process) has not commenced within the time period authorized by the Assessment Contract, or (b) all or a portion of the proceeds of the financing are not utilized to fund the Improvements within within the time period authorized by the Assessment Contract, the remaining Improvements shall not be funded under the Assessment Contract and the amount of the financing amount owing to the Contractor shall not be tendered to the Contractor; and the Borrower shall be responsible for the unpaid accrued interest, closing costs, related administrative costs and termination fees relating to the unfunded amount as of the settlement date.

D. Administrative Costs

It is anticipated that standard fees for placing special assessments on the tax roll will apply.

The Program Administrator has consulted with the County Auditor-Controller of each Participating Agency regarding any fees resulting from the incorporation of the contractual assessments into the general taxes of the County on real property. Based on current and ongoing discussions, fees will be in accordance with the normal fees of each County Auditor-Controller for placing similar assessment charges on the County tax roll for general property taxes. These fees will be collected directly from participating Property Owners as a portion of the Recovery Fee associated with the annual levy amount.

Administrative fees are recovered by an annual administrative charge added to the annual assessment amount billed to each Property Owner each year. Other than the fees below, the Property Owners will not be billed for any additional charges or assessments. Some administrative fees may be recovered by collecting a "spread" between the bond interest rate and the interest rate in the Assessment Contract.

The following costs will be the responsibility of the Property Owner:

- Application Fee: The fee is \$695 per Commercial Application and included in the total funding.
 A fee of \$100 per parcel may apply to properties on multiple contiguous parcels with the same occupancy use if the assessment amount is allocated across such parcels.
- Cost of Issuance Fee: The funded amount includes a one-time administration fee of up to four percent (4%) and not less than two percent (2%) of the principal amount of the assessment on the Property to cover the additional transaction costs of the Program.
- Annual Administrative Fee: A charge of up to three percent (3%) and not less than one percent (1%) of the total annual assessment amount will apply for cost recovery. This administrative cost recovery will be added to the annual assessment amount.
- Permit Fees: Property Owners must determine whether a permit(s) is/are required for the chosen
 improvement measures. If required, Property Owners will be responsible to pay permit fees. Permit
 fees are eligible for inclusion in the total assessment amount.
- Progress Draws: For large projects, progress draws or multiple disbursements may be available to
 alleviate the burden of carrying costs. Progress draws are subject to a fee to the contractor and will
 be disclosed to the Property Owner.

E. Application Process

Step 1: Apply and Get Approved for Financing

To begin, the Property Owner must apply for funding through the Program Administrator and be approved for participation in the Program based on qualification criteria.

The Property Owner submits the Application together with its required supporting documents to the Program Administrator online at or by mail:

Figtree Company, Inc. Attention: PACE Program 9915 Mira Mesa Blvd., Suite 130 San Diego, CA 92131

Questions regarding the status of an Application should be directed to the Program Administrator toll free at (877) 577-7373.

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The Program Administrator determines whether each Application is complete and acceptable per Program guidelines. Incomplete Applications will not be accepted.

Step 2: Define the Scope of Work and Budget

Upon approval for participation, the Property Owner should define the project's scope of work and obtain a bid from an Eligible Contractor(s) (defined as contractors meeting certain professional standards, as further described in Section VI.A). A description of the scope of work and a copy of the bid(s) should be submitted to Figtree in order to determine the amount of financing required and to verify that all proposed Authorized Improvements qualify under the Program underwriting standards.

Step 3: Lender Consent

For mortgaged commercial properties, the Program requires notification to be sent to the mortgage lender(s) to obtain consent to the PACE assessment as described below. The PACE assessment is on par with property taxes and therefore senior to any existing mortgage lien. Because most mortgage contracts include a "due on encumbrance" clause preventing a Property Owner from voluntarily placing a lien in a senior position, Figtree has instituted the lender consent requirement to protect Property Owners from potential violations of their mortgage contracts.

Once the Program Administrator has determined an applicant's eligibility for funding and the amount of funding required for the proposed project, the Program Administrator will submit the proposed scope of work and budget to the mortgage lender for approval.

Lender consent to Prior Assessment Lien:

The Program provides for the holders of any private lien on the participating Property (the "Mortgage Lenders") to receive notice of the pending contractual assessment and requests written lender consent that the assessment lien will have the same priority as real property taxes. The Program's lender consent process has been designed to protect the security interest of the Mortgage Lenders. The Program Administrator will send notices requesting lender consent (the "Notice and Request for Lender Consent") to all Mortgage Lenders' names and addresses listed in the participating Property Owner's Mortgage Loan Agreement, Promissory Note, Deed of Trust, and other Security Agreements as applicable (collectively the "Mortgage Documents"). The Notice and Request for Lender Consent ("Lender Consent") requests (i) confirmation from the Mortgage Lender that the levy of the assessment pursuant to the Assessment Contract will not trigger an event of default or the exercise of remedies under the participating Property Owner's Mortgage Documents; (ii) provides notice that the assessment will be secured by a statutory lien on the participating Property on par with real property taxes; (iii) provides written notice of the proposed participation of the Property in the Program; and confirms that the Mortgage Lenders' signature constitute consent as required under the Mortgage Documents.

Lender failure to respond to the Lender Consent:

If the lender returns the Notice and Request for Lender Consent and specifically states it does not consent, the Property Owner may not participate. If there is no written lender response received from the Mortgage Lender within 30 days after the date the Lender Consent is sent, (the "Lender Consent Period"), based upon the language in the Lender Consent and subject to the disclosure provisions of the Application and as

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otherwise required by the Program Administrator and Authority, the participating Property Owner may request the Program Administrator to proceed with the Property Owner's participation in the Program. The Program Administrator will review such a request and may determine to proceed subject to additional disclosures or agreements.

Step 4: Execute Assessment Documents

Once the Scope of Work and Budget have been approved and Lender Consent has been obtained or otherwise resolved (if Property is mortgaged), the Program Administrator will provide the Property Owner with an Assessment Contract. The Assessment Contract is an agreement executed between the Property Owner and CEDA. Once the Assessment Contract is executed, a Notice of Assessment and Payment of Contractual Assessment Required will be recorded in the real property records of the county in which the Property is situated.

Step 5: Notice to Proceed

No work may begin until the Program Administrator has issued a written Notice to Proceed to both the Property Owner and Eligible Contractor. The Notice to Proceed is an indication that the PACE assessment has been recorded on the Property and funds are available for disbursement to the Eligible Contractor upon satisfactory project completion. When the Notice to Proceed has been issued, the Eligible Contractor(s) may begin to install the Authorized Improvements identified in the Assessment Contract.

NOTE: If any work or expenses related to the proposed Scope of Work are incurred by the Property Owner or Eligible Contractor(s) before receiving a Notice to Proceed from the Program Administrator, neither the Program Administrator nor the Authority nor the City/County is, or will be responsible to pay or reimburse the Eligible Contractor or Property Owner for any direct or related expenses.

Step 6: Project Completion and Inspection

The Program Administrator reserves the right to inspect projects for satisfactory completion and validation of eligibility. The Property Owner must acknowledge that work has been done to his or her satisfaction before payment is issued to the Eligible Contractor(s).

Step 7: Contractor Payment

Upon satisfactory completion of the project and Certification of Completion by the Eligible Contractor(s), the bond trustee will issue payment to the Eligible Contractor(s) directly.

A Note Regarding Misrepresentations: A Property Owner may be terminated from the Program for any misrepresentations made in the application or other Program documents. In addition, any such representation may result in civil or criminal action and recovery of fraudulently obtained funds.

III. PROGRAM PLAN FOR COMMERCIAL PACE FINANCING

In order to provide funding that suits the economics of energy efficiency, renewable energy, water conservation and seismic retrofit projects, the Program has been designed to accommodate various sources and methods of funding the Authorized Improvements.

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Authorized Improvements may be funded through one or more of the following or any other legally available method approved by the board of the Authority:

- Issuance of municipal bonds: Issuing municipal bonds for either a single project or a pool of projects.
- Free market sourcing: Facilitating an "open market" model by which a borrower can choose its
 own PACE lender and CEDA may issue a micro bond or assign the Assessment Contract for the
 benefit of the PACE lender.
- Warehouse Lending Facility: Utilizing warehouse or interim facility to fund PACE projects and temporarily assign Assessment Contracts until a takeout through securitization or issuance of bonds

CEDA has authorized its Chair, Vice Chair or their designee to execute agreements whereby Assessment Contracts entered into as part of the Program are assigned to a third party in conjunction with any of the funding methods outlined above.

The Program Administrator will direct the Bond Administrator to place charges on each participating Property Owner's tax bill for repayment each year the Program financing is outstanding.

In the event municipal bonds are sold, such bonds shall be a special, limited obligation of the Authority and, as such, are not a debt of the Participating Agencies, the State of California or any of its political subdivisions (other than the Authority). None of Participating Agencies, the State or any of its political subdivisions (other than the Authority) is liable for the payment thereof. The bonds are special, limited obligations of the Authority payable exclusively from the revenues (secured by assessment liens on Property of participating Property Owners), and amounts held in certain funds and accounts created pursuant to the bond indenture. The bonds will not be payable from any other revenues or other assets of Authority. The Authority does not have any taxing power. The bonds do not constitute indebtedness within the meaning of any constitutional or statutory limitation or restriction.

IV. RESIDENTIAL PACE PROGRAM (HOMEOWNER PACE)

A. Eligible Property Owners and Property Classifications

Homeowner PACE is designed to be a robust program that responsibly delivers PACE funding to owners of residential properties defined as dwellings of one to three (1-3) units. Property Owners must meet a number of financial standards to qualify. Property Owners may be individuals, associations, business entities, cooperatives, and other property ownership entities.

The underwriting criteria for qualifying Program participants include:

- Applicant(s) is/are the legal owner(s) of the Property described in the Application
- All existing private debt recorded against the Property plus the PACE assessment does not exceed 100% of the value of the Property (95% in the City of San Diego).
- Property Owner's financing under the Program will be for less than fifteen percent (15%) of the value of the property, up to the first seven hundred thousand dollars (\$700,000) of the value of the property, and is for less than ten percent (10%) of the remaining value of the property above seven hundred thousand dollars (\$700,000).

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- There are no involuntary liens, defaults or judgments on the Property in excess of \$1,000.
- Property Owner has not filed for or declared bankruptcy in the past two (2) years and the Property
 is not an asset in a bankruptcy proceeding. In the City of San Diego, the Property Owner has not
 filed for or declared bankruptcy in the past seven (7) years.
- Property Owner is current on property taxes for the Property for the previous three years or since the current owner acquired the Property, whichever is shorter.
- Property Owner is current on all mortgage debt.
- The Property title is not subject to power of attorney, easements, or subordination agreements restricting the applicant's authority to subject the Property to a PACE lien.
- · Property is not subject to a Notice of Default.
- Property is classified as residential or multifamily residential (up to 3 units)

B. Eligible Improvements

The Program accommodates a wide range of energy and water savings measures, consistent with the following provisions.

- Authorized Improvements must be permanently fixed to the Property.
- Program financing is provided only for portion of project costs associated with the Authorized Improvements, that is, no costs of remodeling or new construction are eligible for Program financing (discussed further in section: IV.C).
- Program financing is intended for replacement of outdated equipment and installation of new
 equipment that reduces energy and/or water consumption.
- Program financing is made available for the following types of Authorized Improvements:
 - Energy efficiency
 - Renewable energy
 - o Water conservation
 - o Electrical vehicle charging infrastructure,
 - o Alternative/ Custom Improvements

Note on Alternative/ Custom Improvements: Upon review and approval by the Program Administrator, Program financing is made available for emerging technologies for energy or water improvements that provide new ways to save or generate energy. These improvements will be evaluated on a case-by-case basis.

For further examples of eligible measures, see Exhibit C.

C. Eligible Costs

Eligible costs of Authorized Improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, materials, labor, legal fees, appraisal fees, drafting, engineering, application fees, permit fees, processing fees, energy audit, and inspection charges. Remodeling, repair, and/or new construction costs do not qualify for funding except to the extent such construction is required for installation of a qualifying Improvement. Such equipment may include solar leases where such Jeases

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meet requirements of the PACE Program. The Program may also fund the prepayment of a power purchase agreement for renewable energy.

Property Owners are encouraged to obtain bids from multiple Eligible Contractors, as each transaction is between the Property Owner and the Eligible Contractor. Neither the Program Administrator nor the Authority nor a Participating Agency makes representations of the quality of work provided by an Eligible Contractor. Property Owners must protect their own interests and obtain the best price, service, and warranties. The role of Participating Agencies is limited to authorizing a financing district. The Property Owner is fully responsible for his or her purchase, service and performance expectations, and warranties.

In each case, the Program Administrator will determine whether the estimated equipment and installation costs are reasonable. The Program Administrator reserves the right to evaluate market conditions and, at its discretion, require additional bids to determine whether costs are reasonable. While the Property Owner is encouraged to select the bidder of his or her choice from the list of Eligible Contractors, the amount available for funding may be limited to an amount deemed reasonable by the Program Administrator.

D. Administrative Costs

Discussions with the appropriate Auditor/Controller's offices have been initiated. It is anticipated that standard fees for placing special assessments on the tax roll will apply.

The Program Administrator has consulted with the County Auditor-Controller of each Participating Agency regarding any fees resulting from the incorporation of the contractual assessments into the general taxes of the County on real property. Based on current and ongoing discussions, fees will be in accordance with the normal fees of each County Auditor-Controller for placing similar assessment charges on the County tax roll for general property taxes. These fees will be collected directly from participating Property Owners as a portion of the Recovery Fee associated with the annual levy amount. Some administrative fees may be recovered by collecting a "spread" between the bond interest rate and the interest rate in the Assessment Contract.

The following costs will be the responsibility of the Property Owner:

- Application Fee: The Program will not assess a fee to apply for residential financing.
- Financing Issuance Fee: At the time of closing, Figtree may charge a one-time administration fee
 to cover the transaction costs of the Program. This fee will be added to the total assessment amount
 financed.
- Annual Administrative Fee: A charge of \$35 per assessment contract will apply for cost recovery.
 This administrative cost recovery will be added to the annual assessment amount. Such administrative charges include, but not limited to staff time, Participating Agency staff time and expenses incurred in the formation and administration of the Program.
- **Permit Fees:** Property Owners must determine whether a permit(s) is/are required for the chosen improvement measures. If required, Property Owners will be responsible to pay permit fees. Permit fees are eligible for inclusion in the financing.

E. Application Process

Step 1: Apply and Get Approved for Financing

The Property Owner must apply to the Program Administrator for funding and be approved for participation in the program based on qualification criteria.

