

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, November 7, 2024

Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWnkIk.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

+16699006833,,83090950409#,,,,*866446# US (San Jose)

+13462487799,,83090950409#,,,,*866446# US (Houston)

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda

a. Approve Minutes from October 24, 2024.

b. Approve Resolution No. 24-20 of the California Enterprise Development Authority Approving Associate Membership by the City of La Verne in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to the Associate Membership of the City in the Authority.

2. Approve Resolution No. 24-21 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2024-1, Authorizing the Execution and Delivery of an Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.

3. Update CEDA PACE Program Report.

4. Review and approve 2024 CEDA Audit and Audit findings.

5. Approve Willdan Financial Services' Proposal to Provide Assessment District Administration Services for the California Enterprise Development Authority.

Public Comment

Chair 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 Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

City of Vista
(Contact Larry Vaupel)
200 Civic Center
Vista, CA 92084

Opportunity Stanislaus
(Contact Dave White)
1625 I Street
Modesto, CA 95354

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Rural County Representatives of
California (Contact Robert Burris)
1215 K Street, Suite 1650
Sacramento, CA 95814

City of West Sacramento
(Contact Aaron Laurel or
Sandra Barcenas)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

City of Carson
(Contact Eric Romero)
701 E. Carson Street
Carson, CA 90745

City of Ontario
(Contact Jennifer Hiramoto)
303 E. B Street
Ontario, CA 91764

Josh Metz
(Contact Josh Metz)
5753 Desoto Dr.
Santa Rosa, Ca 95409

This agenda can be obtained at <https://ceda.caed.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. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
REGULAR MEETING
TELECONFERENCE MEETING
CEDA BOARD OF DIRECTORS

10:30 A.M.
Thursday, October 24, 2024
Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409
Passcode: 866446

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:33.

Roll Call

Members Present:

Robert Burris
Eric Romero
Gurbax Sahota
Dave White

CALED Management/Staff Present:

Michelle Stephens

Public:

Sam Balisy, Kutak Rock
Mike Bolen, Sage Hill School
Chad Christoff, Stifel
Stephen Kelly, Stifel
Jill Livermore, Sage Hill School
Patricia Merz, Sage Hill School
David Mnatsakanyan, Kutak Rock

Statement of Disclosure

None

Action Items

1. Consent Agenda
 - a. Approve Minutes from September 26, 2024.

Motion: Board Member Dave White made the motion to approve the Consent Agenda. Board Member Eric Romero seconded the motion on the floor.

The motion passed with the following roll call vote:

Robert Burris	Yes
Eric Romero	Yes
Gurbax Sahota	Yes
Dave White	Yes

2. Approve Resolution 24-19 of the California Enterprise Development Authority Authorizing the Issuance of Tax-Exempt and/or Taxable Revenue Bonds in One or More Series to Finance, Refinance And/or Reimburse the Cost of Acquisition, Construction, Improvement, Renovation, Furnishing and Equipping of Educational

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Facilities for the Benefit of Sage Hill School, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Approving and Authorizing the Execution of Certain Documents Herein Specified.

Discussion: Representatives from Sage Hill School provided background on the project. Discussion ensued.

Motion: *Board Member Eric Romero made the motion to approve Resolution 24-19. Board Member Bob Burris seconded the motion on the floor.*

The motion passed with the following roll call vote:

Robert Burris	Yes
Eric Romero	Yes
Gurbax Sahota	Yes
Dave White	Yes

Public Comment

None

Chair Report

Chair Sahota gave the Board updates on future meetings and the timeline of the Dividend termination.

Other Business

None

Adjournment

Dave White made the motion to adjourn the meeting. Bob Burris seconded the motion on the floor.

Chair Gurbax Sahota adjourned the meeting at 10:46 am after the roll call vote.

The motion passed with the following roll call vote:

Robert Burris	Yes
Eric Romero	Yes
Gurbax Sahota	Yes
Dave White	Yes

RESOLUTION NO. 24-20

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF LA VERNE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO THE ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

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 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, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

WHEREAS, the City of La Verne (the “City”) wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City into the Authority as an associate member;

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

Section 1. The City is hereby admitted as a new associate member of the Authority.

Section 2. The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this November 7, 2024, 2024.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 7, 2024.

By _____
Michelle Stephens, Assistant Secretary

Staff Report

<p>Action Requested</p>	<p>Approve Resolution No. 24-21 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2024-1, Authorizing the Execution and Delivery of an Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.</p>
<p>Borrower Description</p>	<p>The series of the bonds are in an amount not to exceed \$11,000,000. The proceeds of such bonds will be used to make property-assessed energy efficiency improvements to parcels within the PACE District.</p> <p>The bonds will go towards Home2Suites, a new construction hotel in Pittsburg, CA. Of the issued bonds, PACE-eligible costs include:</p> <ul style="list-style-type: none"> • \$4.1MM of energy efficiency • \$2.2MM of water efficiency • \$2.7MM of seismic improvements • \$2.8MM of related soft costs
<p>Public Benefits</p>	<p>The Program seeks to provide multiple benefits to those property owners who are desirous of the following:</p> <ul style="list-style-type: none"> • Saving money by reducing their utility bill • Improving their residence or business • Promoting energy conservation • Stimulating the local economy <p>The Program provides a local stimulus to the economy through local energy conservation-related job creation.</p> <p>Added benefits include:</p> <ul style="list-style-type: none"> • Sales tax revenues from energy and water efficiency improvement installations • Fee revenues from permits issued for the Construction Work • Cleaner communities <p>For property owners, the benefits include:</p> <ul style="list-style-type: none"> • A no-money-down means of financing energy and water efficiency improvements • Fixed-rate assessment financing repaid and amortized up to 20 years • Financing without requiring a property appraisal • Reduced utility costs through energy efficiency improvements
<p>Eligibility and Policy Review</p>	<p>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 Policies and Procedures:</p> <ul style="list-style-type: none"> • The payments to be made under the bond documents 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. Pursuant to California Government Code Section 5852.1, the Purchaser has provided certain required information to CEDA as set forth on Attachment I of Resolution 18-14.

Recommendation	Staff recommends approval of Resolution No. 24-21 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2024-1, Authorizing the Execution and Delivery of an Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.
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CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION NO. 24-21

RESOLUTION AUTHORIZING THE ISSUANCE OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (PACE-M1) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2024-1, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE AND BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER RELATED DOCUMENTS AND ACTIONS NECESSARY TO THE DELIVERY OF SUCH BONDS

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 (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 commercial property (the “Property”) in consideration for the financing of the installation of the Improvements to be affixed to their Property; and

WHEREAS, the Authority desires at this time to provide for the funding of the Program by the authorization of the issuance of not to exceed \$11,000,000 California Enterprise Development Authority Commercial Property Assessed Clean Energy (PACE-M1) Limited Obligation Improvement Bonds, Series 2024-1 (the “2024-1 Bonds”) pursuant to that certain Indenture of Trust (as amended from time to time, the “Indenture”), by and between the Authority and Wilmington Trust, National Association, or another trustee designated by the Authority from time to time (the “Trustee) (the “Indenture”) on file with the Secretary of the Authority; and

WHEREAS, the Series 2024-1 Bonds shall be issued pursuant to Section 5898, et seq. of the California Streets and Highways Code and the Assessment District Act of 1915 (codified at California Streets and Highways Code Section 8500 et seq.); and

WHEREAS, the Series 2024-1 Bonds are secured by the assessments and each installment thereof (the “Assessment Installments”), including interest and penalties thereon, and the Assessment Liens shall constitute a lien against the Property on which they are recorded, until the same shall be paid; and

WHEREAS, pursuant to California Streets and Highways Code Section 8769, the Authority will not obligate itself to advance any funds to cure any deficiency which may occur in the redemption fund created under the Indenture; and

WHEREAS, the Authority shall assign its rights to receive said Assessment Installment payments to the Trustee pursuant to the Indenture; and

WHEREAS, the Series 2024-1 Bonds will be sold pursuant to the Bond Purchase Agreement to CleanFund LLC, or another assignee of CleanFund LLC, as purchaser (the “Purchaser”); and

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Series 2024-1 Bonds, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Purchaser.

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 authorizes the issuance of the Series 2024-1 Bonds in the principal amount not to exceed \$11,000,000.00 and the sale of the Series 2024-1 Bonds to the Purchaser pursuant to the terms of the Bond Purchase Agreement. The Series 2024-1 Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of

the principal of, redemption premium, if any, and interest on, the Series 2024-1 Bonds shall be made solely from payment of assessment liens made by the property owners pursuant to their assessment contracts and certain moneys held under the Indenture, and the Series 2024-1 Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received from the payment of assessment liens by property owners.

Section 3. The Chair or the Vice Chair of the Board of Directors of the Authority (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 Indenture and the Bond Purchase Agreement each 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 the Authority’s counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authority hereby authorizes the issuance of the Series 2024-1 Bonds upon the terms as provided in the Indenture in a principal amount of up to \$11,000,000.00. The Series 2024-1 Bonds shall mature not more than 30 years from the second day of September following the issuance thereof. The Series 2024-1 Bonds shall be payable as to interest on March 2 and September 2 commencing the first such date following the issuance thereof, with optional and mandatory redemption provisions of principal thereof as set forth in the Indenture.

Section 5. The interest rate on the Series 2024-1 Bonds, the costs of issuance and other Program expenses to be funded from the net available proceeds of the Series 2024-1 Bonds shall be in such amounts as provided in the Indenture and a requisition signed by an Authorized Signatory.

Section 6. The Series 2024-1 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 Indenture.

Section 7. The Series 2024-1 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Series 2024-1 Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Purchaser, in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Series 2024-1 Bonds to the Purchaser in accordance with the Bond Purchase Agreement, upon payment of the purchase price thereof.

Section 8. 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 and of the Indenture to effect the execution, authentication and delivery of the Bonds to the Purchaser, including, without limitation:

giving the written order of the Authority for the authentication and delivery of the Bonds by the Trustee, furnishing of appropriate certificates, closing documents and other documents contemplated by this Resolution, the Indenture, or the Bond Purchase Agreement. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

Section 9. 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, or any redemption, purchase or defeasance of the Series 2024-1 Bonds, 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.

Section 10. All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Series 2024-1 Bonds, as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

Section 11. 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 7th day of November, 2024.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

By _____
Michelle Stephens, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 7, 2024

By _____
Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO PROPERTY ASSESSED CLEAN ENERGY BONDS

Pursuant to California Government Code Section 5852.1, CleanFund LLC, as the purchaser of the Bonds (the “Purchaser”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as issuer, prior to the Authority’s regular meeting on November 7, 2024 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of property assessed clean energy bonds in the aggregate principal amount not to exceed \$11,000,000 (the “Obligations”).

1. The Purchaser provided the Authority with the required good faith estimates relating to the Obligations as follows, calculated assuming a final par amount of the Obligations of \$10,561,795:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 7.941%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$310,000.
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$8,738,375 (assumes interest paid with proceeds of the Obligations in the amount of \$1,513,443).
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$29,302,776 (assumes all finance charges are paid from proceeds of the Obligations).
2. The good faith estimates provided above were presented to the governing board of the property owner obligated to the repayment of the bonds, or presented to the official or officials or committee designated by the governing board of the property owner to obligate the property owner in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the property owner having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Purchaser. The Authority is authorized to make this document available to the

public at the Meeting of the Authority.

~~FIGTREE~~

CEDA

PACE

~~Administered by Dividend
Finance Inc.~~

Program Report

Revised: ~~August 11,~~
~~2022~~ , 2024

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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 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, electric vehicle charging stations, seismic strengthening, wildfire suppression and safety improvements (to the extent authorized by the California Streets and Highways Code), 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. It has been periodically amended to authorize improvements promoting electric vehicle charging infrastructure, seismic strengthening, and wildfire suppression and safety.

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-212*)
- **Draft Assessment Contracts** between a Property Owner and the Authority specifying the terms and conditions of the financing (*See Exhibit B*)

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.

B. Issuing Agency

California Enterprise Development Authority (CEDA)
2150 River Plaza Drive, Suite 275
Sacramento, CA 95833
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.

C. Program Administrator

~~Dividend Finance Inc. (“Dividend”): Dividend is a PACE project originator and capital provider headquartered in San Francisco, CA. Dividend is a subsidiary of Fifth Third Bancorp (NASDAQ: FITB). The Authority has designated Dividend as the Program Administrator for the Program. Dividend offers programs that enable capital for environmentally friendly products and services.~~

[Program Administrators are responsible for implementing the Program. Program Administrators operate independently under the guidelines described in this Program Report.](#)

[Current Program Administrators](#)

[CleanFund LLC](#)
[5695 Castle Dr.](#)
[Oakland, California 94611](#)
[Telephone: 415-517-2582](#)

D. 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.

E. 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.

F. 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, Assembly Bill 1883 in 2014, Assembly Bill 2063 in 2018, and Senate Bill 465 in 2018. 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, seismic strengthening, electric vehicle charging infrastructure, and wildfire suppression and safety 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 jurisdictions at any time.

G. Program Administration

The Program is sponsored by the Authority, which is authorized to form assessment districts on behalf of the Participating Agencies and enter into Assessment Contracts with Property Owners. ~~Dividend has been retained by the~~The Authority ~~as the~~retains Program ~~Administrator~~Administrators 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.

H. Funding Plans

In order to provide funding that suits the economics of energy efficiency, renewable energy, water conservation, seismic strengthening, and wildfire suppression and safety improvements 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 a 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.

I. 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; a Property Owner may contact [thea](#) Program Administrator to verify availability in a specific area.

J. 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 council or county board of supervisors. Interested cities and counties should contact [thea](#) 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). [TheA](#) Program Administrator will generate pro forma 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. In lieu of passing its own resolution adopting the Program, a city within a participating county may opt-in to the county 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. [TheA](#) Program Administrator will facilitate the adoption of such documents by the joining municipality based on form documents approved by the Authority.

K. 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, electric vehicle charging stations, and wildfire suppression and safety improvements, all of which meet certain standards set forth by [thea](#) 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.

L. Changes to Report

[TheA](#) 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.

[TheA](#) 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 (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
- 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 zoned and/or classified as Commercial (including Industrial, Multifamily, etc.)

ELIGIBLE COMMERCIAL PROPERTY CLASSIFICATIONS

Under the Program, Commercial property is defined as improved real property designated for non-residential 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) | • Houses of Worship |
| • Manufacturing/Industrial | • Hotel |
| • Office | • Retail/Wholesale |
| • Shopping Centers | • Restaurants |

B. Eligible Improvements

The Program accommodates a wide range of property improvements, consistent with the following provisions, to the extent authorized by the California Streets and Highways Code.

- Authorized Improvements must be permanently fixed to the Property and/or defined by a qualified energy audit or appraisal as real 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 strengthening
 - Wildfire suppression safety
 - 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, electric vehicle charging, seismic resiliency or wildfire suppression improvements that provide new ways to save or generate energy or water, recharge electric vehicles, or, in the in case of seismic and wildfire suppression improvements, are reasonably deemed to provide enhanced structural protection in the event of a seismic or wildfire 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, title search fees, drafting, engineering, application fees, permit fees, processing fees, environmental screening and site assessment 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 (see section D below). 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 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. Given appropriate notice and reasoning, [the](#) Program Administrator may waive the time limitation with written approval of CEDA.

D. Eligible Contractors

The Program Administrator will maintain a database list of Eligible Contractors who have met the requirements listed below. Property Owners are encouraged to obtain project bids from multiple contractors, and a contractor identified by the Property Owner may be added to the list once it demonstrates compliance with the requirements listed below.

An Eligible Contractor must:

- Maintain an active and updated business license and registration with the California Secretary of State
- Hold active and appropriate licensing through the California State Licensing Board to conduct the installation and construction of the Eligible Improvements
- Maintain a General Liability insurance policy in the minimum amount of \$1,000,000 per occurrence. The Program Administrator may, at its discretion, request that the Eligible Contractor add the Program Administrator to its General Liability insurance policy.

E. Administrative Costs

It is anticipated that standard fees for placing special assessments on the tax roll will apply, and the Program Administrator has the option to include those fees in the financed amount.

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:

- **Cost of Issuance Fee:** ~~The funded amount includes a one time administration fee of up to five percent (5.00%) and not less than one percent (1.00%) of the principal amount of the assessment on the Property to cover the additional transaction costs of the Program.~~ costs of issuance fee is a one-time fee used for expenses associated with administration of the Program and issuance of the bonds, including closing fees paid to the Authority, fees paid to other entities responsible for Program administration and management, fees of issuer and bond counsel to the Authority, trustee fees, as well as other related costs of issuance of any bond.
- **Annual Administrative Fee:** ~~A charge of up to three percent (3.00%) and not less than seventy-five basis points (0.75%) of the total annual assessment amount will apply for cost recovery. This administrative cost recovery will be added to the annual assessment amount.~~ The annual ongoing administrative fee is used for ongoing administrative expenses incurred by the Program in connection with collecting Assessments and the administration and management 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 total assessment amount.

F. Application Process

Step 1: Define the Scope of Work and Budget

The Property Owner should define the project's scope of work and obtain bids from one or more 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 [DividendA Program Administrator](#) in order for [DividendA Program Administrator](#) to determine the amount of financing required and to verify that all proposed Authorized Improvements qualify under the Program underwriting standards.

Step 2: Apply and Get Approved for Financing

[DividendA Program Administrator](#) will issue a written Financing Estimate or Letter of Intent that contains the project's PACE financing terms. The Property Owner can accept those terms by applying for funding through [thea](#) Program Administrator and being preliminarily approved for participation in the Program based on qualification criteria.

The Property Owner submits the Application together with its required supporting documents to [thea](#) Program Administrator via email or by mail: [at the address provided in Section I.](#)

~~Dividend Finance Inc.
Attention: Commercial PACE Program~~

~~3661 Valley Centre Drive, Suite 250 San Diego, CA 92130~~

Questions regarding the status of an Application should be directed to [thea](#) Program Administrator toll free at ~~(877) 577-7373~~[the telephone number provided in Section I.](#)

[TheA](#) Program Administrator determines whether each Application is complete and acceptable per Program guidelines. Incomplete Applications will not be accepted.

Step 3: Lender Consent

For mortgaged commercial properties, the Program requires that the mortgage lender(s) 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, [DividendA Program Administrator](#) has instituted the lender consent requirement to protect Property Owners from potential violations of their mortgage contracts.

Once [thea](#) Program Administrator has determined an applicant's eligibility for funding and the amount of funding required for the proposed project, [thea](#) Program Administrator will include the proposed scope of work and budget to the mortgage lender as part of the consent approval package.

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 acknowledgement 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. [TheA](#) Program Administrator will send notices requesting lender acknowledgement (the "Lender Acknowledgement

of Voluntary Assessment”) 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”), or those recipients as designated by the Property Owner. The Lender Acknowledgement of Voluntary Assessment (“Lender Acknowledgement”) 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 does not return the Lender Acknowledgement of Voluntary Assessment, specifically states it does not consent, or if the Lender communicates rejection of the acknowledgement request by any other means, the Property Owner may not participate.

Step 4: Execute Assessment Documents

Once the Scope of Work and Budget have been approved and Lender Acknowledgement has been obtained (if Property is mortgaged), ~~the~~ Program Administrator will provide the Property Owner with an Assessment Financing Contract (the “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 unless such payment or reimbursement has been expressly approved in advance by ~~the~~ Program Administrator.

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, or to the Property Owner either at the Eligible Contractor’s express request or if the Property Owner is being reimbursed for

project costs it already incurred and paid for.

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, seismic retrofit, electric vehicle charging infrastructure and wildfire suppression 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.

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 the 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. **The Homeowner PACE Program was suspended in March 2019. No new residential PACE assessment financing has been offered since.**

The Residential PACE Program is currently suspended, and no new Residential PACE Applications will be accepted. All existing assessments will be allowed to remain in force and active until such time as they mature or are paid off.

V. 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 ~~Dividenda Program Administrator~~ thea Program Administrator as follows: Written notice may be sent by certified mail to ~~thea~~ thea Program Administrator. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), and a timeline of events.

~~The~~ A 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~~ A Program Administrator shall render a written decision within thirty (30) calendar days and send that decision to the Property Owner. The decision of ~~thea~~ thea 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 ~~thea~~ thea 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 ~~thea~~ thea 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 ~~thea~~ thea Program Administrator is lower than the fair market value of the Property, the Property Owner may appeal to ~~thea~~ thea 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 ~~thea~~ thea Program Administrator. ~~The~~ A Program Administrator, at its discretion, may accept an appraisal and increase the financeable amount provided the appraisal is greater than the value determined by ~~thea~~ thea Program Administrator. The mortgage lender, if applicable, must also consent to this valuation. ~~The~~ A 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 ~~thea~~ thea Program Administrator within 90 days after ~~thea~~ thea

Program Administrator provides notice of the action taken on the Property Owner's Application.

VI. PROGRAM AND FUNDING DISCLOSURES

A. Funding Amount and Terms – Commercial Properties

1. Minimum Property Value

A property must have an assessed or current appraised value of at least \$1,000,000 to be considered eligible for the Program.

2. Minimum Assessment Funding Amount

The minimum assessment funding amount is \$100,000.

3. Maximum Assessment Funding Amount

The maximum assessment funding amount is typically twenty percent (20%) of the total property value; properties will be reviewed on a case-by-case basis for funding exceeding 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 one (1) year prior to the date of funding.

The interest rate shall be based on market conditions and can fluctuate until funding occurs.

[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 believes that the assessed values do not accurately reflect the market value, an appraisal may be authorized and ordered by [the](#) Program Administrator. 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.

4. Funding Term

The term of funding is up to a maximum of 39 years, but not to exceed the useful life of the Authorized Improvements installed. Terms of various lengths are available subject to the useful life determination.

B. 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 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.

C. 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.

D. 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.

E. 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.

F. 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.

VII. EXHIBITS

- A. Participating Municipality Maps
- B. Template Assessment Contract
- C. Authorized Improvements
- D. Application for Financing

EXHIBIT A: Participating Municipality Maps

Participating Agency	Date Adopted	Participating Agency	Date Adopted
City of South San Francisco	February 22, 2012	City of Benicia	August 18, 2015
City of Pittsburg	March 5, 2012	City of Larkspur	August 19, 2015
County of Kern	March 13, 2012	City of Vallejo	August 25, 2015
City of Dublin	March 20, 2012	City of Santa Cruz	August 25, 2015
City of Redlands	March 20, 2012	City of Hanford	September 1, 2015
City of Rancho Cordova	April 15, 2012	City of Suisun City	September 1, 2015
County of Alameda	April 24, 2012	City of Tiburon	September 2, 2015
City of Clovis	May 21, 2012	City of Oakland	September 8, 2015
City of Elk Grove	May 31, 2012	City of Mission Viejo	September 8, 2015
City of Yuba City	August 16, 2012	City of San Rafael	September 9, 2015
City of Kingsburg	August 16, 2012	City of Novato	September 15, 2015
City of Fresno	October 18, 2012	City of Madera	September 16, 2015
City of San Diego	October 23, 2012	City of Union City	September 22, 2015
City of Commerce	November 20, 2012	County of Humboldt	September 22, 2015
City of Palm Springs	December 19, 2012	City of Camarillo	September 23, 2015
County of Butte	March 26, 2013	City of Mill Valley	October 5, 2015
City of San Marcos	April 23, 2013	City of Belvedere	October 12, 2015
City of Vista	April 23, 2013	City of Thousand Oaks	October 20, 2015
City of Santee	April 24, 2013	City of Tracy	October 20, 2015
City of Chico	June 4, 2013	City of Millbrae	October 27, 2015
City of Oroville	June 4, 2013	City of Shasta Lake	November 3, 2015
City of Oceanside	June 5, 2013	County of Yuba	November 3, 2015
Town of Paradise	July 9, 2013	City of Sausalito	November 10, 2015
County of San Diego	August 6, 2013	City of Fontana	November 10, 2015
City of Turlock	August 13, 2013	City of Loma Linda	November 10, 2015
City of Hawthorne	August 13, 2013	City of Glendora	November 10, 2015
City of Lomita	August 19, 2013	City of Brea	November 17, 2015
City of El Segundo	August 20, 2013	City of Colma	January 16, 2016
City of Stockton	August 27, 2013	City of Huntington Beach	January 19, 2016
City of Rancho Palos Verdes	September 9, 2013	Town of Atherton	January 20, 2016
City of Hermosa Beach	September 10, 2013	City of Glendale	April 5, 2016
City of Anaheim	October 8, 2013	City of Corcoran	April 12, 2016
City of Gardena	October 8, 2013	City of Piedmont	May 16, 2016
City of Rolling Hills	October 14, 2013	City of San Leandro	June 6, 2016
City of Lemon Grove	November 19, 2013	City of Fremont	June 21, 2016
City of San Jose	December 3, 2013	City of Rancho Cucamonga	July 6, 2016
City of Carlsbad	December 3, 2013	City of Claremont	July 26, 2016

City of Solana Beach	March 26, 2014	City of Riverside	August 23, 2016
City of Escondido	April 9, 2014	City of Huntington Park	September 6, 2016
City of Santa Paula	April 21, 2014	City of Berkeley	September 20, 2016
City of El Cajon	April 22, 2014	City of Belmont	September 30, 2016
City of Inglewood	April 29, 2014	City of Gilroy	October 3, 2016
City of Waterford	May 1, 2014	City of Yreka	October 6, 2016
County of Monterey	May 14, 2014	City of Martinez	October 19, 2016
City of Imperial Beach	May 21, 2014	City of San Bernardino	January 23, 2017
City of Willows	May 27, 2014	City of Cupertino	February 7, 2017
City of Cypress	June 1, 2014	City of Weed	February 9, 2017
City of Encinitas	June 11, 2014	City of Santa Clarita	February 17, 2017
City of Oakdale	June 16, 2014	City of Ione	February 21, 2017
City of Lancaster	June 24, 2014	City of Corning	February 28, 2017
City of Rolling Hills Estates	June 24, 2014	City of Citrus Heights	March 9, 2017
City of Reedley	June 24, 2014	City of Blue Lake	March 14, 2017
City of South Lake Tahoe	July 15, 2014	City of La Mirada	March 14, 2017
City of Salinas	July 22, 2014	City of Ferndale	March 15, 2017
City of Concord	July 23, 2014	City of Atwater	March 27, 2017
City of Foster City	August 4, 2014	County of Mariposa	April 4, 2017
City of Orland	August 4, 2014	City of Arcata	April 5, 2017
City of Beaumont	August 19, 2014	City of Jackson	April 24, 2017
City of National City	August 19, 2014	City of Brentwood	April 25, 2017
City of South Pasadena	August 20, 2014	City of Marysville	May 16, 2017
City of Poway	September 2, 2014	County of Glenn	May 16, 2017
City of Chowchilla	September 9, 2014	City of Upland	May 22, 2017
County of San Mateo	September 9, 2014	City of Sunnyvale	June 6, 2017
Town of Woodside	September 9, 2014	City of Mount Shasta	June 12, 2017
City of Simi Valley	September 15, 2014	City of Duarte	June 13, 2017
City of Monrovia	September 16, 2014	City of Nevada City	June 14, 2017
City of Walnut Creek	September 16, 2014	City of Portola Valley	June 28, 2017
City of Redwood City	September 23, 2014	City of Morro Bay	July 11, 2017
County of Merced	October 21, 2014	City of Greenfield	July 11, 2017
City of Hayward	October 28, 2014	City of Santa Monica	July 25, 2017
City of Selma	November 5, 2014	City and County of San Francisco	September 5, 2017
City of San Pablo	November 17, 2014	City of Ukiah	September 20, 2017
City of San Clemente	November 19, 2014	City of Petaluma	October 2, 2017
City of Oakley	November 19, 2014	City of Plymouth	October 12, 2017
City of Live Oak	November 20, 2014	City of Firebaugh	November 6, 2017
City of Newport Beach	November 25, 2014	City of Livingston	November 21, 2017
City of Palmdale	December 3, 2014	City of Milpitas	November 21, 2017
City of Del Mar	December 15, 2014	City of Lathrop	December 4, 2017

City of Antioch	December 16, 2014	City of Mammoth Lakes	December 20, 2017
City of Richmond	December 16, 2014	City of Pleasanton	January 24, 2018
City of San Ramon	January 13, 2015	City of Ceres	February 12, 2018
City of Westminster	January 15, 2015	City of Red Bluff	March 6, 2018
City of Santa Ana	January 20, 2015	County of Fresno	March 6, 2018
City of Eureka	January 20, 2015	City of Fort Bragg	March 12, 2018
City of Kerman	January 26, 2015	City of Point Arena	March 27, 2018
City of Lafayette	January 27, 2015	City of West Covina	April 3, 2018
City of Pleasant Hill	February 9, 2015	City of Morgan Hill	April 24, 2018
City of Redding	February 17, 2015	City of Truckee	May 8, 2018
City of San Mateo	February 17, 2015	City of Brisbane	May 17, 2018
County of Sacramento	February 24, 2015	City of Twentynine Palms	May 22, 2018
City of La Mesa	March 10, 2015	City of Moorpark	August 1, 2018
County of Mono	March 17, 2015	City of Pismo Beach	August 7, 2018
City of Indian Wells	March 19, 2015	City of Torrance	September 25, 2018
Town of Danville	March 20, 2015	City of Azusa	September 26, 2018
City of Ventura	March 30, 2015	City of Victorville	November 20, 2018
City of El Cerrito	March 30, 2015	City of Oxnard	November 27, 2018
City of Burlingame	April 6, 2015	City of Sacramento	January 22, 2019
City of Long Beach	April 7, 2015	County of San Benito	June 2, 2020
City of Galt	April 7, 2015	Town of Apple Valley	October 19, 2021
County of Solano	April 14, 2015	City of Alameda	October 19, 2021
City of Laguna Beach	April 21, 2015	City of Patterson	October 19, 2021
City of Colton	April 21, 2015		
City of Cloverdale	April 22, 2015		
City of Clearlake	April 23, 2015		
City of Windsor	May 6, 2015		
County of Sonoma	May 17, 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	July 21, 2015		
Town of San Anselmo	July 28, 2015		
Town of Fairfax	August 5, 2015		
City of Porterville	August 18, 2015		
City of Chula Vista	August 18, 2015		

County of Alameda Boundary Map

The boundary of the Assessment District shall be the same as the County of Alameda Boundaries as modified from time to time, and the complete County of Alameda Boundary Map is on file with the Office of the County Engineering Department, County of Alameda and is incorporated herein by reference.



County of Kern Boundary Map

The boundary of the Assessment District shall be the same as the County of Kern Boundaries as modified from time to time, and the complete County of Kern Boundary Map is on file with the Office of the County Engineering Department, County of Kern and is incorporated herein by reference.



City of South San Francisco Boundary Map

The boundary of the Assessment District shall be the same as the City of South San Francisco Boundaries as modified from time to time, and the complete City of South San Francisco Boundary Map is on file with the City Engineering Department, City of South San Francisco and is incorporated herein by reference.



City of Dublin Boundary Map

The boundary of the Assessment District shall be the same as the City of Dublin Boundaries as modified from time to time, and the complete City of Dublin Boundary Map is on file with the City Engineering Department, City of Dublin and is incorporated herein by reference.



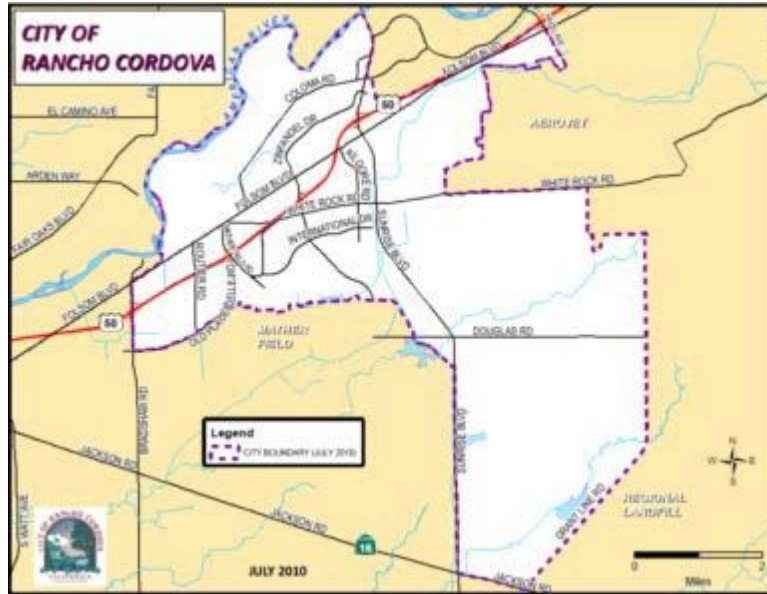
City of Pittsburg Boundary Map

The boundary of the Assessment District shall be the same as the City of Pittsburg Boundaries as modified from time to time, and the complete City of Pittsburg Boundary Map is on file with the City Engineering Department, City of Pittsburg and is incorporated herein by reference.



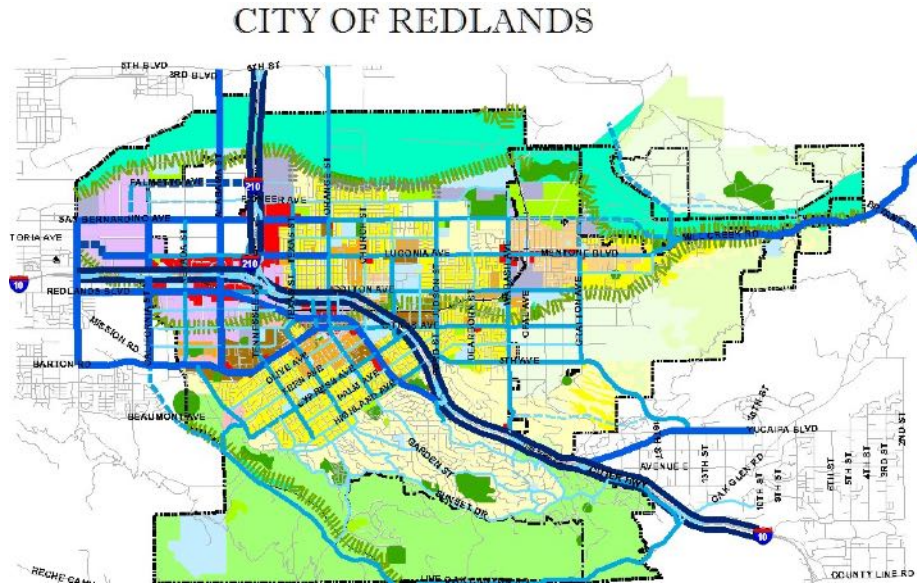
City of Rancho Cordova Boundary Map

The boundary of the Assessment District shall be the same as the City of Rancho Cordova Boundaries as modified from time to time, and the complete City of Rancho Cordova Boundary Map is on file with the City Engineering Department, City of Rancho Cordova and is incorporated herein by reference.



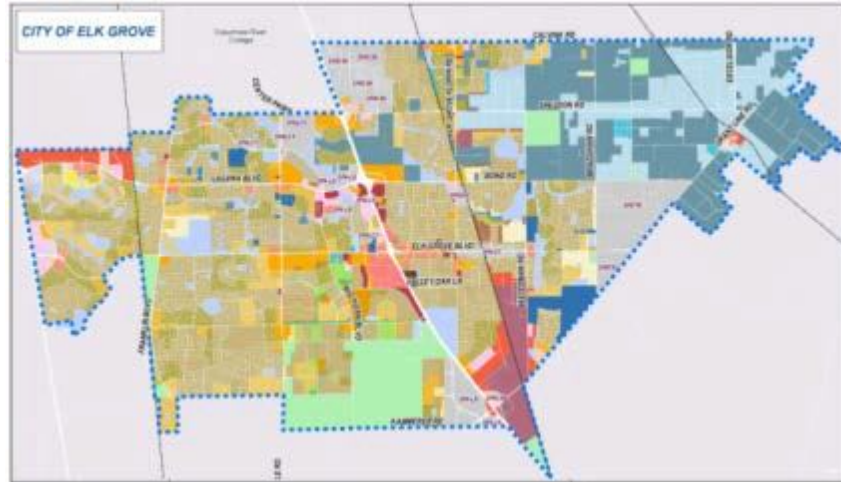
City of Redlands Boundary Map

The boundary of the Assessment District shall be the same as the City of Redlands Boundaries as modified from time to time, and the complete City of Redlands Boundary Map is on file with the City Engineering Department, City of Redlands and is incorporated herein by reference.



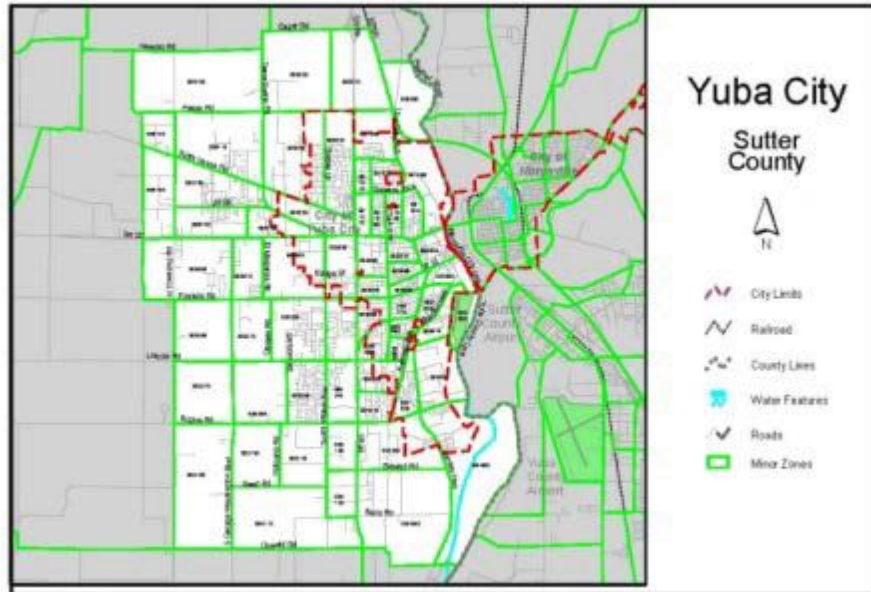
City of Elk Grove Boundary Map

The boundary of the Assessment District shall be the same as the City of Elk Grove Boundaries as modified from time to time, and the complete City of Elk Grove Boundary Map is on file with the City Engineering Department, City of Elk Grove and is incorporated herein by reference.



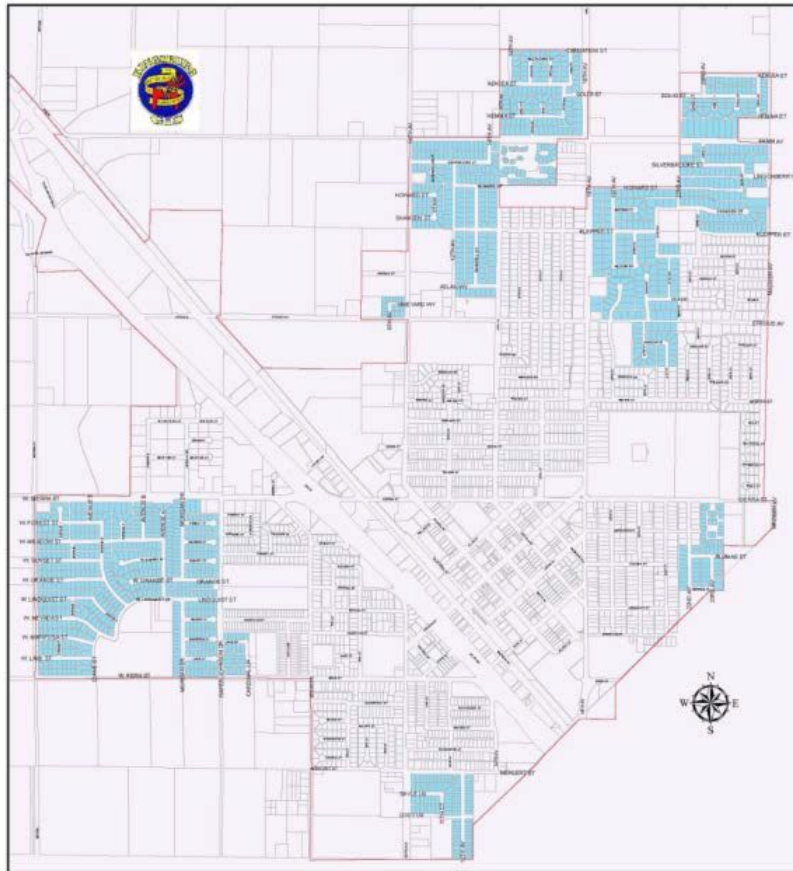
City of Yuba City Boundary Map

The boundary of the Assessment District shall be the same as the City of Yuba City Boundaries as modified from time to time, and the complete City of Yuba City Boundary Map is on file with the City Engineering Department, City of Yuba City and is incorporated herein by reference.



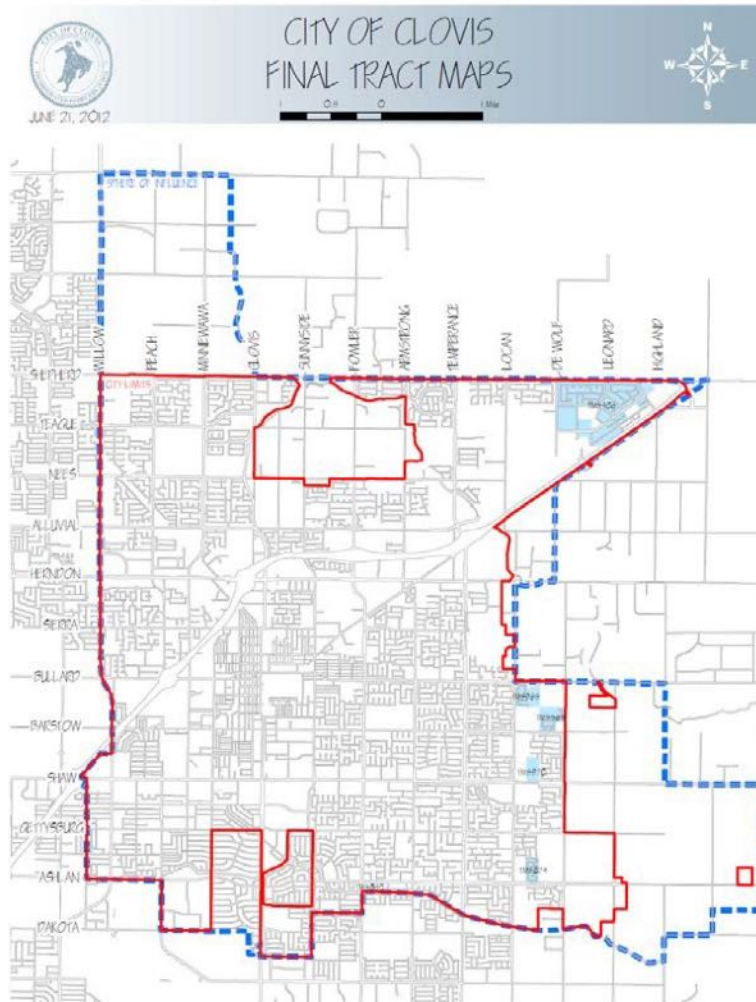
City of Kingsburg Boundary Map

The boundary of the Assessment District shall be the same as the City of Kingsburg Boundaries as modified from time to time, and the complete City of Kingsburg Boundary Map is on file with the City Engineering Department, City of Kingsburg and is incorporated herein by reference.