The Property Owner submits the Application together with its required attachments to Figtree online at www.figtreefinancing.com or by mail:

Figtree Company, Inc. Attention: Homeowner PACE Program 9915 Mira Mesa Blvd., Suite 130 San Diego, CA 92131

Questions regarding the status of an Application should be directed to the Program Administrator toll free at (877) 577-7373.

The Program Administrator determines whether each Application is complete and acceptable per Program guidelines. Incomplete Applications will not be accepted.

Step 2: Define the Scope of Work and Budget

Upon approval for participation, the Property Owner should define the project's scope of work and obtain a bid from an Eligible Contractor(s). A description of the scope of work and a copy of the bid(s) should be submitted to the Program Administrator in order to determine the amount of financing required and to verify that all proposed Authorized Improvements qualify under the Program underwriting standards.

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Step 3: Execute Assessment Documents

Once the Scope of Work and Budget have been approved, the Program Administrator will provide the Property Owner with an Assessment Contract. For most Homeowner PACE participants, the Assessment Contract can be e-signed online through a secure Web portal. The Assessment Contract is an agreement on the financing amount and terms and is executed between the Property Owner and the Authority. Once the Assessment Contract is executed, a Notice of Assessment and Payment of Contractual Assessment Required will be recorded with the county in which the Property is situated.

Step 4: Notice to Proceed

No work may begin until the Program Administrator has issued a written Notice to Proceed to the Eligible Contractor. When the Notice to Proceed has been issued, the Eligible Contractor(s) may begin to install the energy and water upgrade equipment.

NOTE: If any work or expenses related to the proposed Scope of Work are incurred by the Property Owner or Eligible Contractor(s) before receiving a Notice to Proceed from the Program Administrator, neither the Program Administrator nor the Authority nor the City/County is, or will be responsible to pay or reimburse the Eligible Contractor or Property Owner for any direct or related expenses.

Step 5: Project Completion and Inspection

The Program Administrator reserves the right to inspect projects for satisfactory completion. The Property Owner must acknowledge that work has been done to his or her satisfaction by submitting a Certificate of Completion. Approval by Figtree of the Certificate of Completion is required before payment is issued to the Eligible Contractor(s).

Step 6: Contractor Payment

Upon satisfactory completion of the project and certification of completion by the Eligible Contractor(s), the Program will issue payment to the Eligible Contractor(s) directly.

V. PROGRAM PLAN FOR HOMEOWNER PACE FINANCING

The Program Administrator may raise capital for the Program through one or more of the following financing arrangements or other legally available arrangements approved by CEDA:

- Issuance of municipal bonds: Issuing municipal bonds for either a single project or a pool of projects.
- Warehouse Lending Facility: Utilizing warehouse or interim facility to fund PACE projects and temporarily assign Assessment Contracts until a takeout through securitization or issuance of bonds.

Alternative funding options not listed above may also be pursued should such options benefit the ongoing viability of the Program.

For any of the financing options, the Program Administrator will direct the Bond Administrator to place charges on each participating Property Owner's tax bill for repayment each year the funding is outstanding.

In the event municipal bonds are sold, such bonds shall be a special, limited obligation of the Authority and, as such, are not a debt of the Participating Agencies, the State of California or any of its political subdivisions (other than the Authority but solely to the extent assessment payments are made by property owners). None of Participating Agencies, the State or any of its political subdivisions (other than the Authority but solely to the extent assessment payments are made by property owners) is liable for the payment thereof. The bonds are special, limited obligations of the Authority payable exclusively from the revenues (secured by assessment district liens on Property of participating Property Owners), and amounts held in certain funds and accounts created pursuant to the bond indenture. The bonds will not be payable from any other revenues or other assets of the Authority. The Authority does not have any taxing power. The bonds do not constitute indebtedness within the meaning of any constitutional or statutory limitation or restriction.

VI. PROGRAM REQUIREMENTS FOR PARTICIPATING CONTRACTORS

A. Eligible Contractors

Contractors ("Eligible Contractors" as defined in this section) must meet certain qualifications to be eligible to perform work on projects funded by the Program and all equipment must be approved, installed, and verified in accordance with the Program guidelines. Eligible Contractors must be licensed by and in good standing with the California State Contractors License Board, and must meet the following requirements.

Eligibility requirements include:

- Hold status of registered and licensed Contractor by the State of California;
- Hold a business license in the jurisdiction where work is being performed;
- Have a minimum of five (5) years work experience as a licensed Contractor in the State of California, or demonstrate sufficient experience in a relevant field of work;
- Hold a minimum of \$1,000,000 in general liability insurance;
- Meet bonding and Worker's Compensation insurance requirements per California State Contractors License Board;
- Agree to the Code of Ethics set forth in the contractor application.

To apply to be an Eligible Contractor, a contractor must fill out a contractor application online at www.figtreefinancing.com or download a contractor application form from the website to complete and mail to the Program Administrator. Once approved (usually within 48 hours), the contractor will be added to the online directory of Eligible Contractors and may contract for projects financed through the Program.

Per the Contractor Agreement (included in the contractor application), participating Eligible Contractors are responsible for installation of the equipment on the Property (after receiving a Notice to Proceed from the Program Administrator). Upon satisfactory completion, the Eligible Contractor will be reimbursed by the Program within 14 business days.

VII. APPEALS

The Program provides an Appeal Process by which participating Property Owners may appeal disputes in the case of a denied Application and/or determination of ineligibility to participate in the Program.

Property Owners who have not signed an Assessment Contract may appeal to Figtree as follows:

- 1. Written notice may be sent by certified mail to the Program Administrator. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), and a timeline of events.
- 2. The Program Administrator shall discuss the matter with the Property Owner and shall attempt to resolve the dispute within thirty (30) calendar days after delivery of the notice.

The Program Administrator shall render a written decision in 30 calendar days and send that decision to the Property Owner. The decision of the Program Administrator is final.

Property Owners who have signed an Assessment Contract may appeal to the Administrator as follows:

- 1. A Property Owner who has signed an Assessment Contract shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program by negotiations with the Program Administrator and/or the Chair of the Authority or his or her designated representative.
- 2. To appeal, Property Owners must notify in writing the other party or parties by certified mail of any dispute. Within thirty (30) calendar days after delivery of the notice, a representative of the Program Administrator or the Chair of the Authority and the Property Owner shall discuss the matter and shall attempt to resolve the dispute.
- 3. If the dispute has not been resolved within thirty (30) calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference.
- 4. Notwithstanding the foregoing provisions, a party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to resolve the status quo. Each party is required to continue to perform its obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

Note on Appealing Property Valuation: If a Property Owner determines that the value of the Property as determined by the Program Administrator is lower than the fair market value of the Property, the Property Owner may appeal to the Program Administrator in an effort to establish a greater financeable amount. The Property Owner may, at its own expense, have an appraisal performed to establish a greater property value than that determined by the Program Administrator. The Program Administrator, at its discretion, may accept an appraisal and increase the financeable amount provided the appraisal is greater than the value determined by the Program Administrator. The mortgage lender, if applicable, must also consent to this valuation. The Program Administrator does not alter the Property Owner's ad valorem property taxes with the appraisal value; the appraisal is used only to determine the maximum Program financing amount.

If a third party valuation tool is used to determine the value of the Property, the Property Owner shall have the right and obligation to a copy of the report used in connection with his or her Application. If the Property Owner wants to obtain a copy, he or she may write to the Program Administrator within 90 days after the Program Administrator provides notice of the action taken on the Property Owner's Application.

VIII. PROGRAM AND FUNDING DISCLOSURES

A. Funding Amount and Terms - Commercial Properties

1. Minimum Assessment Funding Amount

The minimum size for Commercial assessment financing is \$5,000.

2. Maximum Assessment Funding Amount

The maximum assessment funding amount is typically ten percent (10%) of the total property value; properties will be reviewed on a case-by-case basis for funding up to twenty percent (20%) of total property value. The Program will determine a maximum assessment funding amount based on the most recent county-assigned assessed value of the Property or other valuation deemed acceptable by the Program Administrator. Valuation may be based on a third party valuation tool provided by a qualified vendor or a qualified appraisal. Such valuation must have been determined and/or remain valid as of no less than ninety (90) days prior to the date of issuance of funding.

The interest rate shall be based on market conditions.

The Program Administrator will calculate and determine the financing available for the Property Owner before final approval as a safeguard so that in any case the total annual property tax and assessments on the Property will not exceed five percent (5%) of the Property's value per California code.

If a Property Owner determines that the assessed values do not accurately reflect the market value, an appraisal may be authorized. Authorizations are provided on a case by case basis. The maximum amount available for funding may be limited to an amount deemed reasonable by the Program Administrator or the Authority.

3. Funding Term

The term of funding is based on the useful life of the Authorized Improvements installed, up to a maximum of 20 years. Terms of five, ten, fifteen and twenty years are available subject to the useful life determination.

B. Funding Amount and Terms - Residential Properties

1. Minimum Assessment Funding Amount

The minimum size for Residential assessment funding is \$2,500.

2. Maximum Assessment Funding Amount

The maximum assessment funding amount will be for less than fifteen percent (15%) of the value of the property, up to the first seven hundred thousand dollars (\$700,000) of the value of the property, and is for less than ten percent (10%) of the remaining value of the property above seven hundred thousand dollars (\$700,000). The Program will determine a maximum assessment financing amount based on the most recent county-assigned assessed value of the Property or other valuation deemed acceptable by the Program Administrator. Valuation may be based on a third party valuation tool provided by a qualified vendor or a qualified appraisal. Interest rates will be determined by the funding term and posted on the Program website, with applicable adjustments, from time to time.

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The Program Administrator will calculate and determine the funding available for the Property Owner before final approval as a safeguard so that in any case the total annual property tax and assessments on the Property will not exceed five percent (5%) of the Property's value per California code.

If a Property Owner determines that the assessed values do not accurately reflect the market value, an appraisal may be authorized. Authorizations are provided on a case by case basis. The maximum amount available for Program financing may be limited to an amount deemed reasonable by the Program Administrator.

3. Funding Term

The term of funding is based on the useful life of the Authorized Improvements installed, up to a maximum of 20 years. Terms of five, ten, fifteen and twenty years are available subject to the useful life determination.

C. Maximum Portfolio

The maximum principal amount of Program funding available to Property Owners under the Program is under the authority of and determined by the Authority, which has authorized \$500 million at this time for Commercial and Residential PACE. The total amount of financing available to all participating cities and counties that are Participating Agencies is expected to exceed \$500 million.

The maximum principal amount of the Program financing can be increased through a resolution passed by the board of the Authority. A distinction should be made between *bonding* and *funding* capacity. Given that the Program accommodates various funding sources, actual funding capacity may exceed bonding capacity.

D. Priority of Funding

Applications from Property Owners for funding will be given priority based on the date on which the Application is approved. If a request from a Property Owner for funding would cause the Program to exceed the authorized maximum portfolio set by the Authority, then the Application will be ineligible for financing unless the board of the Authority authorizes additional funding. The Authority will retain the authority to grant exceptions to the priority status of individual Applications.

E. Accelerated Foreclosure

The Program assessments are collected as a line item to the Property Owner's property tax bill. Each year the annual assessment amounts will be submitted to the County Tax Collector's office. If an annual assessment installment remains unpaid, the unpaid amounts may be subject to accelerated assessment lien foreclosure proceedings. These unpaid amounts will be removed from the real property tax rolls and given to a foreclosure attorney for collection via judicial foreclosure process. The special assessment foreclosure proceedings generally will occur well in advance of the County Tax Collector's Foreclosure Sale Date to remedy the delinquent general taxes on the Property.

F. Prepayment

At any time, the Property Owner can request a payoff quote to pre-pay the PACE assessment lien on the Property. Such payoff calculation may include the principal balance, any bond redemption premiums, interest amounts due, and a special administrative fee. A reasonable prepayment premium may be charged depending on the year of payoff. Prepayment premiums are published in the Assessment Contract.

G. Assessment Interest Rate

Funding will be issued to Property Owners at an annual interest rate that is determined by market conditions at the time of issuing bonds. The rate of interest is fixed over the funding term. In any event, California state law does not allow the interest rate on assessment district bonds to exceed 12%. Funding that is entered into at different times may have different interest rates depending on bond market conditions and successful marketing of the bonds. Upon successfully arranging the funding in compliance with Funding Plans set forth in this Report, the interest rate for the project or group of projects will be established.

IX. EXHIBITS

Maps Draft Assessment Contract Authorized Improvements Applications for Financing

EXHIBIT A

Participating Agency	Date Adopted	Participating Agency	Date Adopted
City of South San	February 22, 2012	City of Waterford	May 1, 2014
Francisco			
City of Pittsburg	March 5, 2012	County of Monterey	May 14, 2014
County of Kern	March 13, 2012	City of Imperial	May 21, 2014
		Beach	
City of Dublin	March 20, 2012	City of Willows	May 27, 2014
City of Redlands	March 20, 2012	City of Cypress	June 1, 2014
City of Rancho Cordova	April 15, 2012	City of Wasco	June 3, 2014
County of Alameda	April 24, 2012	City of Encinitas	June 11, 2014
City of Clovis	May 21, 2012	City of Oakdale	June 16, 2014
City of Elk Grove	May 31, 2012	City of Lancaster	June 24, 2014
City of Yuba City	August 16, 2012	City of Rolling Hills Estates	June 24, 2014
City of Kingsburg	August 16, 2012	City of Reedley	June 24, 2014
City of Fresno	October 18, 2012	City of South Lake Tahoe	July 15, 2014
City of San Diego	October 23, 2012	City of Salinas	July 22, 2014
City of Commerce	November 20, 2012	City of Concord	July 23, 2014
City of Palm Springs	December 19, 2012	City of Foster City	August 4, 2014
County of Butte	March 26, 2013	City of Orland	August 4, 2014
City of Bakersfield	April 17, 2013	City of Beaumont	August 19, 2014
City of San Marcos	April 23, 2013	City of National City	August 19, 2014
City of Vista	April 23, 2013	City of South	August 20, 2014
3	1 /	Pasadena	
City of Santee	April 24, 2013	City of Poway	September 2, 2014
City of Chico	June 4, 2013	City of Chowchilla	September 9, 2014
City of Oroville	June 4, 2013	County of San Mateo	September 9, 2014
City of Oceanside	June 5, 2013	Town of Woodside	September 9, 2014
Town of Paradise	July 9, 2013	City of Simi Valley	September 15, 2014
County of San Diego	August 6, 2013	City of Monrovia	September 16, 2014
City of Turlock	August 13, 2013	City of Walnut Creek	September 16, 2014
City of Hawthorne	August 13, 2013	City of Redwood City	September 23, 2014
City of Lomita	August 19, 2013	County of Merced	October 21, 2014
City of El Segundo	August 20, 2013	City of Hayward	October 28, 2014
City of Stockton	August 27, 2013	City of Shafter	November 5, 2014
City of Rancho Palos Verdes	September 9, 2013	City of Selma	November 5, 2014
City of Hermosa Beach	September 10, 2013	City of San Pablo	November 17, 2014
City of Anaheim	October 8, 2013	City of San Clemente	November 19, 2014
City of Gardena	October 8, 2013	City of Oakley	November 19, 2014
City of Rolling Hills	October 14, 2013	City of Live Oak	November 20, 2014
City of Lemon Grove	November 19, 2013	City of Newport Beach	November 25, 2014
City of San Jose	December 3, 2013	City of Palmdale	December 3, 2014
City of Carlsbad	December 3, 2013	City of Del Mar	December 15, 2014
City of Solana Beach	March 26, 2014	City of Antioch	December 16, 2014