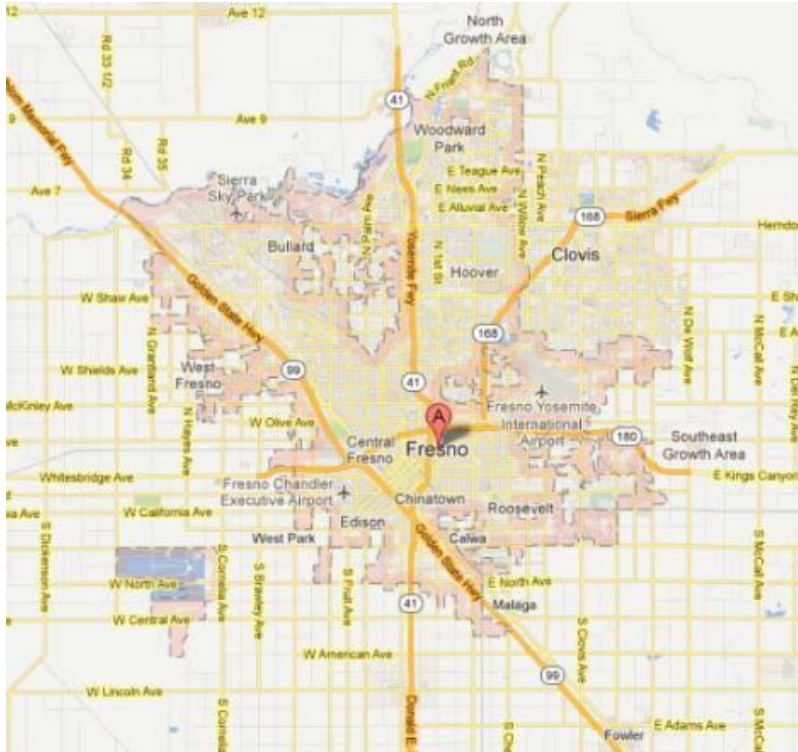
City of Clovis Boundary Map

The boundary of the Assessment District shall be the same as the City of Clovis Boundaries as modified from time to time, and the complete City of Clovis Boundary Map is on file with the City Engineering Department, City of Clovis and is incorporated herein by reference.



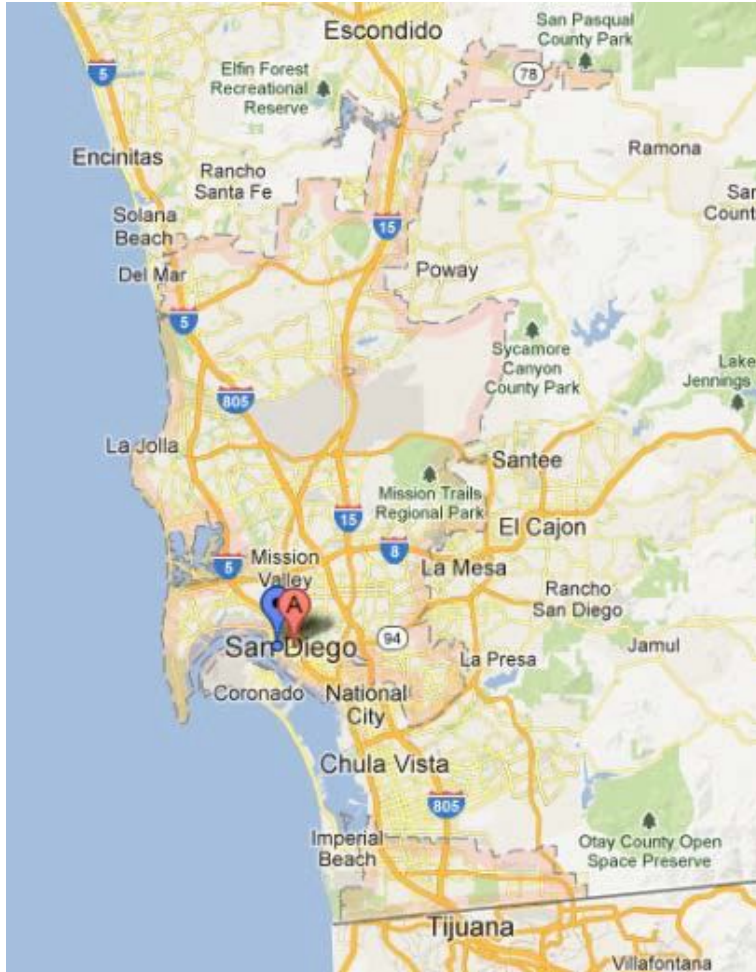
City of Fresno Boundary Map

The boundary of the Assessment District shall be the same as the City of Fresno Boundaries as modified from time to time, and the complete City of Fresno Boundary Map is on file with the City Engineering Department, City of Fresno and is incorporated herein by reference.



City of San Diego Boundary Map

The boundary of the Assessment District shall be the same as the City of San Diego Boundaries as modified from time to time, and the complete City of San Diego Boundary Map is on file with the City Engineering Department, City of San Diego and is incorporated herein by reference.



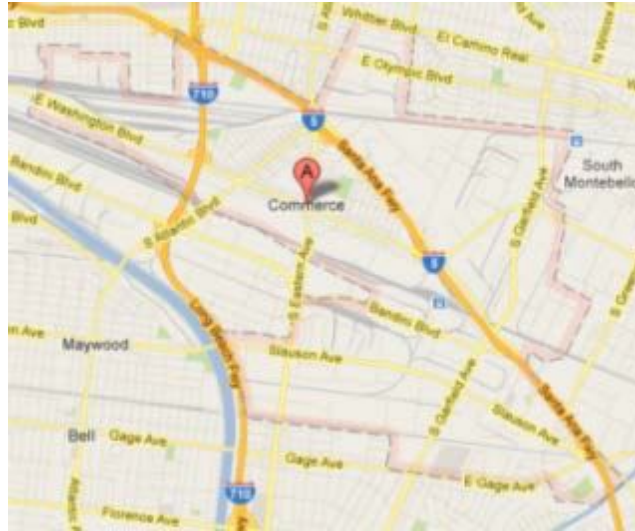
City of Palm Springs Boundary Map

The boundary of the Assessment District shall be the same as the City of Palm Springs Boundaries as modified from time to time, and the complete City of Palm Springs Boundary Map is on file with the City Engineering Department, City of Palm Springs and is incorporated herein by reference.



City of Commerce Boundary Map

The boundary of the Assessment District shall be the same as the City of Commerce Boundaries as modified from time to time, and the complete City of Commerce Boundary Map is on file with the City Engineering Department, City of Commerce and is incorporated herein by reference.



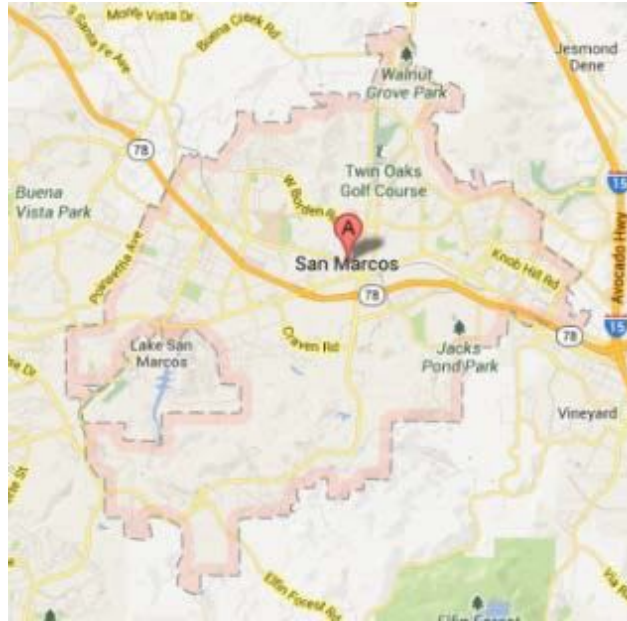
County of Butte Boundary Map

The boundary of the Assessment District shall be the same as the County of Butte Boundaries as modified from time to time, and the complete County of Butte Boundary Map is on file with the County Engineering Department, County of Butte and is incorporated herein by reference.



City of San Marcos Boundary Map

The boundary of the Assessment District shall be the same as the City of San Marcos Boundaries as modified from time to time, and the complete City of San Marcos Boundary Map is on file with the City Engineering Department, City of San Marcos and is incorporated herein by reference.



City of Vista Boundary Map

The boundary of the Assessment District shall be the same as the City of Vista Boundaries as modified from time to time, and the complete City of Vista Boundary Map is on file with the City Engineering Department, City of Vista and is incorporated herein by reference.



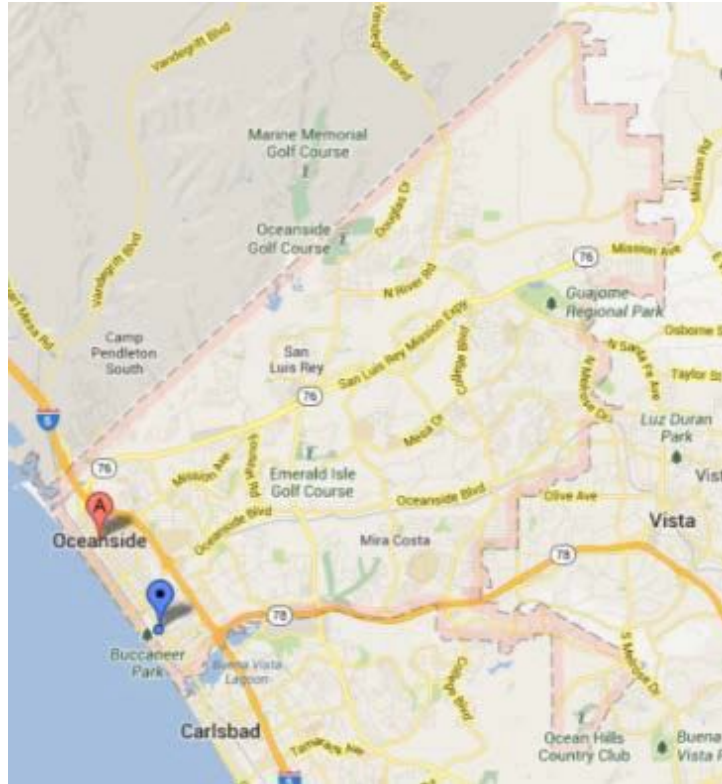
City of Santee Boundary Map

The boundary of the Assessment District shall be the same as the City of Santee Boundaries as modified from time to time, and the complete City of Santee Boundary Map is on file with the City Engineering Department, City of Santee and is incorporated herein by reference.



City of Oceanside Boundary Map

The boundary of the Assessment District shall be the same as the City of Oceanside Boundaries as modified from time to time, and the complete City of Oceanside Boundary Map is on file with the City Engineering Department, City of Oceanside and is incorporated herein by reference.



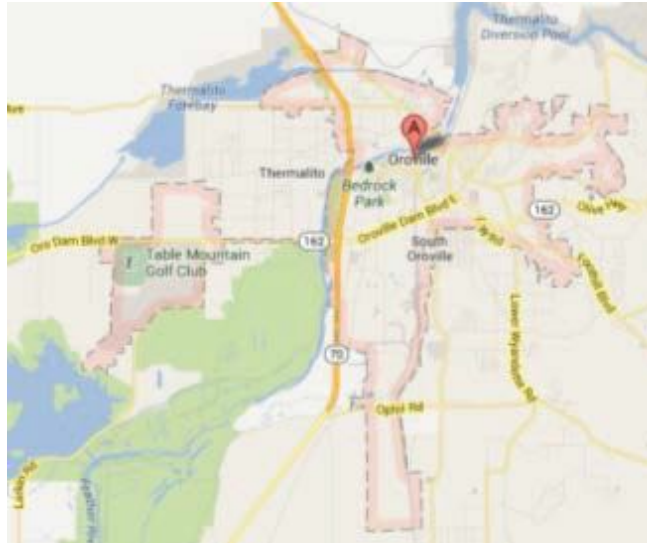
City of Chico Boundary Map

The boundary of the Assessment District shall be the same as the City of Chico Boundaries as modified from time to time, and the complete City of Chico Boundary Map is on file with the City Engineering Department, City of Chico and is incorporated herein by reference.



City of Oroville Boundary Map

The boundary of the Assessment District shall be the same as the City of Oroville Boundaries as modified from time to time, and the complete City of Oroville Boundary Map is on file with the City Engineering Department, City of Oroville and is incorporated herein by reference.



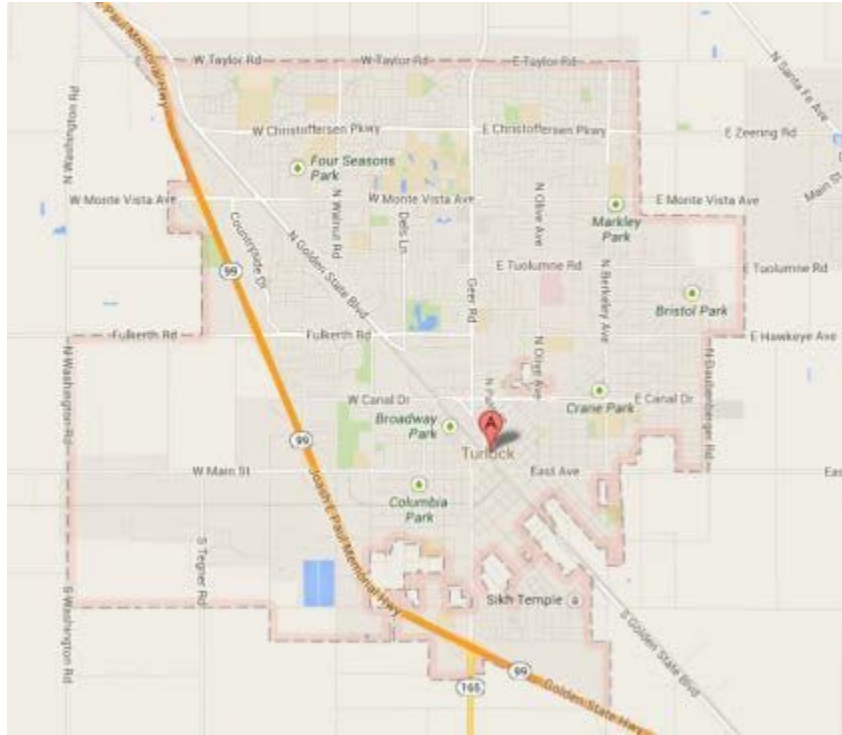
County of San Diego Boundary Map

The boundary of the Assessment District shall be the same as the County of San Diego Boundaries as modified from time to time, and the complete County of San Diego Boundary Map is on file with the County Engineering Department, County of San Diego and is incorporated herein by reference.



City of Turlock Boundary Map

The boundary of the Assessment District shall be the same as the City of Turlock Boundaries as modified from time to time, and the complete City of Turlock Boundary Map is on file with the City Engineering Department, City of Turlock and is incorporated herein by reference.



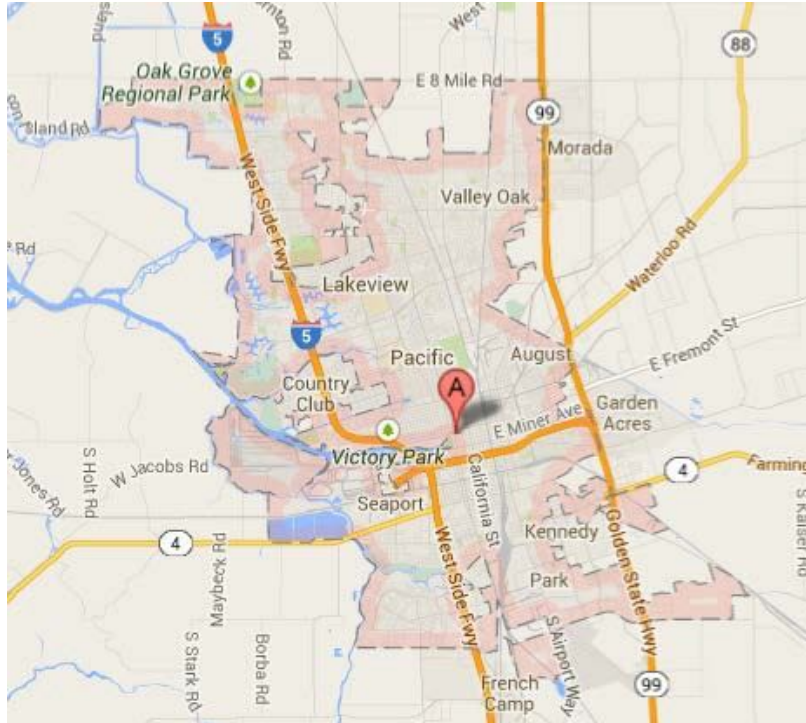
City of Hawthorne Boundary Map

The boundary of the Assessment District shall be the same as the City of Hawthorne Boundaries as modified from time to time, and the complete City of Hawthorne Boundary Map is on file with the City Engineering Department, City of Hawthorne and is incorporated herein by reference.



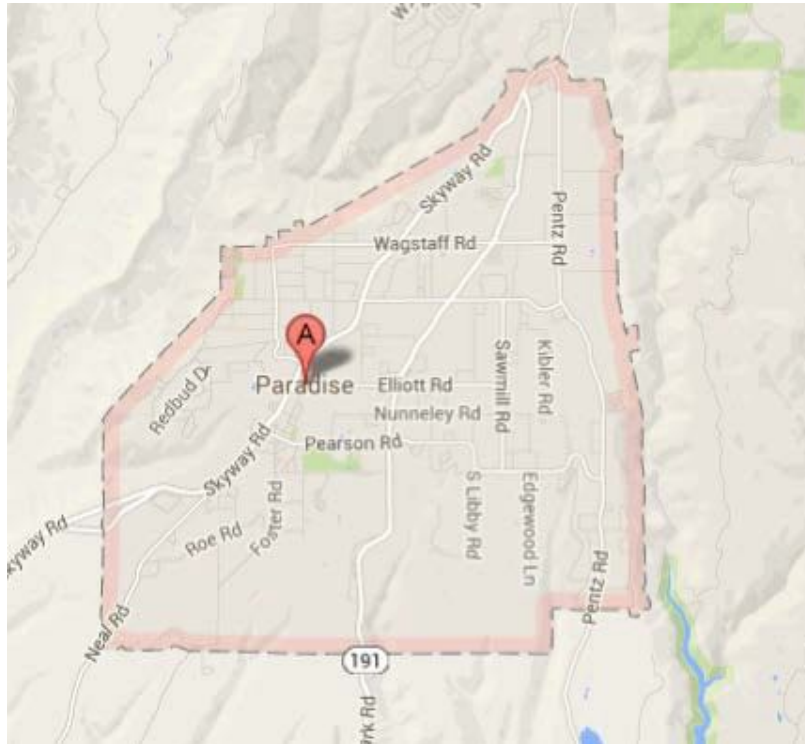
City of Stockton Boundary Map

The boundary of the Assessment District shall be the same as the City of Stockton Boundaries as modified from time to time, and the complete City of Stockton Boundary Map is on file with the City Engineering Department, City of Stockton and is incorporated herein by reference.



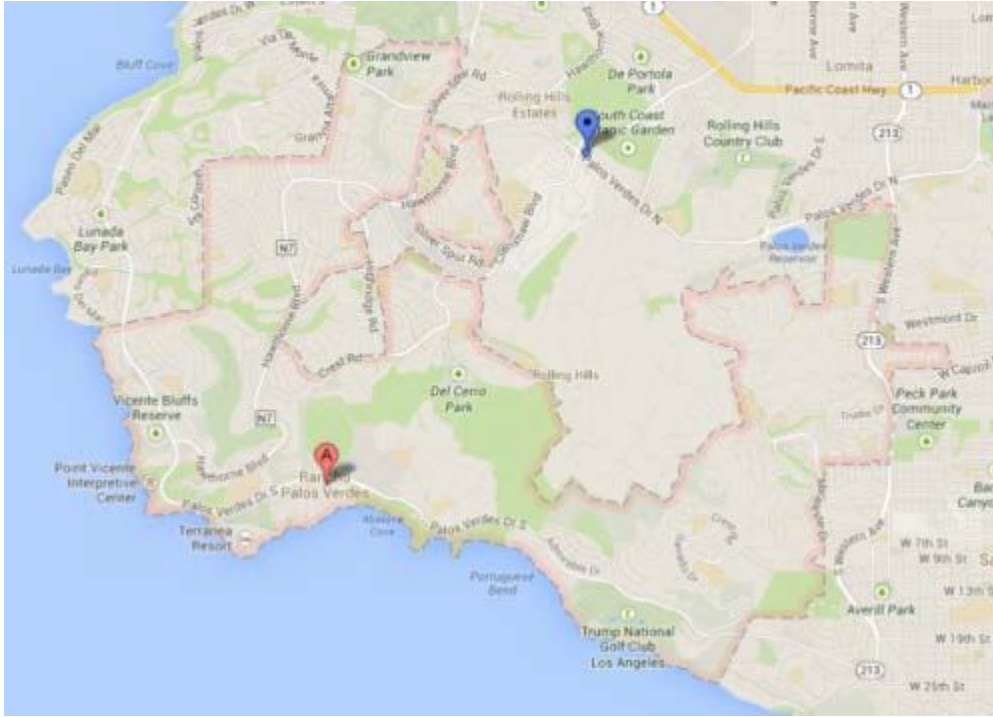
Town of Paradise Boundary Map

The boundary of the Assessment District shall be the same as the Town of Paradise Boundaries as modified from time to time, and the complete Town of Paradise Boundary Map is on file with the Town Engineering Department, Town of Paradise and is incorporated herein by reference.



City of Rancho Palos Verdes Boundary Map

The boundary of the Assessment District shall be the same as the City of Rancho Palos Verdes Boundaries as modified from time to time, and the complete City of Rancho Palos Verdes Boundary Map is on file with the City Engineering Department, City of Rancho Palos Verdes and is incorporated herein by reference.



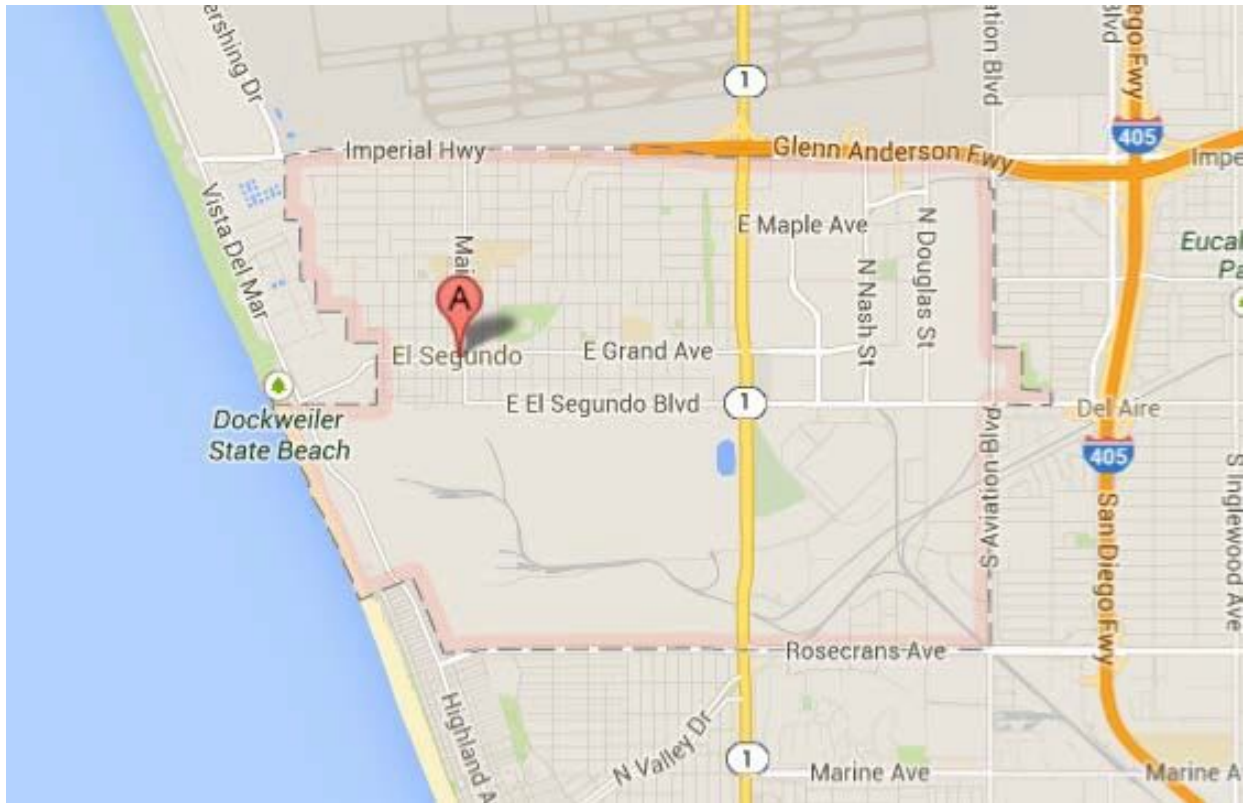
City of Lomita Boundary Map

The boundary of the Assessment District shall be the same as the City of Lomita Boundaries as modified from time to time, and the complete City of Lomita Boundary Map is on file with the City Engineering Department, City of Lomita and is incorporated herein by reference.



City of El Segundo Boundary Map

The boundary of the Assessment District shall be the same as the City of El Segundo Boundaries as modified from time to time, and the complete City of El Segundo Boundary Map is on file with the City Engineering Department, City of El Segundo and is incorporated herein by reference.



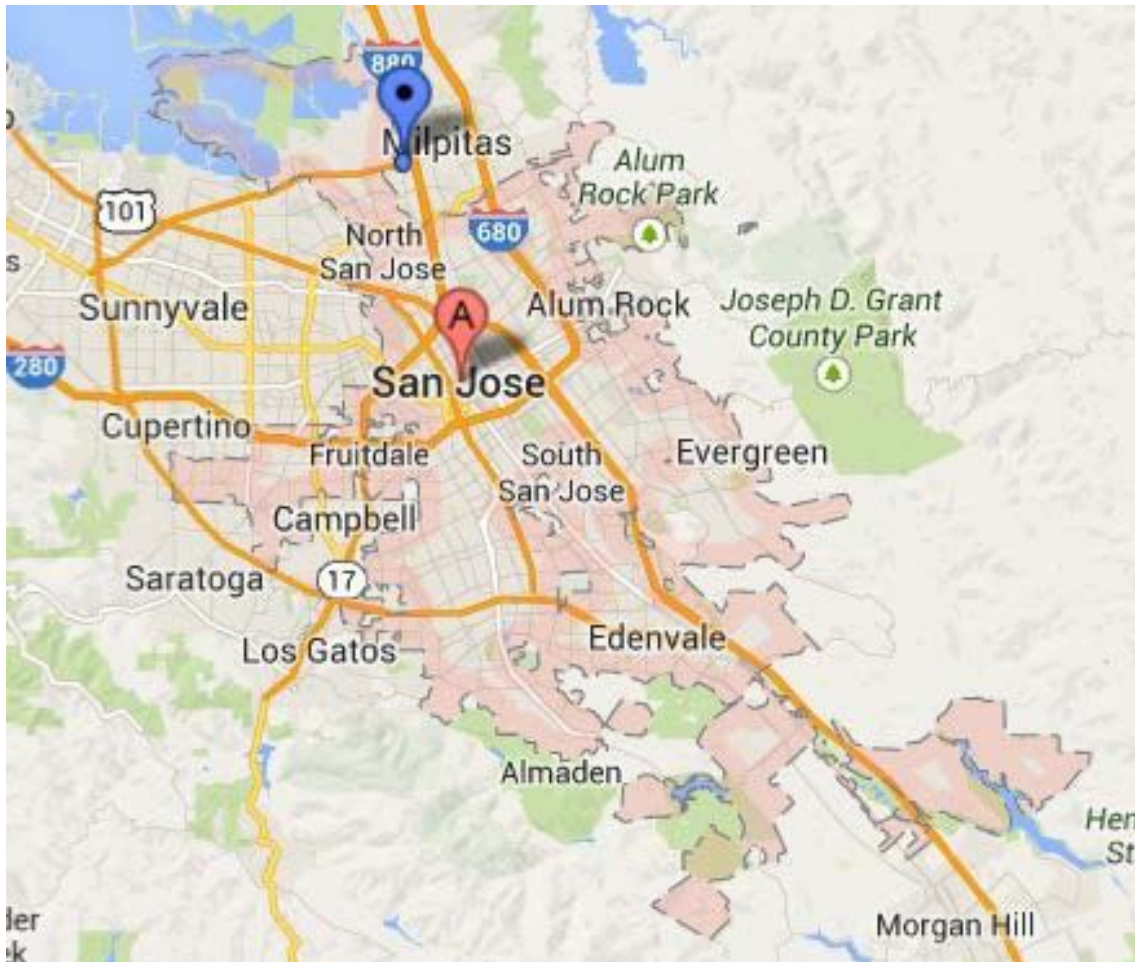
City of Anaheim Boundary Map

The boundary of the Assessment District shall be the same as the City of Anaheim Boundaries as modified from time to time, and the complete City of Anaheim Boundary Map is on file with the City Engineering Department, City of Anaheim and is incorporated herein by reference.



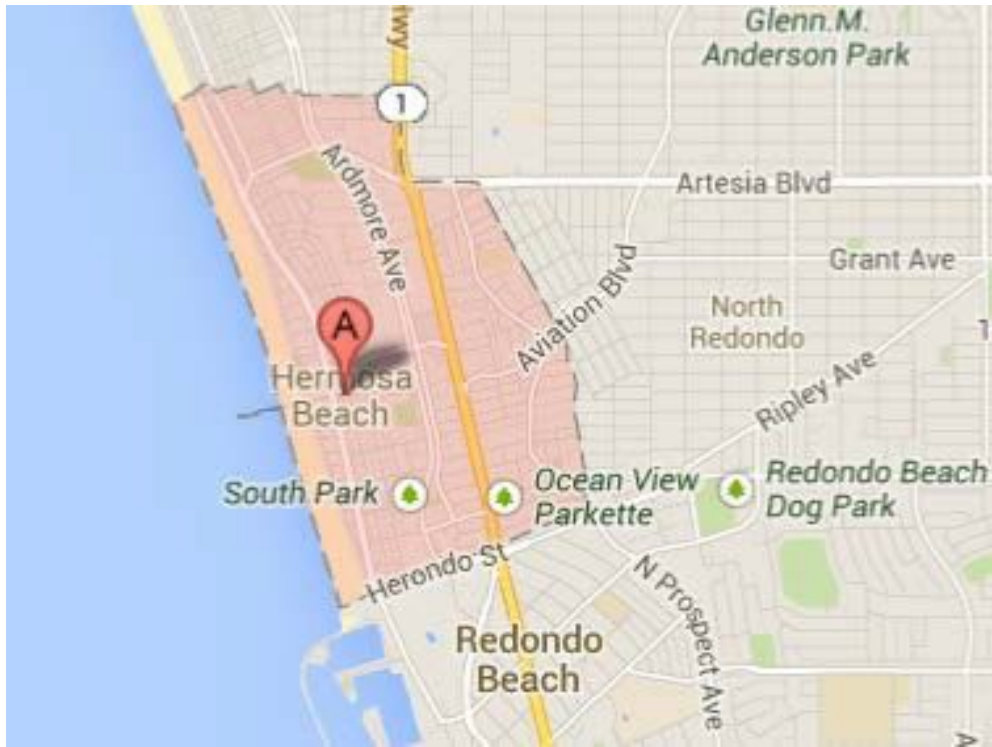
City of San Jose Boundary Map

The boundary of the Assessment District shall be the same as the City of San Jose Boundaries as modified from time to time, and the complete City of San Jose Boundary Map is on file with the City Engineering Department, City of San Jose and is incorporated herein by reference.



City of Hermosa Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Hermosa Beach Boundaries as modified from time to time, and the complete City of Hermosa Beach Boundary Map is on file with the City Engineering Department, City of Hermosa Beach and is incorporated herein by reference.



City of Rolling Hills Boundary Map

The boundary of the Assessment District shall be the same as the City of Rolling Hills Boundaries as modified from time to time, and the complete City of Rolling Hills Boundary Map is on file with the City Engineering Department, City of Rolling Hills and is incorporated herein by reference.



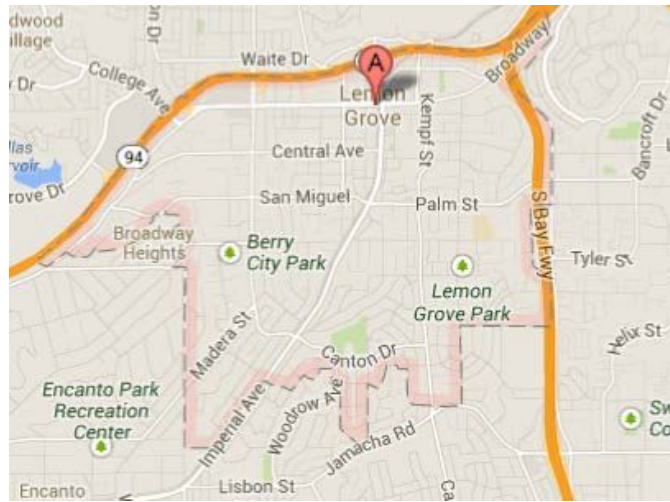
City of Gardena Boundary Map

The boundary of the Assessment District shall be the same as the City of Gardena Boundaries as modified from time to time, and the complete City of Gardena Boundary Map is on file with the City Engineering Department, City of Gardena and is incorporated herein by reference.



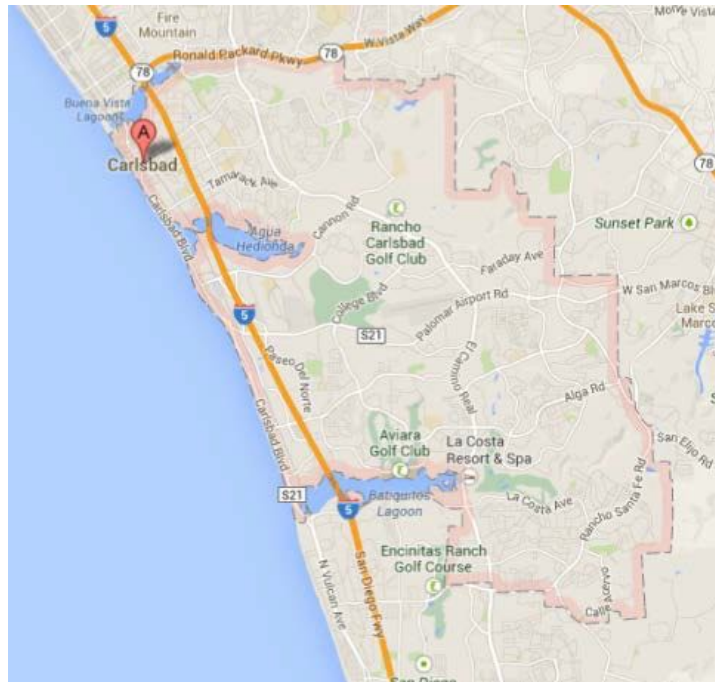
City of Lemon Grove Boundary Map

The boundary of the Assessment District shall be the same as the City of Lemon Grove Boundaries as modified from time to time, and the complete City of Lemon Grove Boundary Map is on file with the City Engineering Department, City of Lemon Grove and is incorporated herein by reference.



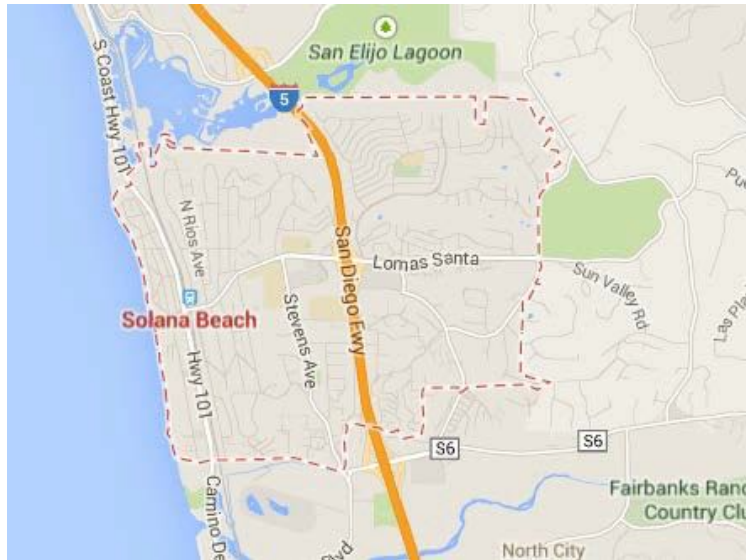
City of Carlsbad Boundary Map

The boundary of the Assessment District shall be the same as the City of Carlsbad Boundaries as modified from time to time, and the complete City of Carlsbad Boundary Map is on file with the City Engineering Department, City of Carlsbad and is incorporated herein by reference.



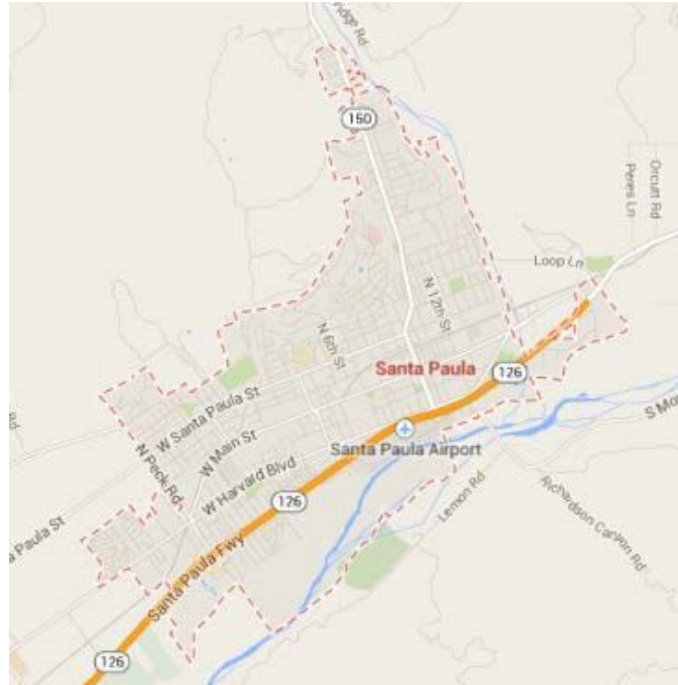
City of Solana Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Solana Beach Boundaries as modified from time to time, and the complete City of Solana Beach Boundary Map is on file with the City Engineering Department, City of Solana Beach and is incorporated herein by reference.



City of Santa Paula Boundary Map

The boundary of the Assessment District shall be the same as the City of Santa Paula Boundaries as modified from time to time, and the complete City of Santa Paula Boundary Map is on file with the City Engineering Department, City of Santa Paula and is incorporated herein by reference.



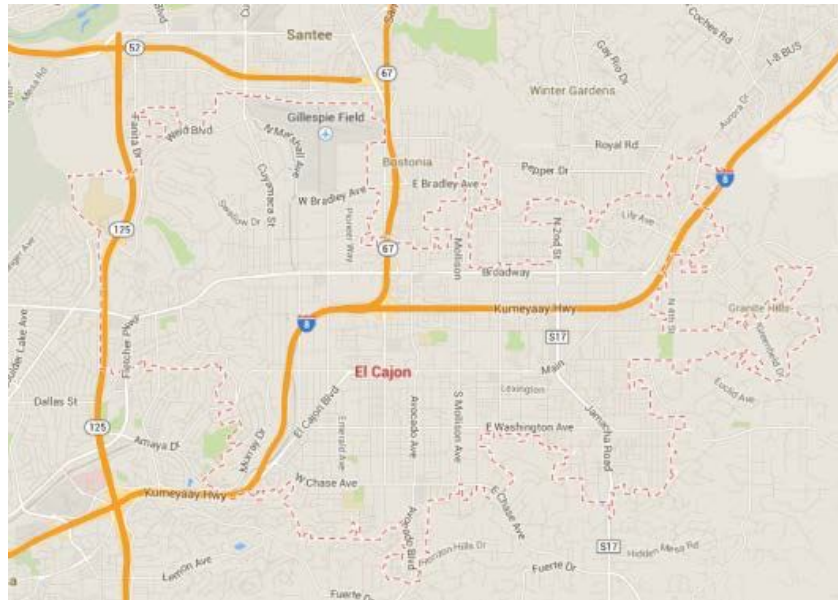
County of Monterey Boundary Map

The boundary of the Assessment District shall be the same as the County of Monterey Boundaries as modified from time to time, and the complete County of Monterey Boundary Map is on file with the County Engineering Department, County of Monterey and is incorporated herein by reference.



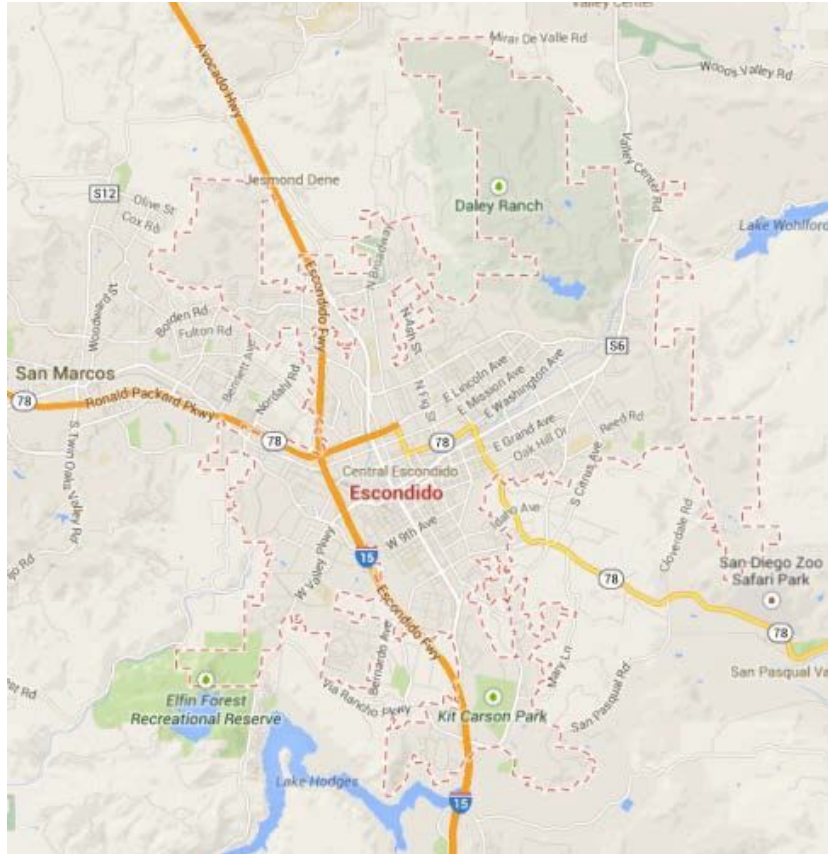
City of El Cajon Boundary Map

The boundary of the Assessment District shall be the same as the City of El Cajon Boundaries as modified from time to time, and the complete City of El Cajon Boundary Map is on file with the City Engineering Department, City of El Cajon and is incorporated herein by reference.