City of Escondido	April 9, 2014	City of Richmond	December 16, 2014	
City of Santa Paula	April 21, 2014	City of Aliso Viejo	January 7, 2015	
City of El Cajon	April 22, 2014	City of San Ramon	January 13, 2015	
City of Inglewood	April 29, 2014	City of Westminster	January 15, 2015	
Participating Agency	Date Adopted	Participating Agency	Date Adopted	
City of Santa Ana	January 20, 2015	City of Union City	September 22, 2015	
City of Eureka	January 20, 2015	County of Humboldt	September 22, 2015	
City of Kerman	January 26, 2015	City of Camarillo	September 23, 2015	
City of Lafayette	January 27, 2015	City of Belvedere	October 12, 2015	
City of Pleasant Hill	February 9, 2015	City of Thousand	October 20, 2015	
		Oaks		
City of Redding	February 17, 2015	City of Tracy	October 20, 2015	
City of San Mateo	February 17, 2015	City of Millbrae	October 27, 2015	
County of Sacramento	February 24, 2015	City of Shasta Lake	November 3, 2015	
City of La Mesa	March 10, 2015	County of Yuba	November 3, 2015	
County of Mono	March 17, 2015	City of Fontana	November 10, 2015	
City of Indian Wells	March 19, 2015	City of Loma Linda	November 10, 2015	
Town of Danville	March 20, 2015	City of Glendora	November 10, 2015	
City of Ventura	March 30, 2015	City of Brea	November 17, 2015	
City of El Cerrito	March 30, 2015	City of Colma	January 16, 2016	
City of Burlingame	April 6, 2015	City of Huntington Beach	January 19, 2016	
City of Long Beach	April 7, 2015	Town of Atherton	January 20, 2016	
City of Galt	April 7, 2015	City of Glendale	April 5, 2016	
County of Solano	April 14, 2015	City of Corcoran	April 12, 2016	
City of Laguna Beach	April 21, 2015	City of Piedmont	May 16, 2016	
City of Colton	April 21, 2015	City of West		
~		Hollywood		
City of Cloverdale	April 22, 2015			
City of Windsor	May 6, 2015			
City of Clayton	June 2, 2015			
City of Lawndale	June 15, 2015			
City of Los Angeles	June 30, 2015			
County of Imperial	July 7, 2015			
County of Marin Town of San Anselmo	July 21, 2015			
Town of San Anseimo Town of Fairfax	July 28, 2015 August 5, 2015			
City of Porterville	August 18, 2015			
City of Chula Vista	August 18, 2015			
City of Benicia	August 18, 2015			
City of Vallejo	August 25, 2015			
City of Santa Cruz	August 25, 2015			
City of Hanford	September 1, 2015			
City of Suisun City	September 1, 2015			
City of Oakland	September 8, 2015			
City of Mission Viejo	September 8, 2015			
City of San Rafael	September 9, 2015			
City of Novato	September 15, 2015			
City of Madera	September 16, 2015			
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EXHIBIT B Draft Assessment Contract

FIGTREE PACE PROGRAM

ASSESSMENT FINANCING CONTRACT

[A PROGRAM SPONSORED BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND ADMINISTERED BY FIGTREE COMPANY, INC., (the "Program Administrator")]

7
This Assessment Financing Contract ("Contract") is made and entered into as of this $_$ day of $_$, 20 , by and between the California Enterprise Development Authority , a California joint powers authority ("Authority"), and $_$ ("Borrower").
RECITALS
WHEREAS, the Authority has established the Property Assessed Clean Energy (PACE) Program (the "Program") by which the Authority assists property owners with the financing of the acquisition and installation on their property of certain qualifying renewable energy systems, energy or water efficiency equipment, and seismic strengthening improvements (the "Assessment Financing"). The purpose and method of administration of the assessments under the Program are described in the Figtree PACE Program Report adopted by the Authority on January 16, 2013 as it may be amended from time to time (the "Report"); and
WHEREAS, the Program is authorized by Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act"); and
WHEREAS, the Borrower has submitted to the Authority that certain Figtree PACE Application dated, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Application") and the Authority has accepted the Application in accordance with the Report; and
WHEREAS, the renewable energy system and/or energy or water efficiency equipment and/or seismic strengthening improvements and those certain direct costs incurred by the Borrower as described in Exhibit C which shall be financed with the proceeds of the Assessment Financing described herein (the "Improvements") are described in Exhibit "B" attached hereto and incorporated herein by this reference, which Improvements shall be constructed on or installed on the property of Borrower identified in the Application (the "Property"); and
WHEREAS, the Borrower wishes to participate in the Program by executing this Contract with the Authority and thereby requests that the Authority finance the acquisition, construction, and installation of the Improvements on the Property and certain costs of issuance associated therewith;
WHEREAS, the Authority shall provide the proceeds of the Assessment Financing directly to the Borrower and/or a licensed contractor selected by Borrower in accordance with the Report (the "Contractor") to pay for the Improvements in accordance with the guidelines outlined in the Report.
WHEREAS, the Borrower acknowledges that funding for the Improvements will be provided by the Authority through the issuance of bonds, notes or other obligations secured in whole or in

part by the payment by the Borrower of amounts required to be paid hereunder (collectively "Financing Instruments"); and

WHEREAS, in order to repay such Assessment Financing, the Borrower has determined that the Property benefits from the Improvements in an amount at least equal to the Assessment and the Borrower voluntarily consents to the recordation of a voluntary and consensual Assessment Financing Lien (as defined in section 1.B. of this Contract) on the Property for an assessment of the Property each year until the Assessment Financing is paid in full; and

WHEREAS, Borrower agrees that assessment installments (including principal, interest, and administrative costs) will be collected on the property tax bill for the Property in the same manner and at the same time as property taxes and shall be subject to the same penalties, remedies (including foreclosure and sale of the property), and lien priorities as are property taxes in the event of delinquency; and

WHEREAS, Borrower has read and understands, and has executed the Disclosures, Declarations and Acknowledgments contained in the Application;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree, as follows:

Assessment Financing Contract

1. Contract

- A. Subject to the conditions set forth herein, the Authority agrees, subject to obtaining sufficient funding therefore and the issuance of the Financing Instruments, to extend Assessment Financing to Borrower for the purpose of acquiring, installing, and constructing the Improvements in a dollar amount calculated pursuant to Exhibit "C" attached hereto and incorporated herein by this reference (the "Financing Amount"). The Borrower shall be solely responsible for the payment of all costs of the Improvements which exceed the Financing Amount and Borrower agrees, in any event, to complete the Improvements and to fund all costs associated with such completion which may be in excess of the Financing Amount. This Contract and the Application are collectively referred to herein as the "Documents."
- B. Interest shall accrue on the unpaid principal balance of the Financing Amount from the date the Financing Instruments are issued. The Borrower acknowledges that Financing Amount will be recorded against the Property pursuant to Section 5898.30 of the California Streets and Highway Code and officially becomes a lien (the "Assessment Financing Lien") against the Property. The Financing Amount shall accrue interest at a rate of percent (%) per annum. Interest shall be computed on the basis of a three hundred sixty (360) day year. If a law which applies to the Contract sets maximum interest rates or charges in a manner as would cause the interest or other charges collected or to be collected in connection with the Contract to exceed the limits permitted by such laws, then: (i) any such interest or charge shall be reduced by the amount necessary to reduce the interest or charge to the permitted

limit; and (ii) any sums already collected which exceed permitted limits will be refunded by the Authority if required by, and in the manner set by, law.

- C. The Borrower promises to pay to the Authority, without deduction or offset, the Financing Amount and the interest accrued thereon as provided herein. In addition, the Borrower promises to pay to the Authority, without deduction or offset, the reasonable costs which result from the administration and collection of assessments or from the administration or registration of any associated Financing Instruments issued for the Assessment Financing, including any reserve fund or other related funds associated with the Assessment Financing (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall be the amount set forth in Exhibit "C" hereof.
- D. The Financing Amount and the Annual Administrative Assessment, and the interest and any penalties thereon shall constitute the Assessment Financing Lien on the Property until they are paid. The installments of the Financing Amount shall be included on the property tax bill for the Property, and shall be subject to the same penalties, remedies, and lien priorities as are property taxes in the event of non-payment.
- E. The Borrower hereby voluntarily and expressly consents to the levy of the annual assessment and the Annual Administrative Assessment and the imposition of the Assessment Financing Lien on the Property as described herein and in the Act.
- F. The amount of annual assessment as a result of the Assessment Financing on the Property is set forth in Exhibit "C" attached hereto and incorporated herein by this reference. Following the issuance of the Financing Instruments, the Program Administrator will determine the actual annual assessment amount based on the date of issuance and the actual interest rate of the Financing Instruments.
- G. The term of the Assessment Financing and this Contract is described in Exhibit "C" and shall be equal to the term of years of the Financing Instrument to be issued to fund the acquisition, installation and construction of the Improvements and shall not exceed a period of twenty (20) years.
- H. The outstanding principal balance of the Financing Amount may be prepaid, in whole or in part, at any time upon the payment of a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to Exhibit "C" attached hereto and incorporated herein by this reference. In addition, prepayment costs may also include trustee fees, Financing Instrument interest, and other related charges.
- I. The Borrower acknowledges and agrees that the Authority's obligations hereunder are conditioned upon the Authority obtaining financing for the Improvements through the issuance of the Financing Instruments. The inability of the Authority to obtain such financing for any reason shall relieve the Authority of any and all of its obligations to the Borrower hereunder.

2. <u>Use of Proceeds</u>

All proceeds of the Assessment Financing shall be used for the purpose of paying for the reasonable costs and expenses of the Improvements on the Property, to pay costs of issuance of

the Financing Instrument, to fund capitalized interest on the Financing Instrument. In connection with that portion of the Assessment Financing used to pay for the costs and expenses of the Improvements, the Borrower shall comply with all requirements set forth herein and in the Application. The Borrower understands that the Authority will transfer the proceeds directly to the Contractor to pay for the Improvements in accordance with the guidelines outlined in the Report of the Authority as on file with the Authority.

Disbursement Procedures

- A. Notwithstanding anything to the contrary contained herein, the Authority shall have no obligation to disburse the funds for the Improvements to the Contractor(s) unless and until each of the following conditions are satisfied, or any such condition is expressly waived in writing by the Authority:
 - (i) The receipt by the Authority of a written certification from Borrower and the Contractor that performed the Improvements, stating the actual cost of such Improvements for which disbursement is requested and stating that the installation of the Improvements is complete.
 - (ii) A determination by the Authority that the Improvements have been installed on the Property.
 - (iii) The receipt by the Authority of statements of Contractor(s), under penalty of perjury, and releases or waivers of lien, and any such other documents and instruments as the Authority may require, all in compliance with the requirements of applicable law.
 - (iv) Borrower has, as appropriate, executed and delivered to the Authority the Documents and such other documents or instruments pertaining to the financing or the Improvements as the Authority may require.
 - (v) As of the date of disbursement of the Financing Amount, nothing has come to the attention of the Authority which would lead the Authority to believe that the representations of the Borrower contained in the Documents are untrue, and no Default (as defined in Section 10 below) shall have occurred and be continuing.
 - (vi) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon the Borrower or Authority or recorded against the Property and which remains in effect.
 - (vii) The Authority shall have performed title verification (the "Title Report") in a form and substance acceptable to the Authority. The Authority may require the Borrower to take action to remove exceptions to the Title Report.
 - (viii) In the event that (a) the construction of the Improvements (including, but not limited to commencing the permit process) has not commenced within one hundred and eighty (180) days of the issuance of the Financing Instruments issued for the Financing Amount, or (b) all or a portion of the proceeds of the Financing Instruments issued for the Financing Amount are not utilized to fund the Improvements within two (2) years of the issuance thereof, any remaining balance or portion of Improvements shall not be funded

under this Contract and the Financing Amount shall not be tendered to the Contractor. Property owner shall be responsible for unpaid accrued interest on the Financing Instruments, any related pro-rata portion of the financing costs, as well as a five (5%) termination fee based on the outstanding principal amount.

- B. Borrower will, within ten calendar days (10) of presentation by the Authority, execute any and all documents or instruments required by the Documents in connection with the disbursement of the Financing Amount.
- C. Progress Payments. The foregoing Disbursement Procedures shall apply to progress payments to Contractor(s) for partially completed installation of the Improvements. If a progress payment is requested a fee as reasonably determined by the Program Administrator shall apply.

3. Reports

Borrower shall, upon the request of the Authority, deliver within thirty (30) days to the Authority, or, if appropriate, cause its Contractor(s) to deliver within thirty (30) days to the Authority, a written report regarding the status of installation of the Improvements.

4. Representations and Warranties of Borrower

Borrower represents and warrants that each representation and warranty set forth below is true, accurate and complete as of the date of this Contract. The disbursement of the Financing Amount shall be deemed to be a reaffirmation by the Borrower of each and every representation and warranty made by Borrower in this Contract.

- A. Formation and Authority. If Borrower is anything other than a natural person, it has complied with all applicable laws and regulations concerning its organization, existence and the transaction of its business, and is in good standing in each state in which it conducts its business. Borrower is the owner of the Property and is authorized to execute, deliver and perform its obligations under the Documents, and all other documents and instruments delivered by Borrower to the Authority in connection therewith. This Contract and the Application have been duly executed and delivered by Borrower and are valid and binding upon and enforceable against the Borrower in accordance with their terms. No consent or approval of any third party, which has not been previously obtained by the Borrower, is required for the Borrower's execution of the Contract and the Application, or the performance of its obligations contained therein.
- B. Compliance with Law. Neither Borrower nor the Property is in violation of, and the terms and provisions of the Documents do not conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting Borrower or the Property.
- C. No Violation. The terms and provisions of the Documents, the execution and delivery of the Documents by Borrower, and the performance by Borrower of its obligations contained therein, will not and do not conflict with or result in a breach of or a default

under any of the terms or provisions of any other contract, covenant or security instrument by which the Borrower or the Property is bound.