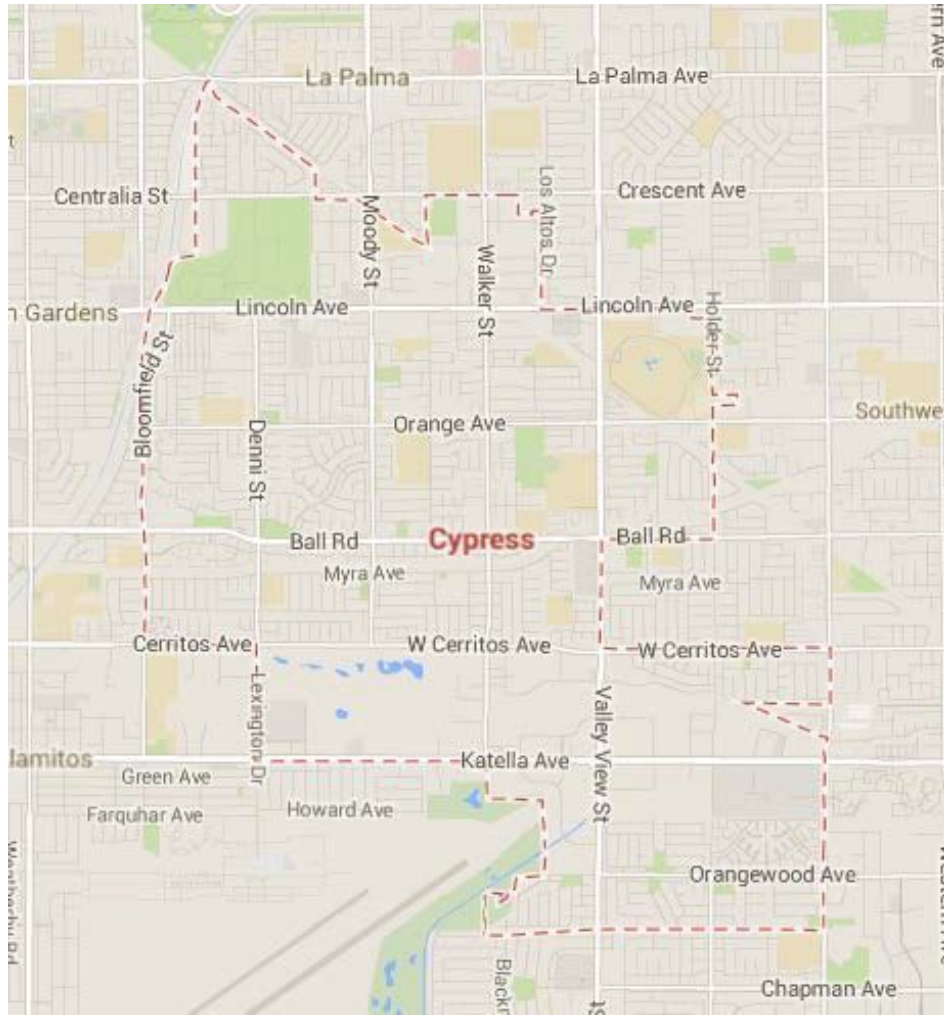
City of Escondido Boundary Map

The boundary of the Assessment District shall be the same as the City of Escondido Boundaries as modified from time to time, and the complete City of Escondido Boundary Map is on file with the City Engineering Department, City of Escondido and is incorporated herein by reference.



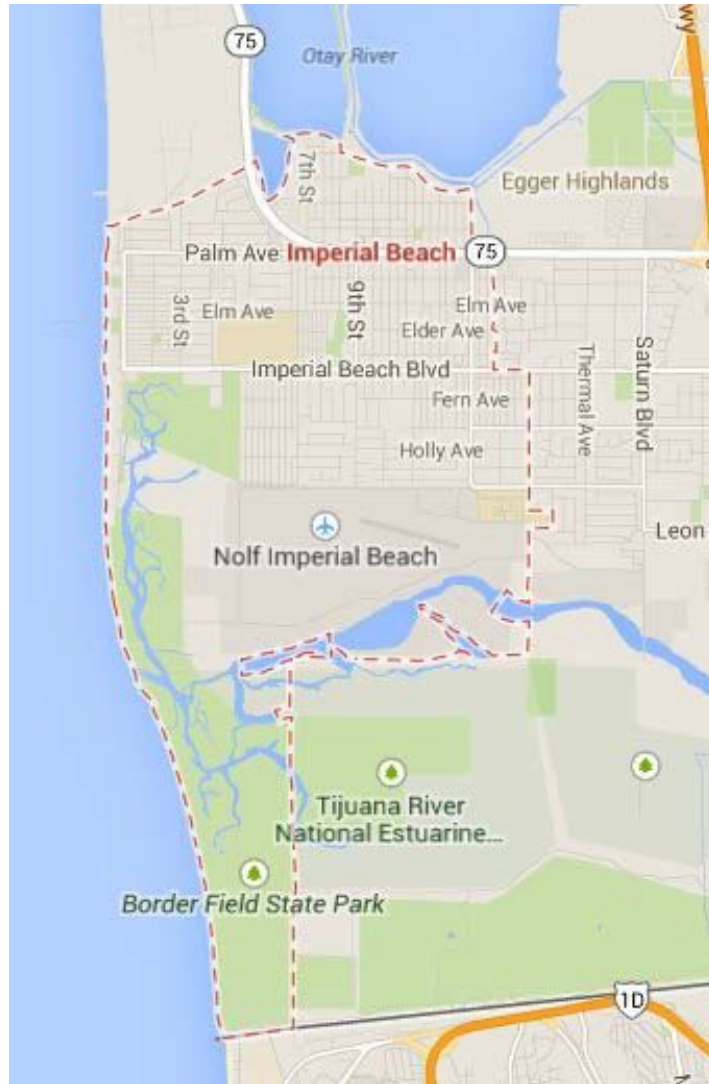
City of Cypress Boundary Map

The boundary of the Assessment District shall be the same as the City of Cypress as modified from time to time, and the complete City of Cypress Boundary Map is on file with the City Engineering Department, City of Cypress and is incorporated herein by reference.



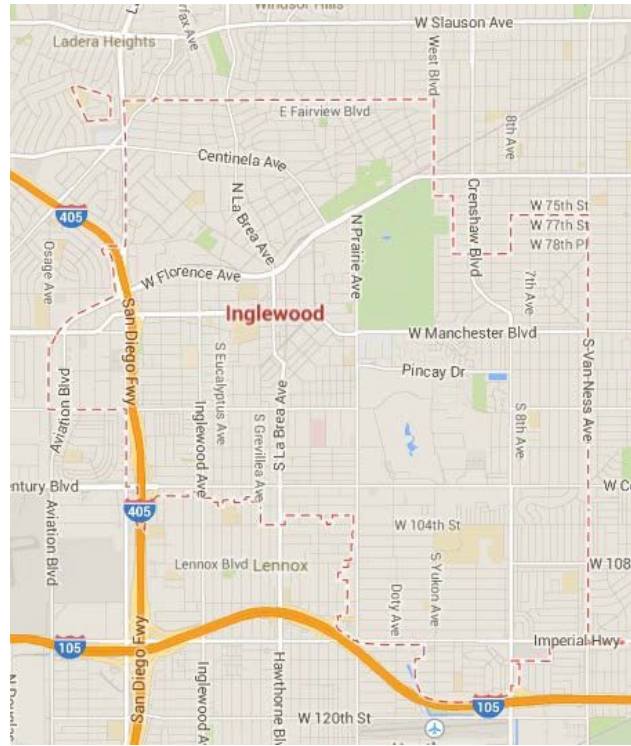
City of Imperial Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Imperial Beach as modified from time to time, and the complete City of Imperial Beach Boundary Map is on file with the City Engineering Department, City of Imperial Beach and is incorporated herein by reference.



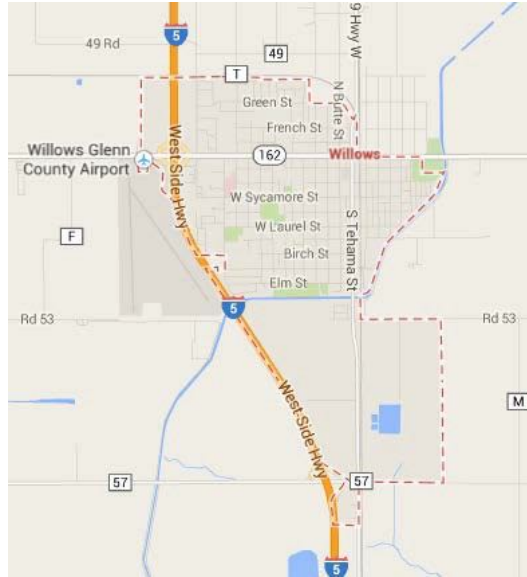
City of Inglewood Boundary Map

The boundary of the Assessment District shall be the same as the City of Inglewood as modified from time to time, and the complete City of Inglewood Boundary Map is on file with the City Engineering Department, City of Inglewood and is incorporated herein by reference.



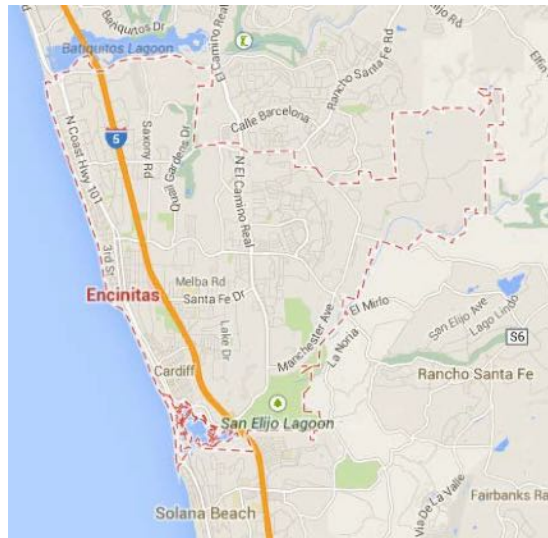
City of ~~Wasco~~ Willows
Boundary Map

The boundary of the Assessment District shall be the same as the City of Willows as modified from time to time, and the complete City of Willows Boundary Map is on file with the City Engineering Department, City of Willows and is incorporated herein by reference.



City of Encinitas Boundary Map

The boundary of the Assessment District shall be the same as the City of Encinitas as modified from time to time, and the complete City of Encinitas Boundary Map is on file with the City Engineering Department, City of Encinitas and is incorporated herein by reference.



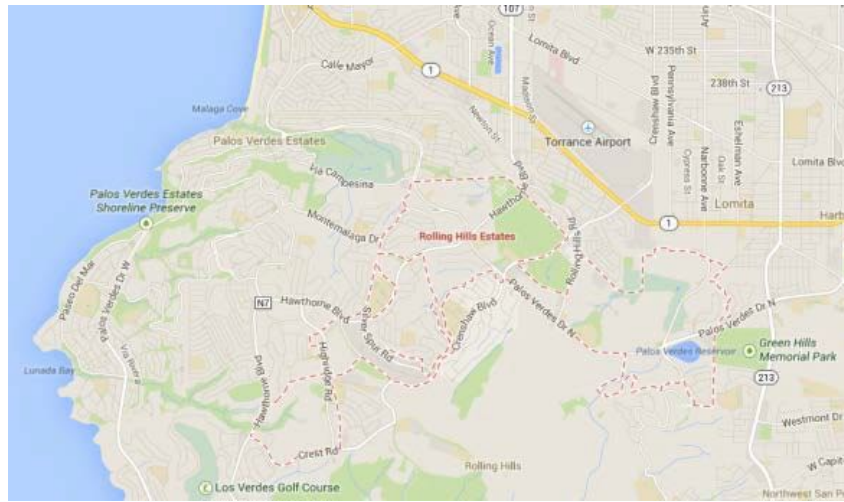
City of Lancaster Boundary Map

The boundary of the Assessment District shall be the same as the City of Lancaster as modified from time to time, and the complete City of Lancaster Boundary Map is on file with the City Engineering Department, City of Lancaster and is incorporated herein by reference.



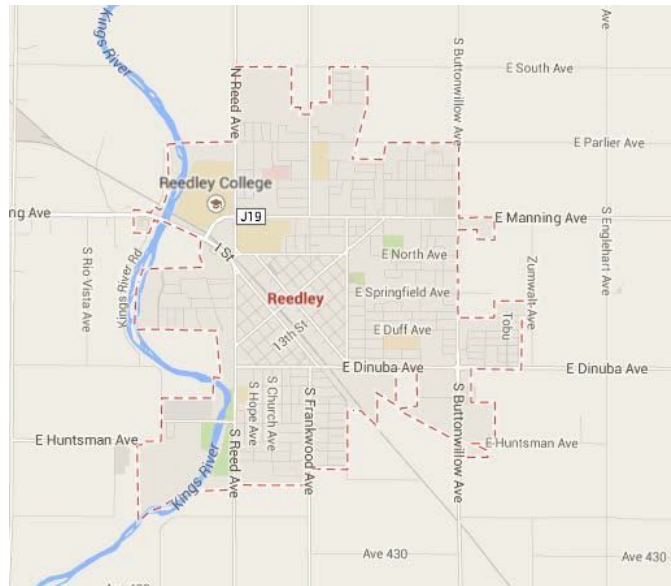
City of Rolling Hills Estates Boundary Map

The boundary of the Assessment District shall be the same as the City of Rolling Hills Estates as modified from time to time, and the complete City of Rolling Hills Estates Boundary Map is on file with the City Engineering Department, City of Rolling Hills Estates and is incorporated herein by reference.



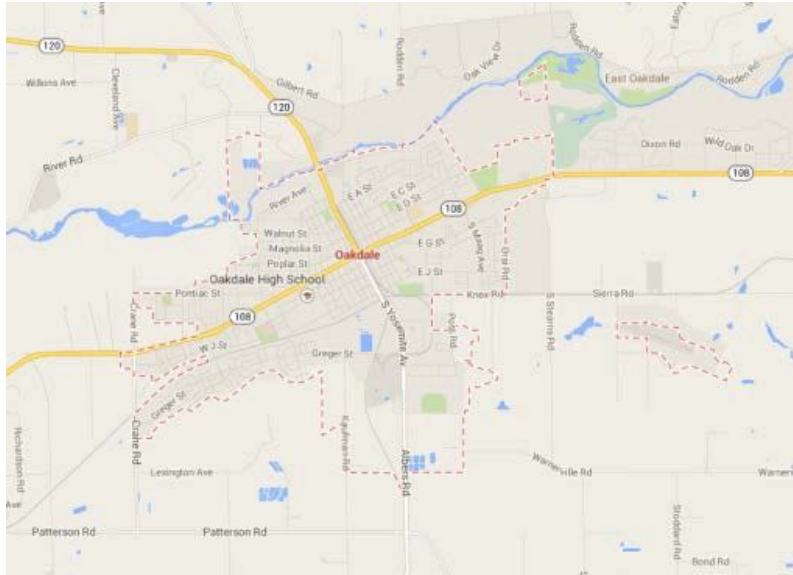
City of Reedley Boundary Map

The boundary of the Assessment District shall be the same as the City of Reedley as modified from time to time, and the complete City of Reedley Boundary Map is on file with the City Engineering Department, City of Reedley and is incorporated herein by reference.



City of Oakdale Boundary Map

The boundary of the Assessment District shall be the same as the City of Oakdale as modified from time to time, and the complete City of Oakdale Boundary Map is on file with the City Engineering Department, City of Oakdale and is incorporated herein by reference.



City of South Lake Tahoe Boundary Map

The boundary of the Assessment District shall be the same as the City of South Lake Tahoe as modified from time to time, and the complete City of South Lake Tahoe Boundary Map is on file with the City Engineering Department, City of South Lake Tahoe and is incorporated herein by reference.



City of Concord Boundary Map

The boundary of the Assessment District shall be the same as the City of Concord as modified from time to time, and the complete City of Concord Boundary Map is on file with the City Engineering Department, City of Concord and is incorporated herein by reference.



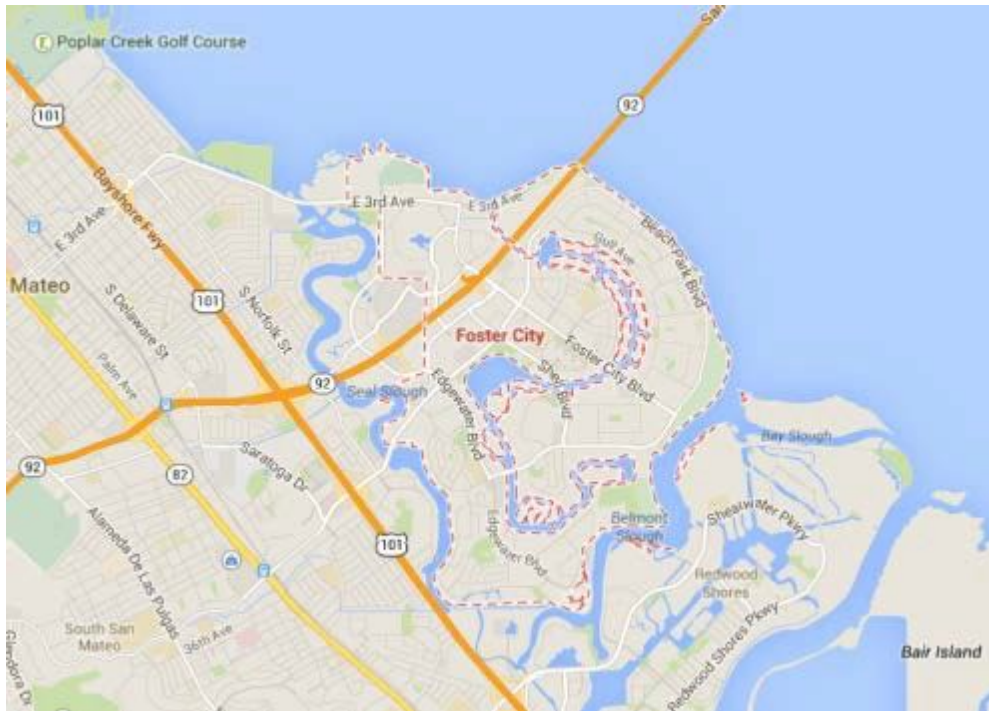
City of Salinas Boundary Map

The boundary of the Assessment District shall be the same as the City of Salinas as modified from time to time, and the complete City of Salinas Boundary Map is on file with the City Engineering Department, City of Salinas and is incorporated herein by reference.



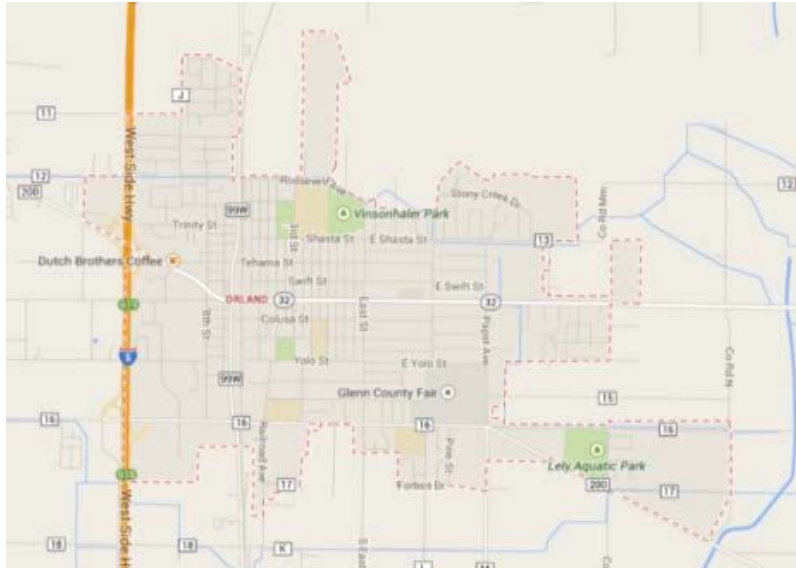
City of Foster City Boundary Map

The boundary of the Assessment District shall be the same as the City of Foster City as modified from time to time, and the complete City of Foster City Boundary Map is on file with the City Engineering Department, City of Foster City and is incorporated herein by reference.



City of Orland Boundary Map

The boundary of the Assessment District shall be the same as the City of Orland as modified from time to time, and the complete City of Orland Boundary Map is on file with the City Engineering Department, City of Orland and is incorporated herein by reference.



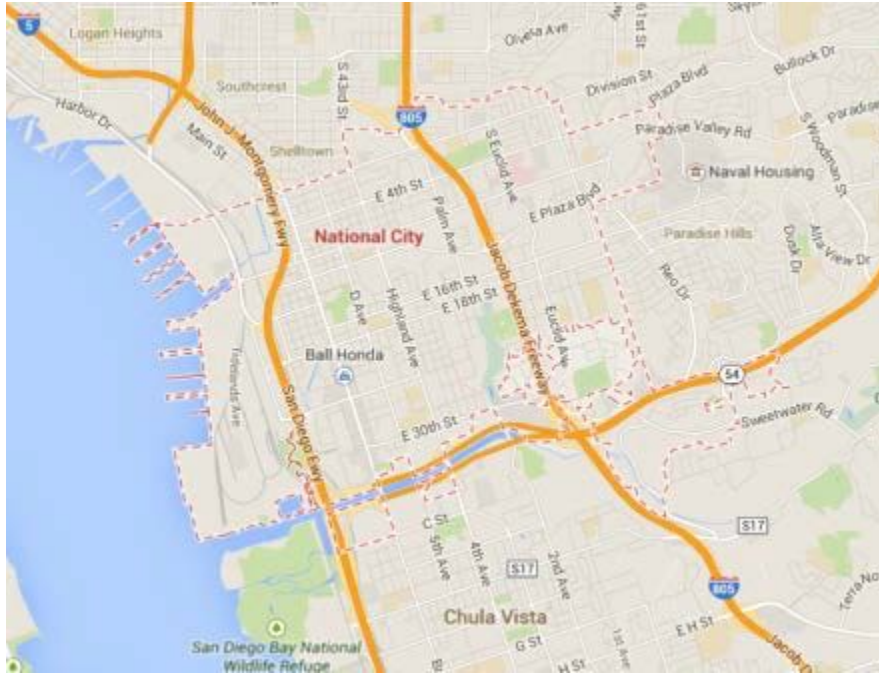
City of Beaumont Boundary Map

The boundary of the Assessment District shall be the same as the City of Beaumont as modified from time to time, and the complete City of Beaumont Boundary Map is on file with the City Engineering Department, City of Beaumont and is incorporated herein by reference.



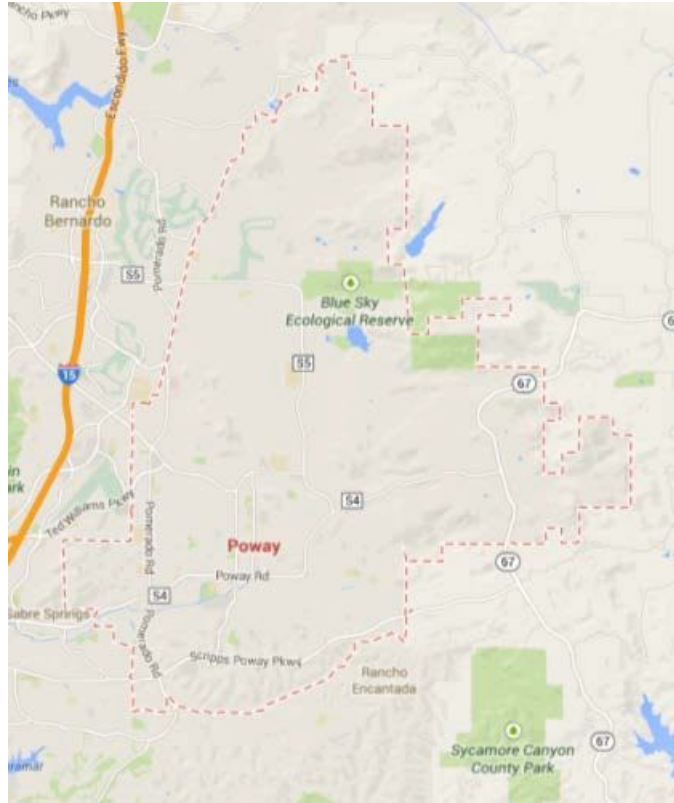
City of National City Boundary Map

The boundary of the Assessment District shall be the same as the City of National City as modified from time to time, and the complete City of National City Boundary Map is on file with the City Engineering Department, City of National City and is incorporated herein by reference.



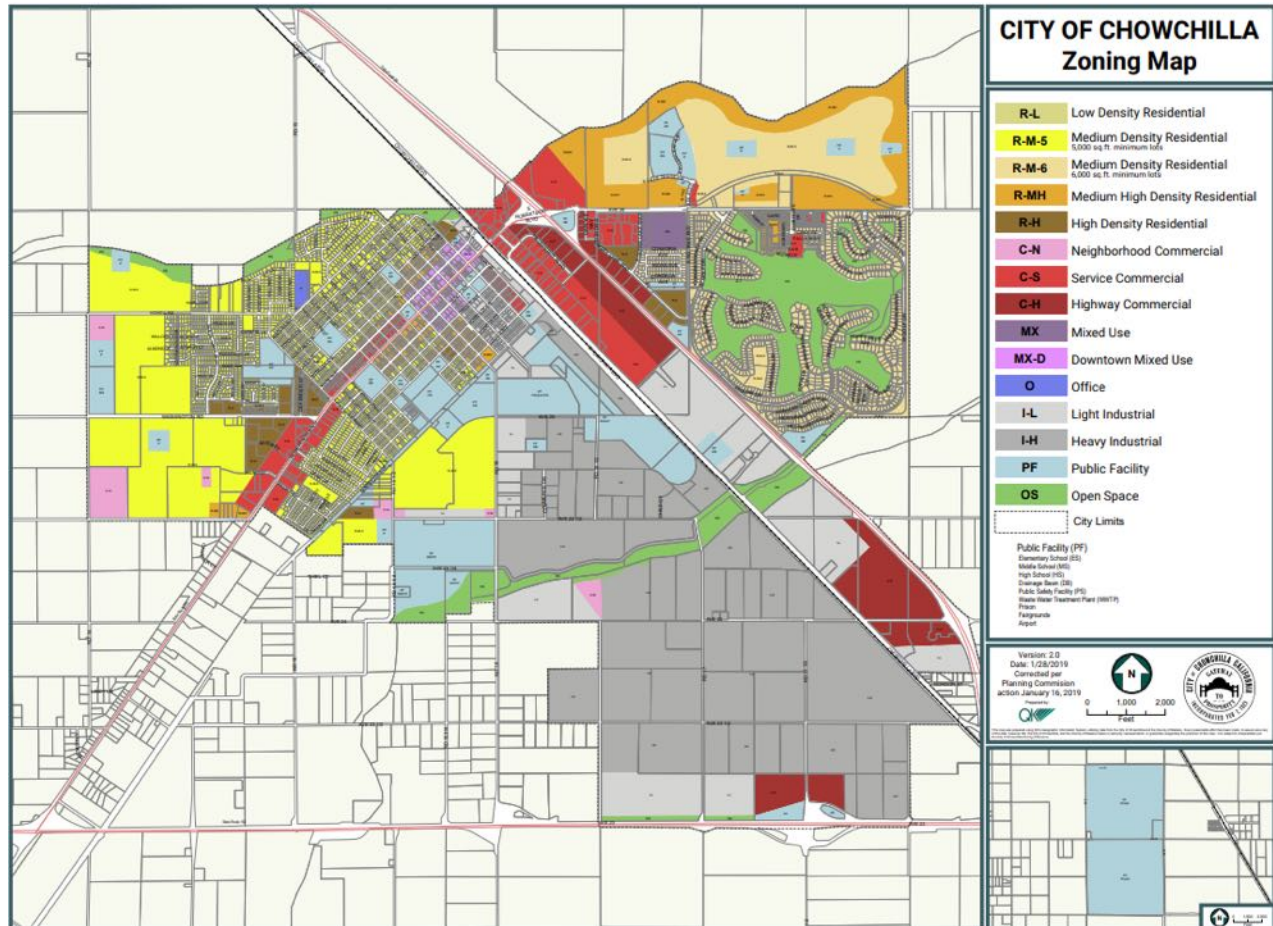
City of Poway Boundary Map

The boundary of the Assessment District shall be the same as the City of Poway as modified from time to time, and the complete City of Poway Boundary Map is on file with the City Engineering Department, City of Poway and is incorporated herein by reference.



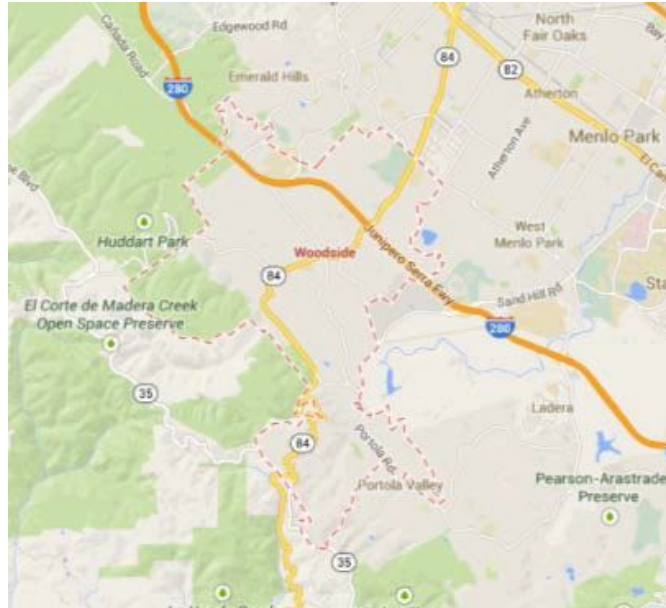
City of Chowchilla Boundary Map

The boundary of the Assessment District shall be the same as the City of Chowchilla as modified from time to time, and the complete City of Chowchilla Boundary Map is on file with the City Engineering Department, City of Chowchilla and is incorporated herein by reference.



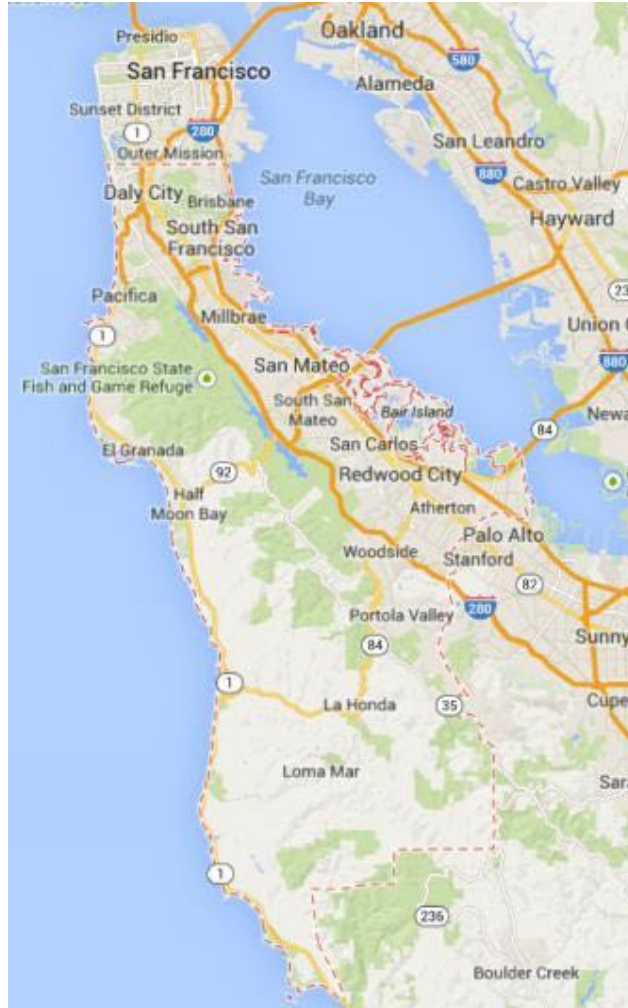
Town of Woodside Boundary Map

The boundary of the Assessment District shall be the same as the Town of Woodside as modified from time to time, and the complete Town of Woodside Boundary Map is on file with the Town Engineering Department, Town of Woodside and is incorporated herein by reference.



County of San Mateo Boundary Map

The boundary of the Assessment District shall be the same as the County of San Mateo as modified from time to time, and the complete County of San Mateo Boundary Map is on file with the City Engineering Department, County of San Mateo and is incorporated herein by reference.



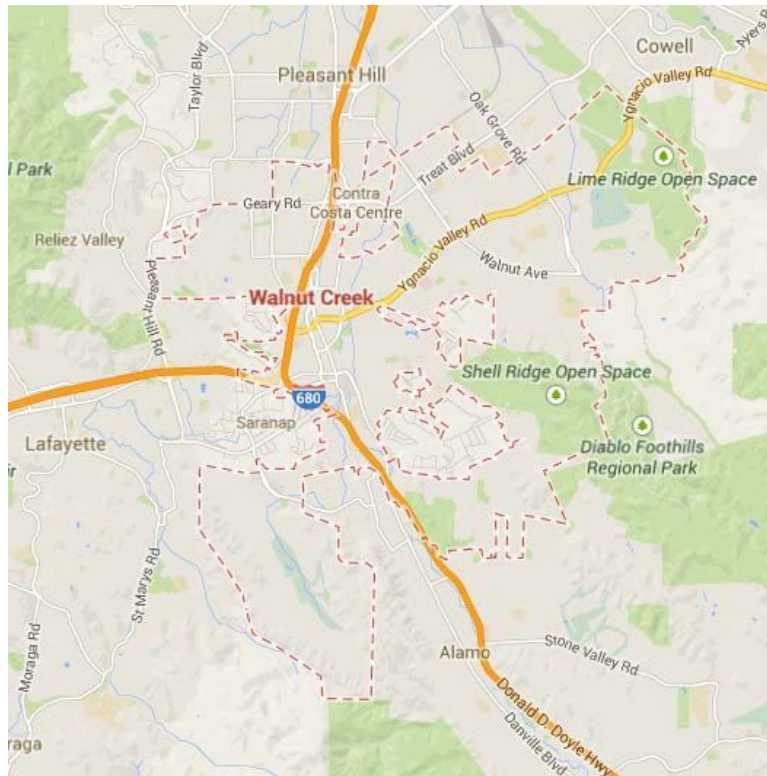
City of Monrovia Boundary Map

The boundary of the Assessment District shall be the same as the City of Monrovia as modified from time to time, and the complete City of Monrovia Boundary Map is on file with the City Engineering Department, City of Monrovia and is incorporated herein by reference.



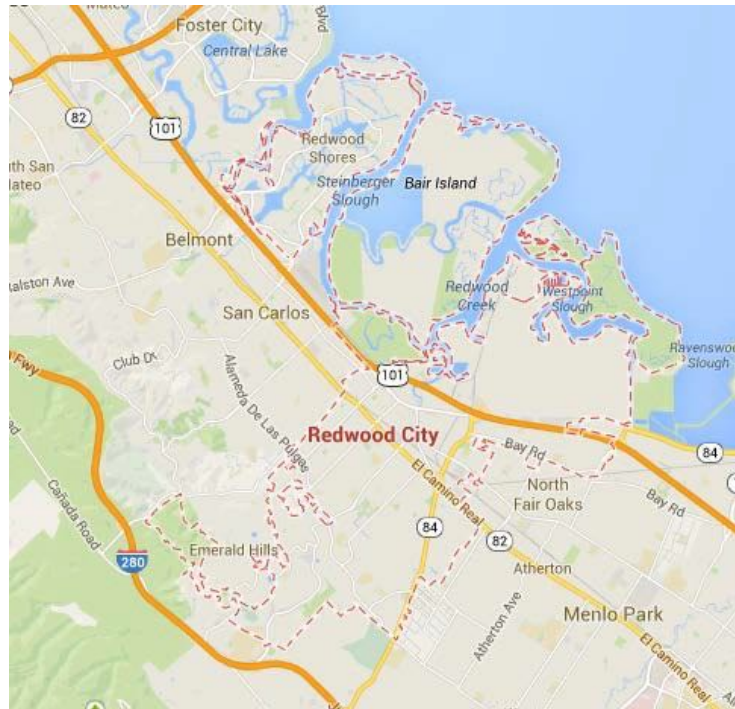
City of Walnut Creek Boundary Map

The boundary of the Assessment District shall be the same as the City of Walnut Creek as modified from time to time, and the complete City of Walnut Creek Boundary Map is on file with the City Engineering Department, City of Walnut Creek and is incorporated herein by reference.



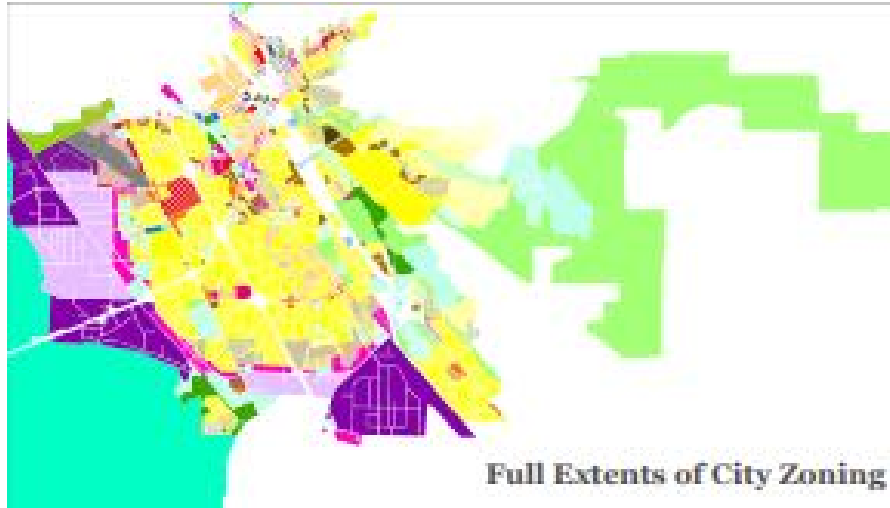
City of Redwood City Boundary Map

The boundary of the Assessment District shall be the same as the City of Redwood City as modified from time to time, and the complete City of Redwood City Boundary Map is on file with the City Engineering Department, City of Redwood City and is incorporated herein by reference.



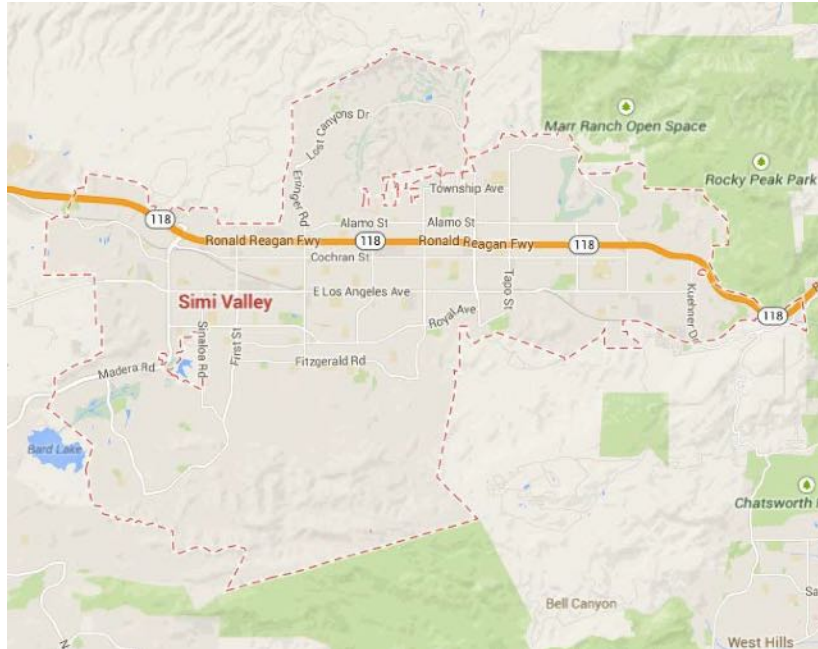
City of Hayward Boundary Map

The boundary of the Assessment District shall be the same as the City of Redwood City as modified from time to time, and the complete City of Redwood City Boundary Map is on file with the City Engineering Department, City of Redwood City and is incorporated herein by reference.



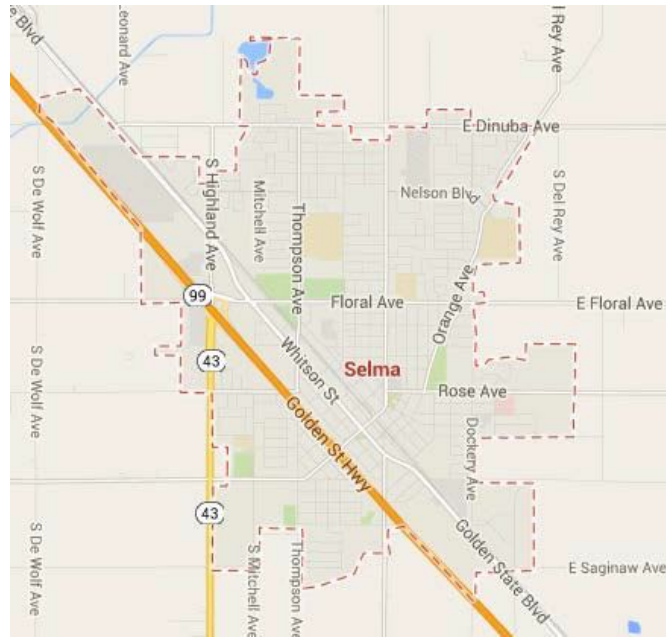
City of Simi Valley Boundary Map

The boundary of the Assessment District shall be the same as the City of Simi Valley as modified from time to time, and the complete City of Simi Valley Boundary Map is on file with the City Engineering Department, City of Simi Valley and is incorporated herein by reference.



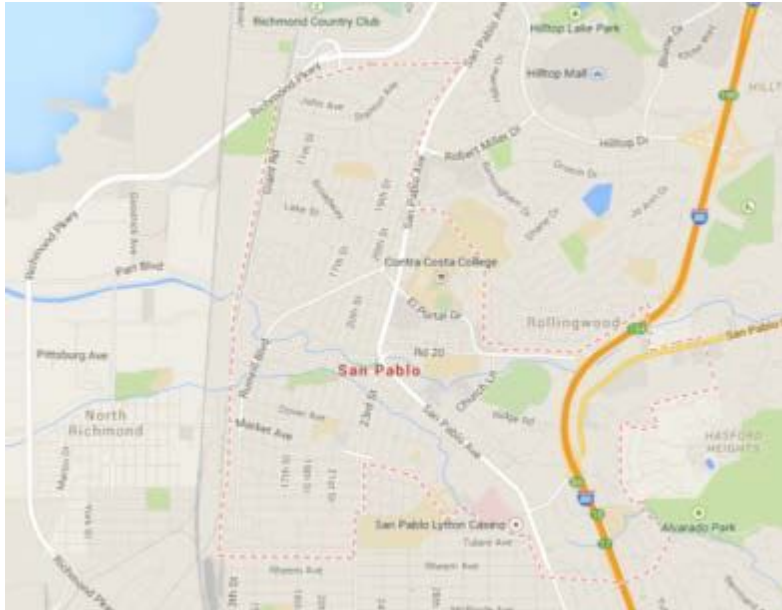
City of Selma Boundary Map

The boundary of the Assessment District shall be the same as the City of Selma as modified from time to time, and the complete City of Selma Boundary Map is on file with the City Engineering Department, City of Selma and is incorporated herein by reference.



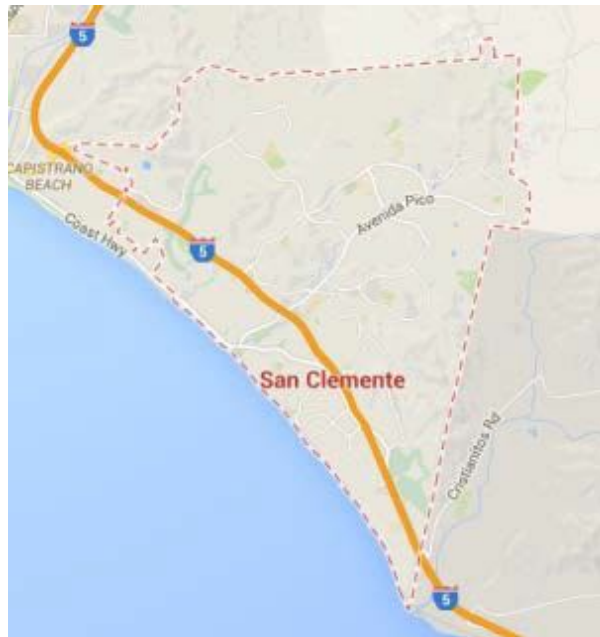
City of San Pablo Boundary Map

The boundary of the Assessment District shall be the same as the City of San Pablo as modified from time to time, and the complete City of San Pablo Boundary Map is on file with the City Engineering Department, City of San Pablo and is incorporated herein by reference.



City of San Clemente Boundary Map

The boundary of the Assessment District shall be the same as the City of San Clemente as modified from time to time, and the complete City of San Clemente Boundary Map is on file with the City Engineering Department, City of San Clemente and is incorporated herein by reference.



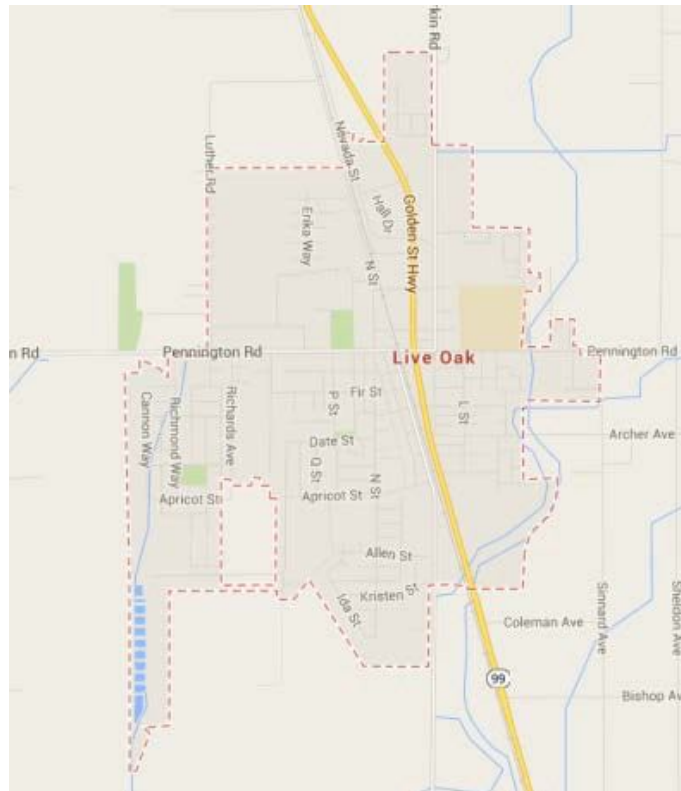
City of Oakley Boundary Map

The boundary of the Assessment District shall be the same as the City of Oakley as modified from time to time, and the complete City of Oakley Boundary Map is on file with the City Engineering Department, City of Oakley and is incorporated herein by reference.



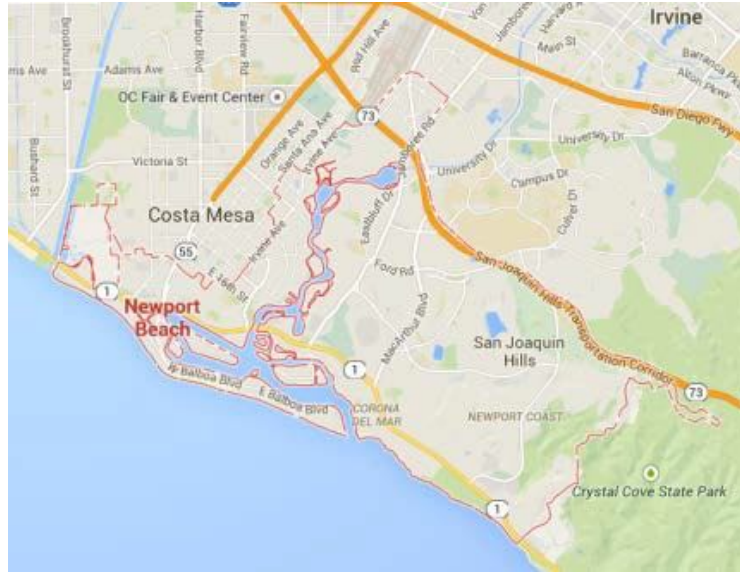
City of Live Oak Boundary Map

The boundary of the Assessment District shall be the same as the City of Live Oak as modified from time to time, and the complete City of Live Oak Boundary Map is on file with the City Engineering Department, City of Live Oak and is incorporated herein by reference.



City of Newport Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Newport Beach as modified from time to time, and the complete City of Newport Beach Boundary Map is on file with the City Engineering Department, City of Newport Beach and is incorporated herein by reference.



City of Palmdale Boundary Map

The boundary of the Assessment District shall be the same as the City of Palmdale as modified from time to time, and the complete City of Palmdale Boundary Map is on file with the City Engineering Department, City of Palmdale and is incorporated herein by reference.



City of Del Mar Boundary Map

The boundary of the Assessment District shall be the same as the City of Del Mar as modified from time to time, and the complete City of Del Mar Boundary Map is on file with the City Engineering Department, City of Del Mar and is incorporated herein by reference.



City of Antioch Boundary Map

The boundary of the Assessment District shall be the same as the City of Antioch as modified from time to time, and the complete City of Antioch Boundary Map is on file with the City Engineering Department, City of Antioch and is incorporated herein by reference.



City of Richmond Boundary Map

The boundary of the Assessment District shall be the same as the City of Richmond as modified from time to time, and the complete City of Richmond Boundary Map is on file with the City Engineering Department, City of Richmond and is incorporated herein by reference.



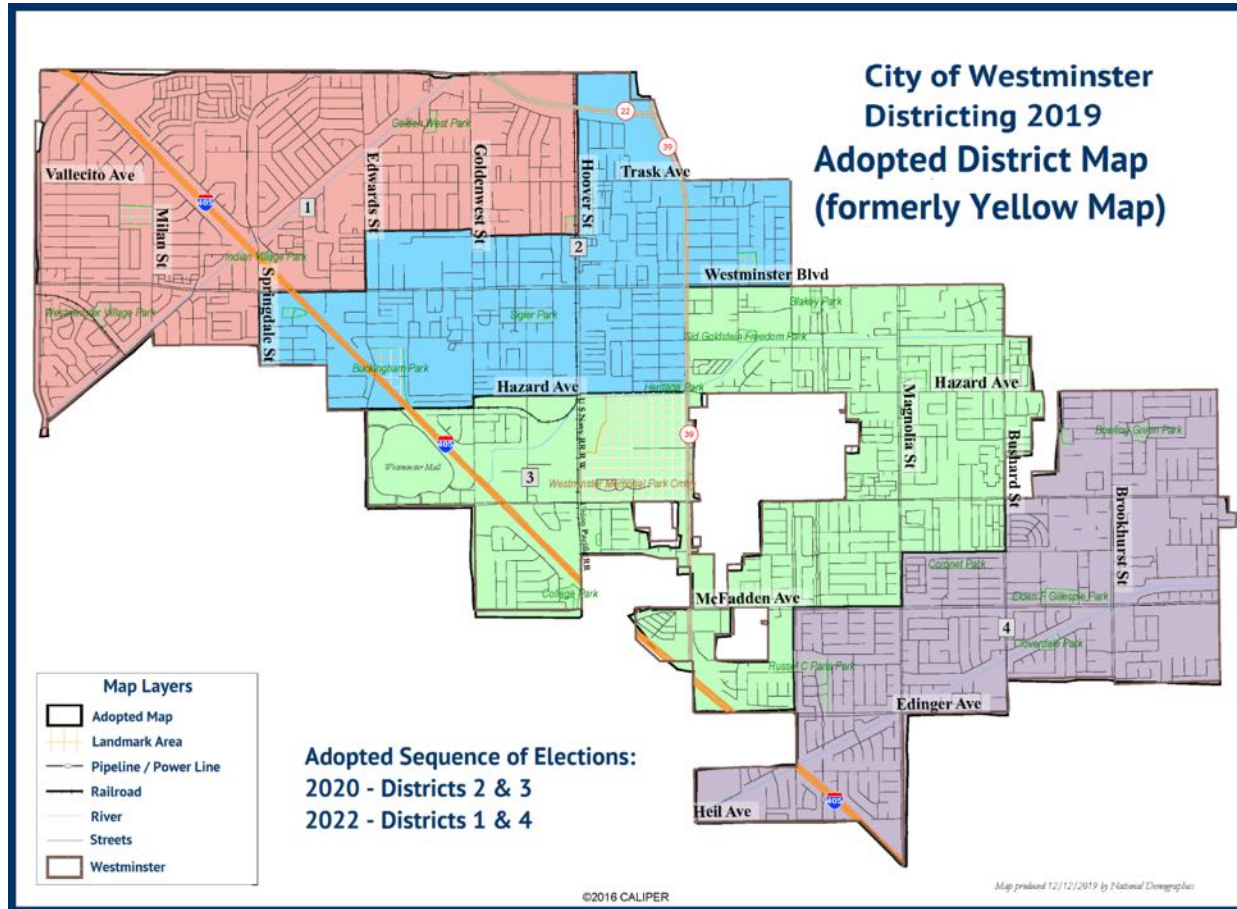
City of San Ramon Boundary Map

The boundary of the Assessment District shall be the same as the City of San Ramon as modified from time to time, and the complete City of San Ramon Boundary Map is on file with the City Engineering Department, City of San Ramon and is incorporated herein by reference.



City of Westminster Boundary Map

The boundary of the Assessment District shall be the same as the City of Westminster as modified from time to time, and the complete City of Westminster Boundary Map is on file with the City Engineering Department, City of Westminster and is incorporated herein by reference.



City of Eureka Boundary Map

The boundary of the Assessment District shall be the same as the City of Eureka as modified from time to time, and the complete City of Eureka Boundary Map is on file with the City Engineering Department, City of Eureka and is incorporated herein by reference.



City of Kerman Boundary Map

The boundary of the Assessment District shall be the same as the City of Kerman as modified from time to time, and the complete City of Kerman Boundary Map is on file with the City Engineering Department, City of Kerman and is incorporated herein by reference.



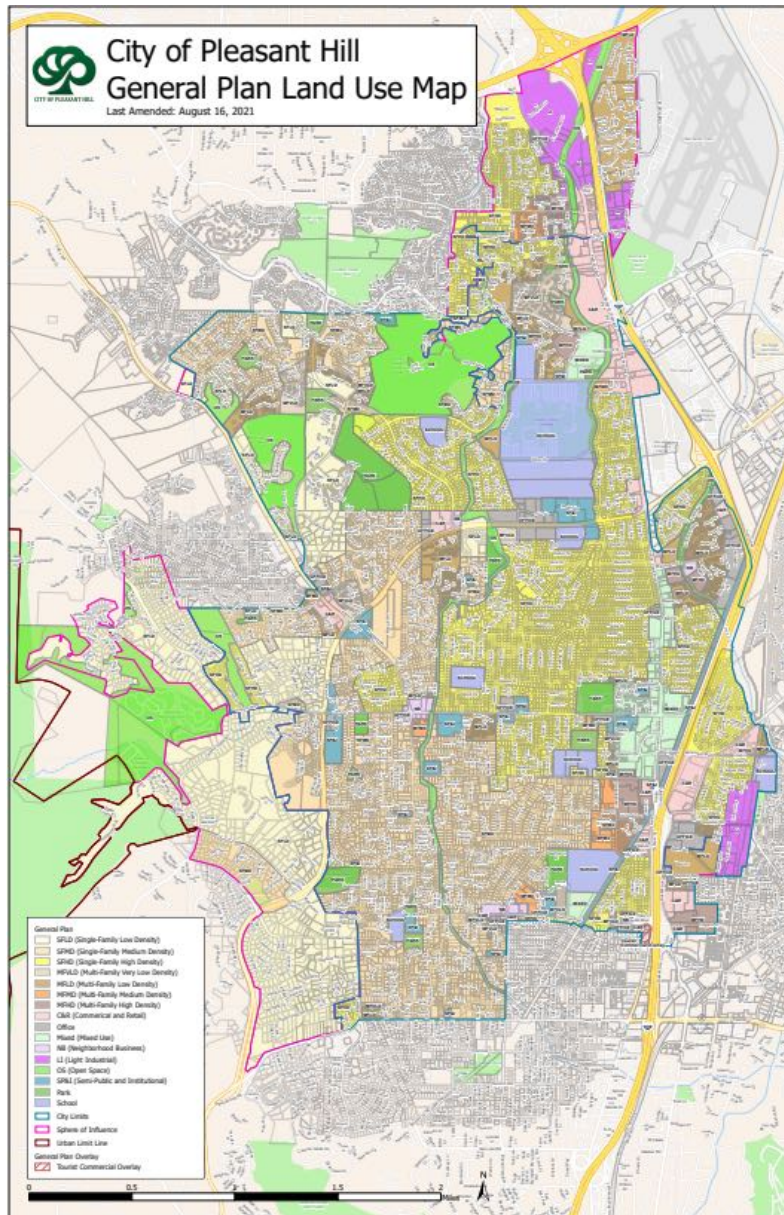
City of Lafayette Boundary Map

The boundary of the Assessment District shall be the same as the City of Lafayette as modified from time to time, and the complete City of Lafayette Boundary Map is on file with the City Engineering Department, City of Lafayette and is incorporated herein by reference.



City of Pleasant Hill Boundary Map

The boundary of the Assessment District shall be the same as the City of Pleasant Hill as modified from time to time, and the complete City of Pleasant Hill Boundary Map is on file with the City Engineering Department, City of Pleasant Hill and is incorporated herein by reference.



City of Redding Boundary Map

The boundary of the Assessment District shall be the same as the City of Redding as modified from time to time, and the complete City of Redding Boundary Map is on file with the City Engineering Department, City of Redding and is incorporated herein by reference.



City of San Mateo Boundary Map

The boundary of the Assessment District shall be the same as the City of San Mateo as modified from time to time, and the complete City of San Mateo Boundary Map is on file with the City Engineering Department, City of San Mateo and is incorporated herein by reference.



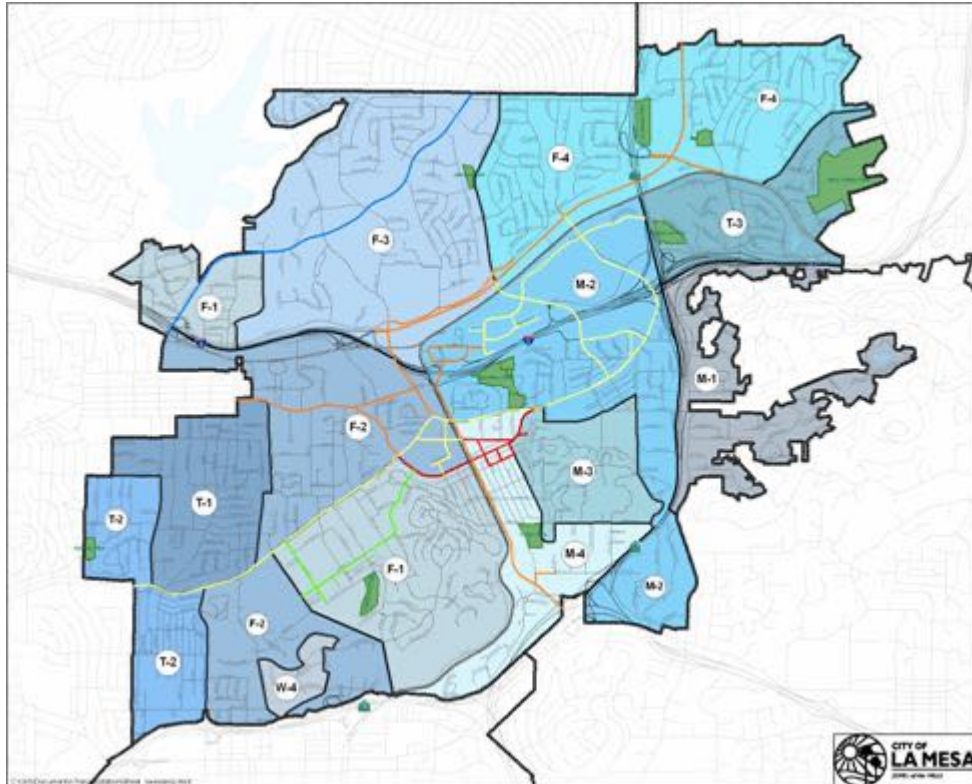
County of Sacramento Boundary Map

The boundary of the Assessment District shall be the same as the County of Sacramento as modified from time to time, and the complete County of Sacramento Boundary Map is on file with the County Engineering Department, County of Sacramento and is incorporated herein by reference.



City of La Mesa Boundary Map

The boundary of the Assessment District shall be the same as the City of San Mateo as modified from time to time, and the complete City of San Mateo Boundary Map is on file with the City Engineering Department, City of San Mateo and is incorporated herein by reference.



County of Mono Boundary Map

The boundary of the Assessment District shall be the same as the County of Mono as modified from time to time, and the complete County of Mono Boundary Map is on file with the County Engineering Department, County of Mono and is incorporated herein by reference.



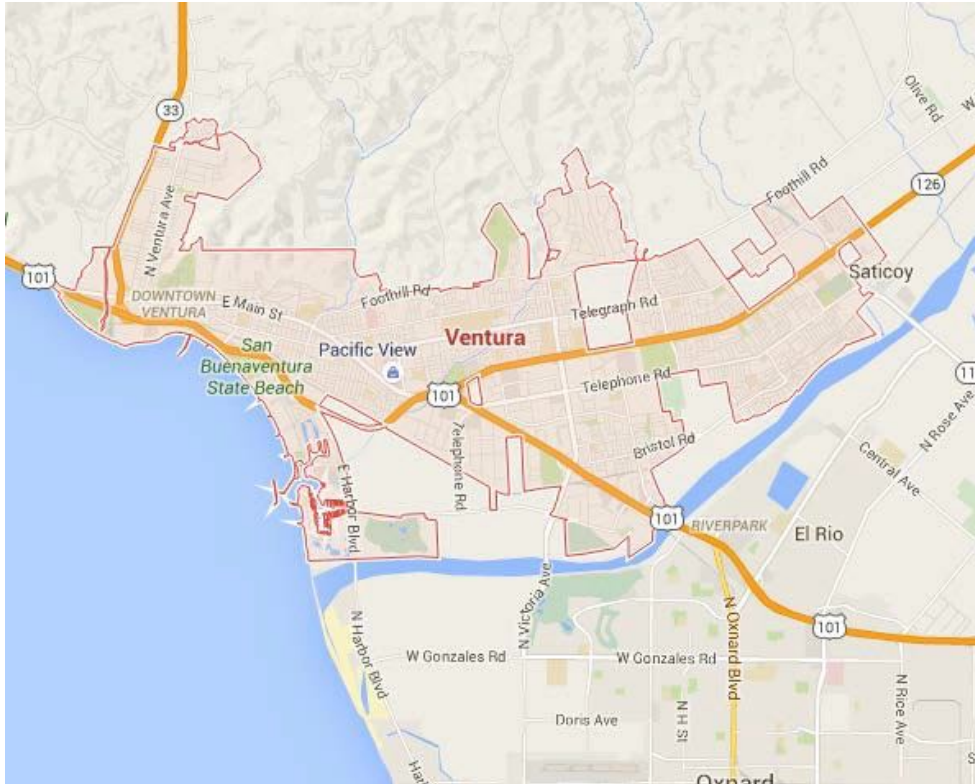
Town of Danville Boundary Map

The boundary of the Assessment District shall be the same as the Town of Danville as modified from time to time, and the complete Town of Danville Boundary Map is on file with the Engineering Department, Town of Danville and is incorporated herein by reference.



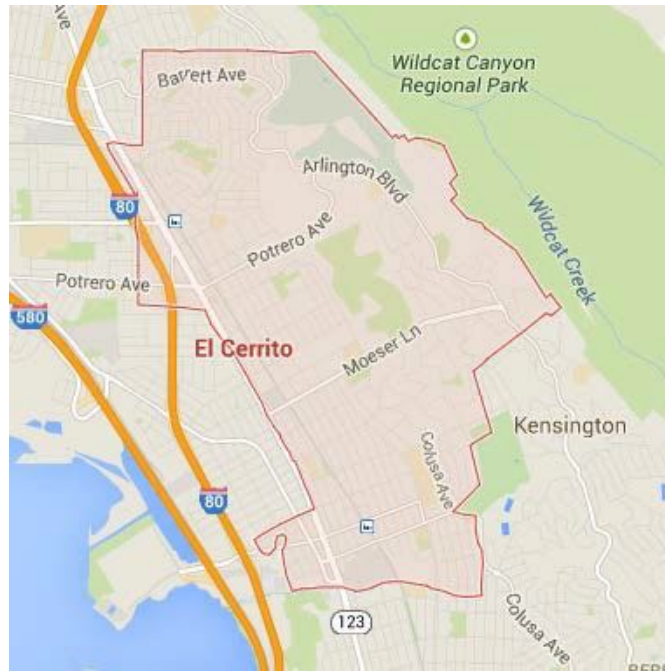
City of Ventura Boundary Map

The boundary of the Assessment District shall be the same as the City of Ventura as modified from time to time, and the complete City of Ventura Boundary Map is on file with the City Engineering Department, City of Ventura and is incorporated herein by reference.



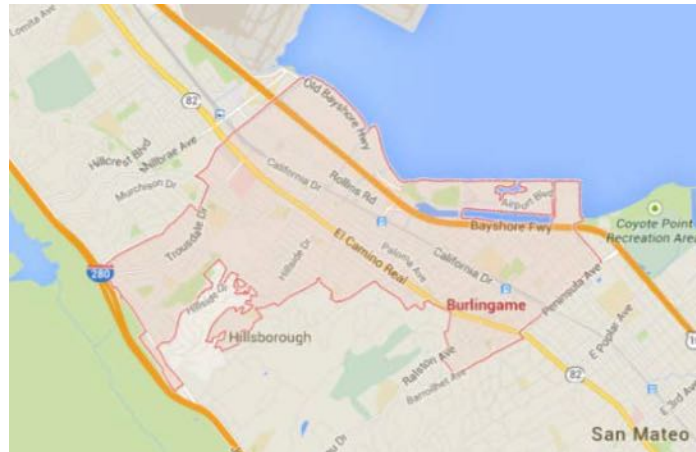
City of El Cerrito Boundary Map

The boundary of the Assessment District shall be the same as the City of El Cerrito as modified from time to time, and the complete City of El Cerrito Boundary Map is on file with the City Engineering Department, City of El Cerrito and is incorporated herein by reference.



City of Burlingame Boundary Map

The boundary of the Assessment District shall be the same as the City of Burlingame as modified from time to time, and the complete City of Burlingame Boundary Map is on file with the City Engineering Department, City of Burlingame and is incorporated herein by reference.



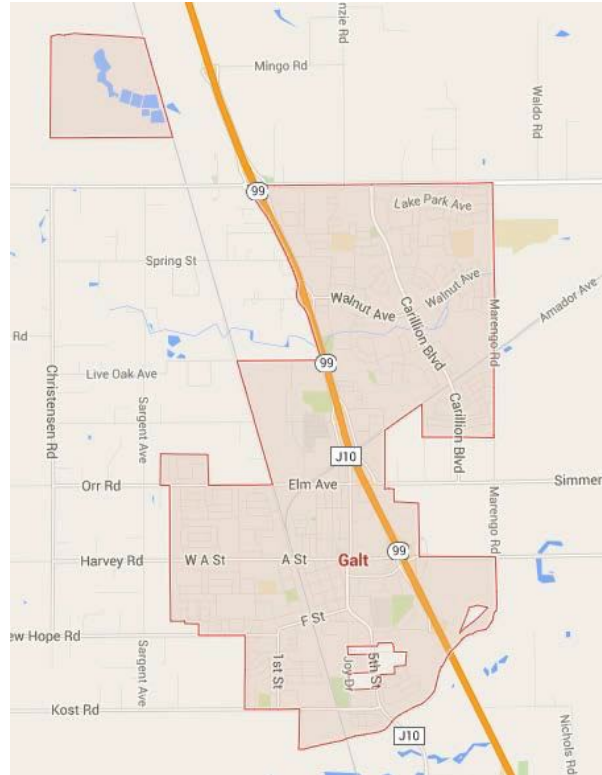
City of Long Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Long Beach as modified from time to time, and the complete City of Long Beach Boundary Map is on file with the City Engineering Department, City of Long Beach and is incorporated herein by reference.



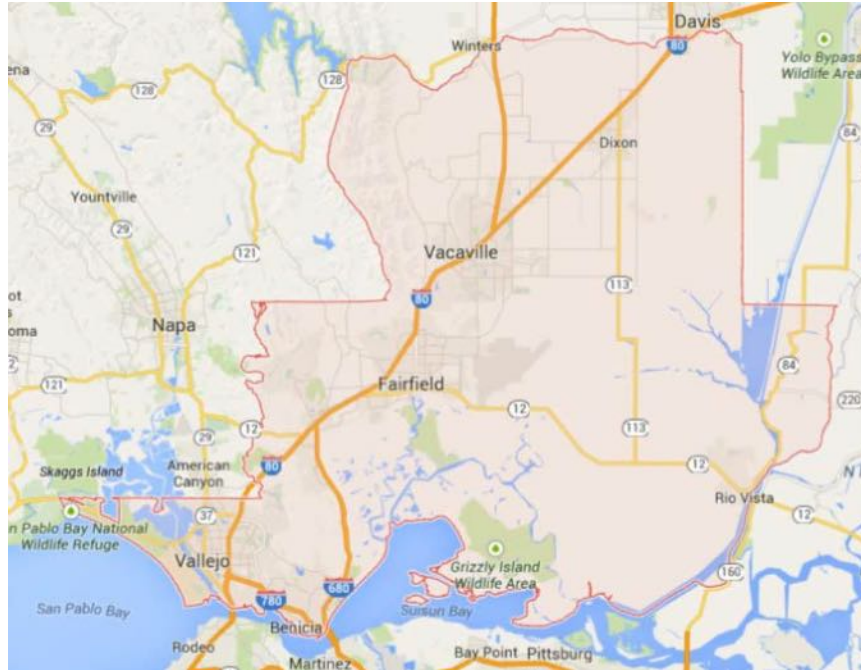
City of Galt Boundary Map

The boundary of the Assessment District shall be the same as the City of Galt as modified from time to time, and the complete City of Galt Boundary Map is on file with the City Engineering Department, City of Galt and is incorporated herein by reference.



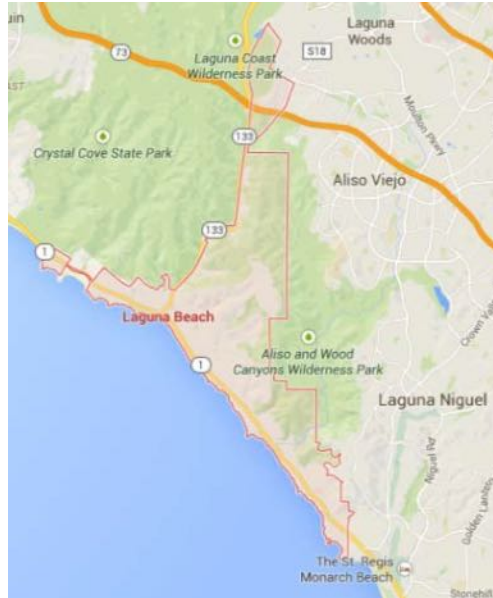
County of Solano Boundary Map

The boundary of the Assessment District shall be the same as the County of Solano as modified from time to time, and the complete County of Solano Boundary Map is on file with the County Engineering Department, County of Solano and is incorporated herein by reference.



City of Laguna Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Laguna Beach as modified from time to time, and the complete City of Laguna Beach Boundary Map is on file with the City Engineering Department, City of Laguna Beach and is incorporated herein by reference.



City of Colton Boundary Map

The boundary of the Assessment District shall be the same as the City of Colton as modified from time to time, and the complete City of Colton Boundary Map is on file with the City Engineering Department, City of Colton and is incorporated herein by reference.



City of Cloverdale Boundary Map

The boundary of the Assessment District shall be the same as the City of Cloverdale as modified from time to time, and the complete City of Cloverdale Boundary Map is on file with the City Engineering Department, City of Cloverdale and is incorporated herein by reference.



City of Windsor Boundary Map

The boundary of the Assessment District shall be the same as the City of Windsor as modified from time to time, and the complete City of Windsor Boundary Map is on file with the City Engineering Department, City of Windsor and is incorporated herein by reference.



EXHIBIT A-100

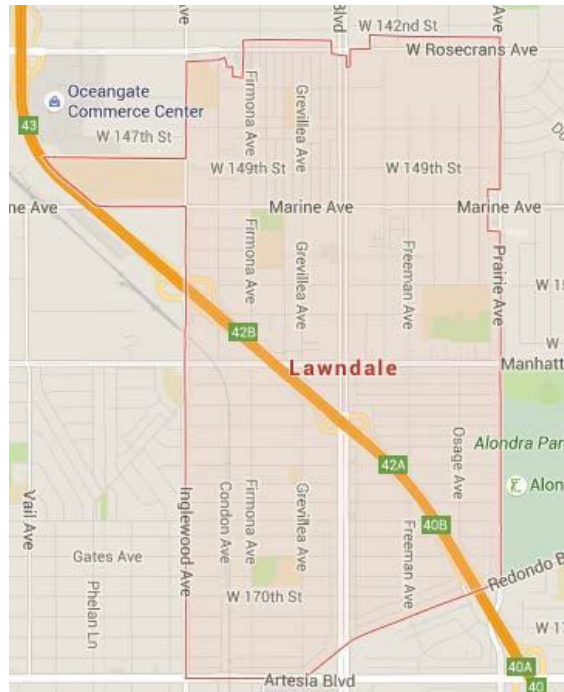
City of Clayton Boundary Map

The boundary of the Assessment District shall be the same as the City of Clayton as modified from time to time, and the complete City of Clayton Boundary Map is on file with the City Engineering Department, City of Clayton and is incorporated herein by reference.



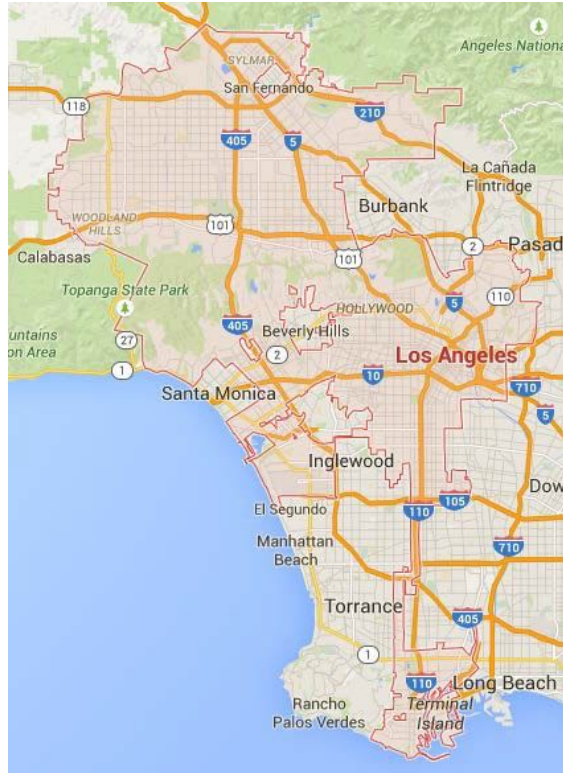
City of Lawndale Boundary Map

The boundary of the Assessment District shall be the same as the City of Lawndale as modified from time to time, and the complete City of Lawndale Boundary Map is on file with the City Engineering Department, City of Lawndale and is incorporated herein by reference.



City of Los Angeles Boundary Map

The boundary of the Assessment District shall be the same as the City of Los Angeles as modified from time to time, and the complete City of Los Angeles Boundary Map is on file with the City Engineering Department, City of Los Angeles and is incorporated herein by reference.



County of Imperial Boundary Map

The boundary of the Assessment District shall be the same as the County of Imperial as modified from time to time, and the complete County of Imperial Boundary Map is on file with the City Engineering Department, County of Imperial and is incorporated herein by reference.



Town of San Anselmo Boundary Map

The boundary of the Assessment District shall be the same as the Town of San Anselmo as modified from time to time, and the complete Town of San Anselmo Boundary Map is on file with the Town Engineering Department, Town of San Anselmo and is incorporated herein by reference.



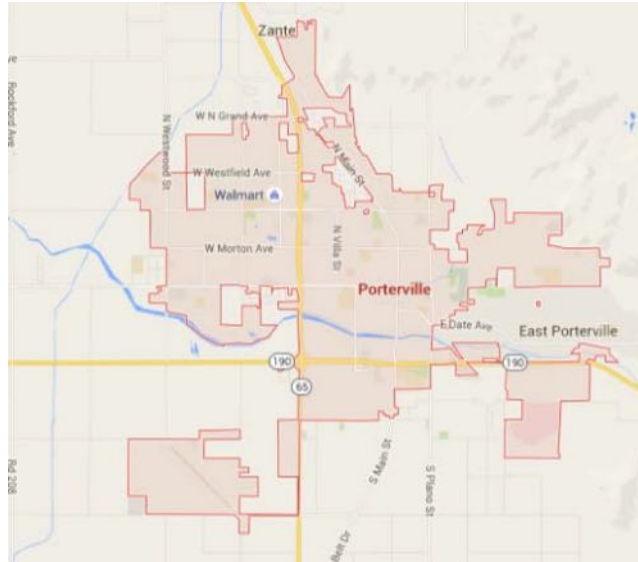
Town of Fairfax Boundary Map

The boundary of the Assessment District shall be the same as the Town of Fairfax as modified from time to time, and the complete Town of Fairfax Boundary Map is on file with the Town Engineering Department, Town of Fairfax and is incorporated herein by reference.



City of Porterville Boundary Map

The boundary of the Assessment District shall be the same as the City of Porterville as modified from time to time, and the complete City of Porterville Boundary Map is on file with the City Engineering Department, City of Porterville and is incorporated herein by reference.



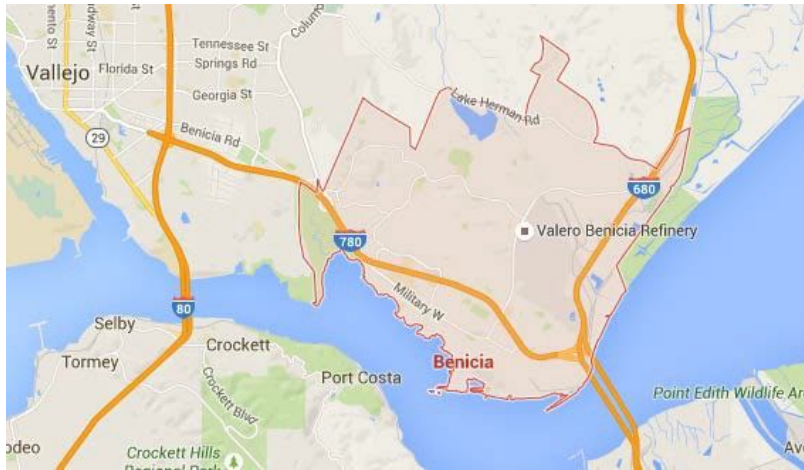
City of Chula Vista Boundary Map

The boundary of the Assessment District shall be the same as the City of Chula Vista as modified from time to time, and the complete City of Chula Vista Boundary Map is on file with the City Engineering Department, City of Chula Vista and is incorporated herein by reference.



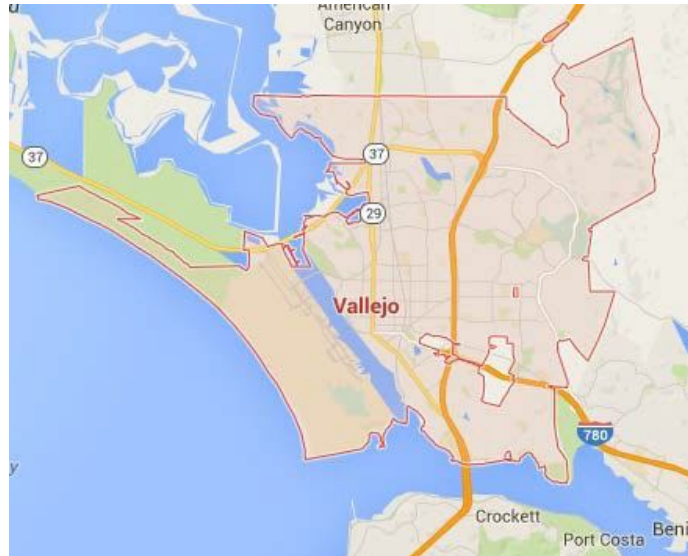
City of Benicia Boundary Map

The boundary of the Assessment District shall be the same as the City of Benicia as modified from time to time, and the complete City of Benicia Boundary Map is on file with the City Engineering Department, City of Benicia and is incorporated herein by reference.



City of Vallejo Boundary Map

The boundary of the Assessment District shall be the same as the City of Vallejo as modified from time to time, and the complete City of Vallejo Boundary Map is on file with the City Engineering Department, City of Vallejo and is incorporated herein by reference.



City of Santa Cruz Boundary Map

The boundary of the Assessment District shall be the same as the City of Santa Cruz as modified from time to time, and the complete City of Santa Cruz Boundary Map is on file with the City Engineering Department, City of Santa Cruz and is incorporated herein by reference.



City of Hanford Boundary Map

The boundary of the Assessment District shall be the same as the City of Hanford as modified from time to time, and the complete City of Hanford Boundary Map is on file with the City Engineering Department, City of Hanford and is incorporated herein by reference.



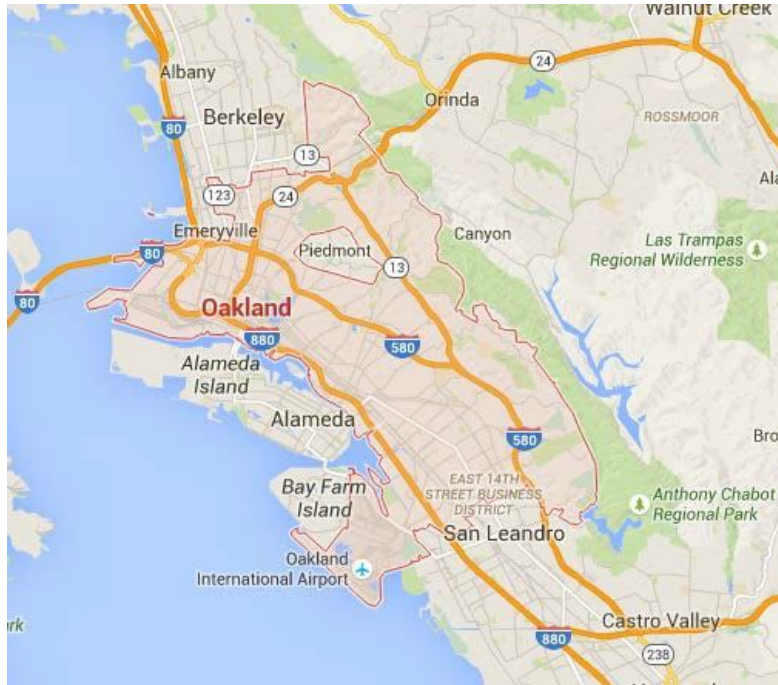
City of Suisun City Boundary Map

The boundary of the Assessment District shall be the same as the City of Suisun City as modified from time to time, and the complete City of Suisun City Boundary Map is on file with the City Engineering Department, City of Suisun City and is incorporated herein by reference.



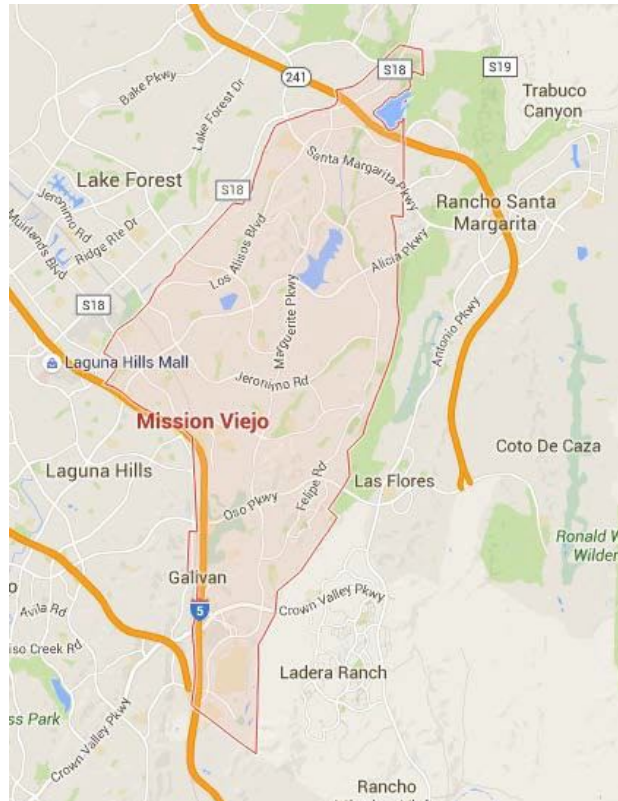
City of Oakland Boundary Map

The boundary of the Assessment District shall be the same as the City of Oakland as modified from time to time, and the complete City of Oakland Boundary Map is on file with the City Engineering Department, City of Oakland and is incorporated herein by reference.



City of Mission Viejo Boundary Map

The boundary of the Assessment District shall be the same as the City of Mission Viejo as modified from time to time, and the complete City of Mission Viejo Boundary Map is on file with the City Engineering Department, City of Mission Viejo and is incorporated herein by reference.