- D. Other Information. If Borrower is comprised of the trustees of a trust, the representations of this Section 4 shall also pertain to the trustor(s) of the trust. All reports, documents, instruments, information and forms of evidence which have been delivered to Authority concerning the Assessment Financing are accurate, correct and sufficiently complete to give Authority true and accurate knowledge of their subject matter.
- E. Lawsuits. There are no lawsuits, tax claims, actions, proceedings, investigations or other disputes pending or threatened against Borrower which may materially impair Borrower's ability to perform its obligations hereunder.
- F. Borrower Not a "Foreign Person." Borrower is not a "foreign person" within the meaning of Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended from time to time.
- G. No Event of Default. There is no event which is, or with notice or lapse of time or both would be, a Default under this Contract.
- H. Attribution of Benefit. Borrower confirms that based upon his knowledge and ownership of the Property, he voluntarily has attributed the percentages and amounts of benefit set out under the Act to each parcel and Borrower voluntarily and expressly consents to the Assessments so attributed.

5. Borrower's Covenants

Borrower covenants, as follows:

- A. Completion and Maintenance of the Improvements. Borrower shall cause Contractor to commence within thirty (30) days, construction of the Improvements, and diligently continue to completion, in a good and workmanlike manner and in accordance with sound construction and installation practices. Borrower shall maintain the Improvements in good condition and repair.
- B. Compliance with Law and Agreements. In commencing and completing the Improvements, Borrower shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.
- C. Permits, Licenses and Approvals. Borrower shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Borrower, upon the request of the Authority, shall deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority.

- D. Site Visits. Borrower grants Authority, its agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Borrower, for the purposes of observing the Improvements. Authority will make reasonable efforts during any site visit to avoid interfering with Borrower's use of the Property. Borrower shall also allow Authority to examine and copy records and other documents of Borrower which relate to the Improvements. Authority is under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and Authority shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by Authority shall be solely for the purposes of protecting Authority's rights under the Documents.
- E. Protection against Lien Claims. Borrower shall pay within thirty (30) days or otherwise discharge any claims and liens for labor done and materials and services furnished to the Property in connection with the Improvements. Borrower shall have the right to contest in good faith any claim or lien, provided that it does so diligently and without delay in completing the Improvements.
- F. Insurance. Borrower shall provide, maintain and keep in force at all times during the term of this Contract, all risk property damage insurance on the Property, with a policy limit equal to the full replacement cost of the Improvements.
- G. Notices. Borrower shall notify Authority within fifteen (15) days in writing of any Default under this Contract, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

6. Mechanic's Lien and Stop Notices

In the event of the filing of a stop notice or the recording of a mechanic's lien pursuant to applicable law of the State of California and relating to the Improvements, the Authority may summarily refuse to make any disbursement for the Improvements, and in the event Borrower fails to furnish the Authority a bond or other credit instrument causing such notice or lien to be released within ten (10) days of notice from the Authority to do so, such failure shall at the option of Authority constitute a Default under the terms of this Contract. Borrower shall deliver within fifteen (15) days to the Authority copies of all such notices or liens.

7. Indemnification

- A. Borrower shall indemnify, defend, protect, and hold harmless the Authority, Program Administrator, any city or county which may have formed the assessment district, and any and all agents, employees, representatives and attorneys thereof (collectively, the "Authority Parties"), from and against all losses, liabilities, claims, damages (including but not limited to consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of, or in connection with, (i) any breach or Default by Borrower under the Documents,
 - (ii) the Financing Amount and the Annual Administrative Assessment, (iii) the Improvements or the Property, or (iv) any other fact, circumstance or event related to Authority's extension of the Assessment Financing to Borrower or Borrower's

performance of its obligations under the Documents (collectively, the "Liabilities"), regardless of whether such Liabilities shall accrue or are discovered before or after the disbursement of the Financing Amount.

B. The indemnity obligations described in this Section 7 shall survive the disbursement of the Financing Amount, the repayment of the financing, the transfer or sale of the Property by the Borrower, and the termination of this Contract.

8. Waiver of Claims

Because this Contract reflects Borrower's free and willing consent to enter into this Contract and to pay the Financing Amount, and the assessment thereof, and the Annual Administrative Assessment, Borrower hereby waives any otherwise applicable requirements for or right to the preparation of an engineer's report, notice of public hearing, public hearing, protest or opportunity to submit an assessment ballot in support of or in opposition to the Financing Amount, assessment thereof and the Annual Administrative Assessment pursuant to Article XIIID of the California Constitution, the Proposition 218 Omnibus Implementation Act (commencing at California Government Code Section 53750) and any other provision of California law.

Borrower agrees and acknowledges that the assessment is not a "tax" as used in Section 1(e) of Article XIIIC of the California Constitution and that if such assessment is a levy, charge, or exaction of any kind by the Authority, it is a charge imposed for a specific benefit conferred or privilege granted to Borrower that is not provided to those not charged, and which does not exceed the reasonable costs to the Authority of conferring the benefit or granting the privilege to Borrower. Borrower further knowing and voluntarily waives any otherwise applicable requirements for or rights granted under Article XIIIA or XIIIC pertaining to the assessment.

Borrower hereby waives Borrower's right to repeal or reduce the assessment by initiative or any other action, or to file any lawsuit or other proceeding, at law or in equity, to challenge the validity of the assessment or the proceedings of the Authority, or any portion thereof, undertaken in connection with the establishment of the Program.

For and in consideration of the Authority's execution and delivery of this Contract, Borrower, for itself and for its successors-in-interest to the Property and for any one claiming by, through, or under the Borrower, hereby waives the right to recover from and fully and irrevocably releases the Authority Parties from any and all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that Borrower may now have or hereafter acquire against any of the Authority Parties and accruing from or related to (i) the acquisition, construction, installation and use of the Improvements, (ii) any damage to or diminution in value of the Property that may result in connection with the Improvements, (iii) any personal injury, property damage or death that may result from the Improvements, (iv) the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and their action or inaction with respect to the Improvements, (v) the merchantability and fitness for any particular purpose, use or application of the Improvements, (vi) the amount of energy savings resulting from the Improvements, (vii) the workmanship of any third parties. This release includes claims, obligations, liabilities, causes of action, and damages of which Borrower is not presently aware or which Borrower does not suspect to exist which, if known by Borrower, would materially affect Borrower's release of the Authority Parties. The waiver contained in this

paragraph shall exclude any and all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs incurred by Borrower arising from the gross negligence or willful misconduct of any Authority Party.

BORROWER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR." BY INITIALING BELOW, BORROWER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Borrower's Initials

The waivers and releases by Borrower contained in this Section 8 shall survive the disbursement of the Financing Amount, the repayment of the financing, the transfer or sale of the Property by the Borrower, and the termination of this Contract.

9. Further Assurances

The Borrower shall execute any further documents or instruments consistent with the terms of this Contract, including documents and instruments in recordable form, as Authority shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Contract and disbursing funds to the Borrower.

10. Default

- A. Subject to the further provisions of this Section 10, the failure of any representation, covenant or warranty of the Borrower contained herein to be correct in all material respects, or the failure or delay by Borrower to perform any of its obligations under the terms or provisions of the Documents, shall constitute a default hereunder ("Default"). The Borrower must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, but in any event, within the time set forth in Sections 10(C) and (D) below, as applicable.
- B. The Authority shall give written notice of Default to Borrower, specifying the Default. Delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. All times for notice are calendar days.
- C. If a monetary event of Default occurs, prior to exercising any remedies under the Documents or the Act, Authority shall give Borrower written notice of such Default. Borrower shall have a period of thirty (30) days after such notice is given within which to cure the default prior to exercise of remedies by Authority.

- D. If a non-monetary event of default occurs, prior to exercising any remedies under the Documents or the Act, Authority shall give Borrower notice of such default. If the Default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Authority under the Documents or the Act. If the Default is such that it is reasonably capable of being cured, but not within such thirty (30) day period, and Borrower (i) initiates corrective action within such thirty (30) day period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the Default prior to exercise of any remedies by Authority. However, in no event shall Authority be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a Default, or if the Default is not cured within one hundred and twenty (120) days after the first notice of Default is given.
- E. If any Default occurs and has not been cured within the applicable time period, then, upon the election of Authority, (i) if there has been no disbursement of the Financing Amount, this Contract shall terminate and, except as otherwise expressly provided herein, the parties have no further obligations or rights hereunder, or (ii) if the Financing Amount has been disbursed in whole or in part, Authority may terminate its obligations to make any further disbursement of the Financing Amount and exercise any or all of the rights and remedies available to it under applicable law, at equity or as otherwise provided herein.
- F. Any and all reasonable costs and expenses incurred by the Authority in pursuing its remedies hereunder shall be additional indebtedness of the Borrower to the Authority hereunder, and shall be secured and collected as provided in the Act.
- G. Except as otherwise expressly stated in this Contract, the rights and remedies of the Authority are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise by the Authority, at the same time or different times, of any other rights or remedies for the same Default or any other Default. No failure or delay by Authority in asserting any of its rights and remedies as to any Default shall operate as a waiver of any Default or of any such rights or remedies, or deprive the Authority of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.
- H. Performance of the covenants and conditions imposed upon Borrower hereunder with respect to the commencement and completion of the Improvements and the timely utilization of the Financing Amount shall be excused while and to the extent that, Borrower is prevented from complying therewith by war, riots, strikes, lockouts, action of the elements, accidents, or acts of God beyond the reasonable control of the Borrower; provided, however, that such event is not caused by the fault, negligence or misconduct of Borrower; and provided, further, as soon as the cause or event preventing compliance is removed or ceases to exist the obligations shall be restored to full force and effect and Borrower shall immediately resume compliance therewith and performance thereof.
- I. In the event that (1) the construction of the Improvements (including, but not limited to commencing the permit process) has not commenced within one hundred and eighty (180) days of the date that the Authority has notified the Borrower pursuant to Section

13 below in writing of the issuance of the Financing Instruments issued for the Financing Amount, or (b) all or a portion of the proceeds of the Financing Instruments are not utilized to fund the Improvements within 2 years of the issuance of the Financing Instruments, the remaining Financing Amount shall not be tendered to the Contractor, and the Improvements shall not be funded under this Contract. The Authority shall have no further obligation hereunder.

11. Compliance with Local, State and Federal Laws

Borrower shall cause the Improvements to be constructed, in conformity with all applicable laws, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards. Borrower agrees to indemnify, defend and hold the Authority Parties harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any breach by, or failure of, Borrower or its contractor(s) or agents to comply with such laws, rules or regulations. The indemnification obligations described in Section 7 shall survive the disbursement of the Financing Amount, the repayment of the Financing Amount, and the termination of this Contract.

12. Severability

Each and every provision of this Contract is, and shall be construed to be, a separate and independent covenant and contract. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Contract shall be valid and shall be enforced to the extent permitted by law.

13. Notices

All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery (by recognized courier service or otherwise). Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice and provided the Authority may designate a Program Administrator other than Figtree and provide notice information for such replacement party to the Borrower:

To Authority:

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

550 Bercut Drive, Suite G Sacramento, CA 95811

and

FIGTREE COMPANY, INC. 9915 Mira Mesa Blvd Suite 130 San Diego, CA 92131

To Borrower:	

14. Attorneys' Fees and Costs

In the event that any action is instituted to enforce payment or performance under this Contract, the parties agree that the non-prevailing party shall be responsible for and shall pay all reasonable costs and all attorneys' fees incurred by the prevailing party in enforcing this Contract.

15. No Waiver

No disbursement of all or any portion of the Financing Amount shall constitute a waiver of any conditions to the Authority's obligation to make further disbursements nor, in the event Borrower is unable to satisfy any such conditions, shall any such waiver have the effect of precluding the Authority from thereafter declaring such inability to constitute a Default under this Contract. No disbursement of any amount based upon inadequate or incorrect information shall constitute a waiver of the right of Authority to receive a refund thereof from Borrower. No waiver of any term or condition of this Agreement or any of the Documents shall constitute a continuing waiver thereof.

16. Governing Law

This Contract shall be governed by the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Sacramento, State of California.

17. Amendment of Contract

No modification, rescission, waiver, release or amendment of any provision of this Contract shall be made except by a written agreement executed by the Borrower and the Authority.

18. Authority May Assign: Role of the Authority

Authority, at its option, may (i) assign any or all of its rights and obligations under the Contract, and (ii) pledge and assign its right to receive the Assessment, the Annual Administrative Assessment, and the repayment of the financing and any other payments due to the Authority hereunder, without obtaining the consent of the Borrower.

19. Borrower Assignment Prohibited

In no event shall Borrower assign or transfer any portion of this Contract or Borrower's rights or obligations under the Contract without the prior express written consent of Authority, which

consent may be granted or withheld in the reasonable discretion of the Authority. Sale, transfer, or rental of the Property is not an assignment or transfer of this Contract.

20. Notice to Subsequent Purchasers

Borrower agrees to provide written notice to any subsequent purchaser of the Property that the Property is subject to an assessment lien for this Program, and to provide any subsequent purchaser a copy of this Contract.

21. Relationship of Borrower and Authority

The relationship of Borrower and Authority pursuant to this Contract is that of debtor and creditor and shall not be or be construed to be a joint venture, equity venture, partnership, or other relationship.

22. General

Time is of the essence of this Contract and of each and every provision hereof. This Contract, together with the other Documents, constitutes the entire contract between the parties hereto, and there shall be no other contract regarding the subject matter thereof unless signed in writing by the part to be charged. If there is more than one "Borrower," the obligations hereunder of all Borrowers shall be joint and several.