City of San Rafael Boundary Map

The boundary of the Assessment District shall be the same as the City of San Rafael as modified from time to time, and the complete City of San Rafael Boundary Map is on file with the City Engineering Department, City of San Rafael and is incorporated herein by reference.



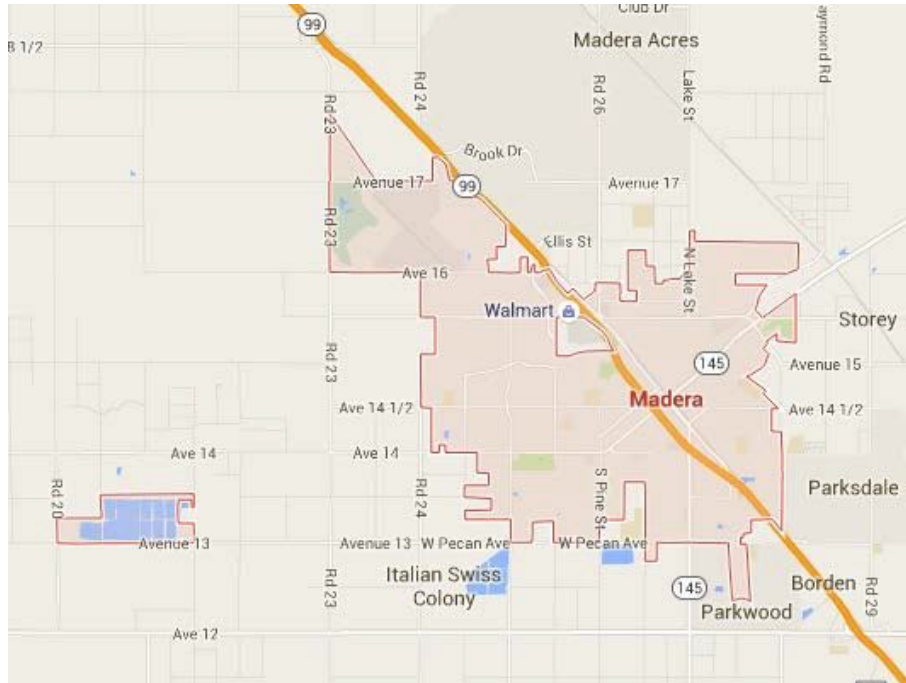
City of Novato Boundary Map

The boundary of the Assessment District shall be the same as the City of Novato as modified from time to time, and the complete City of Novato Boundary Map is on file with the City Engineering Department, City of Novato and is incorporated herein by reference.



City of Madera Boundary Map

The boundary of the Assessment District shall be the same as the City of Madera as modified from time to time, and the complete City of Madera Boundary Map is on file with the City Engineering Department, City of Madera and is incorporated herein by reference.



City of Union City Boundary Map

The boundary of the Assessment District shall be the same as the City of Union City as modified from time to time, and the complete City of Union City Boundary Map is on file with the City Engineering Department, City of Union City and is incorporated herein by reference.



County of Humboldt Boundary Map

The boundary of the Assessment District shall be the same as the County of Humboldt as modified from time to time, and the complete County of Humboldt Boundary Map is on file with the City Engineering Department, County of Humboldt and is incorporated herein by reference.



City of Belvedere Boundary Map

The boundary of the Assessment District shall be the same as the City of Belvedere as modified from time to time, and the complete City of Belvedere Boundary Map is on file with the City Engineering Department, City of Belvedere and is incorporated herein by reference.



City of Thousand Oaks Boundary Map

The boundary of the Assessment District shall be the same as the City of Thousand Oaks as modified from time to time, and the complete City of Thousand Oaks Boundary Map is on file with the City Engineering Department, City of Thousand Oaks and is incorporated herein by reference.



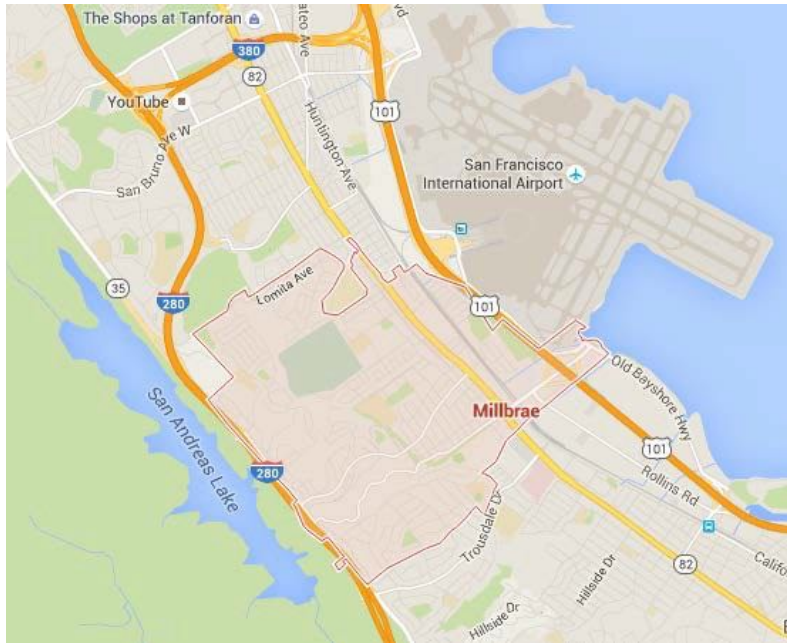
City of Tracy Boundary Map

The boundary of the Assessment District shall be the same as the City of Tracy as modified from time to time, and the complete City of Tracy Boundary Map is on file with the City Engineering Department, City of Tracy and is incorporated herein by reference.



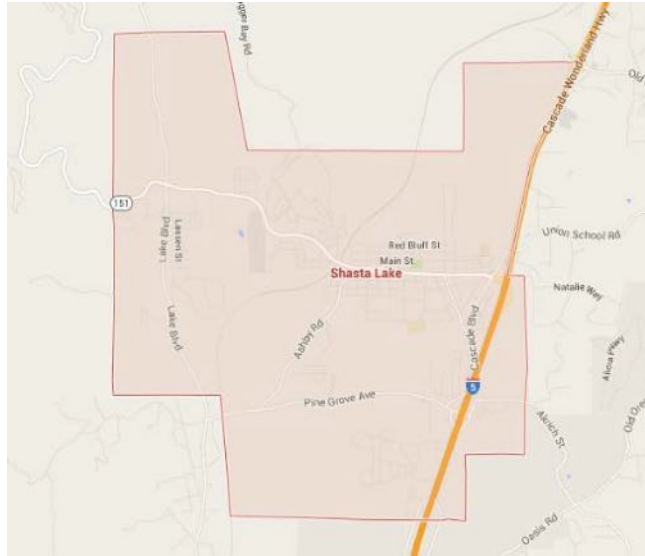
City of Millbrae Boundary Map

The boundary of the Assessment District shall be the same as the City of Millbrae as modified from time to time, and the complete City of Millbrae Boundary Map is on file with the City Engineering Department, City of Millbrae and is incorporated herein by reference.



City of Shasta Lake Boundary Map

The boundary of the Assessment District shall be the same as the City of Shasta Lake as modified from time to time, and the complete City of Shasta Lake Boundary Map is on file with the City Engineering Department, City of Shasta Lake and is incorporated herein by reference.



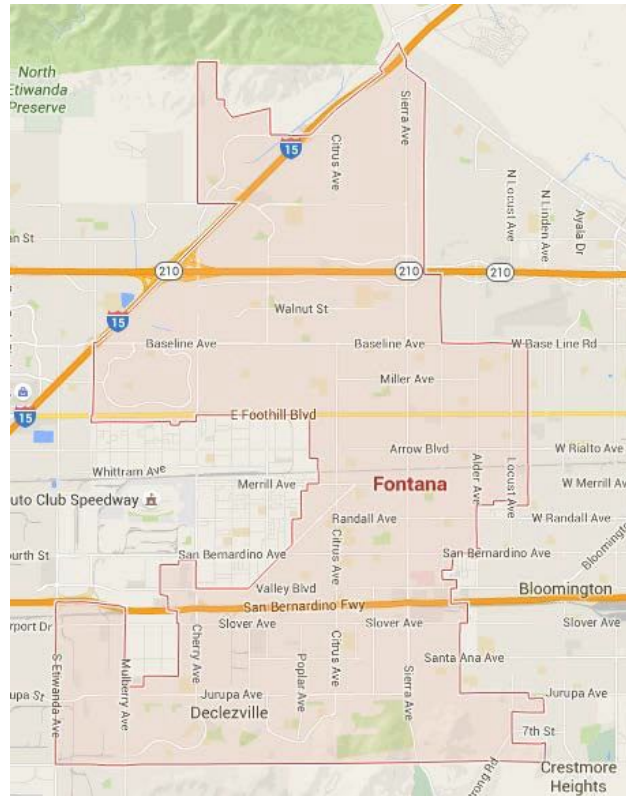
County of Yuba Boundary Map

The boundary of the Assessment District shall be the same as the County of Yuba as modified from time to time, and the complete County of Yuba Boundary Map is on file with the County Engineering Department, County of Yuba and is incorporated herein by reference.



City of Fontana Boundary Map

The boundary of the Assessment District shall be the same as the City of Fontana as modified from time to time, and the complete City of Fontana Boundary Map is on file with the City Engineering Department, City of Fontana and is incorporated herein by reference.



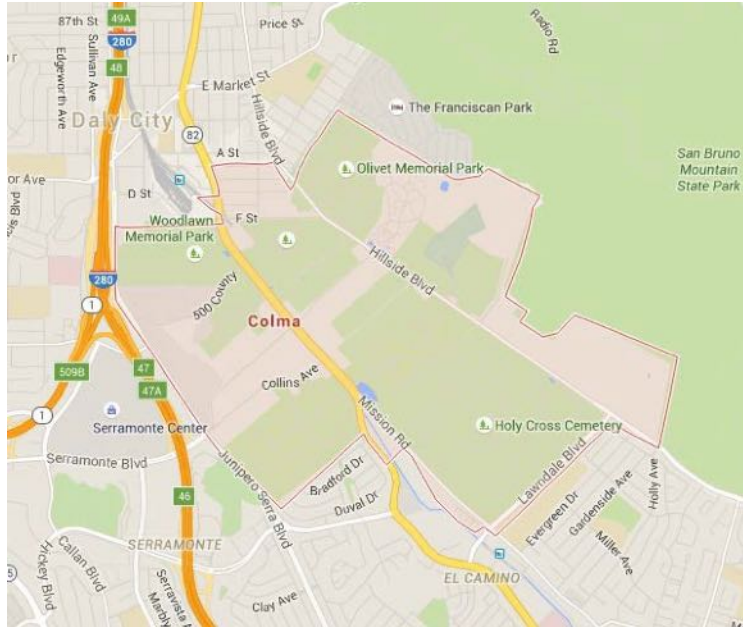
City of Loma Linda Boundary Map

The boundary of the Assessment District shall be the same as the City of Loma Linda as modified from time to time, and the complete City of Loma Linda Boundary Map is on file with the City Engineering Department, City of Loma Linda and is incorporated herein by reference.



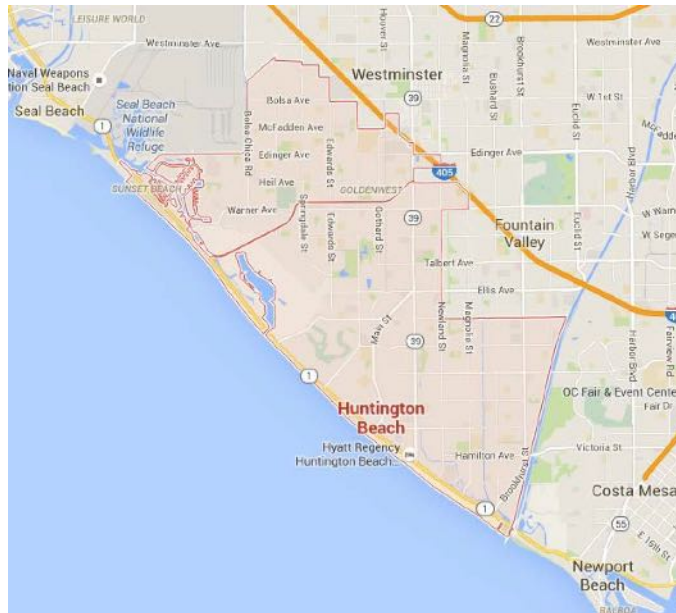
City of Colma Boundary Map

The boundary of the Assessment District shall be the same as the City of Colma as modified from time to time, and the complete City of Colma Boundary Map is on file with the City Engineering Department, City of Colma and is incorporated herein by reference.



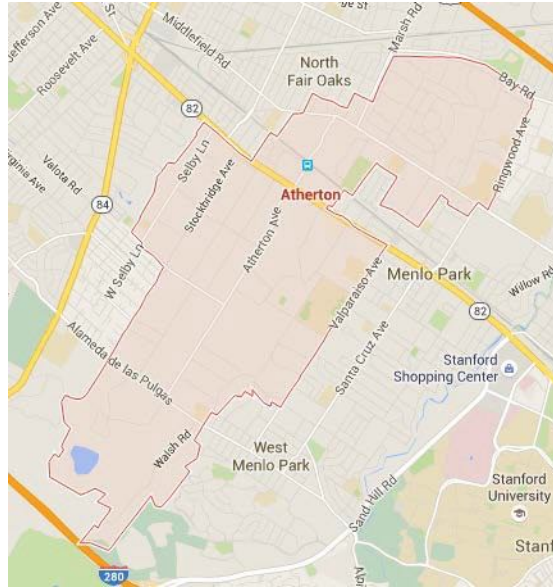
City of Huntington Beach Boundary Map

The boundary of the Assessment District shall be the same as the City of Huntington Beach as modified from time to time, and the complete City of Huntington Beach Boundary Map is on file with the City Engineering Department, City of Huntington Beach and is incorporated herein by reference.



Town of Atherton Boundary Map

The boundary of the Assessment District shall be the same as the Town of Atherton as modified from time to time, and the complete Town of Atherton Boundary Map is on file with the Town Engineering Department, Town of Atherton and is incorporated herein by reference.



City of Glendale Boundary Map

The boundary of the Assessment District shall be the same as the City of Glendale as modified from time to time, and the complete City of Glendale Boundary Map is on file with the City Engineering Department, City of Glendale and is incorporated herein by reference.



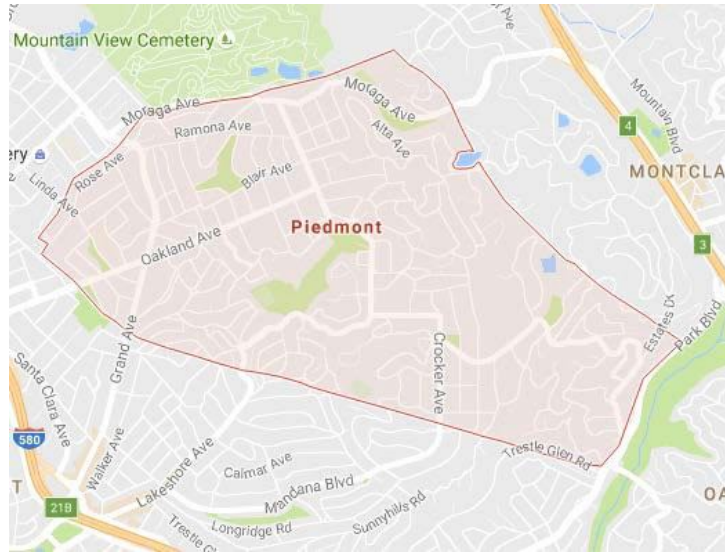
City of Corcoran Boundary Map

The boundary of the Assessment District shall be the same as the City of Corcoran as modified from time to time, and the complete City of Corcoran Boundary Map is on file with the City Engineering Department, City of Corcoran and is incorporated herein by reference.



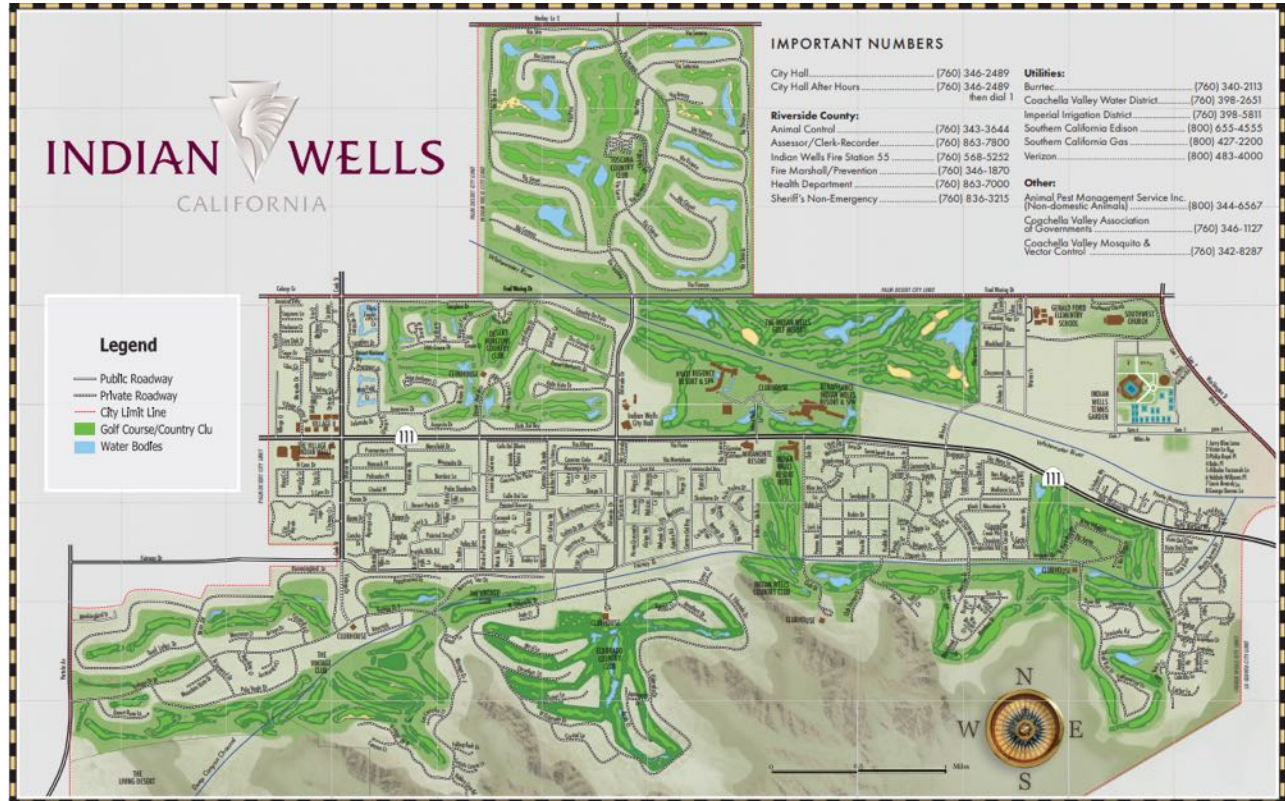
City of Piedmont Boundary Map

The boundary of the Assessment District shall be the same as the City of Piedmont as modified from time to time, and the complete City of Piedmont Boundary Map is on file with the City Engineering Department, City of Piedmont and is incorporated herein by reference.



City of Indian Wells Boundary Map

The boundary of the Assessment District shall be the same as the City of Indian Wells as modified from time to time, and the complete City of Indian Wells Boundary Map is on file with the City Engineering Department, City of Indian Wells and is incorporated herein by reference.



City of Clearlake Boundary Map

The boundary of the Assessment District shall be the same as the City of Clearlake as modified from time to time, and the complete City of Clearlake Boundary Map is on file with the City Engineering Department, City of Clearlake and is incorporated herein by reference.



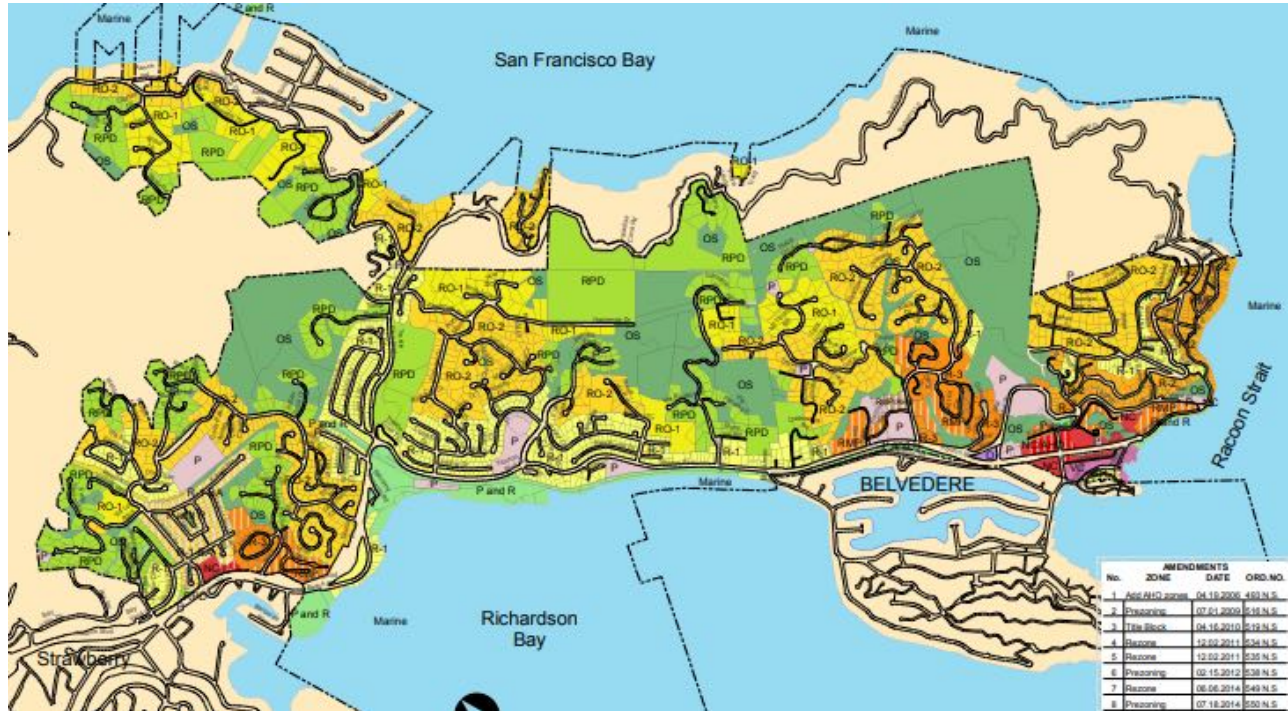
County of Sonoma Boundary Map

The boundary of the Assessment District shall be the same as the County of Sonoma as modified from time to time, and the complete County of Sonoma Boundary Map is on file with the County Engineering Department, County of Sonoma and is incorporated herein by reference.



City of Tiburon Boundary Map

The boundary of the Assessment District shall be the same as the City of Tiburon as modified from time to time, and the complete City of Tiburon Boundary Map is on file with the City Engineering Department, City of Tiburon and is incorporated herein by reference.



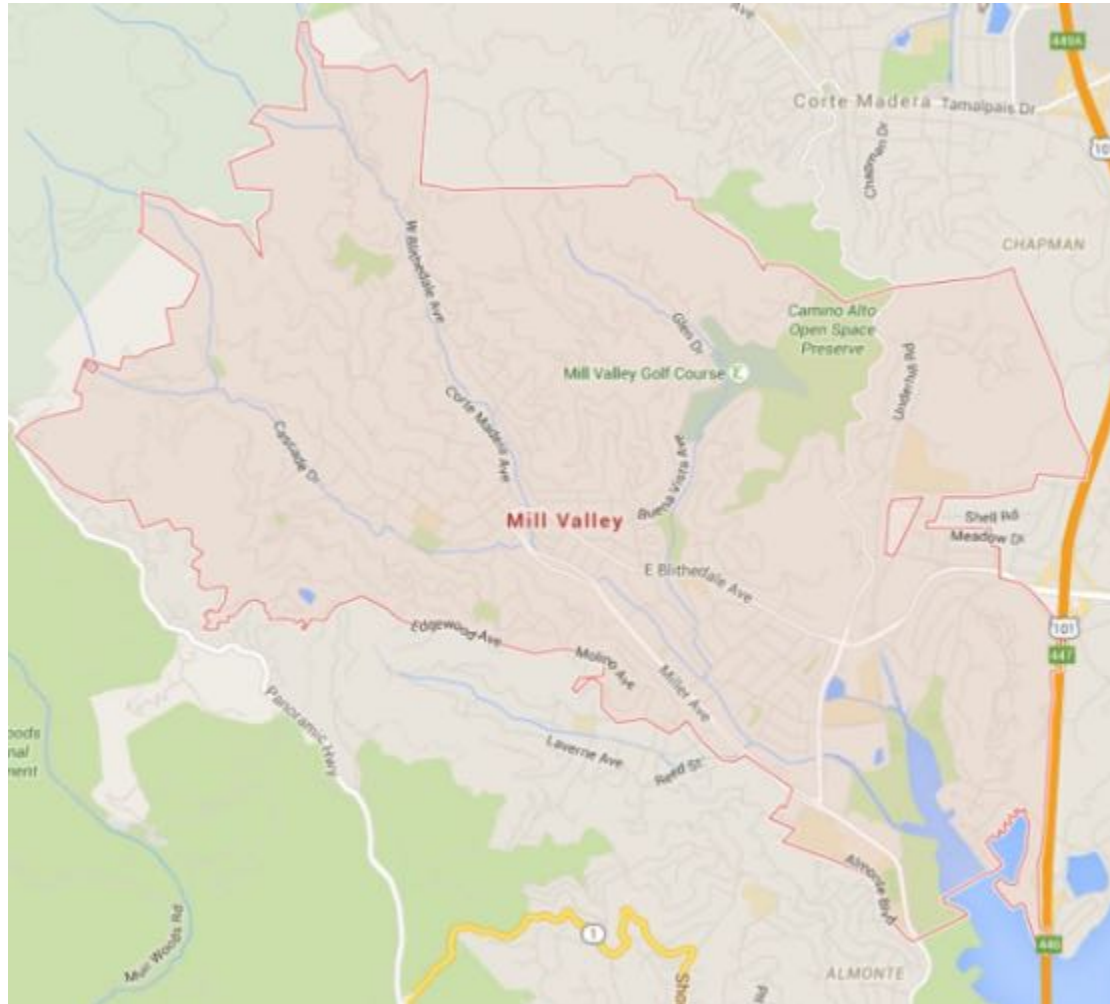
City of Camarillo Boundary Map

The boundary of the Assessment District shall be the same as the City of Camarillo as modified from time to time, and the complete City of Camarillo Boundary Map is on file with the City Engineering Department, City of Camarillo and is incorporated herein by reference.



City of Mill Valley Boundary Map

The boundary of the Assessment District shall be the same as the City of Mill Valley as modified from time to time, and the complete City of Mill Valley Boundary Map is on file with the City Engineering Department, City of Mill Valley and is incorporated herein by reference.



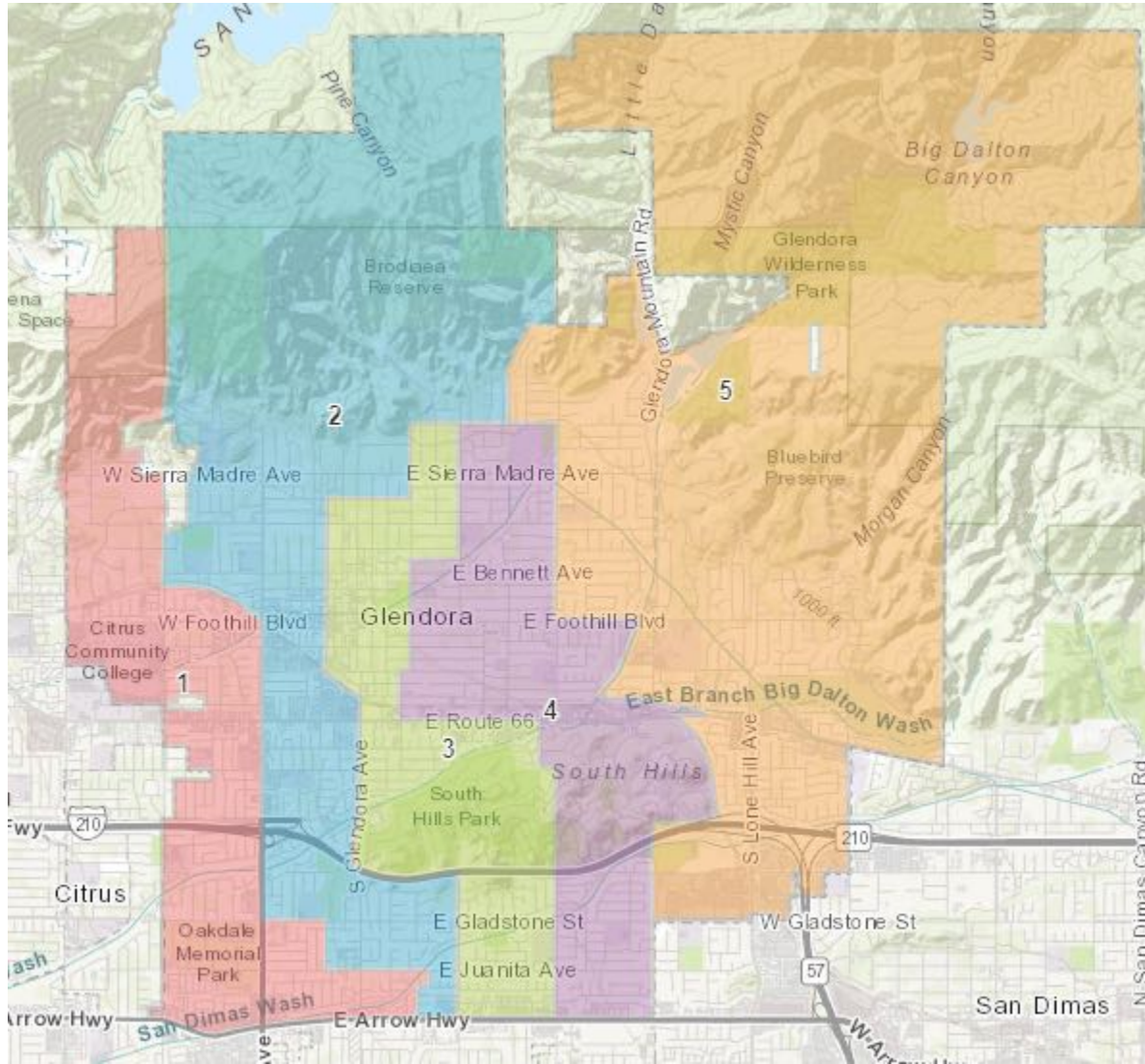
City of Larkspur Boundary Map

The boundary of the Assessment District shall be the same as the City of Larkspur as modified from time to time, and the complete City of Larkspur Boundary Map is on file with the City Engineering Department, City of Larkspur and is incorporated herein by reference.



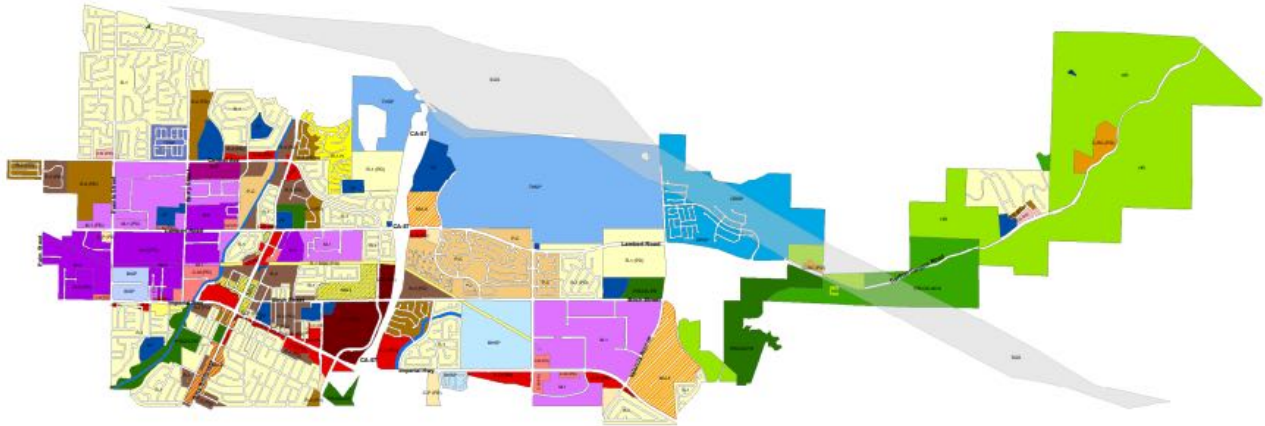
City of Glendora Boundary Map

The boundary of the Assessment District shall be the same as the City of Glendora as modified from time to time, and the complete City of Glendora Boundary Map is on file with the City Engineering Department, City of Glendora and is incorporated herein by reference.



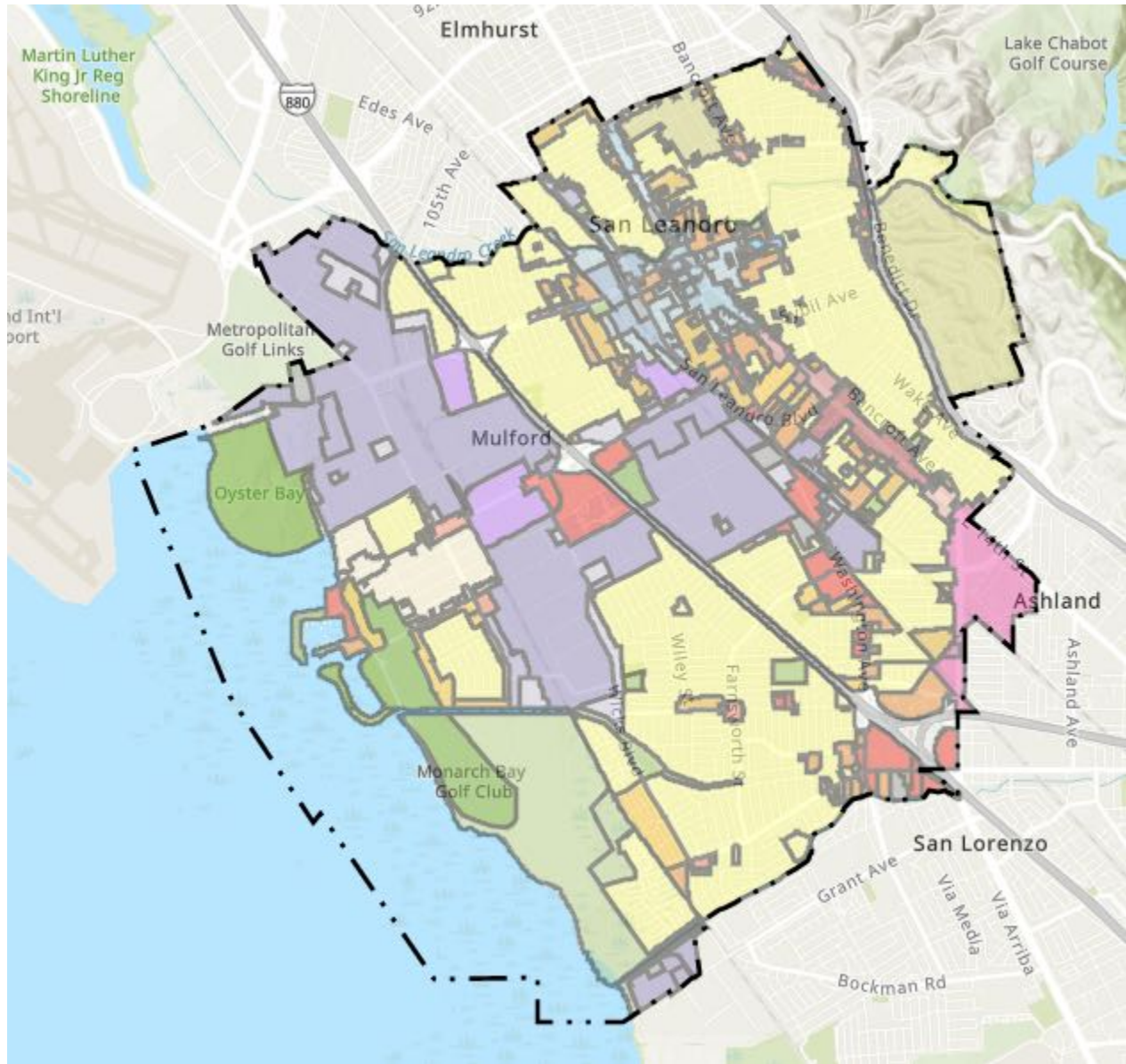
City of Brea Boundary Map

The boundary of the Assessment District shall be the same as the City of Brea as modified from time to time, and the complete City of Brea Boundary Map is on file with the City Engineering Department, City of Brea and is incorporated herein by reference.



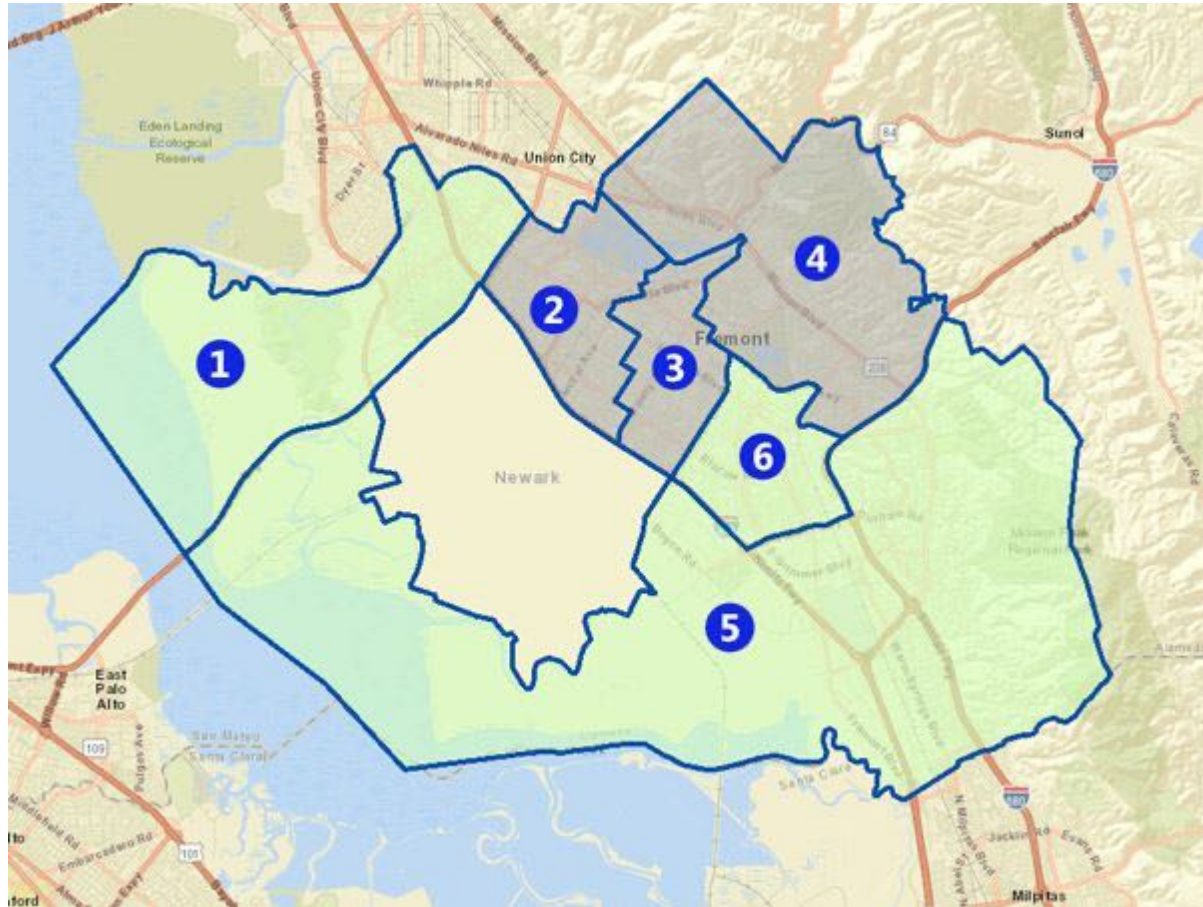
City of San Leandro Boundary Map

The boundary of the Assessment District shall be the same as the City of San Leandro as modified from time to time, and the complete City of San Leandro Boundary Map is on file with the City Engineering Department, City of San Leandro and is incorporated herein by reference.



City of Fremont Boundary Map

The boundary of the Assessment District shall be the same as the City of Fremont as modified from time to time, and the complete City of Fremont Boundary Map is on file with the City Engineering Department, City of Fremont and is incorporated herein by reference.



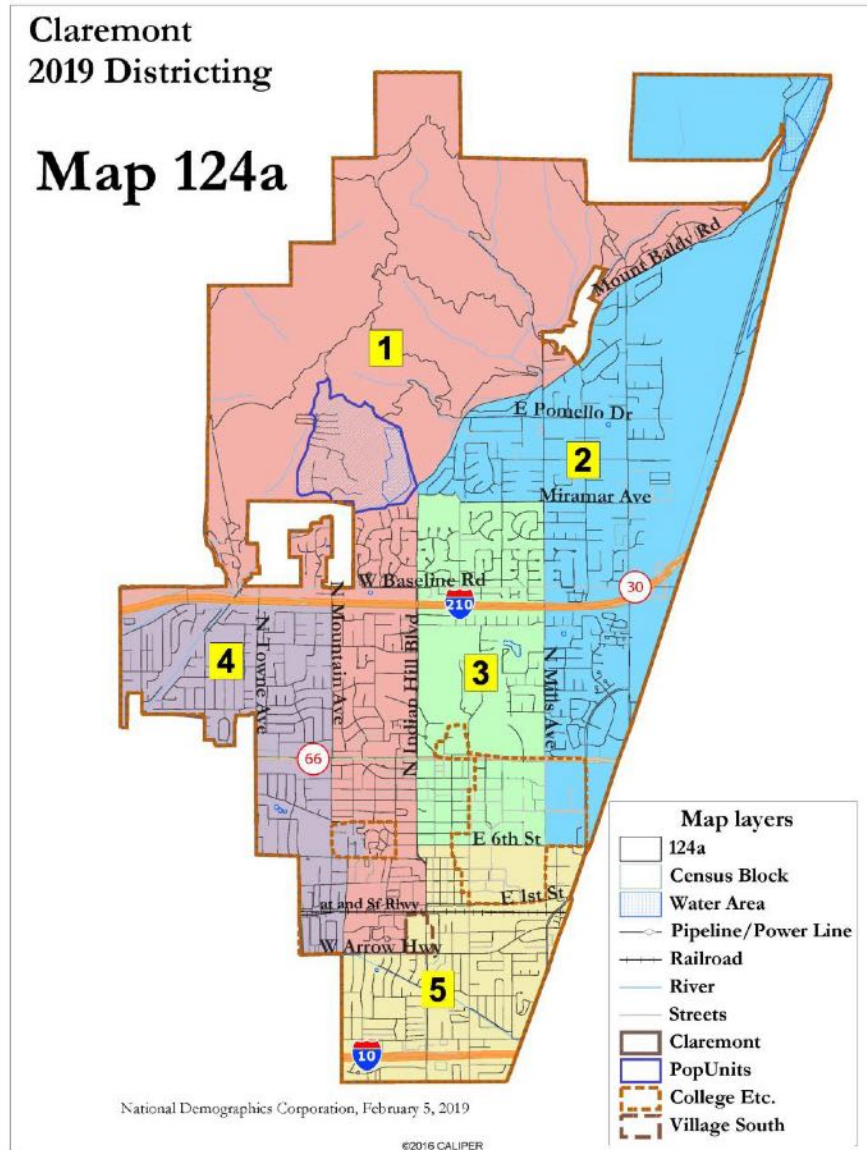
City of Rancho Cucamonga Boundary Map

The boundary of the Assessment District shall be the same as the City of Rancho Cucamonga as modified from time to time, and the complete City of Rancho Cucamonga Boundary Map is on file with the City Engineering Department, City of Rancho Cucamonga and is incorporated herein by reference.



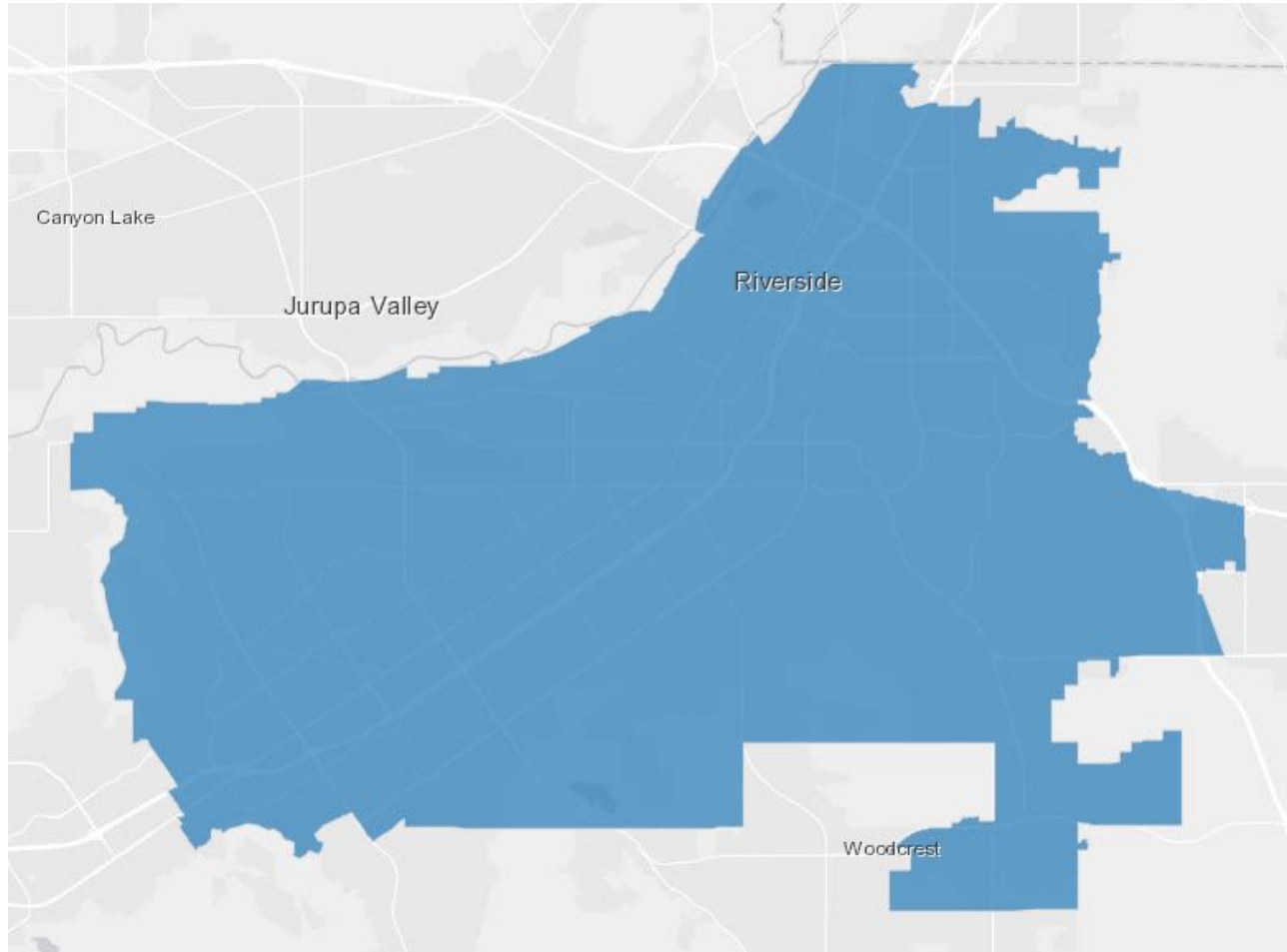
City of Claremont Boundary Map

The boundary of the Assessment District shall be the same as the City of Claremont as modified from time to time, and the complete City of Claremont Boundary Map is on file with the City Engineering Department, City of Claremont and is incorporated herein by reference.



City of Riverside Boundary Map

The boundary of the Assessment District shall be the same as the City of Riverside as modified from time to time, and the complete City of Riverside Boundary Map is on file with the City Engineering Department, City of Riverside and is incorporated herein by reference.



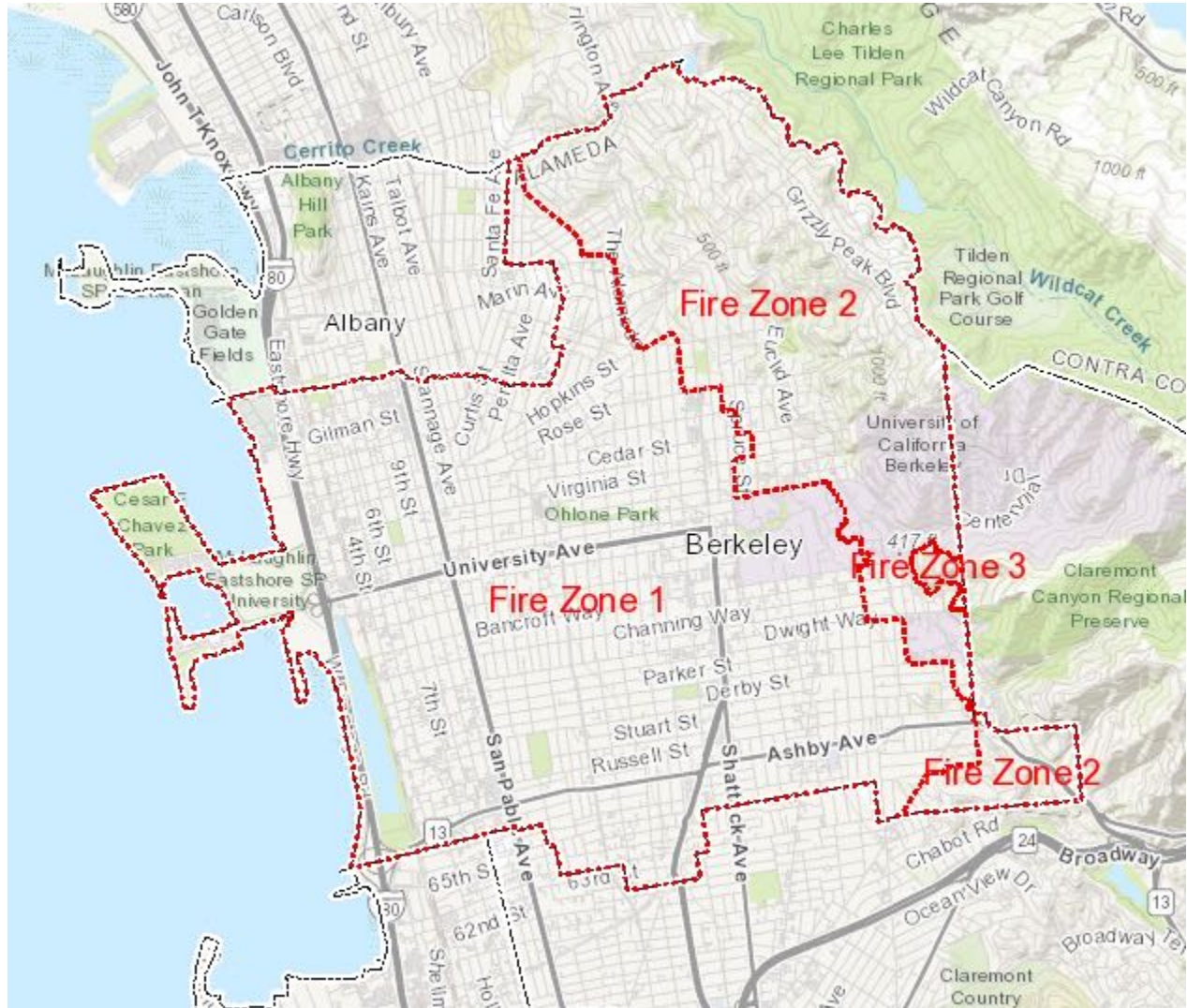
City of Huntington Park Boundary Map

The boundary of the Assessment District shall be the same as the City of Huntington Park as modified from time to time, and the complete City of Huntington Park Boundary Map is on file with the City Engineering Department, City of Huntington Park and is incorporated herein by reference.



City of Berkeley Boundary Map

The boundary of the Assessment District shall be the same as the City of Berkeley as modified from time to time, and the complete City of Berkeley Boundary Map is on file with the City Engineering Department, City of Berkeley and is incorporated herein by reference.



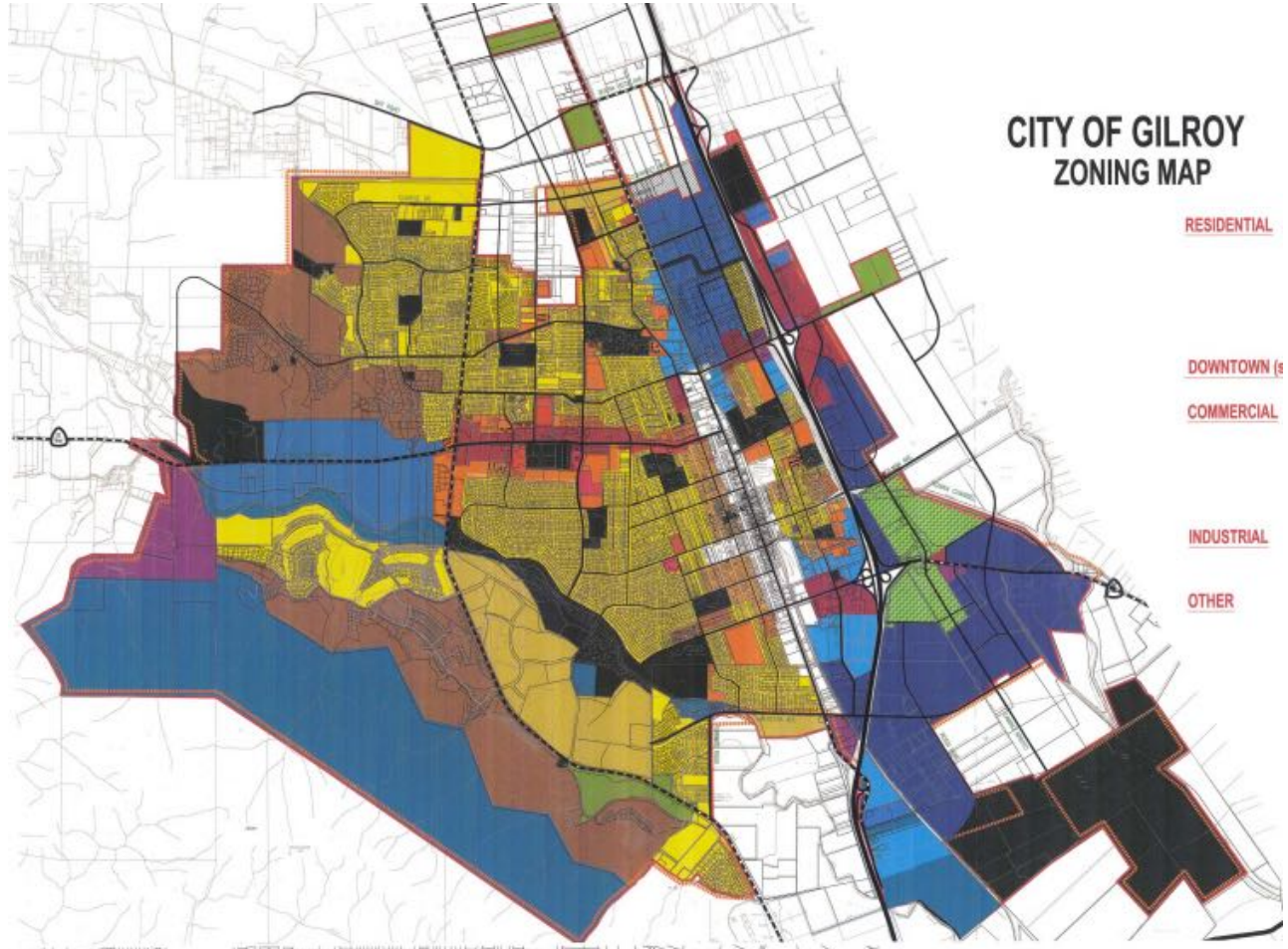
City of Belmont Boundary Map

The boundary of the Assessment District shall be the same as the City of Belmont as modified from time to time, and the complete City of Belmont Boundary Map is on file with the City Engineering Department, City of Belmont and is incorporated herein by reference.



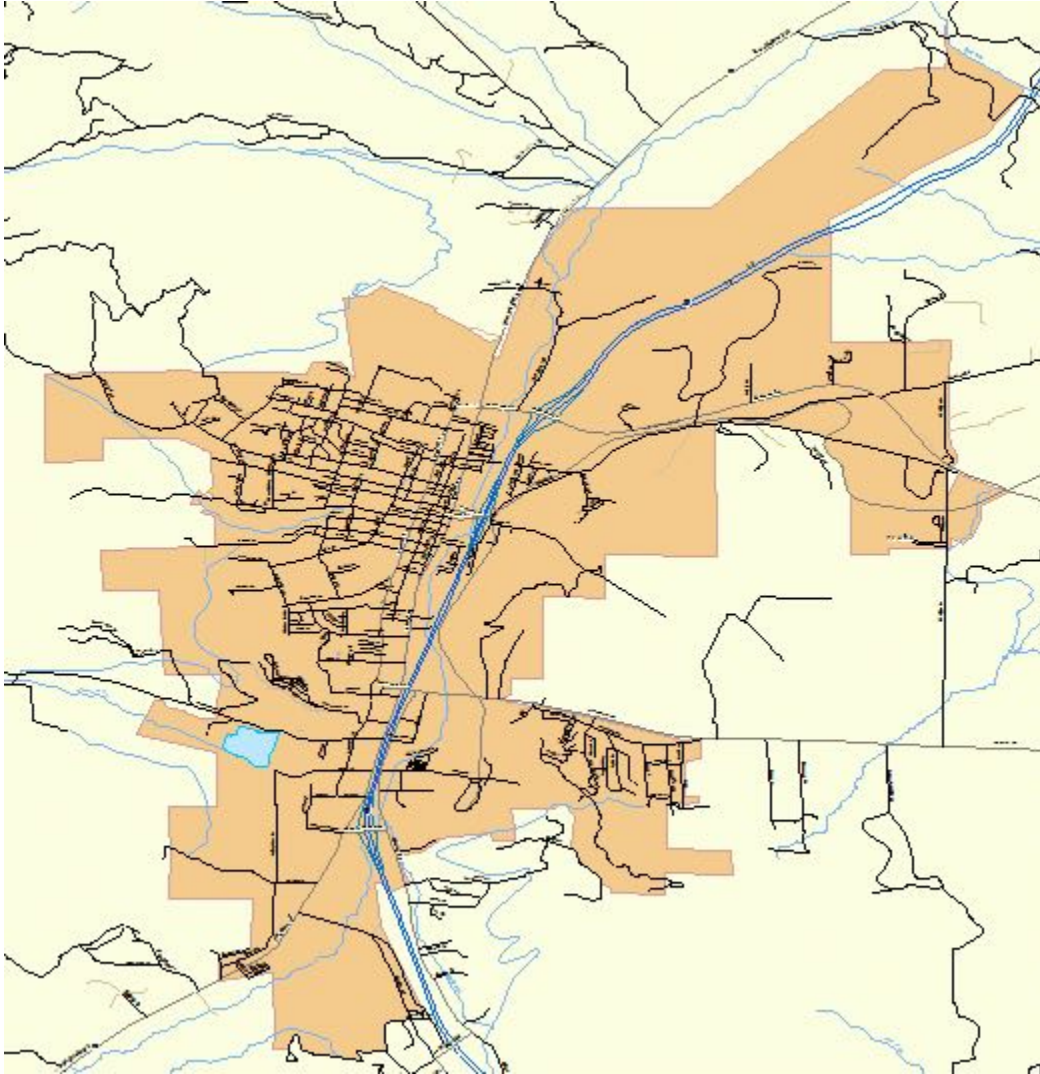
[City of Gilroy Boundary Map](#)

The boundary of the Assessment District shall be the same as the City of Gilroy as modified from time to time, and the complete City of Gilroy Boundary Map is on file with the City Engineering Department, City of Gilroy and is incorporated herein by reference.



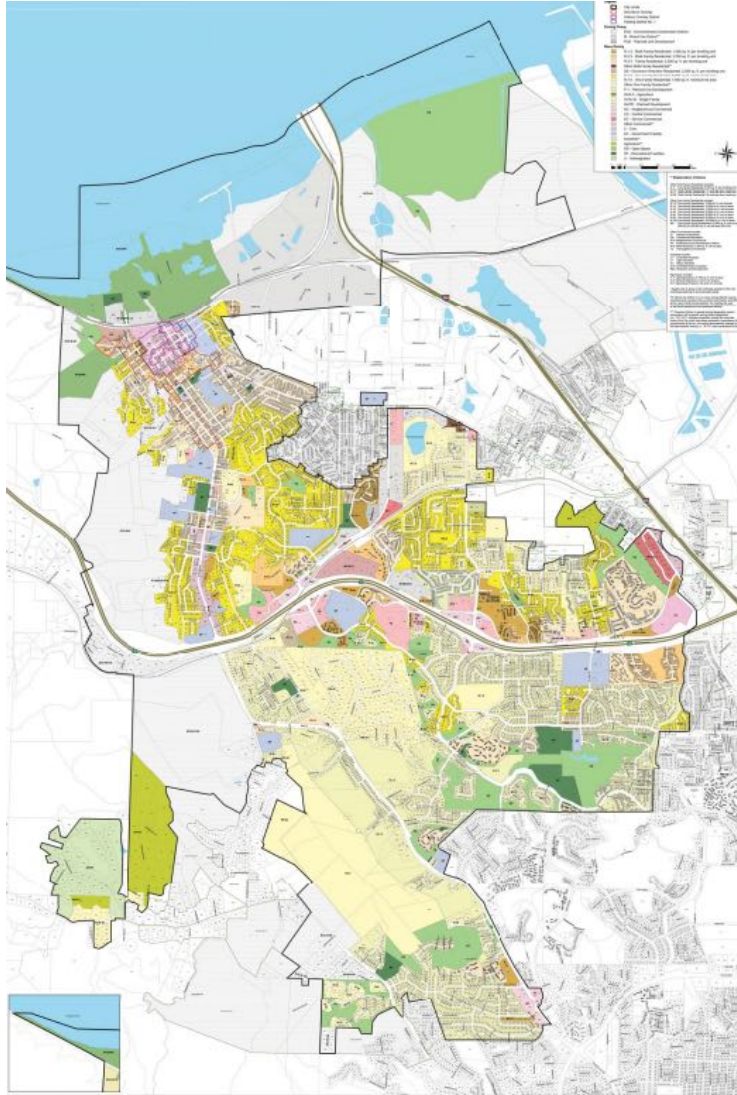
City of Yreka Boundary Map

The boundary of the Assessment District shall be the same as the City of Yreka as modified from time to time, and the complete City of Yreka Boundary Map is on file with the City Engineering Department, City of Yreka and is incorporated herein by reference.



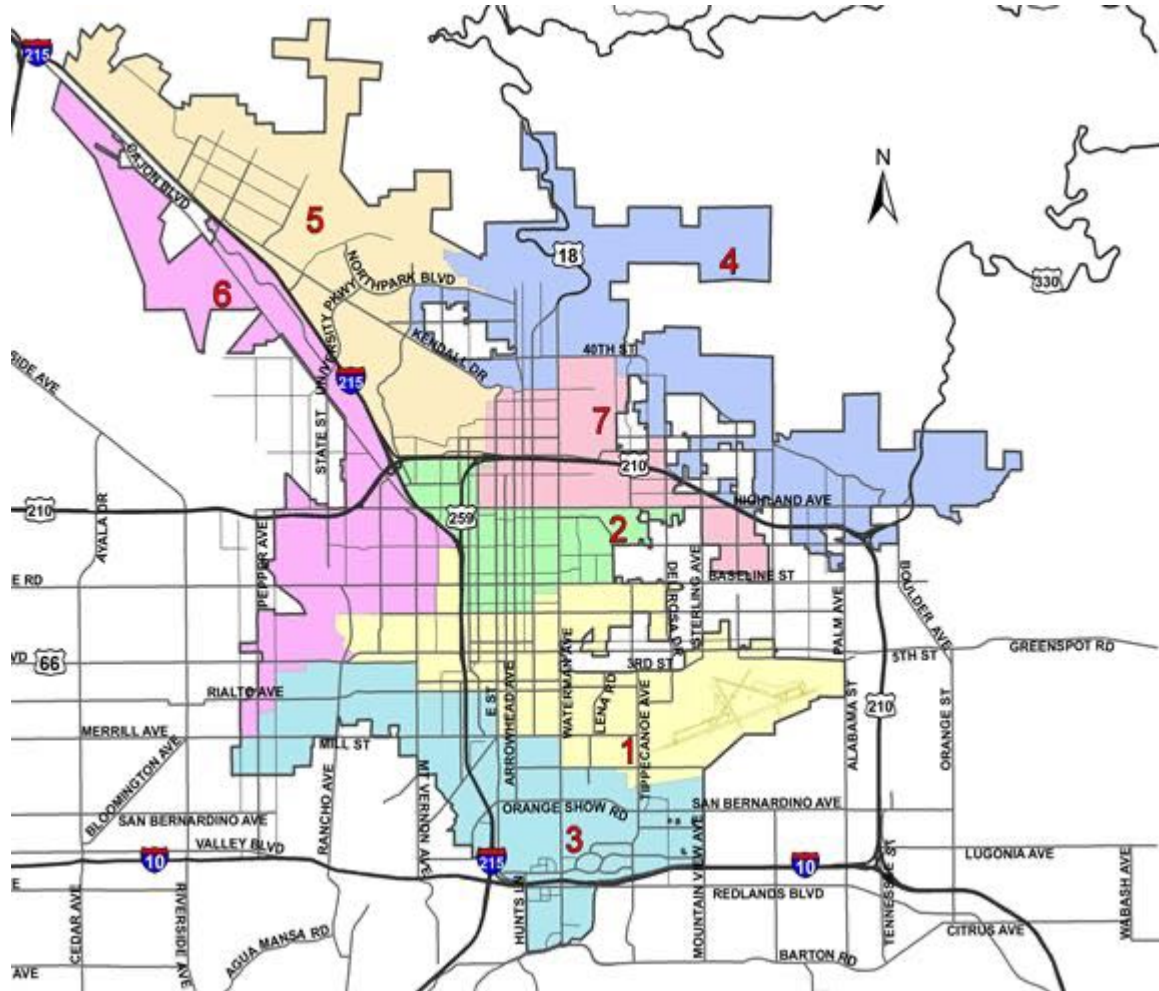
City of Martinez Boundary Map

The boundary of the Assessment District shall be the same as the City of Martinez as modified from time to time, and the complete City of Martinez Boundary Map is on file with the City Engineering Department, City of Martinez and is incorporated herein by reference.



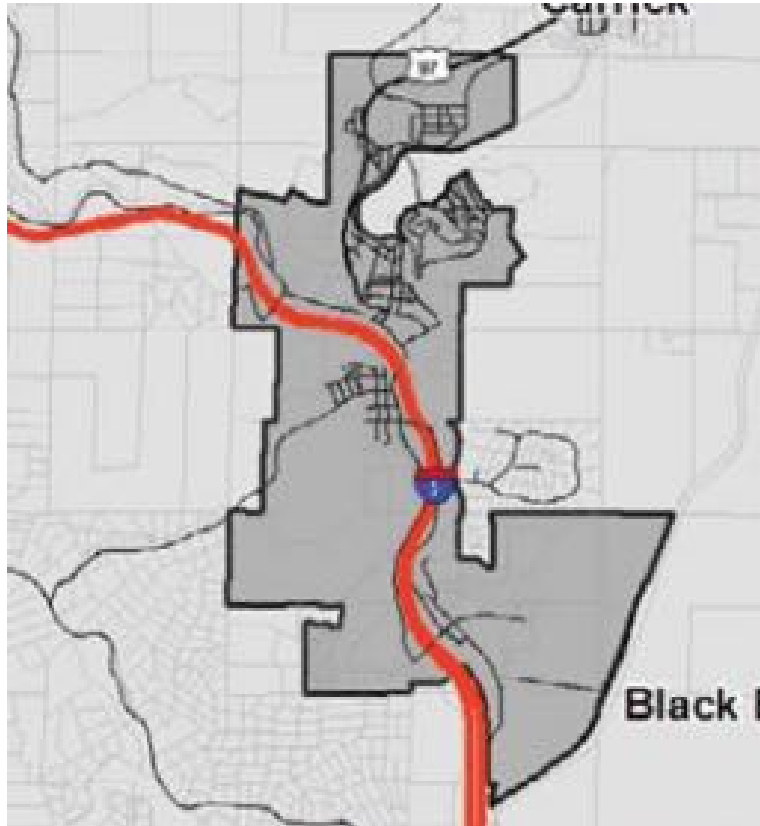
City of San Bernardino Boundary Map

The boundary of the Assessment District shall be the same as the City of San Bernardino as modified from time to time, and the complete City of San Bernardino Boundary Map is on file with the City Engineering Department, City of San Bernardino and is incorporated herein by reference.



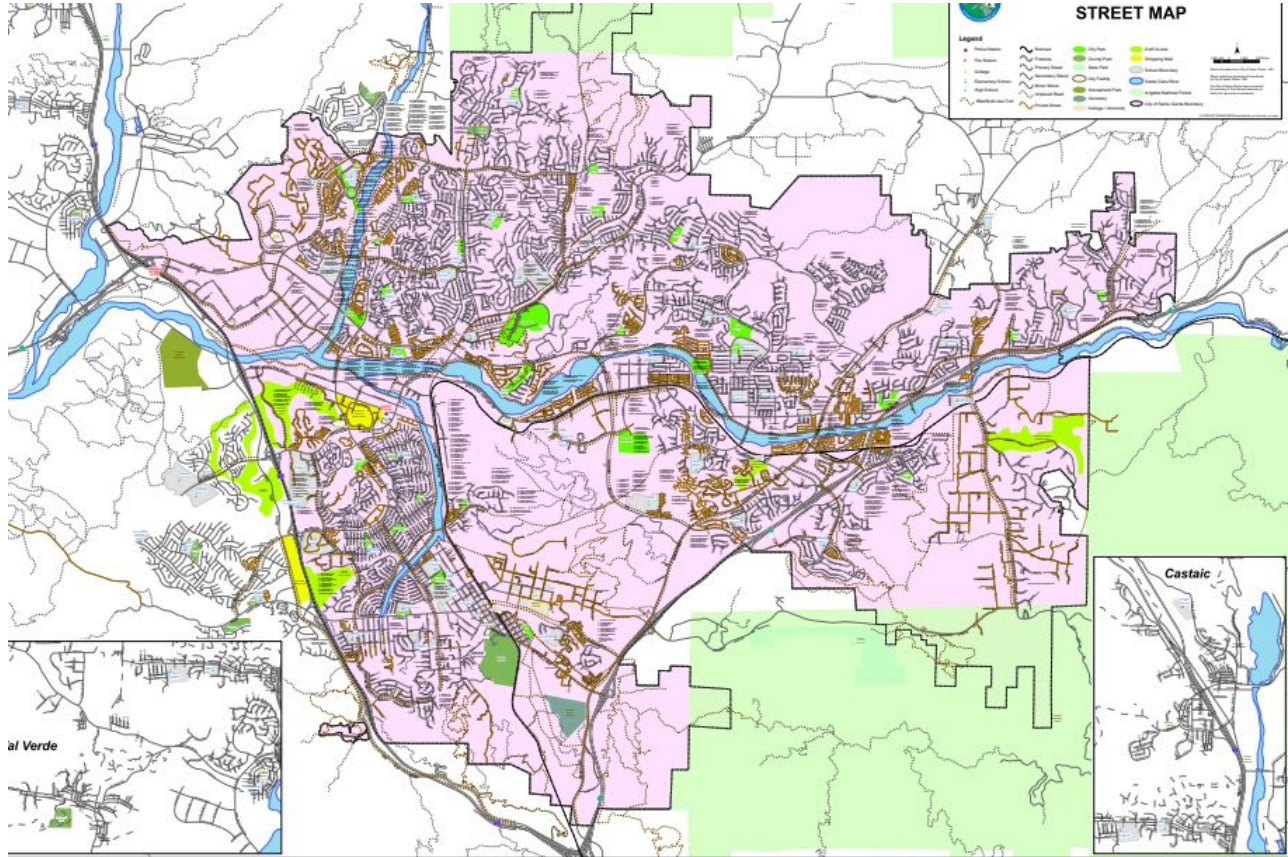
City of Weed Boundary Map

The boundary of the Assessment District shall be the same as the City of Weed as modified from time to time, and the complete City of Weed Boundary Map is on file with the City Engineering Department, City of Weed and is incorporated herein by reference.



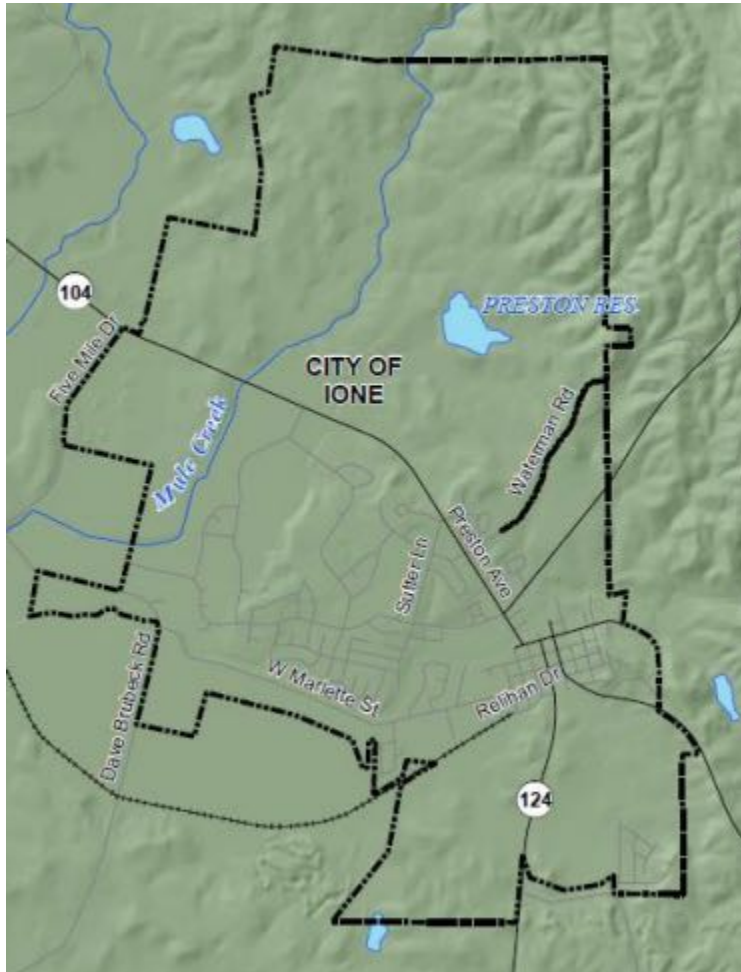
City of Santa Clarita Boundary Map

The boundary of the Assessment District shall be the same as the City of Santa Clarita as modified from time to time, and the complete City of Santa Clarita Boundary Map is on file with the City Engineering Department, City of Santa Clarita and is incorporated herein by reference.



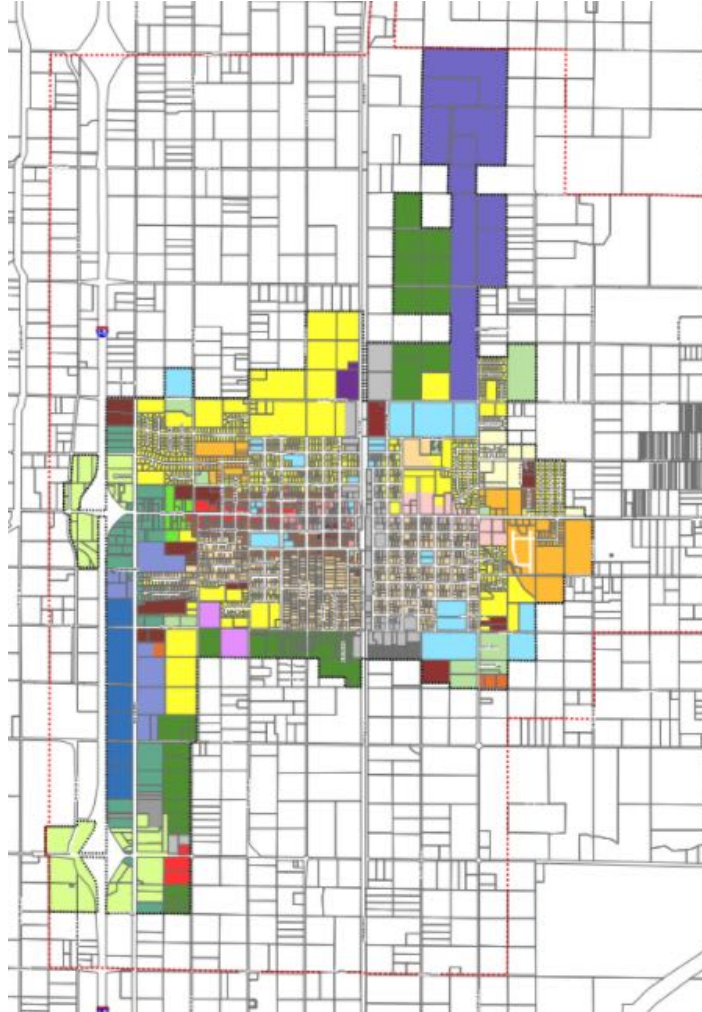
City of Ione Boundary Map

The boundary of the Assessment District shall be the same as the City of Ione as modified from time to time, and the complete City of Ione Boundary Map is on file with the City Engineering Department, City of Ione and is incorporated herein by reference.



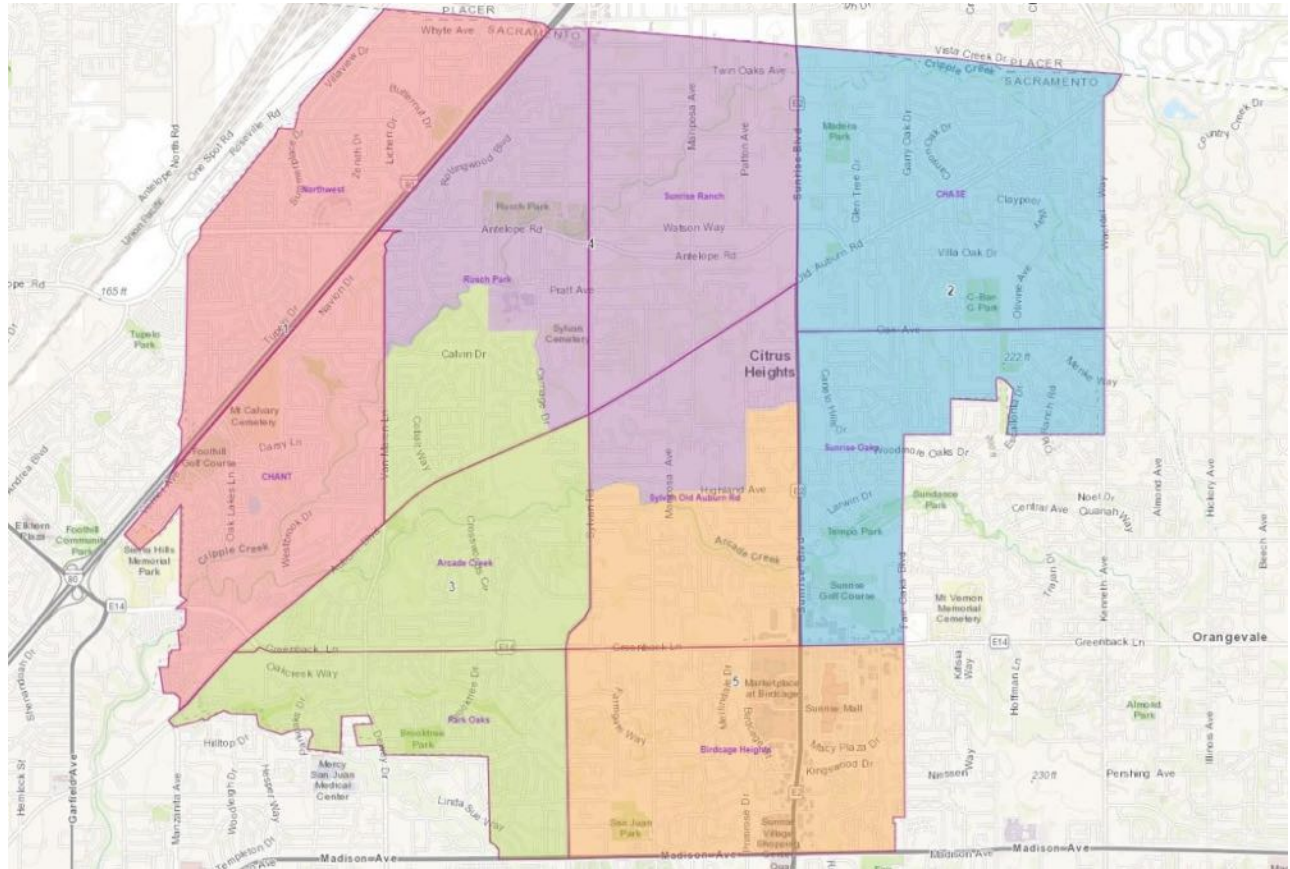
City of Corning Boundary Map

The boundary of the Assessment District shall be the same as the City of Corning as modified from time to time, and the complete City of Corning Boundary Map is on file with the City Engineering Department, City of Corning and is incorporated herein by reference.



City of Citrus Heights Boundary Map

The boundary of the Assessment District shall be the same as the City of Citrus Heights as modified from time to time, and the complete City of Citrus Heights Boundary Map is on file with the City Engineering Department, City of Citrus Heights and is incorporated herein by reference.



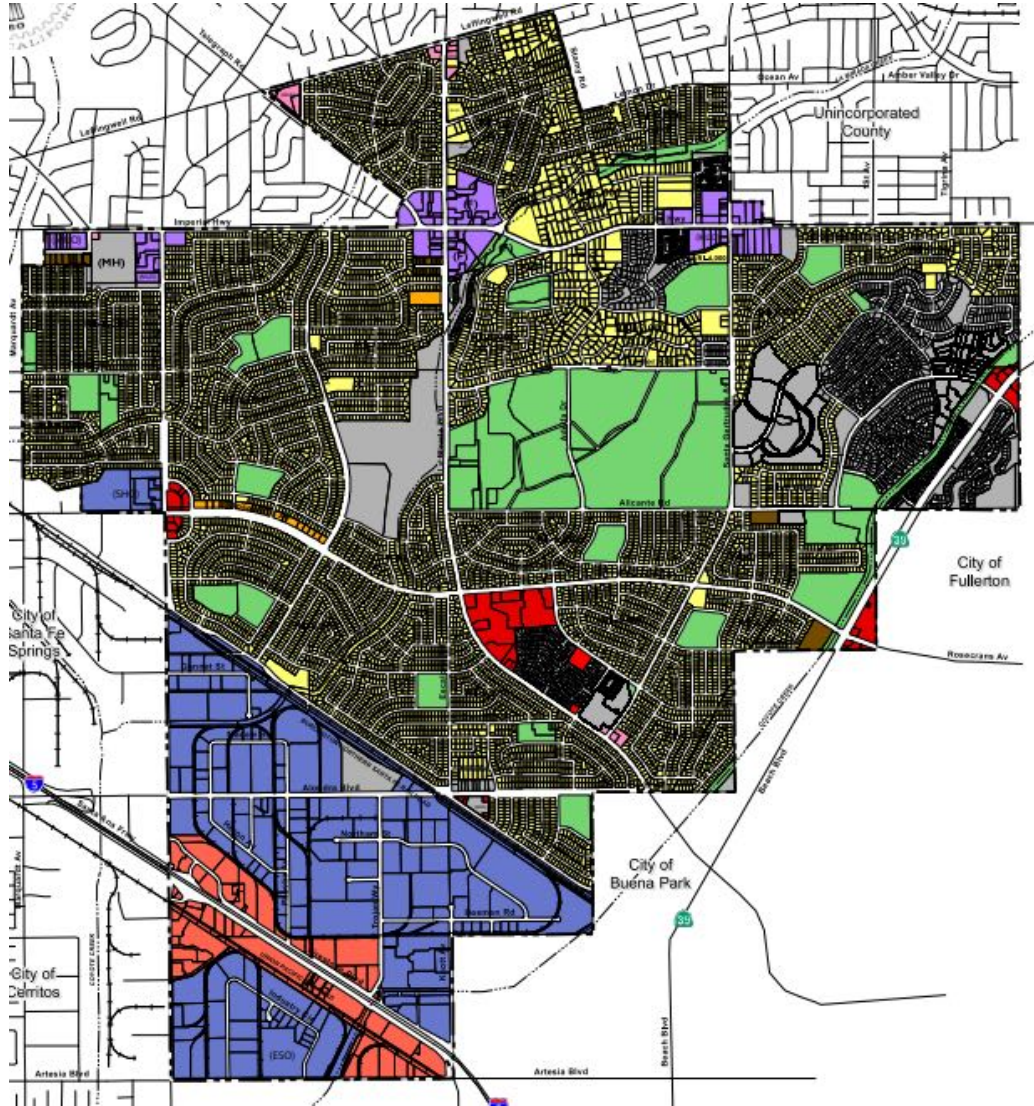
City of Blue Lake Boundary Map

The boundary of the Assessment District shall be the same as the City of Blue Lake as modified from time to time, and the complete City of Blue Lake Boundary Map is on file with the City Engineering Department, City of Blue Lake and is incorporated herein by reference.