23. Counterparts

This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower and Authority have entered into this Contract as of the date and year first above written.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, a joint powers authority

	By:
	Name: Gurbax Sahota Its: Chair
	Attest:
	Name: Helen Schaubmayer Its: Assistant Secretary
BORROWER NAME	
By: Authorized Signature	
Name:	
BORROWER NAME	
By: Authorized Signature	
Name:	

EXHIBIT "A" [ATTACH COPY OF EXECUTED AND ACCEPTED APPLICATION]

V612015 A-1

EXHIBIT "B" DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

V612015 B-1

EXHIBIT "C" SCHEDULE OF FINANCING TERMS AND AMOUNT DETERMINATION, ANNUAL ASSESSMENT INSTALLMENTS, AND PREPAYMENT PREMIUM

1.	Financing Terms		
	Improvement Amount		\$
	Term of Financing (Years)		
	Interest Rate		
	Closing Date of Financing Instruments		
2.	Financing Amount Determination		
	Cost of Improvements		\$
	Cost of Issuance (% of the Total Financing Amount)		\$
	Capitalized Interest (based on closing date through September 2, 20 _)		\$
	Processing Fee		\$
	To	otal:	\$

V612015 C-1

3. Annual Assessment Installments

Annual Debt Service (Principal & Interest):	\$
	_
Annual Administrative Assessment:	\$

4. Prepayment Premium

The prepayment premium shall be calculated as a percentage of the outstanding principal balance of the Financing Amount as follows:

Prepayment Occurring Between	Amount
September 2, 2017 to September 1, 2024	5%
September 2, 2024 to September 1, 2027	3%
September 2, 2027 and thereafter	0%

V612015 C-2

FIGTREE PACE PROGRAM RESIDENTIAL ASSESSMENT CONTRACT

This Residential Assessment Contract (this "Contract") is entered into on______, 20 , between the California Enterprise Development Authority (the "Authority") and the record owner(s) (individually, or collectively, "you") of the fee title to the real property listed on Exhibit A (your "Property").

The Authority, a group of cities which are members of a joint exercise of powers authority, has created the Figtree PACE Program (the "Program") to allow the financing or refinancing of distributed generation renewable energy sources, electric vehicle charging infrastructure, improvements to energy efficiency, water efficiency, and similar improvements authorized by law that are permanently fixed to real property (the "Authorized Improvements") by levying contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29"), and issuing improvement bonds on the security of unpaid contractual assessments under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act").

Under Chapter 29, assessments may be levied only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time it is levied, by a contract between the property owner and the public agency. The Authority has completed the proceedings required by Chapter 29 for the territory that is in the boundaries of the City or County listed on Exhibit A (the "Participating Entity").

Your Property is located in the Participating Entity's boundaries, and the Participating Entity has allowed (a) owners of property within its jurisdiction to participate in the Program and (b) the Authority to conduct assessment proceedings under Chapter 29, and issue bonds under the 1915 Act, to finance or refinance the Authorized Improvements.

The Authority has appointed Figtree Company, Inc. (together with any successors or assignees, "Figtree"), as the Program administrator under this Contract.

1. Purpose.

You and the Authority are entering into this Contract for the purpose of financing or refinancing of the installation of the Authorized Improvements listed on Exhibit A (the "Improvements"). The Authority will not finance or refinance items other than those listed as Authorized Improvements on Exhibit A.

2. The Property.

This Contract applies to the real property listed on $\underline{\text{Exhibit A}}$. You have given the Authority current evidence of your ownership of fee title to your Property, and if signing on behalf of a legal entity, you have all legal authority necessary to sign this Contract on that entity's behalf.

3. Contract to Pay Assessment.

- a. <u>Payment of Assessment.</u> You freely and willingly agree to pay the "Assessment" (as defined in section 3b). Interest will accrue on the Assessment at the interest rate listed on <u>Exhibit B</u> of this Contract, beginning on the date that the Authority first assigns this Contract or issues bonds to finance or refinance the installation of the Improvements (the "Funding Date"). Unless this Contract says otherwise, the Assessment will be paid in the installments listed on Exhibit B.
- b. Calculation of Assessment. The amount of the Assessment will be equal to the costs of the Improvements plus all associated costs, fees and interest. Exhibit B of this Contract is based on the

Improvements identified in Exhibit A of this Contract at the time of application and an assumed funding date (the "Estimated Assessment").

Before any payment is disbursed to a contractor, you will be required to execute a Certificate of Completion for the associated work. After the Authority has disbursed the final payment of the cost of Improvements, you will receive a Closing Statement detailing the Assessment, as recalculated to reflect all the final costs and the actual Funding Date, and the schedule of Assessment installment payments.

If at any time after executing this Contract but before the Authority disburses final payment, you change the Improvements from those originally appearing in Exhibit A, but: (i) the Improvement categories and types do not change from those identified in Exhibit A of this Contract; and (ii) the amount of the Assessment reflecting the changes to the Improvements is less than or equal to the Estimated Assessment, you and the Authority are not required to execute an "Addendum" (as defined in Section 4) and this contract will remain in force and the Assessment will be calculated according to the methodology outlined in this section 3(b).

- c. If any change is subject to the provisions of Section 4, you and the Authority must execute an Addendum. Under no circumstances will the Authority provide financing under this Contract if the Improvement categories and types change from those identified in Exhibit A without executing an Addendum. Under no circumstances will the Authority finance an Assessment in an amount greater than the Estimated Assessment without executing an Addendum.
- d. <u>Administrative Expenses.</u> You acknowledge that the Authority may add amounts to an annual installment of the Assessment in order to pay for the administrative costs associated with the Assessment and its financing (the "**Fee**"), pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a).
- e. <u>Prepayment of the Assessment.</u> You may prepay the Assessment, in whole or in any amount of at least \$1,500, at any time by paying by paying the sum of:
 - i. all delinquent Assessment installments plus penalties accrued to the date of prepayment;
 - ii. the Prepayment Amount;
 - iii. interest on the Prepayment Amount to the later of the first March 2nd or September 2nd following the Funding Date, or the second business day of the second month following the date the prepayment is made.
 - iv. The Authority's reasonable cost related to the prepayment
- f. <u>No Discount.</u> You agree that the Assessment will not be subject to reduction, offset or credit of any kind for any reason, including the performance or condition of improvements.

4. Addendum.

You and the Authority agree to execute an addendum to this Contract (the "Addendum") if at any time after executing this Contract but before payment of the amount of the Assessment is disbursed to eligible payees you (i) change the Improvement categories or types from those originally listed in Exhibit A or (ii) the amount of the re-calculated Estimated Assessment is greater than the amount of the Estimated Assessment originally listed in Exhibit B or (iii) it becomes necessary to correct the name, capacity, title, party or clerical errors in the Contract. In any such case the Authority will issue to you an Addendum with the necessary corrections. Once you sign and return the Addendum the Authority will execute the Addendum, which will become part of, and be incorporated into, this Contract as if it were part of the original Contract.

5. Collection of Assessment; Lien.

a. The Assessment, the Fee, and the interest and penalties on the Assessment that result from any installment of the Assessment being past due creates a lien against your Property until paid, and will

be collected, and the lien will be equal to and independent of the lien for general taxes (as set forth in Chapter 29).

- b. You acknowledge that if any Assessment installment is not paid when due, the Authority has the right to have the past due installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of your Property to pay the past due installments, associated penalties and interest, and all costs of suit, including attorneys' fees.
- c. You acknowledge that the Authority may assign this Contract or pledge the related Assessment and lien as security for bonds to finance the Improvements. You also acknowledge that the Authority may bind itself through a financing covenant which will require it to exercise its judicial foreclosure rights to recover the past due Assessment installments.

6. Financing or Refinancing of the Improvements.

- a. <u>Contract to Finance or Refinance Improvements.</u> The Authority agrees to use the Assessment and the Fee to finance or refinance the Improvements, including paying the Authority's reasonable costs of administering the Program, as long as you comply with the conditions for the financing or refinancing that the Authority sets. The financing or refinancing may be in the form of paying for the ownership of the Improvements or paying or prepaying for the energy or other output of the Improvements (subject to the requirements of Chapter 29). A third party may own the Improvements for tax purposes or otherwise.
- b. <u>Assessment Installments.</u> You agree to the assignment of this Contract, or the Authority issuing bonds to finance or refinance the installation of the Improvements. The interest rate used to calculate the Assessment installments can be found on <u>Exhibit B</u>. If the Authority decides in its sole discretion that based on the Certificates of Completion you provide to the Authority, the cost of the Improvements is less than the amount shown on <u>Exhibit B</u>, then it may reduce the Assessment installments, and after final payment of the cost of Improvements, the Authority will provide you with a schedule of annual Assessment installments that reflects annual installments that are less than those currently listed on <u>Exhibit B</u>. The Authority's decision will be final and conclusive.

7. Projects with Multiple Contractors and/or Improvements.

If you engage one or more contractors (each a "Contractor," including their designees) to install or construct one or more Improvements, the installation or construction of which Improvements will not be completed simultaneously, you and the Authority agree as follows:

- The Assessment will be calculated for the full scope of Improvements and the Authority will assign this Contract or issue bonds, starting the accrual of interest consistent with Section 3(a) of this Contract.
- ii. For a Contractor to obtain payment for an individual Improvement prior to completion of all Improvements you will be required to submit a Certificate of Completion.
- For completion of each subsequent Improvement you will be required to submit a Certificate of Completion.
- iv. Upon receipt of the final Certificate of Completion the Authority will cause the amount corresponding to the Improvement, both as stated in the final Certificate of Completion, to be paid to the Contractor which installed the Improvement provided, however, that:
 - a. If the balance of funds under this Contract exceeds the sum of all amounts of the Certificates of Completion, the Authority will cause such excess to be applied (i) to your next assessment payment due under this Contract, or (ii) to the reduction of the outstanding balance of the Assessment as calculated by the methodology outlined in Sections 3 and 4 of this Contract or
 - If the balance of funds under this Contract is less than the sum of all amounts of the Certificates of Completion, you shall be individually responsible for paying such

difference to the applicable Contractor, and such payment will be excluded from the Assessment under this Contract.

v. If for any reason any one or more of the Improvements listed in Exhibit A or a subsequent Addendum is not installed by the expiration date noted on the Notice to Proceed, the unutilized funds will be applied to the Assessment to reduce the outstanding balance.

8. Term.

Unless this Contract says otherwise, this Contract expires when the final payment or prepayment of the Assessment is made.

9. Contract Runs with the Land.

This Contract sets the rights and obligations that are for the Property's benefit, so the rights and obligations pass from you to a new property owner in the event the property is sold or ownership is otherwise transferred pursuant to Civil Code Section 1462.

10. Subdivision.

If the Property is subdivided before you pay off the Assessment, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, decides to allocate the Assessment in a different way.

11. Recording Documents.

You agree to authorize and direct the Authority to have the various notices (and other documents required by Chapter 29 and other applicable laws to be recorded against the Property), recorded in the County Recorder's office.

12. Notice.

If required by applicable law, you agree to provide written notice to the Property's subsequent purchaser that he is obligated to pay the Assessment pursuant to this Contract.

13. Waiver.

By signing this Contract you agree to waive:

- a. Any other applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot, **because** this Contract reflects your free and willing consent to pay the Assessment after a noticed public hearing;
- b. Your right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the Authority's actions in connection with the Program; and
- c. The right to recover from (and you also fully and irrevocably release the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from) any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) (the "Potential Damages"), relating to this Contract's subject matter that you may now have or later get against the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity (the "Other Related Parties"), because you agree that the Authority is entering into this Contract only to help you with the financing or refinancing of the installation of the Improvements,

and that the Authority and the Participating Entity have no responsibility of any kind for, and will not be liable as a result of installing, operating, financing, refinancing, maintaining or making the Improvements.

14. Responsibility.

You agree that you and your successors in interest to fee title in the Property will be solely responsible for installing, operating and maintaining the Improvements. You acknowledge that the Property will be responsible for paying the Assessment regardless of whether the Improvements are properly installed, operated, maintained, or perform as expected.

15. Section 1542 of the California Civil Code.

If the waivers and agreements in <u>Sections 11</u> and <u>12</u> are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, you intend the waivers and agreements in <u>Sections 11</u> and <u>12</u> to bar any and all Potential Damages, of any character, nature and kind, known or unknown, suspected or unsuspected, and you agree to waive any and all rights and benefits that you are granted by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

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

BY INITIALING BELOW, YOU HEREBY WAIVE THE PRO MATTERS WHICH ARE THE SUBJECT OF THE WAIVER: CONTRACT.	DVISIONS OF SECTION 1542 SOLELY REGARDING THE S AND RELEASES IN <u>SECTIONS 11</u> AND <u>12</u> OF THIS
Property Owner 1 Initials:	Property Owner 2 Initials:
Property Owner 3 Initials:	Property Owner 4 Initials:

The waivers, releases and agreements in <u>Sections 11, 12</u> and <u>13</u> will still apply after this Contract has terminated.

16. Indemnification.

You agree to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and the Other Related Parties, from and against all Potential Damages and any demands of any nature related directly or indirectly to, or arising out of or connected with (a) your participation in the Program, (b) the Assessment, (c) the Improvements, or (d) any other fact, circumstance or event related to this Contract's subject matter, regardless of whether the Potential Damages accrue before or after this Contract's effective date.

The provisions of this Section 14 will still apply after this Contract has terminated.

17. Right to Enter and Inspect.

You agree to grant the Authority, its agents and representatives: (a) the right to enter the Property to inspect the Improvements at any reasonable time, after reasonable notice, and (b) the right to examine and copy any documents that relate to the Improvements.

18. Carbon Credits.

You agree that the Authority or its assignees will own any carbon credits attributable to the Improvements.

19. Program Application.

You represent and warrant to the Authority that the information, and representations about yourself and the Property in the Program Application submitted to the Authority that relate to your request for financing are true and correct as of this Contract's effective date.

20. Amendment.

Except as mentioned in <u>Section 5.b.</u>, this Contract may only be modified if you and the Authority agree in writing.

21. Binding Effect.

This Contract is effective for the benefit of, and is binding on you, the Authority, and your and its respective successors and assigns.

22. Assignment.

The Authority may assign any or all of its rights and obligations under this Contract without your consent. The Authority plans to delegate some of its functions under this Contract to Figtree. The Authority may assign this Contract or pledge the related Assessment and lien as security for bonds to finance or refinance the Improvements. The obligation to pay the Assessment reflected in this Contract is the Property's obligation and nothing that you do can impair in any way any of the Authority's rights, including the Authority's rights to pursue judicial foreclosure of the Assessment lien and to enforce collection of the Assessment or any installment of the Assessment against the Property.

23. Exhibits.

Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if the entire Exhibit A and Exhibit B were included in this Contract.

24. Severability.

If any court of competent jurisdiction holds any provision of this Contract to be invalid or unenforceable, the holding will not invalidate or cause any other provision of this Contract to be unenforceable.

25. Supplements.

You and the Authority agree that you will, from time to time, sign, acknowledge and deliver, or have signed, acknowledged and delivered, any supplements to this Contract and any other documents that may reasonably be required in order to achieve this Contract's expressed purpose.

26. Governing Law and Venue.

This Contract will be interpreted and governed according to the laws of the State of California applicable to contracts made and performed in the State of California. This Contract will be enforceable in the State of California, and any action arising under this Contract will (unless the Authority waives it in writing) be filed and maintained in the Superior Court of California, County of Sacramento, except that actions to foreclose past due installments of the Assessment will be filed and maintained in the Superior Court of California in the County listed on Exhibit A.

27. Counterparts.

This Contract may be signed in several counterparts. Each counterpart will be considered an original, and all of the counterparts will be considered a part of the same contract.

28. Electronic Signatures.

- a. You and the Authority acknowledge and agree that this Contract may be signed by one or more electronic means ("Electronic Signatures"). You and the Authority agree that each of you will consider sending each other Electronic Signatures to be effective signature and delivery of this Contract by the sending party, and that the Electronic Signatures will be considered complete and satisfactory evidence of the sending party's intent for the signatures and this Contract's terms and conditions to bind the sending party. You and the Authority agree that Electronic Signatures will be considered original signatures for all purposes.
- b. You and the Authority agree to accept Electronic Signatures that you provide to each other as: (i) full and sufficient intent of each of you to have this Contract bind you, (ii) effective signature and delivery of this Contract, and (iii) making this Contract an original for all purposes, without the need for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.
- c. If Electronic Signatures are used to sign this Contract, you and the Authority agree to accept the terms of, and intend and sign this Contract by your Electronic Signature to this Contract.

29. Monitoring and Recording of Communications.

The Program may monitor and/or record telephone calls and other electronic communications for the purposes of security and customer service. By entering into this Contract you agree to have your telephone calls and other electronic communications with the Program monitored and/orrecorded.

30. Contract Documents.

You understand and acknowledge that the entire agreement between you and the Authority includes each and every document in the List of Documents on Exhibit B to this Contract (together, the "Contract Documents"). By signing this Contract you acknowledge and agree that:

- a. You have had enough time to review and have reviewed each of the Contract Documents and have had the opportunity to ask the Authority any questions that you may have about the Contract Documents.
- b. You have reviewed, understand, agree to and affirm each and every representation and warranty contained in your application.

Before signing this Contract, you have read and understood your acknowledgments and disclosures contained in the (a) Application, (b) the Financing Estimate & Disclosures, and (c) this Contract.

You must execute and return this Contract to the Authority so that it is received by the Authority no later than_____. If you fail to return this Contract, executed, by the indicated date, you may be required to enter into a new contract, the terms of which may differ from this Contract.

You and the Authority have signed this Contract, or (if you are signing on behalf of a legal entity) have had this Contract signed in your respective names by your respective duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date under the parties' signatures below.

Property Owner 1:	Property Owner 2:	Authority:
Name (please print)	Name (please print)	Name (please print)
Signature	Signature	Signature
Date	Date	Date

EXHIBIT A

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

operty Owner(s) Name(s):
operty Address:
PN:
articipating Entity:
ounty:
escription of Improvements:
e Improvements include:

EXHIBIT B

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

List of Contract Documents:

Description of Property:

The Contract consists of these documents:

- This Contract and the Exhibits;
- Any Addendum entered into pursuant to Section 4 of this Contract;
- The Application;
- The Right to Cancel;
- The Financing Estimate & Disclosures;
- The Completion Certificate or, pursuant to Section 7, each applicable Certificate of Completion;
- The Notice of Assessment;
 The Payment of Contractual Assessment Required;
- The Closing Statement

Schedule of Annual Assessment Installments:

1. Financing Terms

	· ·			
	Improvements Amount		\$	
	Term of Financing (Years)			
	Interest Rate			%
	APR			%
	Closing Date			
2.	Financing AmountSummary			
	Cost of Improvements		\$	
	Cost of Issuance (% of the Total Financing Amount)		\$	
	Capitalized Interest (based on closing date through)	\$	
	Total		\$	
			т	
3.	Annual AssessmentInstallments			
	Annual Debt Service (Principal & Interest):		\$	
	Annual Administrative Assessment:		\$	
	Total Annual Assessment		\$	

Schedule of Annual Assessment Installments

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Annual Ad min is t ra tive Assessment Fee	Total Contractual Ass e ss m e n t Pa y me nt

FOLLOWING THE FINAL PAYMENT TO THE CONTRACTOR FOR THE COST OF IMPROVEMENTS THE PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE FINAL COSTS AND ACTUAL FUNDING DATE. YOU WILL RECEIVE A CLOSING STATEMENT DETAILING THE ASSESSMENT, THE ACTUAL ANNUAL ASSESSMENT INSTALLMENTS, AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ASSESSMENT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND AMOUNT OF THE ANNUAL ASSESSMENT INSTALLMENTS WILL BE SPECIFIED IN A DOCUMENT ENTITLED "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED," WHICH WILL BE RECORDED WITH THE **COUNTY IN WHICH THE PROPERTY IS LOCATED.**

Prepayment:

You may prepay the Assessment, in whole or in any amount of at least \$1,500, at any time by paying by paying the sum of:

- all delinquent Assessment installments plus penalties accrued to the date of prepayment;
- the Prepayment Amount;
- interest on the Prepayment Amount to the later of the first March 2nd or September 2nd following the Funding Date, or the second business day of the second month following the date the prepayment is made;
 The Authority's reasonable cost related to the prepayment.

Ехнівіт С	
Authorized Improvements	

FIGTREE PACE

Eligible Energy & Water Efficiency Measures (the "Improvements")

The Program offers financing for a number of water and energy efficiency measures, solar systems, and other innovative, energy-saving measures. The energy and water efficiency measures listed in this section are meant to serve as examples of the types of measures that qualify for funding. The Authority and/or Program Administrator reserve the right to make a final determination as to whether any particular energy and/or water efficiency measure will ultimately qualify.

Energy Efficiency Equipment / Measures

- Lighting
- Lighting fixture replacement
- Dimmable lighting
- Air Conditioning & Heating
- Air heating, ventilation, and air conditioning systems
- Furnaces and boilers
- Air conditioners and condensing units
- Packaged terminal air conditioners and heat pumps
- Closed Loop Cooling
- Air conditioner condensate recovery
- Building Infrastructure & Management
- HVAC Duct Zoning
- Skylights
- Insulation
- Pipe insulation
- Exterior doors
- Occupancy sensors
- Heat rejection equipment
- Compressor controls
- Equipment scheduling
- Programmable thermostats
- Electric Vehicle Plug-In
- Building Equipment
- Refrigerated coolers
- Water chillers
- Variable Speed Drive pump motor upgrades
- Air handler fan upgrades
- Economizers
- Ozone laundry system
- Carbon Dioxide or Silicon based dry cleaning system
- Dry Hood Exhaust systems

Pool Equipment

- Pool circulating pumps (must be Variable Flow and/or Multi-speed with controllers)
- · Natural gas pool heaters

Solar Equipment / Renewable Energy Generation

Solar Panels or Photovoltaic (PV) Systems are solar cells that capture the heat from the sun and convert it directly into electricity. PV Systems that meet applicable fire and electrical code requirements qualify for Program funding. Such equipment may include solar leases where such leases meet requirements of the PACE Program.

Solar electricity generating equipment includes:

- Solar thermal systems (hot water)
- · Solar thermal systems for pool heating
- Photovoltaic systems (electricity)
- · Battery back-up systems will be allowed
- · Funding for off-grid systems will be allowed
- PV systems can be sized to accommodate plug-in electric vehicles
- · Plug in stations
- Emerging technologies
- Nano/thin film photovoltaic
- High intensity (parabolic solar panels)
- · Battery back-up systems will be allowed
- Funding for off-grid systems will be allowed

Other electricity generating equipment includes:

- Small wind turbines
- Fuel Cells

Water Conservation Measures

- High efficiency toilets
- Low flow shower heads
- Bathroom sink aerators
- Hot water delivery options
- · Hot water recirculation systems and on-demand hot water systems
- Whole house manifold system or core plumbing systems
- Demand initiation or instantaneous hot water heaters
- Demand initiated water softeners
- Hot water pipe insulation
- Evapotransportation irrigation systems or smart irrigation controllers
- · Permanently installed rainwater cisterns

- Matched precipitation rate sprinkler heads
- · High efficiency outdoor irrigation
- Pre-rinse spray valves
- Waterless urinals or low flow urinals
- Bathroom sink aerators
- · Industrial process water use reduction
- Recycled water source
- Deionization
- Filter upgrades
- Cooling condensate reuse
- Foundation drain water
- Cooling tower conductivity controllers
- High efficiency outdoor irrigation
- · Smart irrigation systems / controllers

ENERGY STAR

The Program provides financing for a wide range of Energy Star-rated efficiency measures which property owners can get rebates (and tax incentives) as well as Program Assessment Financing. Energy efficiency equipment that is Energy Star rated must meet the Energy Star minimum efficiency levels.

Energy Star requirements are anticipated to "ratchet up" to greater efficiency levels over time. Energy Star will also become more inclusive of technologies over time. Thus the Program will evolve with Energy Star and the market for energy-efficient technologies.

The following Energy Star measures - among others - are eligible:

- Attic and wall insulation
- Light fixtures (no bulb-only retrofits)
- Reflective roofs and coatings (Metal and Asphalt)
- Windows, doors, and skylights (including sliding glass doors, garage doors, storm doors and storm windows)
- HVAC: Central Air Conditioners, Air Source Heat Pumps, Furnaces and Boilers
- Water Heaters: Gas, Oil, & Propane Water Heaters, Electric Heat Pump Water
- Heaters
- Biomass Stoves
- Geothermal Heat Pumps
- Solar Panels
- Solar Water Heaters
- Small Wind Energy Systems

Electrical Vehicle Charging Infrastructure

· Vehicle charging station equipment

	•	Prior to financing a seismic improvement a property owner must secure written sign off from a professional engineer or architect, licensed in the State of California, stating the improvement will enhance the structural integrity of the property owner's building in the event of a seismic event.
--	---	--

EXHIBIT D Applications for Funding	

Application for Figtree PACE Financing for Commercial Properties

This Application requests the information we will need to determine your commercial property's eligibility for Figtree PACE financing. Filling out this Application will take about 15 minutes. Information found on your property tax bill and mortgage documents, if applicable, will help you complete this form. **There is no fee to apply.**

You may contact a Figtree PACE representative for assistance by calling 877-577-7373.

1. Determine the eligibility of your Commercial Property.

To q	ualify, ea	ch of the following statements must be 1	rue.			
True	False					
		I am/we are the property owner of record (Property taxes are current and have not be property, if less than 3 years.			or sinc	e owning the
		I am/we are not in bankruptcy and have no	nt he	en in hankruntov in the nast	5 vears	
		The property is not listed as an asset in a			youro.	
		There are no federal or state income tax lie property in amounts exceeding \$1,000.	ens,	judgment liens or similar invo	oluntary	liens on the
		r the following questions regarding mort	tgag	e(s) on the property.		
Yes						
		Is this property mortgaged? Is the mortgage in a Commercial Mortgage Is there an U.S. Small Business Administra				ın)
		If there is a SBA loan on the property, which \Box 7(a) Program	ch ty	oe of loan is it? ☐ CDC/504 Program		
If the	property	is mortgaged, the following statements	mus	st be True:		
True	False					
		The current mortgage balance does not ex (Use value as found on property tax bill or appraiser within the past 90 days.)				MAI Designated
		Mortgage payments on the property are cu or since owning the property, if less than 3			ent in th	e past 3 years
2.	Tell us a	bout your Commercial Property.				
Wha	t is the pl	nysical property address as listed on the	pro	perty tax record?		
	•			•	CA	
Street	Address		Cit	у	State	ZIP
Wha	t is the A	ssessor's Parcel Number(s) for the prop	ertv?	•		
			J. 17			
	ch of the f Factory	following best describes your Commerci		operty? Parking lot		
	•	otel/ Resort		· ·		
				Ranch or farm		
	HOA Club			Restaurant		
	Industrial			Retail/ Shopping mall		
		ily (5 or more units)		Warehouse		
	Office but	•		Winery or vineyard		
	Packing p	blant		Other:		
V50620	15					

3. Tell us about your Project.	
If known, what kind of improvements would you like □ Solar panels (photovoltaic)	te to finance? ☐ Low energy light fixtures and lighting controls
□ Solar panels (thermal hot water)	☐ HVAC (Heating/ Air Conditioning)
☐ Low flow water fixtures and toilets	□ Seismic structural improvements
☐ Low flow irrigation systems and controls	☐ High-efficiency windows
☐ Insulation and/or weatherization	☐ High-efficiency pool pumps
□ Efficient roofs	☐ Fuel cells
□ Skylights	☐ Electric vehicle plug-in (solar sourced)
□ Wind power	□ Other:
If known what is the estimated installed east of you	uur mrainat?
If known, what is the estimated installed cost of you \$	ui project?
<u> </u>	
If known, which contractor would you like to install	I/construct your improvements?
4. Tell us about the Property Owner ("Born	rower").
	. 0.00
Which best describes the property's legal ownershing Note: If the property is owned by an entity other than a	
identifying the entity's authorized signers.	, ,, ,
 □ Owned by individual(s) □ Owned by a trust □ Owned by a partnership, limited liability company. □ Other (please describe) 	v, or corporation
	n the property tax record? urity Number will be used to verify that Borrower is not in five years. Provide Borrower's Tax Identification Number if
Owner 1 Name	Tax Identification Number or Last four digits of SSN
Owner 2 Name	Tax Identification Number or Last four digits of SSN
Owner 3 Name	Tax Identification Number or Last four digits of SSN
Owner 4 Name	Tax Identification Number or Last four digits of SSN
Who is the owner's primary contact regarding PAC	E financing? (Owner or authorized representative)
Name/ Title Email	Preferred Phone
V5062015	

5. Tell us about the Mortgage. Skip to Section 6 if there is no mortgage on the property. For mortgaged properties, Figtree requires written Lender Acknowledgment to protect Borrower from potential breach of mortgage covenants, which may result in penalties and/or acceleration of the mortgage. Provide your mortgage lender's contact information below and submit the following with this Application: $\hfill \square$ A copy of the most recent mortgage statement □ A copy of the mortgage documents (including note, deed of trust or other mortgage agreement) Note: In order for Figtree to initiate the Lender Acknowledgment process, you must execute the form of Authorization to Furnish and Release Information attached to this Application. Lender 1 Name of Lending Institution or Lender Contact Name Email Phone Number Account Number Account Balance as of [Date of Balance] Lender 2 Name of Lending Institution or Lender Contact Name Email Phone Number Account Number Account Balance as of [Date of Balance]

6. Disclosures Regarding Assessment Financing

What is Figtree PACE? Figtree Financing ("Figtree") is the administrator of the Figtree PACE program, which has been adopted by the California Enterprise Development Authority ("CEDA") and certain cities and counties that are members of CEDA. Figtree PACE provides assessment financing to participating property owners pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10) for the installation of energy efficiency, water efficiency, renewable energy and seismic structural improvements (the "Improvements") that are permanently affixed to the owner's real property (the "Property").