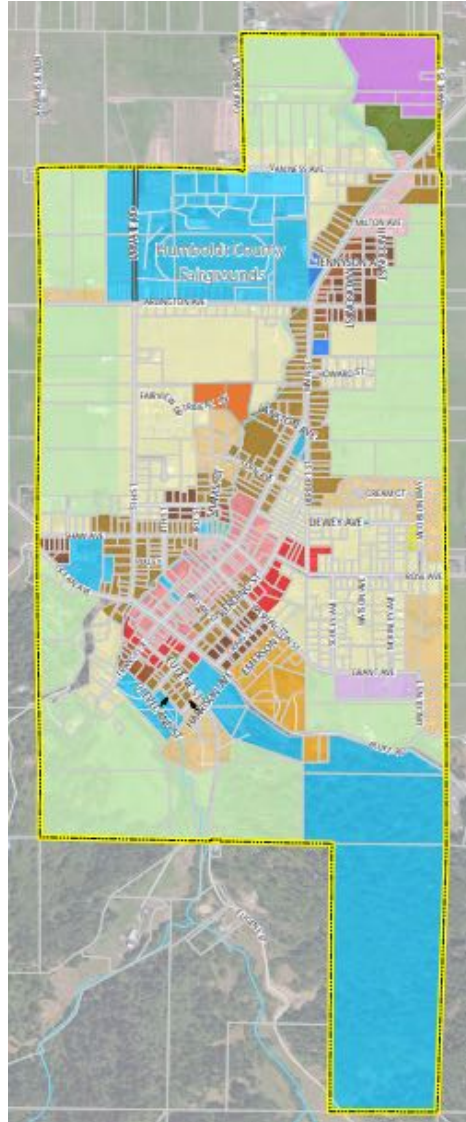
City of La Mirada Boundary Map

The boundary of the Assessment District shall be the same as the City of La Mirada as modified from time to time, and the complete City of La Mirada Boundary Map is on file with the City Engineering Department, City of La Mirada and is incorporated herein by reference.



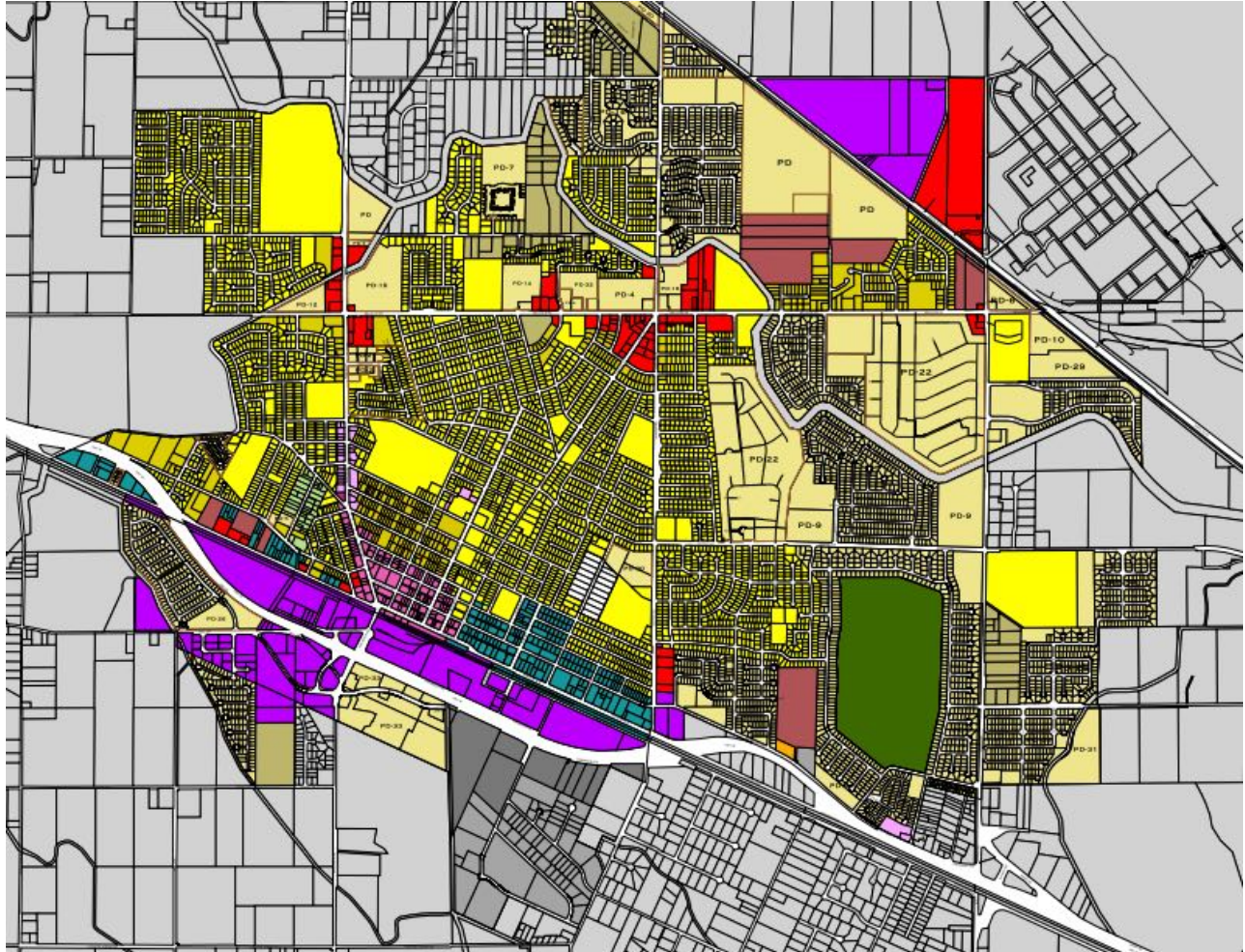
City of Ferndale Boundary Map

The boundary of the Assessment District shall be the same as the City of Ferndale as modified from time to time, and the complete City of Ferndale Boundary Map is on file with the City Engineering Department, City of Ferndale and is incorporated herein by reference.



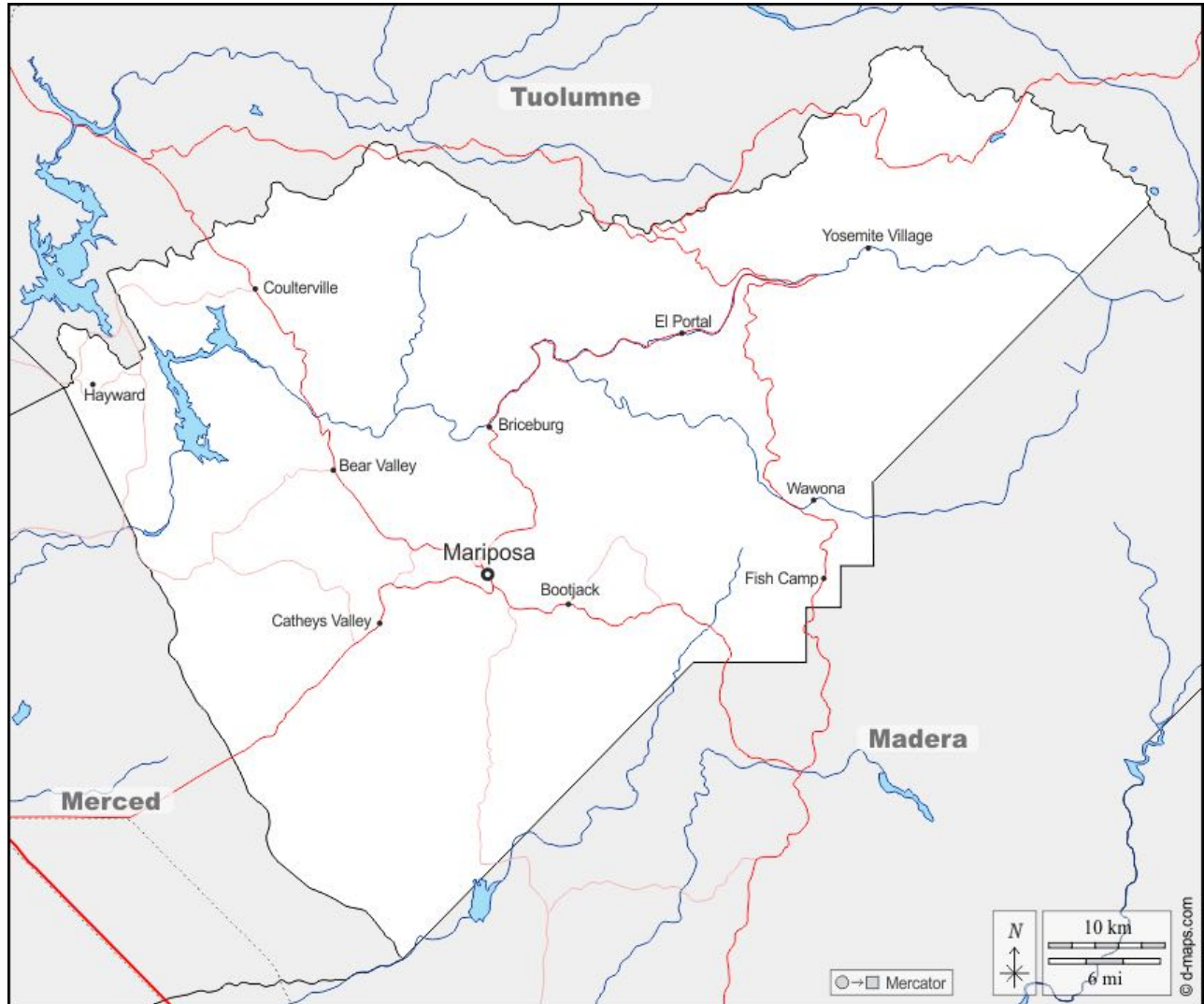
City of Atwater Boundary Map

The boundary of the Assessment District shall be the same as the City of Atwater as modified from time to time, and the complete City of Atwater Boundary Map is on file with the City Engineering Department, City of Atwater and is incorporated herein by reference.



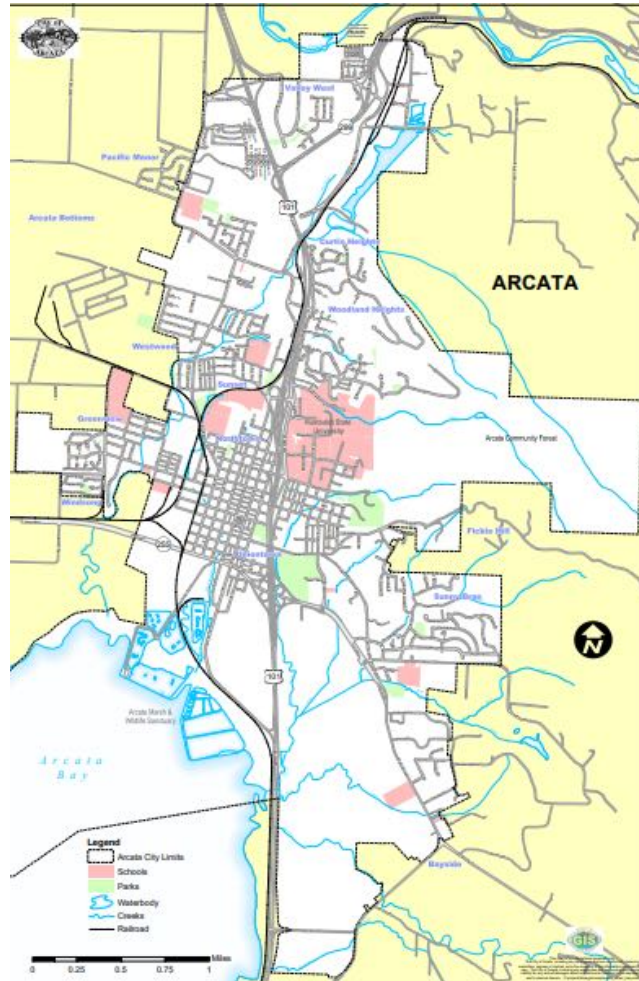
County of Mariposa Boundary Map

The boundary of the Assessment District shall be the same as the County of Mariposa as modified from time to time, and the complete County of Mariposa Boundary Map is on file with the County Engineering Department, County of Mariposa and is incorporated herein by reference.



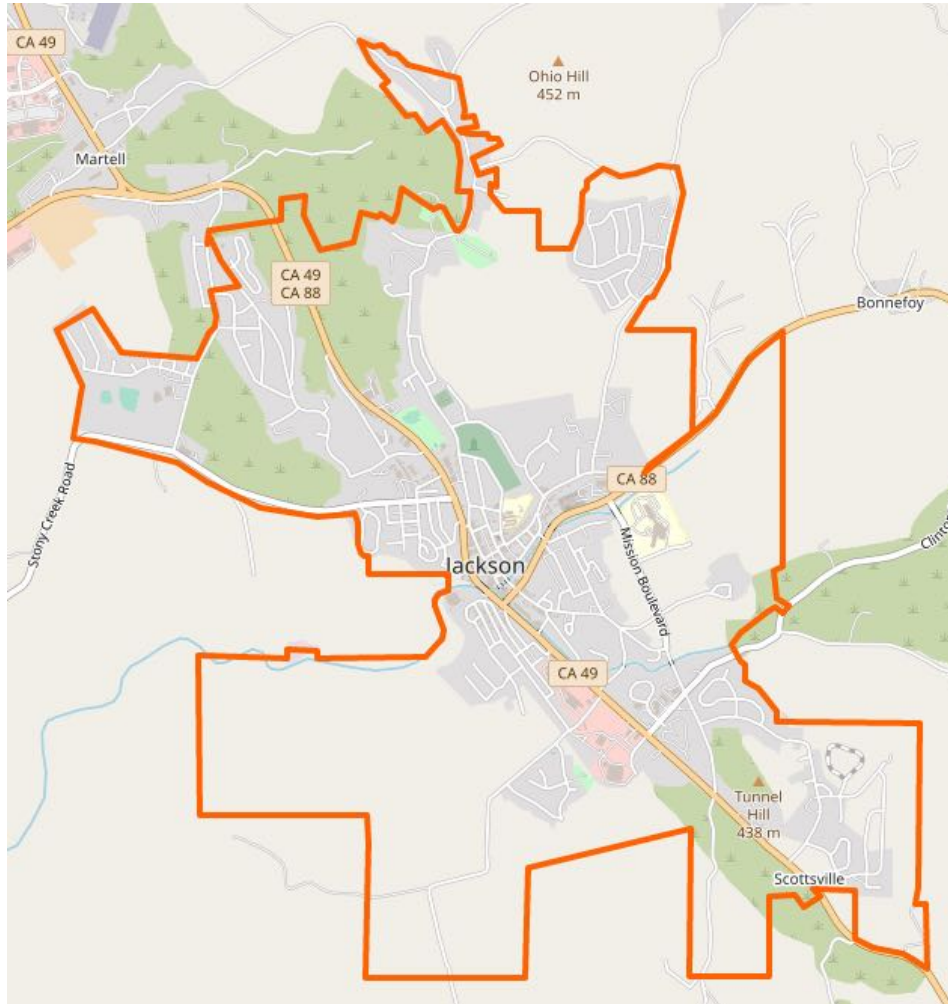
City of Arcata Boundary Map

The boundary of the Assessment District shall be the same as the City of Arcata as modified from time to time, and the complete City of Arcata Boundary Map is on file with the City Engineering Department, City of Arcata and is incorporated herein by reference.



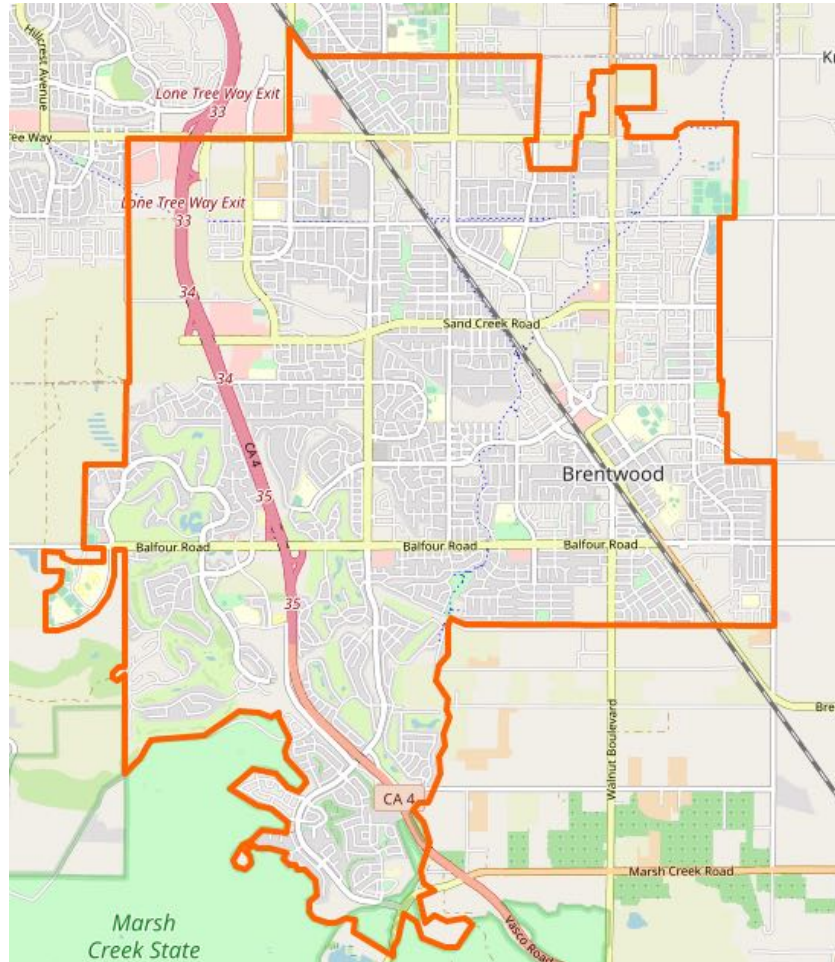
City of Jackson Boundary Map

The boundary of the Assessment District shall be the same as the City of Jackson as modified from time to time, and the complete City of Jackson Boundary Map is on file with the City Engineering Department, City of Jackson and is incorporated herein by reference.



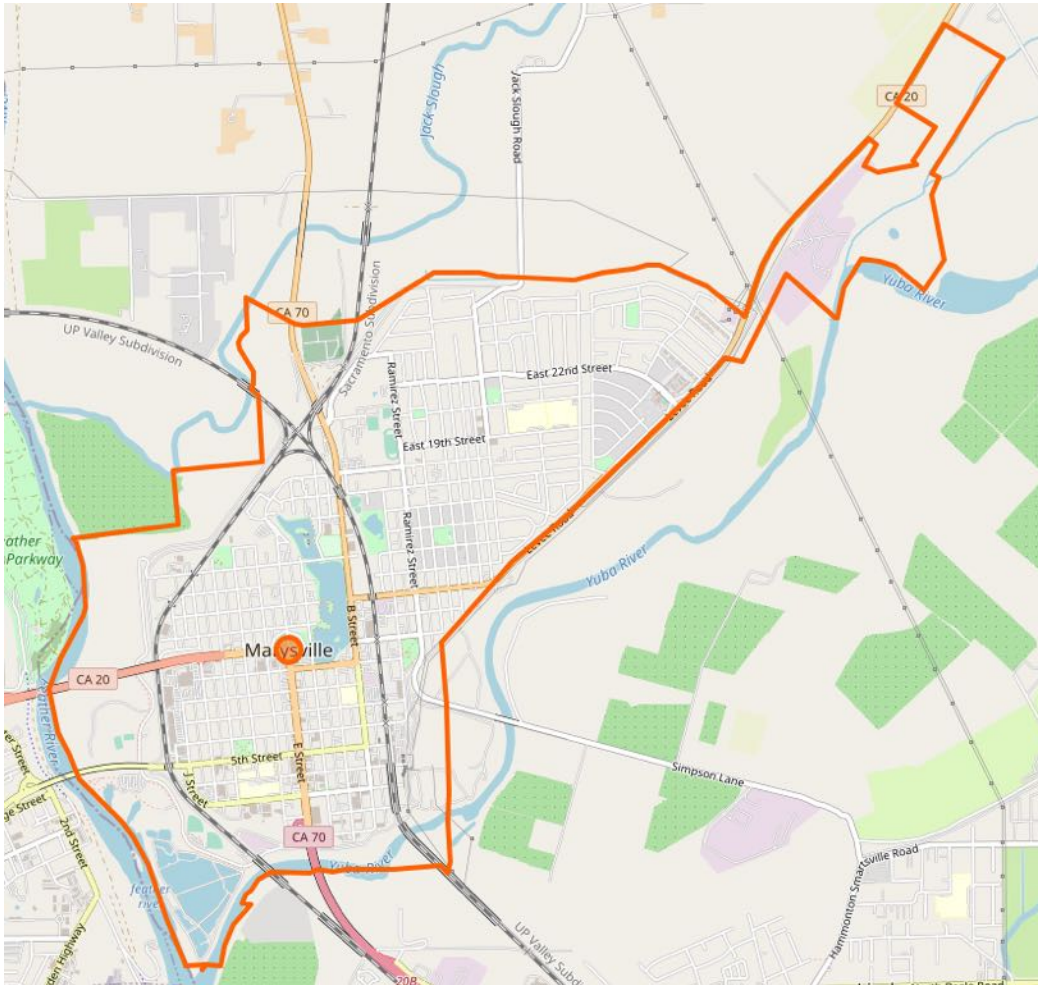
City of Brentwood Boundary Map

The boundary of the Assessment District shall be the same as the City of Brentwood as modified from time to time, and the complete City of Brentwood Boundary Map is on file with the City Engineering Department, City of Brentwood and is incorporated herein by reference.



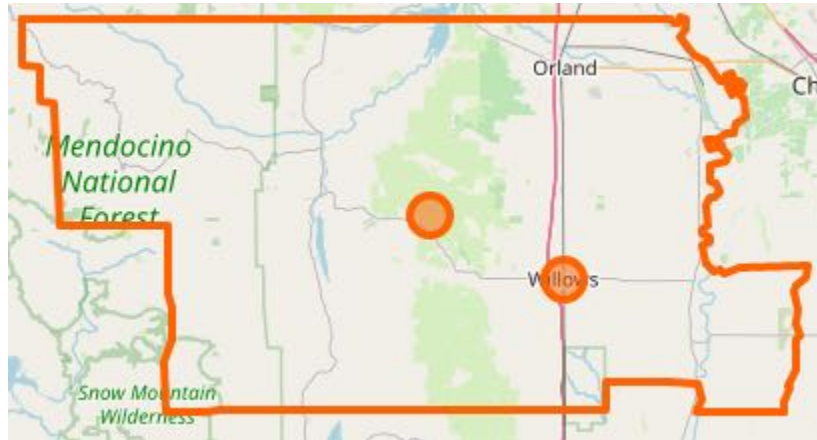
City of Marysville Boundary Map

The boundary of the Assessment District shall be the same as the City of Marysville as modified from time to time, and the complete City of Marysville Boundary Map is on file with the City Engineering Department, City of Marysville and is incorporated herein by reference.



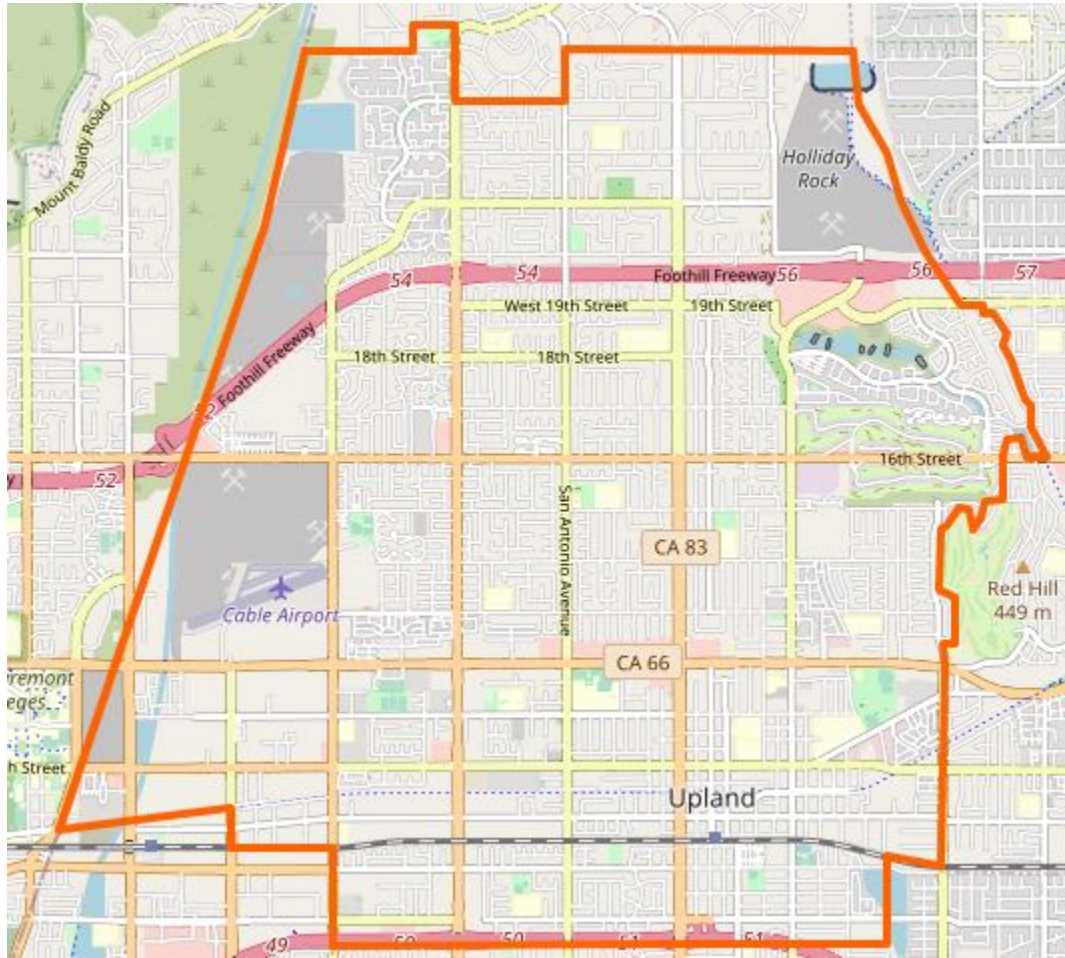
County of Glenn Boundary Map

The boundary of the Assessment District shall be the same as the County of Glenn as modified from time to time, and the complete County of Glenn Boundary Map is on file with the County Engineering Department, County of Glenn and is incorporated herein by reference.



City of Upland Boundary Map

The boundary of the Assessment District shall be the same as the City of Upland as modified from time to time, and the complete City of Upland Boundary Map is on file with the City Engineering Department, City of Upland and is incorporated herein by reference.



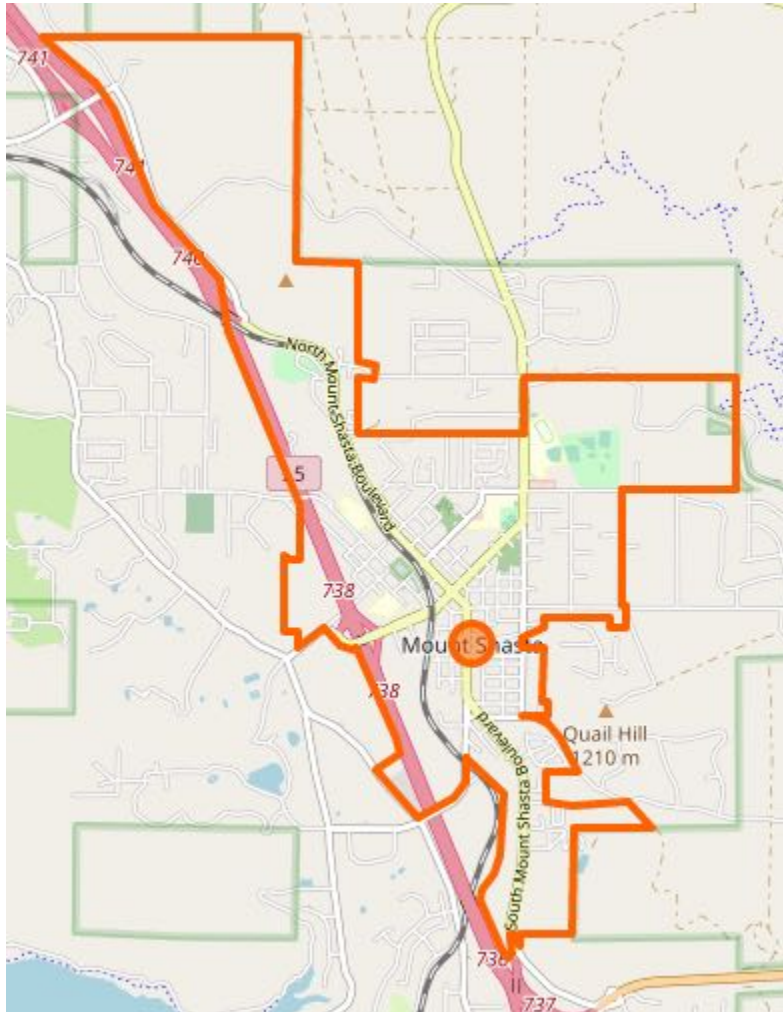
City of Sunnyvale Boundary Map

The boundary of the Assessment District shall be the same as the City of Sunnyvale as modified from time to time, and the complete City of Sunnyvale Boundary Map is on file with the City Engineering Department, City of Sunnyvale and is incorporated herein by reference.



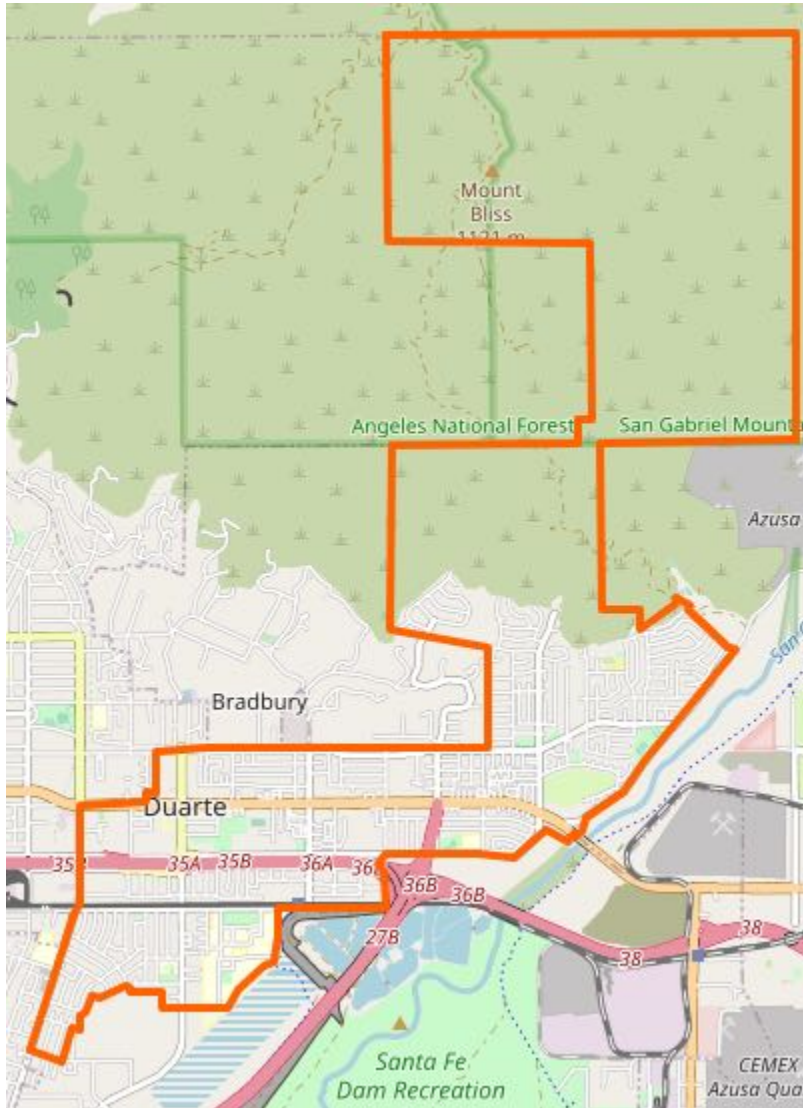
City of Mount Shasta Boundary Map

The boundary of the Assessment District shall be the same as the City of Mount Shasta as modified from time to time, and the complete City of Mount Shasta Boundary Map is on file with the City Engineering Department, City of Mount Shasta and is incorporated herein by reference.



City of Duarte Boundary Map

The boundary of the Assessment District shall be the same as the City of Duarte as modified from time to time, and the complete City of Duarte Boundary Map is on file with the City Engineering Department, City of Duarte and is incorporated herein by reference.



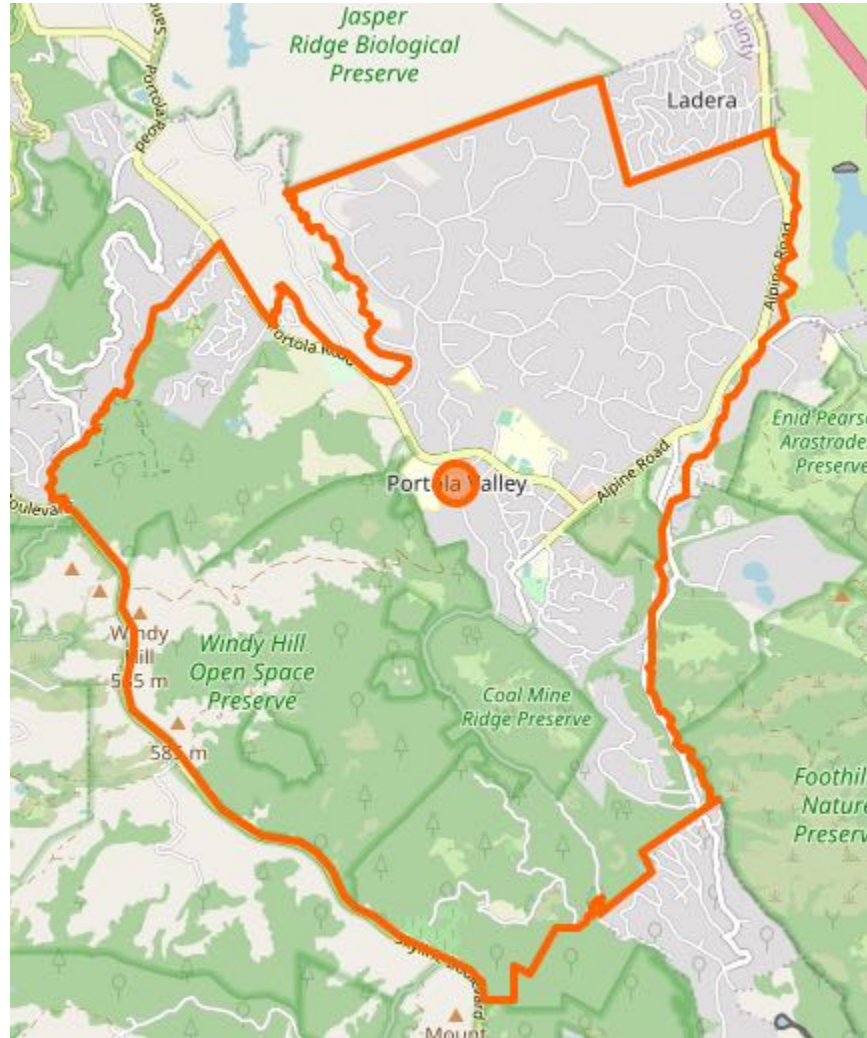
City of Nevada City Boundary Map

The boundary of the Assessment District shall be the same as the City of Nevada City as modified from time to time, and the complete City of Nevada City Boundary Map is on file with the City Engineering Department, City of Nevada City and is incorporated herein by reference.



City of Portola Valley Boundary Map

The boundary of the Assessment District shall be the same as the City of Portola Valley as modified from time to time, and the complete City of Portola Valley Boundary Map is on file with the City Engineering Department, City of Portola Valley and is incorporated herein by reference.



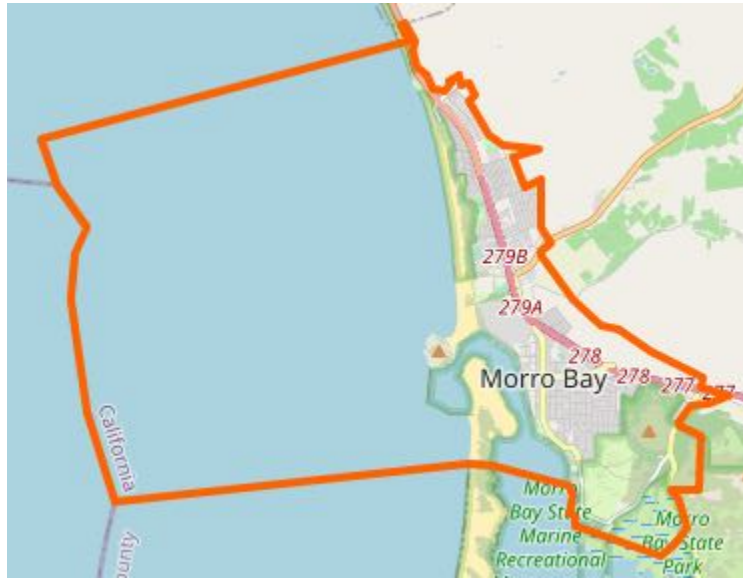
City of Greenfield Boundary Map

The boundary of the Assessment District shall be the same as the City of Greenfield as modified from time to time, and the complete City of Greenfield Boundary Map is on file with the City Engineering Department, City of Greenfield and is incorporated herein by reference.



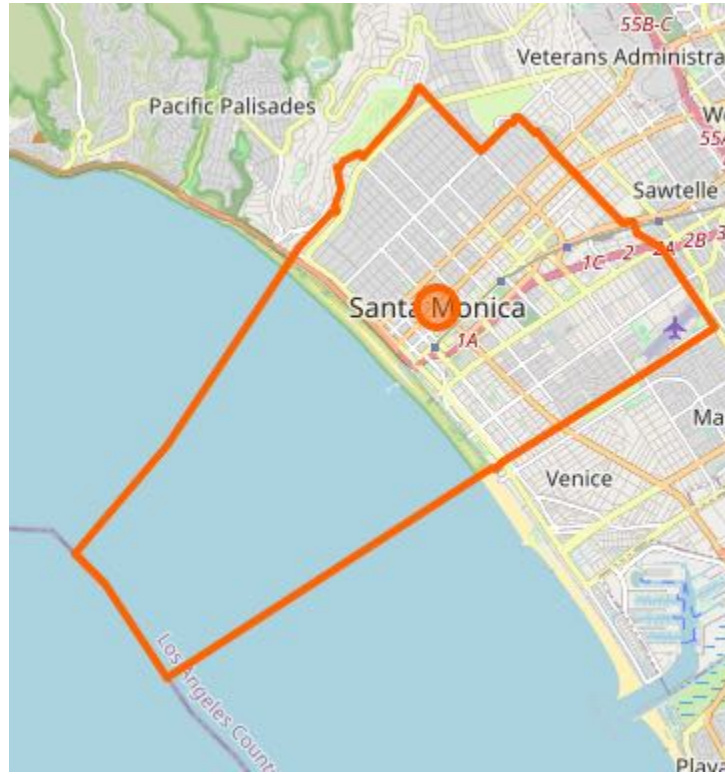
City of Morro Bay Boundary Map

The boundary of the Assessment District shall be the same as the City of Morro Bay as modified from time to time, and the complete City of Morro Bay Boundary Map is on file with the City Engineering Department, City of Morro Bay and is incorporated herein by reference.



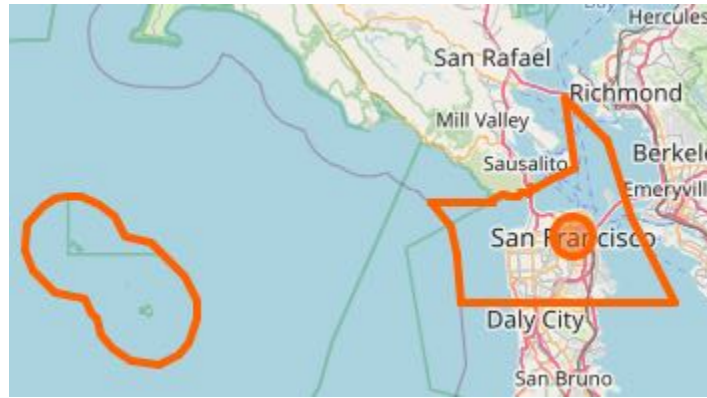
City of Santa Monica Boundary Map

The boundary of the Assessment District shall be the same as the City of Santa Monica as modified from time to time, and the complete City of Santa Monica Boundary Map is on file with the City Engineering Department, City of Santa Monica and is incorporated herein by reference.



City and County of San Francisco Boundary Map

The boundary of the Assessment District shall be the same as the City and County of San Francisco as modified from time to time, and the complete City and County of San Francisco Boundary Map is on file with the City Engineering Department, City and County of San Francisco and is incorporated herein by reference.



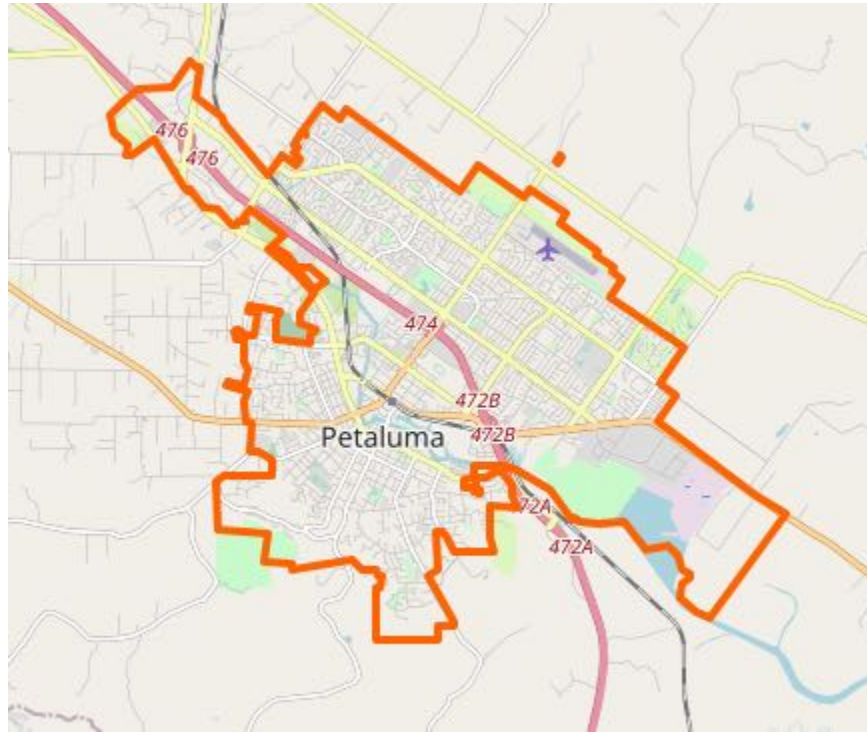
City of Ukiah Boundary Map

The boundary of the Assessment District shall be the same as the City of Ukiah as modified from time to time, and the complete City of Ukiah Boundary Map is on file with the City Engineering Department, City of Ukiah and is incorporated herein by reference.