Execution of Assessment Financing Contract. Each financing will be made pursuant to an Assessment Financing Contract between CEDA and Borrower. Subsequent to approval of this Application by Figtree, Borrower must enter into an Assessment Financing Contract with CEDA in order to obtain financing for qualified Improvements. Figtree will provide the Assessment Financing Contract to Borrower when the scope of Improvements has been finalized by a Figtree Registered Contractor and Lender Acknowledgment has been received, if applicable. Borrower must submit to Figtree a qualifying proposal for work and such proposal must be signed by both the issuing Figtree Independent Contractor and Borrower. Figtree will provide an estimated amortization schedule for the amount of financing required for the proposed improvements.

How it Works. The financing will be secured by and be repayable through an assessment lien levied against the Property (the "Assessment"). Each year until the financing is fully repaid, assessment installments (including principal, interest and administrative costs) will be collected on the property tax bill for the Property in the same manner and at the same time as general property taxes. Assessment installments will be subject to the same penalties, remedies (including foreclosure and sale of the property), and lien priorities as property taxes in the event of delinquency.

Priority of Lien. The Assessment and each installment thereof, and any interest and penalties thereon, will constitute a lien against the Property until paid even though prior to full payment the Property is conveyed to another person. The Assessment will be recorded against the Borrower's Property in the office of the County Recorder in the county in which the Property is situated. The Assessment will be paramount to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

Default of Other Agreements. Before completing this Application, Borrower should carefully review any agreement(s) or security instrument(s) which affect the Property or to which Borrower is a party. ENTERING INTO A FIGTREE PACE PROGRAM ASSESSMENT FINANCING CONTRACT WITHOUT THE ACKNOWLEDGMENT OF BORROWER'S EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE BORROWER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT.

Lender Acknowledgment (for Mortgaged Properties). <u>Under the Figtree PACE program, Lender Acknowledgment is required before financing is approved</u>. Figtree may assist with the Lender Acknowledgment process where applicable. If you, the Borrower, have any questions regarding any agreements or security instruments which affect the Property or to which you are a party or your authority to enter into an Assessment Financing Contract with CEDA, please consult with your own legal counsel and/or your lender(s). CEDA AND/OR FIGTREE STAFF WILL NOT PROVIDE PROPERTY OWNERS WITH ADVICE REGARDING EXISTING AGREEMENTS OR SECURITY INSTRUMENTS.

Figtree will assist Borrower with sending a written request of Lender Acknowledgment to all mortgage lenders listed in Borrower's mortgage loan agreement, promissory note, deed of trust, and/or other security agreements as applicable (collectively the "Mortgage Documents"), as listed in a title report obtained by Figtree.

If the mortgage is part of a Commercial Mortgage Backed Securities (CMBS) pool, Borrower may request Figtree to proceed with providing financing pursuant to this Application without obtaining a signed Lender Acknowledgment. Figtree will review such a request and may determine to proceed with providing financing subject to additional signed disclosures as required by Figtree.

Registered Contractor Requirement: Any work including purchase, construction and/or installation of Improvements on the Property must be performed by a contractor registered with the Figtree PACE program. Registered contractors must meet certain minimum qualifications including:

- Holding an active contractor's license of the appropriate kind as required by the CaliforniaState Contractors License Board for the Improvements,
- Maintaining Worker's Compensation insurance, and
- Maintaining a General Liability insurance policy in the minimum amount of \$1,000,000 peroccurrence,

Further information about registered contractors is available at http://www.figtreefinancing.com/contractors/.

Application Does Not Guarantee Financing: The obligations of CEDA to finance any Improvements are conditioned upon obtaining financing for the Improvements through the issuance of Financing Instruments, which may include bonds, notes or other instruments. The inability of CEDA to obtain such financing for any reason shall relieve CEDA of any and all of its obligations to the Borrower.

Acknowledgement

I/We acknowledge that I/we have received the Disclosures Regarding Assessment Financing and agree to the terms.

Authorized 1 Signature	Authorized 2 Signature	Authorized 3 Signature	Authorized 4 Signature	
Name (Please print)	Name (Please print)	Name (Please print)	Name (Please print)	
Date	Date	Date	Date	

7. Disclosures Regarding Interest Rates, Fees and Qualifications

Interest Rates and Terms Disclosures					
Interest Rate	The interest rate is market-based and determined at the time of financing. Current rates are between 4.50% to 6.99%.				
Minimum Financing	\$5,000				
Maximum Financing	Not to exceed 20% of the Total Property Value.				
Payments	Payment is due semi-annually at the same time as property taxes. Assessment installments are payable to the tax collector of the county in which the property is situated.				
Terms	Assessments are available in 5, 10, 15 and 20 year terms, not to exceed the useful life of the improvements. Due to the timing of payments through the property tax bill, payments may be amortized over a number of years one or two years fewer than the chosen assessment term depending on the date of project funding.				
Rebates and Incentives	Improvements may be eligible for rebates and/or incentives. Figtree does not assist with processing rebates and/or incentives. All processing of rebates and/or incentives is between the property owner and the party offering the rebate and/or incentive.				
No Personal Guarantee	Figtree PACE assessments are land-secured and require no personal guarantee.				
Capitalized Interest	Any interest accruing from the time of fund allocation to the next applicable debt service payment will be capitalized (added to the assessment). Figtree will notify the property owner of the estimated amount of capitalized interest before the property owner executes an Assessment Financing Contract.				

Fees	
Processing Fee	A fee of \$695 will be added to the total amount of the assessment at the time of closing. An additional \$100 charge will apply to each of any additional parcels in connection with the assessment. This fee pays for costs incurred to process the application, including a title report, and documentation fees for recording liens. This fee is included in the total amount of financing.
Annual Administrative Fee	An annual charge of up to \$30 for every \$1,000 of the <u>annual</u> assessment amount will be incurred for recovery of the program's administrative costs.
Cost of Issuance	Figtree charges a Cost of Issuance fee of up to 4% of the total financing to cover costs of issuing bonds to fund projects. This fee is not an out-of-pocket expense for the property owner, but apportioned from the total financing.
Progress Payment Fee (Incurred by Contractor)	A fee of \$495 will be charged to any Contractor requesting a progress payment for partially completed purchase, installation or construction of Improvements. Contractors may draw a total of two (2) progress payments in addition to a final payment for completed work.

Prepayment					
Prepayment Fee The assessment can be paid off prior to maturity at any time in increments of than \$5,000. A Prepayment Fee will be charged in the amount being prepaid to corresponding Prepayment Fee, according to the following schedule.					
If prepaid in years:	Prepayment Fee:				
Years 1 - 5	5%				
Years 6 - 10	3%				
Years 11 - 20	None				

Qualifications					
Legal Owner	Borrower must be the property owner of record.				
Current on Taxes	Borrower must be current on property taxes owed on the Property and must not have been delinquent in the past three (3) years or since owning the property, if less than 3 years.				
Current on Mortgage (if applicable)	If the property is mortgaged, the Borrower must be current on mortgage payments and must not have been delinquent in the past three (3) years or since owning the property, if less than 3 years.				
No Bankruptcy	Borrower must not be in bankruptcy and must not have been in bankruptcy in the past five (5) years. The property must not be an asset in bankruptcy.				
Value-to-Lien Not "Underwater"	The outstanding mortgage must not be an amount greater than the property's total assessed value (Owner must not be "underwater"). An appraised value can be used if the assessed total value is deemed inaccurate.				
Lender Acknowledgment	If the property is encumbered by a mortgage, deed of trust or other financing instrument, written lender acknowledgment of the PACE lien is required. See "Section 6: Disclosures Regarding Assessment Financing" of this Application for more information.				

Acknowledgement

I/We acknowledge that I/we have received the Disclosures Regarding Rates, Fees, and Other Information and agree to the terms. I/we also understand that a Figtree PACE financing amount and annual assessment payment will be calculated based on the fees and criteria described herein. Such financing amount and annual assessment payment will be presented on a not-to-exceed basis in the Assessment Financing Contract, which must be executed by the Property Owner prior to issuance of funds.

Authorized 1 Signature	Authorized 2 Signature	Authorized 3 Signature	Authorized 4 Signature
Name (Please print)	Name (Please print)	Name (Please print)	Name (Please print)
Date	Date	Date	Date

8. Assignment of Green Attributes to Figtree Financing

Certain Green Attributes may arise from the Improvements financed through the Figtree PACE program. Where applicable, Figtree Financing may aggregate Green Attributes from the Improvements.

Owner acknowledges that any Green Attributes, including renewable energy credits attributable to the Improvements, shall be owned by Figtree Financing.

Green Attributes

The undersigned participating Property Owner in the Figtree PACE program hereby provides and conveys all Green Attributes, including Renewable Energy Credits ("REC"), associated with all electricity generation from the Improvements to Figtree Financing. Property Owner represents and warrants that Property Owner holds the rights to all Green Attributes (including REC) from the Improvements, and Property Owner agrees to convey and hereby conveys all such Green Attributes (including REC) to Figtree Financing.

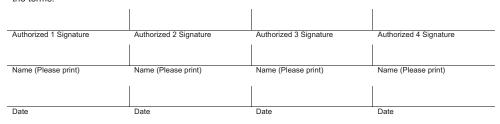
Definitions

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Improvements, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy.

"Renewable Energy Credit" has the meaning set forth in Public Utilities Code Section 399.12(f), as may be amended from time to time or as further defined or supplemented by Law.

Acknowledgement

I/We acknowledge that I/we have received the Assignment of Green Attributes to Figtree Financing and agree to the terms.



9. Declarations and Acknowledgments

By signing this Application below, the undersigned hereby declares under penalty of perjury under the laws of the State of California all of the following:

- 1. Ownership: I/(we) am/(are) current owner(s) of record of the Property described herein.
- 2. No Bankruptcy: I/(we) have not, and the Property described herein has not, been involved in a bankruptcy proceeding in the past five (5) years.
- 3. No Delinquency: I/(we) have been current on all mortgage(s) or other loan(s) secured by the Property and all property taxes for the past (3) three years, or since owning the Property if less than 3 years.
- 4. Information: That (i) the information provided in this Application is true and correct and (ii) that I/(we) understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties and liability for monetary damages to the California Enterprise Development Authority ("CEDA") and/or the City and County Agencies in which the Property resides, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/(we) have made in this Application.
- 5. Assessment Financing Contract Authority: I/(we) am/(are) applying for assessment financing pursuant to the Figtree PACE program. I/(we) understand that I/(we) must execute an Assessment Financing Contract with CEDA in order to receive financing and I/(we) have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver the Assessment Contract, this Application, and the various documents and instruments referenced herein.
- 6. Default of other agreements: I/(we) have read the "Default of Other Agreements" and "Lender Acknowledgment" provisions in the Disclosure Regarding Assessment Financing and understand that participation in the Figtree PACE financing program will require the acknowledgment of my/our mortgage lender if the property is mortgaged and a lender may not grant acknowledgment in some cases. Obtaining the lender's acknowledgment prior to executing the Assessment Financing Contract is required, with exception for mortgages held in a CMBS pool as described in Section 6: Disclosures Regarding Assessment Financing.

7. Improvements Representations:

- a. I/(we) agree that the selection of product(s), equipment, and/or measures referenced in this Application (the "Equipment"), the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and the decision regarding the purchase, installation and ownership maintenance of the Equipment is/are my/(our) sole responsibility and that I/(we) do not rely upon any representations or recommendations of Figtree, the Figtree PACE program, CEDA and/or the City and County Agencies in which the property is situated, in making such selection or decision.
- b. I/(we) understand that Figtree, the Figtree PACE program, CEDA and/or the City and County Agencies in which the Property is situated, makes no warranty, whether express or implied, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, use or application of the Equipment.
- c. I/(we) agree that Figtree, the Figtree PACE program, CEDA and/or the City and County Agencies in which the property resides, has no liability whatsoever concerning (i) the quality or safety of the Equipment, including its fitness for any purpose, (ii) the estimated energy savings produced by the Equipment, (iii) the workmanship of any third parties, (iv) the

- installation or use of the Equipment including, but not limited to, any effect on indoor pollutants, or any other matter with respect to the Figtree PACE program.
- d. I/(we) understand that I/(we) is/are responsible for meeting the requirements and complying with all the applicable Federal/State/County/City laws and any agreement which affects the use of the Property.
- 8. Indemnification and Waiver of Claims: I/(we) agree to indemnify, and waive the right to recover from, CEDA, Figtree, any City or Countyfrom and against all losses, liabilities, claims, damages, etc. arising out of this Financing including (i) Documents, (ii) the Improvements, (iii) any breach or default by me/(us), (iv) damage to my Property, (v) personal injury or death, (vi) merchantability and fitness of Improvements, (vii) the amount of energy savings,(viii) the workmanship of third parties, and (ix) any other matter with respect to this the Figtree PACE program.

Acknowledgement

I/We acknowledge that I/we have received the Declarations and Acknowledgments and agree to the terms.

Authorized 1 Signature	Owner 2 Signature	Owner 3 Signature	Owner 4 Signature
Name (Please print)	Name (Please print)	Name (Please print)	Name (Please print)
Date	Date	Date	Date

Apr	olication Attachments Checklist	
Plea App	use check to see if any of the following apply. If so, please submit the supporting documents with this lication by mail to our office at 9915 Mira Mesa Blvd, Suite 130, San Diego, CA 92131 or by email to ications@figtreefinancing.com. Please include your name and property address in the subject line.	
	Copy of pages of incorporation or supporting documents which identify authorized signers (if applicable)	
	This will be used to verify Applicant has the authority to sign the Assessment Financing Contract on behalf of the corporate entity.	
	Copy of most recent mortgage statement (if applicable) Copy of mortgage documents (if applicable)	
	Signed Authorization to Furnish and Release Information (See following page, if applicable)	
	If ownership entity is a not-for-profit corporation:	
	Copy of Balance Sheet and Statement of Profit & Loss (last 12 months)	
V5062	015	

Authorization to Furnish and Release Information To: Name of Mortgage Lender Date RE: Loan Number: Borrower Name(s): Property Address: Property City, State, ZIP: Last 4 Digits of Social Security Number or Tax Identification Number __[Borrower], currently residing at ____ [Current Address], County of___ _, hereby authorize_ _[Mortgage Lender] State of to discuss, release, furnish and provide information related to my Loan Number___ Figtree Company, Inc. (DBA Figtree Financing), 9915 Mira Mesa Boulevard, Suite 130, San Diego, California 92131 and authorize Figtree Financing to obtain lender acknowledgment from you for our PACE financing. Signed by: Authorized 1 Signature Authorized 2 Signature Authorized 3 Signature Authorized 4 Signature Name (Please print) Name (Please print) Name (Please print) Name (Please print) Date Date Date Date V5062015



This application (this "Application") is for your participation in the Homeowner PACE Financing program (the "Program"). Through the Program, a statewide public agency called the California Enterprise Development Authority ("CEDA") provides property assessed financing for installation of renewable energy, energy and water efficiency products, or electric vehicle charging stations (that are permanently fixed to real property) (the "Improvements") to residential homeowners like you.

Together, you and any other owner(s)/ trustee(s) of the property which is the subject of this Application (your "Property") are referred to in this Application as "you".

CEDA uses Figtree Company, Inc. ("Figtree Financing") as the administrator of the Program. Figtree Financing will provide you with financing once it approves the Improvements, and you and CEDA sign the Homeowner PACE Financing Contract (your "Contract").

ACKNOWLEDGMENTS & REPRESENTATIONS

As an applicant, you must meet the requirements listed below to qualify for financing under the Program.

By signing this Application, you acknowledge and represent to the best of your knowledge that you meet the requirements listed below.

- 1. You are the owner of record of the Property.
- 2. Your Property is a residence with three (3) or fewer units.
- Together, the total debt secured by the property plus the PACE financed amount cannot exceed 100% of the property value. In San Diego, the total cannot exceed 95%.
- You are current on your property taxes and have not been late more than once in paying your property taxes in the past three (3) years.
- You are current on your mortgage and/or home equity debt and have not been late in paying your mortgage or other debts secured by your Property more than once in the past twelve (12) months.
- 6. You have not filed for or declared bankruptcy in the past two (2) years, and your Property is not an asset in a bankruptcy proceeding. If the Property is located In the City of San Diego, you have not declared bankruptcy in the last seven (7) years.
- 7. There are no involuntary liens totaling over \$1,000 and no federal or state tax liens against your Property. If the Property is located in the City of San Diego, it is not subject to any involuntary liens.
- 8. Your Property is not subject to any Notice of Default (as described further below).
- 9. You will not receive financing under the Program for more than fifteen percent (15%) of the value of the property, up to the first seven hundred thousand dollars (\$700,000) of the value of the property, and is for less than ten percent (10%) of the remaining value of the property above seven hundred thousand dollars (\$700,000).

Requirement to Sign Your Contract: You understand that you must sign your Contract with CEDA before your project can be financed. You are authorized (and have received the consent of any third party whose consent you require) to sign and deliver your Contract, this Application, and the various documents and instruments referenced in this Application. If applying on behalf of a trust, corporation, or partnership you will be required to provide documentation indicating the agents who have authority to act on behalf of the entity.

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Lien Priority: You understand that financing under the Program is provided pursuant to your Contract, and will be repayable through your property tax bill as an assessment levied against your Property. An assessment will be recorded against your Property in the county in which your Property is located. Each year until the financing is fully repaid, assessment installments (including principal, interest and administrative costs) will be collected through the property tax bill for your Property in the same way and at the same time as general property taxes. Assessment installments will be subject to the same penalties, remedies (including foreclosure and sale of your Property), and lien priorities as property taxes in the event of delinquency.

Permission to Obtain Credit Report: You authorize Figtree Financing to obtain a credit report for you (including for any owner(s) or trustee(s) whose social security numbers are provided in this Application).

Correct Information: The information provided in this Application is true and correct and you understand that any intentional or negligent misrepresentation(s) of the information in this Application may result in civil liability and/or criminal penalties and liability for monetary damages to CEDA and/or the agencies of the City and County in which your Property is located (the "Agencies"), their respective agents, successors and assigns, insurers and any other person who may suffer any loss because they rely on any misrepresentation which you have made in this Application.

Figtree Financing Registered Contractor: The following requirements must be completed in order:

- 1. The Improvements must qualify for financing according to the Program guidelines.
- The Registered Contractor (your "Contractor") installing or constructing the Improvements on your Property must be registered with the Program.
- 3. The project details must be submitted and approved by Figtree Financing prior to financing ("Project Details").
- You must receive a Notice to Proceed from Figtree Financing before any purchase, installation or construction of the Improvements may begin.
- Once you sign a Certificate of Completion (indicating that the Improvements have been installed), Figtree Financing will pay your Contractor directly for the approved Project Details amount.

Representations: By signing below, you make the following representations:

- 1. You agree that the selection of products, equipment and/or measures, manufacturers, dealers, suppliers, contractors and/or installers, and the decision regarding the purchase, installation, and ownership maintenance of the Improvements is your sole responsibility and that you do not rely on any representations or recommendations of CEDA, Figtree Financing, the Program, and/or the Agencies, in making such selection or decision.
- You understand that CEDA, Figtree Financing, the Program, and/or the Agencies make no warranty, whether express or implied, including, without limitation, the implied warranties of merchantability and fitness for any particular purpose, use or application of the Improvements.
- You understand that you are responsible for meeting the requirements and complying with all of the applicable federal, state, county and city laws and any agreement which affects the use of your Property, including homeowners' association regulations, if any.
- You understand that your contractor is not an agent or employee of CEDA, Figtree Financing, the Program, and/or the Agencies.

Carbon Credits: You agree that any carbon credits arising from the Improvements, if any, will be held jointly by CEDA and Figtree Financing for the benefit of the Program.

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Indemnification and Waiver of Claims: You agree to indemnify and waive the right to recover from CEDA, Figtree Financing, and any of the Agencies, from and against all losses, liabilities, claims, damages, etc. including incidental and consequential, arising out of this financing including (i) any related financing documents, (ii) the Improvements, (iii) any breach or default by you, (iv) damage to your Property including, but not limited to, any effect on indoor pollutants, (v) personal injury or death, (vi) merchantability and fitness of the Improvements, (vii) the amount of energy savings, (viii) the workmanship of third parties, and (ix) any other matter with respect to the Program.

DISCLAIMERS

Repayment on Property Tax Bill: Your payments will be added to your property tax bill. Your first installment is due before the First Payment Deadline. The Total Annual Payment amount will be added to your property tax bill each year for the life of the assessment, unless prepaid.

Property taxes and assessments, including the amount of your PACE assessment, must be paid in full when due. If not paid in full when due, the county may reject the payment and your assessment may become delinquent.

If you pay your property taxes with your mortgage through an impound account, you must notify your mortgage provider to increase the property tax portion of your mortgage payment or be prepared to pay the Total Annual Payment amount with other funds. If you pay property taxes directly to the county tax collector you must pay the amount of the installment in addition to your regularly scheduled property taxes and assessments.

Default of Other Agreements: You may be required to pay off your PACE assessment in full in order to sell or refinance your property. Fannie Mae and Freddie Mac policies prohibit the purchase of mortgages on properties having PACE liens. As a majority of homebuyers seeks loans that conform to Fannie Mae and Freddie Mac guidelines, the number of buyers of properties with PACE liens may be limited. Lenders may allow PACE assessments to remain on the property if a limited subordination agreement is in place. You or your lender may contact Figtree Financing to obtain a limited subordination agreement.

A prospective buyer's, mortgage provider may require you to pay the remaining balance in full if you sell your Property. Your mortgage provider may require you to pay the remaining balance in full if you refinance your Property.

BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY CEDA. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING

Late Payments: Penalties and late fees may be charged by the county tax collector for late property tax payments.

This Application Does Not Guarantee Financing: CEDA's obligation to finance is contingent on securing the consent and participation of the local municipality in which your property is located. CEDA's obligation to finance the Improvements is conditioned on CEDA's ability to get financing for the Improvements through the issuance of financing instruments, including

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bonds, notes or other instruments. CEDA will no longer be obligated to you to finance the Improvements if it is not able to get such consent or financing for any reason.

Determining the Value of Your Property: Figtree Financing may use an automated valuation model ("AVM") to determine the estimated market value of your Property. You have a right to receive a copy of the AVM report used in connection with this Application. The AVM report is not an appraisal; it is produced by a statistical model that derives your Property's estimated market value. We will promptly give you a copy of any automated valuation model report, even if you do not receive funding under the program. You can pay for an additional report or appraisal for your own use at your own cost.

Interest Rate: The assessment will be levied at a fixed rate of interest to be set at the time your Contract is signed. The rate may change between the time of this Application and the closing of your financing. Your interest rate will be presented in your financing contract. That interest rate is good for 90 days from the date of contract being issued.

Administrative Fee: An administrative fee of \$35 per year will be added to the annual assessment on your property tax bill.

Capitalized Interest: Depending on the date the assessment is levied against your Property, the first payment may not be due until the next year's property tax due date. Any interest accruing from the date of financing until the next applicable September 2nd will be added to the assessment.

Closing Fee: A closing fee will be added to the project amount to complete the financing. This amount will not exceed 4.99% of the total financed amount.

Tax Benefits: Consult a professional tax advisor about the financial impact of tax credits, tax deductibility and other possible tax benefits that may arise from PACE financing and the selected improvements.

Foreclosure: CEDA will determine each fiscal year whether any annual assessment is past due and will have the right and obligation to initiate a foreclosure proceeding against your Property in order to recover the past due payment, penalties, interest, and associated costs in the manner provided and to the extent permitted by applicable law.

Prepayment: You may prepay all or any portion of the PACE assessment at any time. Partial prepayments must be made in increments of \$1,500. In the event of prepayment, the assessment will re-amortize and your Annual Payment will be reduced. There is no penalty fee for partial or full prepayments.

Verification and Inspection: The Program reserves the right to perform verification and/or inspection of the Improvements to ensure compliance with eligibility requirements. Figtree Financing may require you to provide documentation including, but not limited to, sales receipts, contractor invoices, serial numbers or other identifiers, packing slips or other documentation originally attached to the Improvements. Figtree Financing may perform an on-site inspection or require photographs of the installed Improvements even if municipal permit inspections have been performed. If an on-site inspection is required, Figtree Financing will schedule the inspection with you at any reasonable time with reasonable notice. Figtree Financing reserves the right to conduct online monitoring of generation data produced by any installed renewable energy system. Additionally, Figtree Financing may track energy consumption and utility usage of the Improvements using utility bill data. By submitting this Application, you also agree to sign applicable documentation required for the Program to obtain energy generation data and utility bill data so that energy savings goals of the Program can be evaluated.

DISCLOSURES

Equal Credit Opportunity Act (ECOA) Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants (i) on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), (ii) because all or part of the applicant's income derives from any public assistance program, or (iii) because the applicant has (in good faith) exercised any right

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under the Consumer Credit Protection Act. The federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Fair Credit Reporting Act Notice: Figtree Financing will request a consumer report of your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

Housing Financial Discrimination Act of 1977 Fair Lending Notice: It is illegal to discriminate in the provision of or in the availability of financial assistance on the basis of: (i) trends, characteristics of or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice, or (ii) race, color, religion, sex, marital status, domestic partnership, national origin or ancestry. These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one- to four-unit family residences occupied by the owner and for the purpose of the home improvement of any one- to four-unit family residence.

Patriot Act Disclosure. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identities each person who opens an account. What this means for you: As part of applying to the Program, the Authority may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Authority may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.

Communications with Legal Advisers. If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with the Authority without the prior consent of your existing lender(s), the Program strongly encourages you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.

Condo/Townhouse	CITY Manufactured/Mobile Hom	STAT	TE ZIP		
Condo/Townhouse	= Manufactured/Mahila Ham				
Condo/Townhouse	= Manufactured/Mahila Ham				
	□ Manufactured/Mobile Hom	e 🗆 Multi-f	family Home (1-3 units)		
□ Trust, Partnership, Corporation □ Unknown					
EMAIL ADDRE	SS F	PHONE			
rent from Property Addres	ss)				
	CITY	STAT	TE ZIP		
	EMAIL ADDRE	EMAIL ADDRESS Frent from Property Address)	EMAIL ADDRESS PHONE rent from Property Address)		

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OWNER 1 / AUTHORIZED NA	AME	DATE OF E	BIRTH	SOCIAL SECURITY NUMBER
PHONE		EMAIL		
OWNER 2 / AUTHORIZED NA	AME	DATE OF E	BIRTH	SOCIAL SECURITY NUMBER
PHONE		EMAIL		
OWNER 3 / AUTHORIZED NA	AME	DATE OF E	BIRTH	SOCIAL SECURITY NUMBER
PHONE		EMAIL		<u> </u>
OWNER 4 / AUTHORIZED NA	AME	DATE OF E	BIRTH	SOCIAL SECURITY NUMBER
PHONE		EMAIL		
For Trust, Partnership, o	r Corporation Complete the F	ollowing:		
NAME OF ENTITY				
WHAT KIND OF PROJE	CT ARE YOU CONSIDERIN	G? (Check	All That Apply)	
□ Solar	□ Heating and Air Condition	oning	□ Cool Roofing	and Wall Coatings
□ Windows and Doors	□ Water Efficient Landsca	ping	□ Insulation and	d Weatherproofing
□ Other, please explain:				

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	I acknowledge and represent to the best of my knowledge that I and any other owners of the property meet the qualifications in the Acknowledgments & Declarations and Disclaimers & Disclosures.							
	I certify that the property taxes for this property have not been paid late during the prior three (3) years or since purchase if owned for less than three (3) years.							
	I am authorizing Figtree Financing to obtain a credit report for each property owner and/or authorized individual whose social security number and date of birth is provided in this Application.							
	I declare that I have received, read and understand the risks and requirements of the Homeowner PACE Program described in the Acknowledgments & Declarations and Disclaimers & Disclosures set forth in this Application.							
0	WNER 1 / AUTHORIZED SIGNATURE	DATE	OWNER 2 / AUTHORIZED SIGNATURE	DATE				
0	WNER 3/ AUTHORIZED SIGNATURE	DATE	OWNER 4 / AUTHORIZED SIGNATURE	DATE				

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Seismic improvements

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Staff Report	
Action	Appoint officers of the California Enterprise Development Authority (the
Requested	"Authority").
Description of	The Board of Directors is authorized to appoint a Vice Chair, Treasurer, and a
Action	Secretary for the Authority. The Board of Directors is also authorized to appoint
	assistant officers as the Board of Directors deems necessary. More information of
	these positions are specified under Article III of the Joint Exercise of Powers
	Agreement. The Board of Directors shall take action to appoint a Vice Chair,
	Treasurer, and a Secretary. The Board of Directors shall also confirm that the
	Chair of the Board of Directors maintains custody of the Authority's funds.