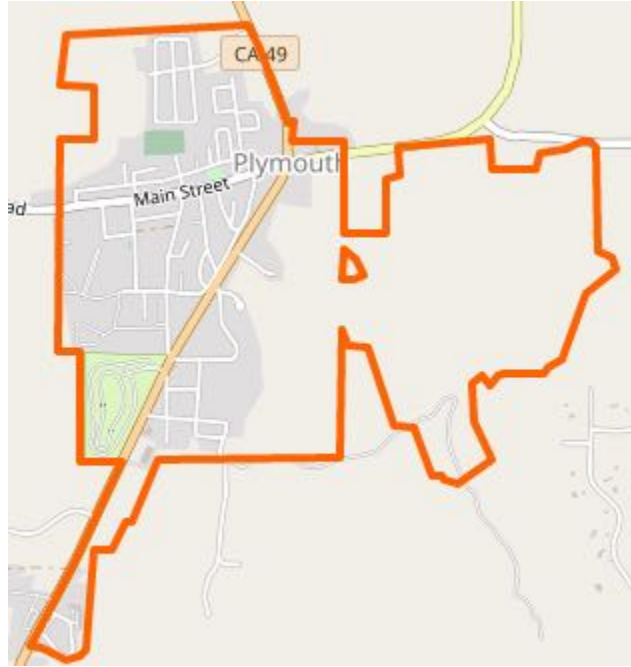
City of Petaluma Boundary Map

The boundary of the Assessment District shall be the same as the City of Petaluma as modified from time to time, and the complete City of Petaluma Boundary Map is on file with the City Engineering Department, City of Petaluma and is incorporated herein by reference.



City of Plymouth Boundary Map

The boundary of the Assessment District shall be the same as the City of Plymouth as modified from time to time, and the complete City of Plymouth Boundary Map is on file with the City Engineering Department, City of Plymouth and is incorporated herein by reference.



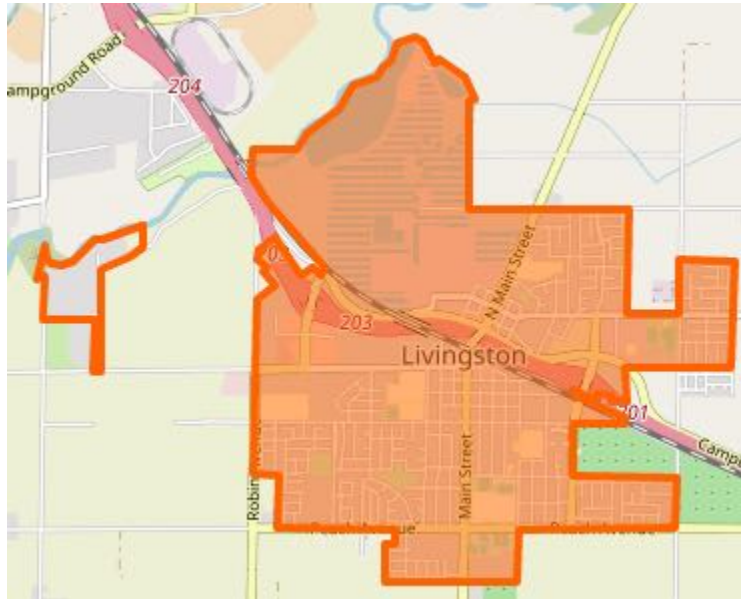
City of Firebaugh Boundary Map

The boundary of the Assessment District shall be the same as the City of Firebaugh as modified from time to time, and the complete City of Firebaugh Boundary Map is on file with the City Engineering Department, City of Firebaugh and is incorporated herein by reference.



City of Livingston Boundary Map

The boundary of the Assessment District shall be the same as the City of Livingston as modified from time to time, and the complete City of Livingston Boundary Map is on file with the City Engineering Department, City of Livingston and is incorporated herein by reference.



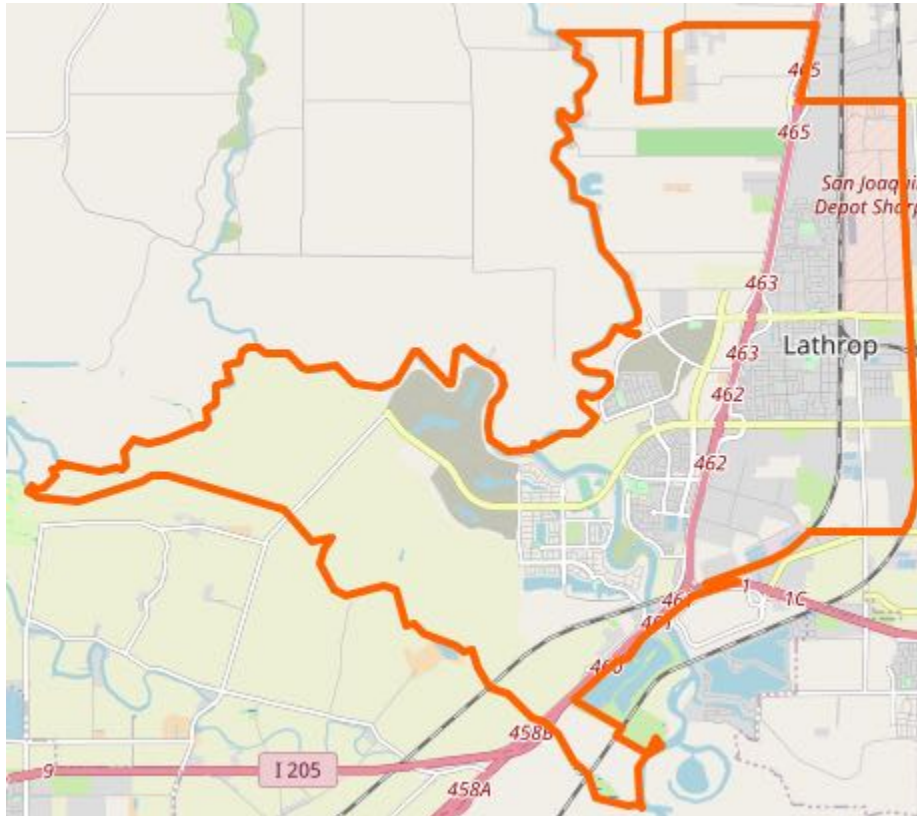
City of Milpitas Boundary Map

The boundary of the Assessment District shall be the same as the City of Milpitas as modified from time to time, and the complete City of Milpitas Boundary Map is on file with the City Engineering Department, City of Milpitas and is incorporated herein by reference.



City of Lathrop Boundary Map

The boundary of the Assessment District shall be the same as the City of Lathrop as modified from time to time, and the complete City of Lathrop Boundary Map is on file with the City Engineering Department, City of Lathrop and is incorporated herein by reference.



City of Mammoth Lakes Boundary Map

The boundary of the Assessment District shall be the same as the City of Mammoth Lakes as modified from time to time, and the complete City of Mammoth Lakes Boundary Map is on file with the City Engineering Department, City of Mammoth Lakes and is incorporated herein by reference.



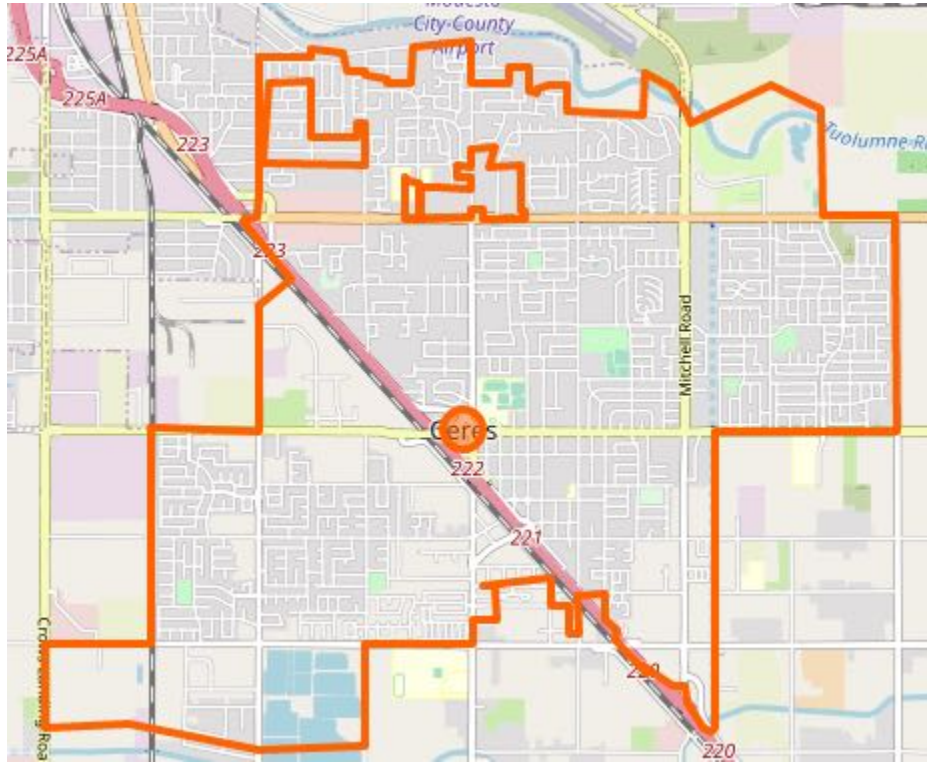
City of Pleasanton Boundary Map

The boundary of the Assessment District shall be the same as the City of Pleasanton as modified from time to time, and the complete City of Pleasanton Boundary Map is on file with the City Engineering Department, City of Pleasanton and is incorporated herein by reference.



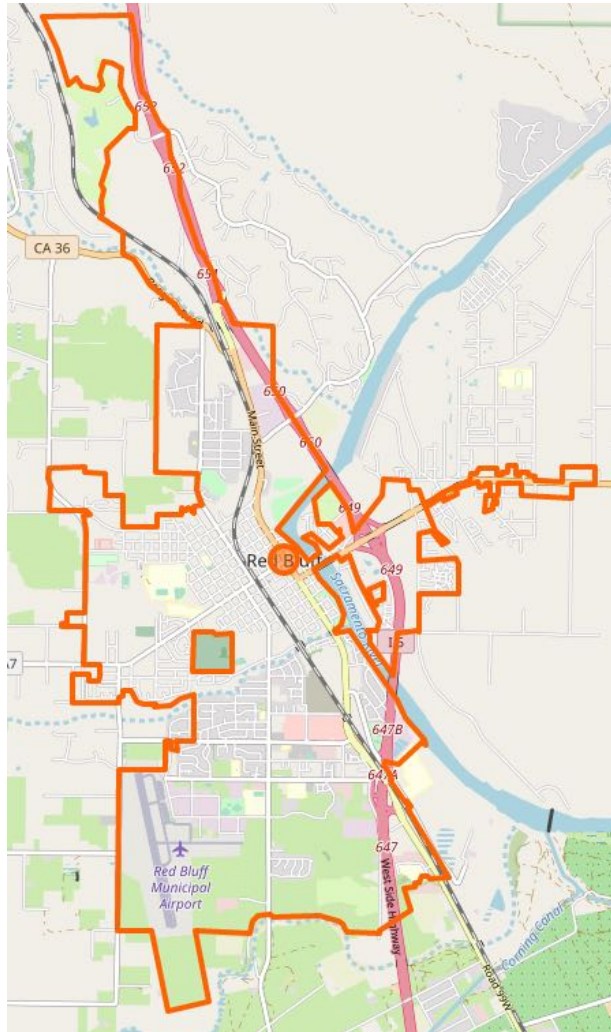
City of Ceres Boundary Map

The boundary of the Assessment District shall be the same as the City of Ceres as modified from time to time, and the complete City of Ceres Boundary Map is on file with the City Engineering Department, City of Ceres and is incorporated herein by reference.



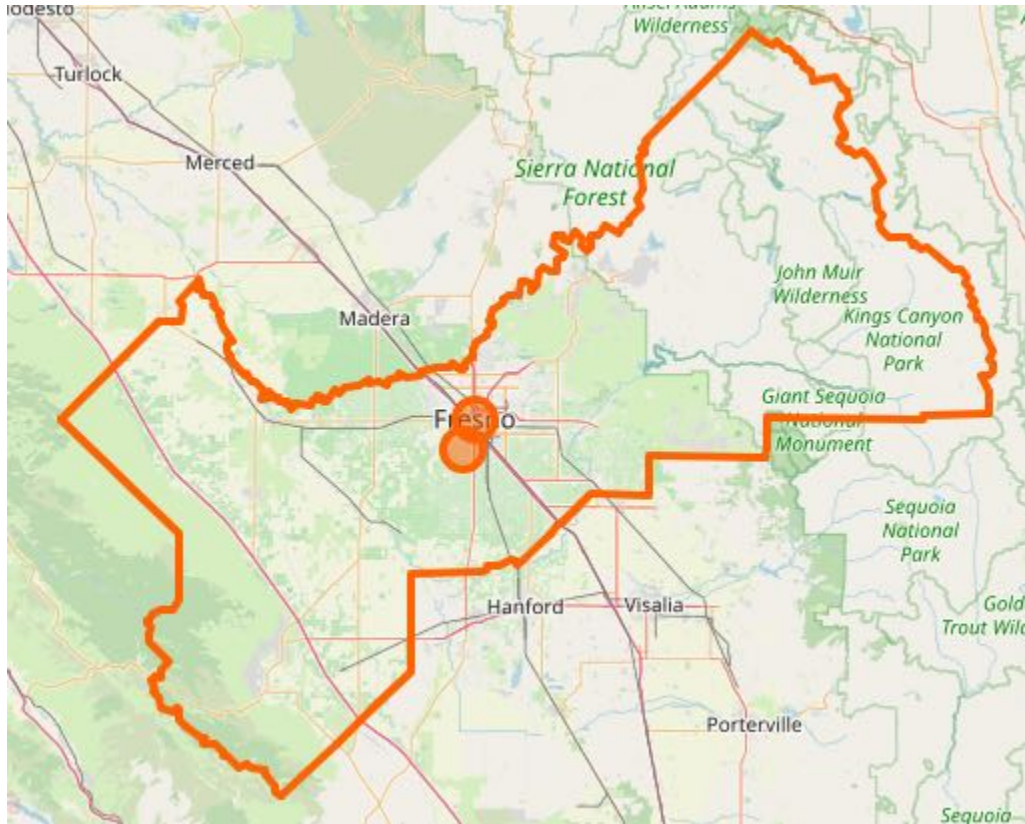
City of Red Bluff Boundary Map

The boundary of the Assessment District shall be the same as the City of Red Bluff as modified from time to time, and the complete City of Red Bluff Boundary Map is on file with the City Engineering Department, City of Red Bluff and is incorporated herein by reference.



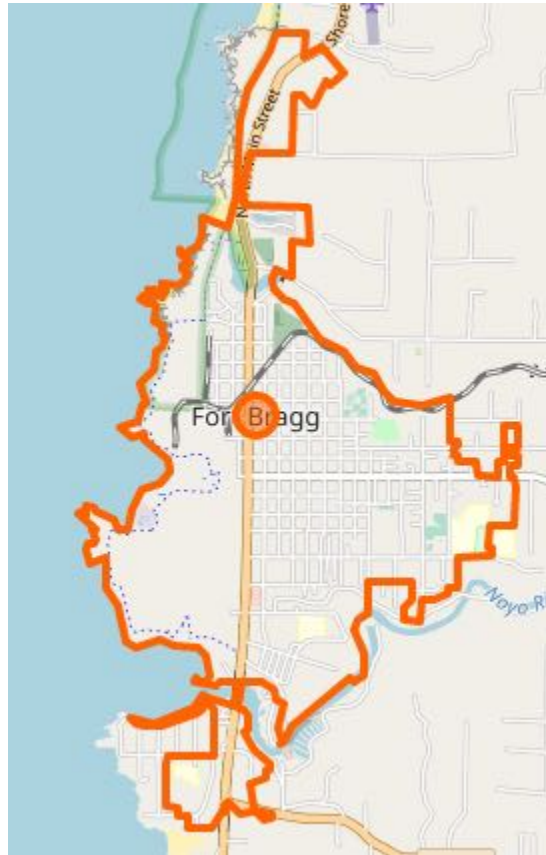
County of Fresno Boundary Map

The boundary of the Assessment District shall be the same as the County of Fresno as modified from time to time, and the complete County of Fresno Boundary Map is on file with the County Engineering Department, County of Fresno and is incorporated herein by reference.



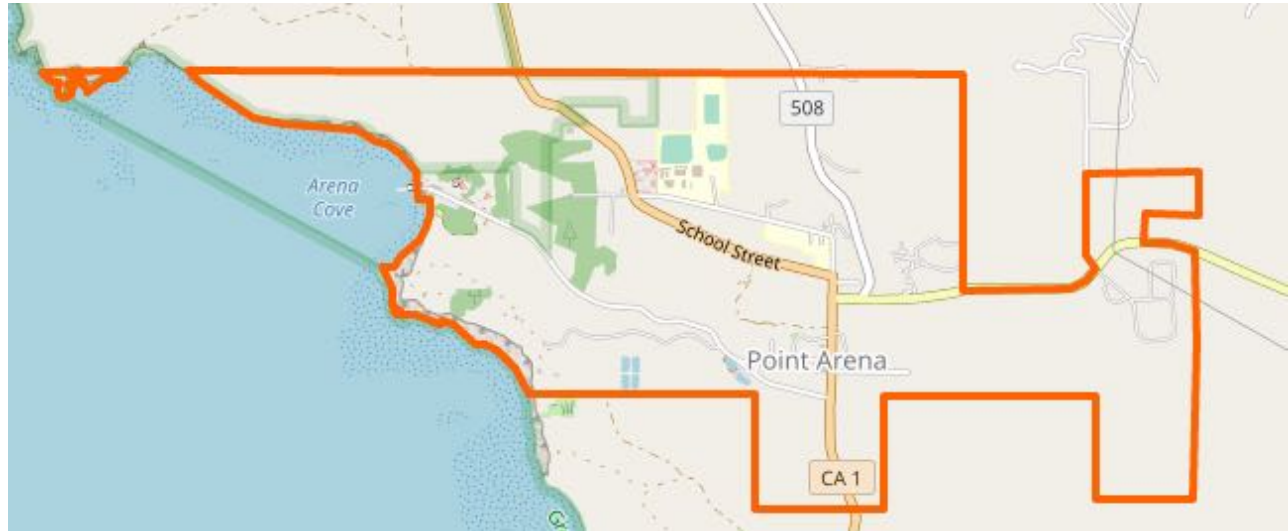
City of Fort Bragg Boundary Map

The boundary of the Assessment District shall be the same as the City of Fort Bragg as modified from time to time, and the complete City of Fort Bragg Boundary Map is on file with the City Engineering Department, City of Fort Bragg and is incorporated herein by reference.



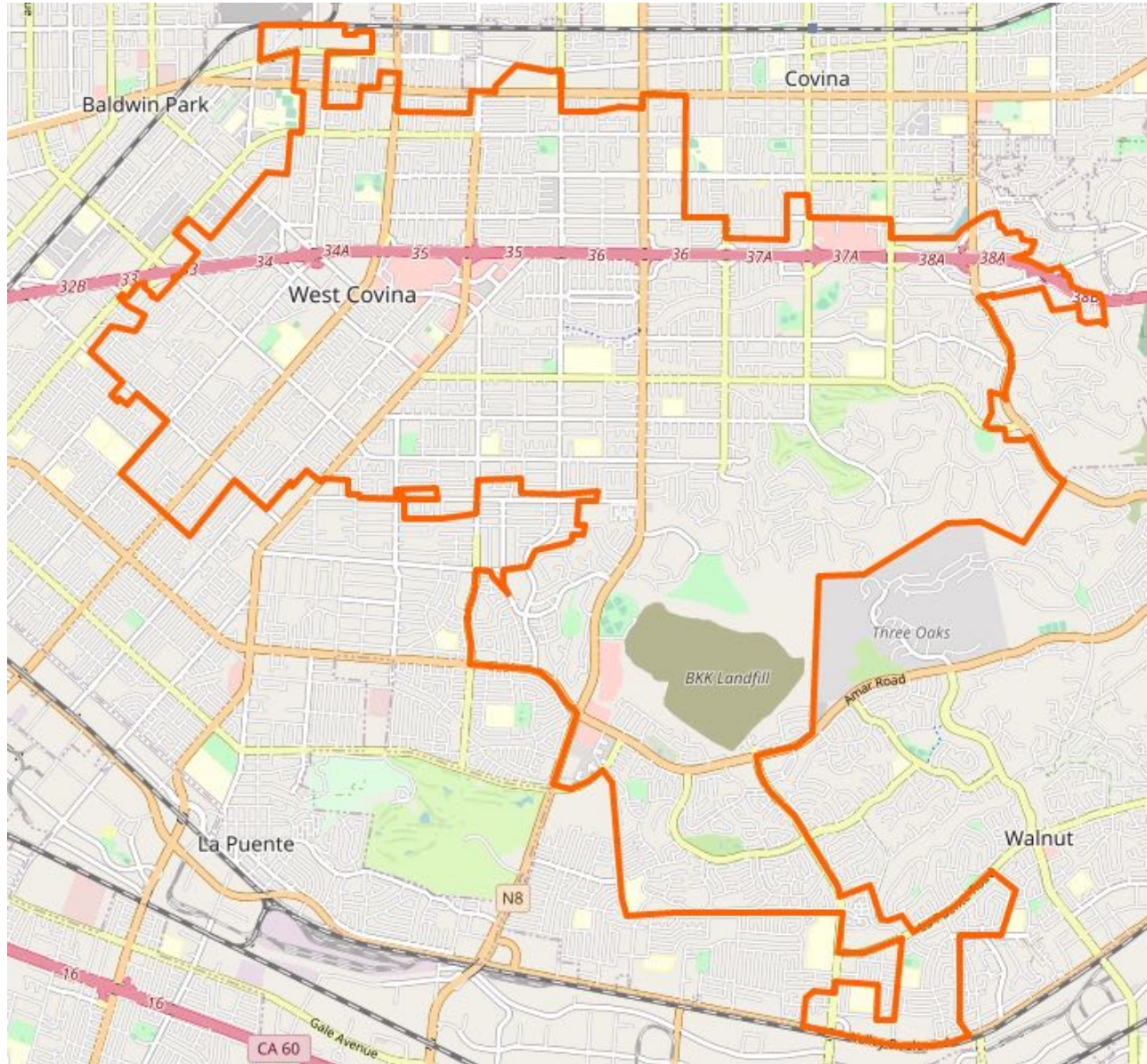
City of Point Arena Boundary Map

The boundary of the Assessment District shall be the same as the City of Point Arena as modified from time to time, and the complete City of Point Arena Boundary Map is on file with the City Engineering Department, City of Point Arena and is incorporated herein by reference.



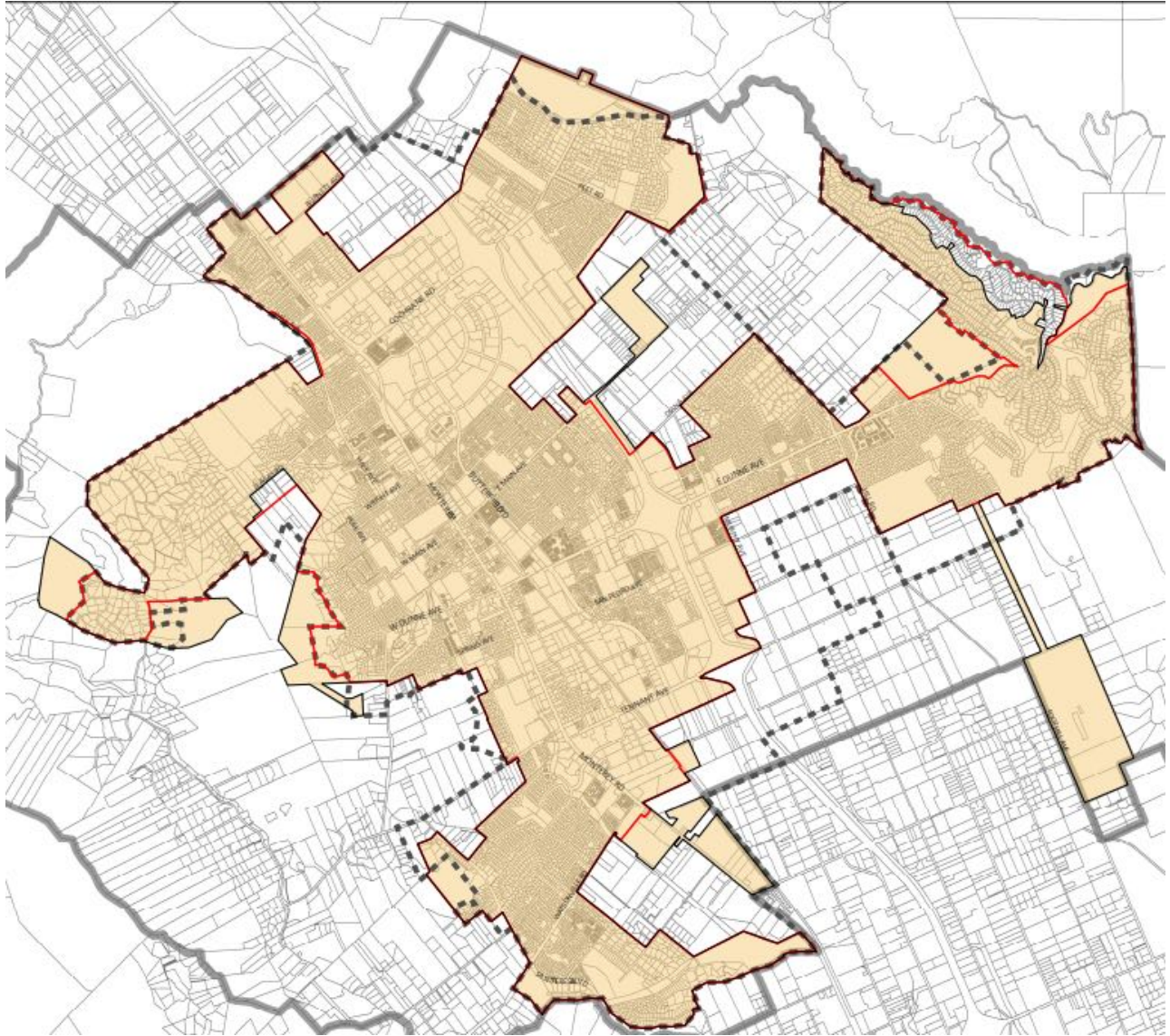
City of West Covina Boundary Map

The boundary of the Assessment District shall be the same as the City of West Covina as modified from time to time, and the complete City of West Covina Boundary Map is on file with the City Engineering Department, City of West Covina and is incorporated herein by reference.



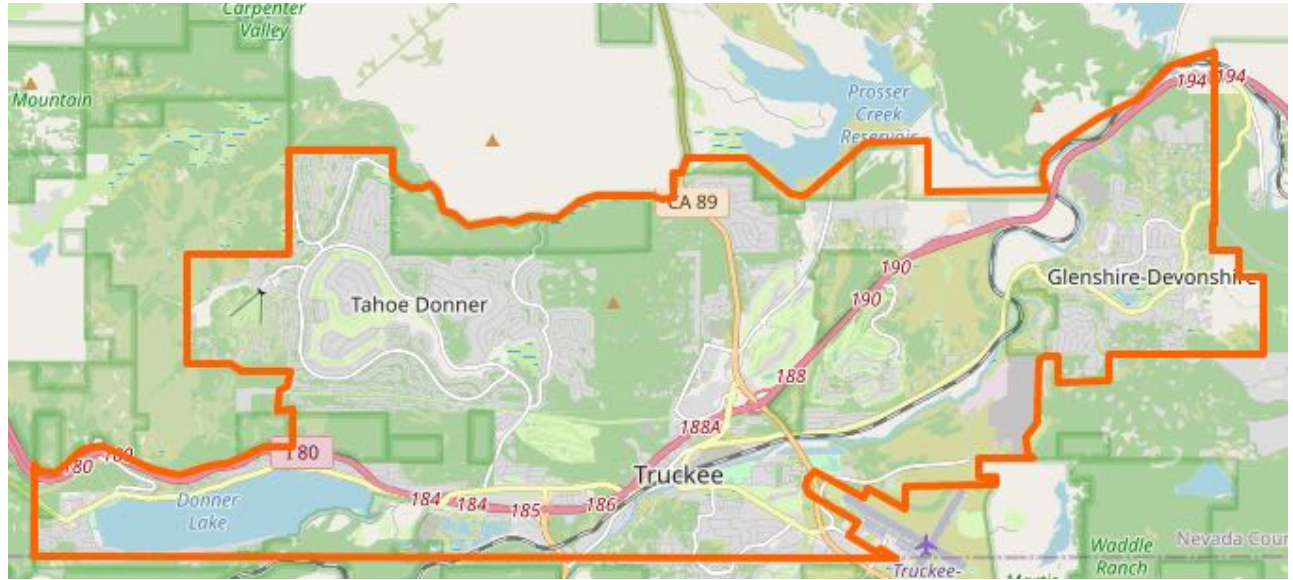
City of Morgan Hill Boundary Map

The boundary of the Assessment District shall be the same as the City of Morgan Hill as modified from time to time, and the complete City of Morgan Hill Boundary Map is on file with the City Engineering Department, City of Morgan Hill and is incorporated herein by reference.



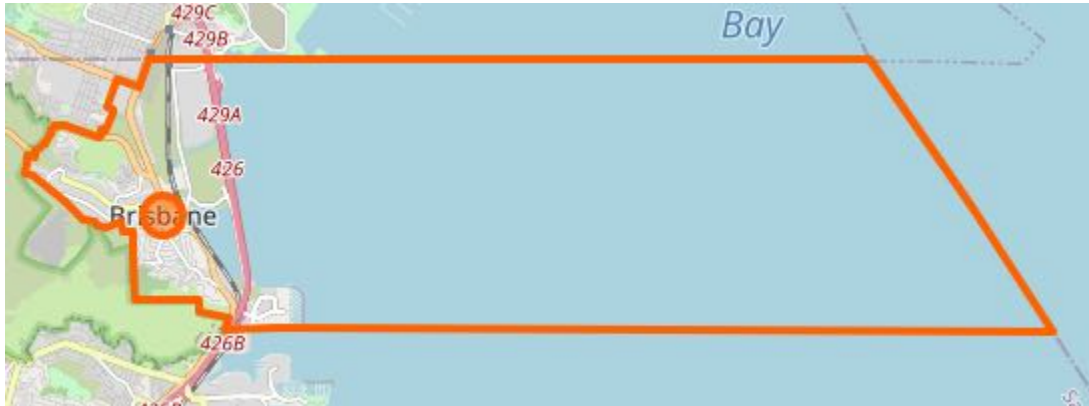
City of Truckee Boundary Map

The boundary of the Assessment District shall be the same as the City of Truckee as modified from time to time, and the complete City of Truckee Boundary Map is on file with the City Engineering Department, City of Truckee and is incorporated herein by reference.



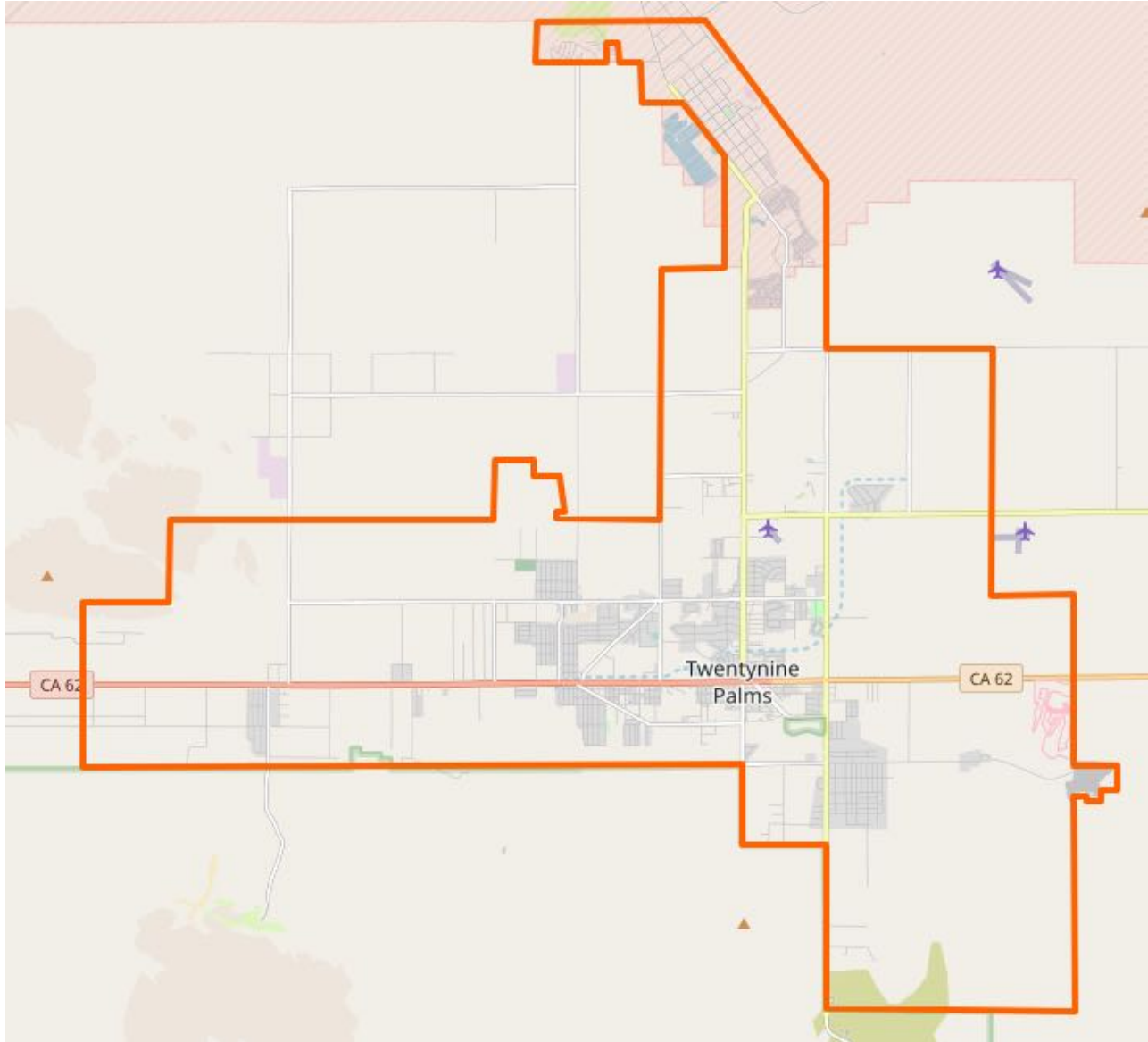
City of Brisbane Boundary Map

The boundary of the Assessment District shall be the same as the City of Brisbane as modified from time to time, and the complete City of Brisbane Boundary Map is on file with the City Engineering Department, City of Brisbane and is incorporated herein by reference.



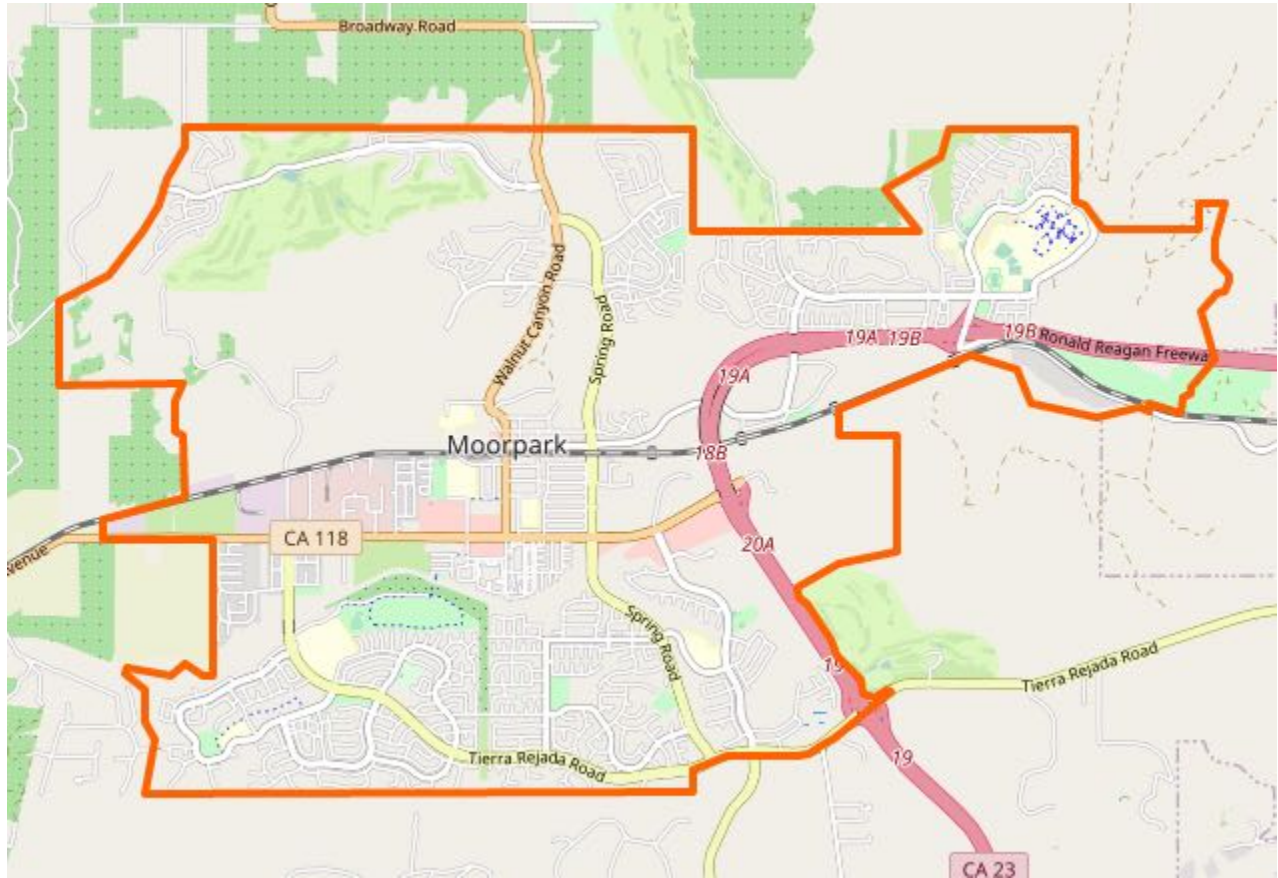
City of Twentynine Palms Boundary Map

The boundary of the Assessment District shall be the same as the City of Twentynine Palms as modified from time to time, and the complete City of Twentynine Palms Boundary Map is on file with the City Engineering Department, City of Twentynine Palms and is incorporated herein by reference.



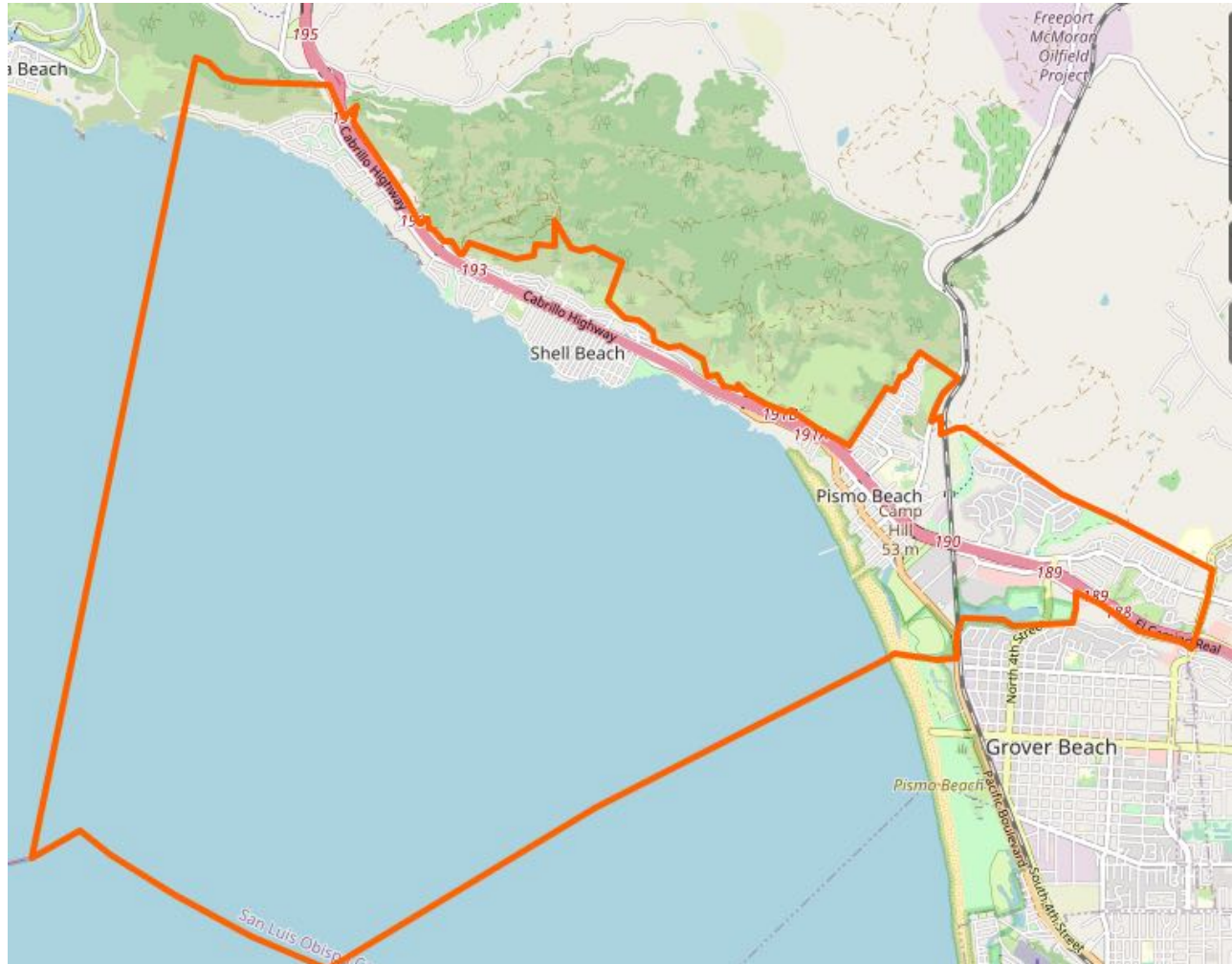
City of Moorpark Boundary Map

The boundary of the Assessment District shall be the same as the City of Moorpark as modified from time to time, and the complete City of Moorpark Boundary Map is on file with the City Engineering Department, City of Moorpark and is incorporated herein by reference.



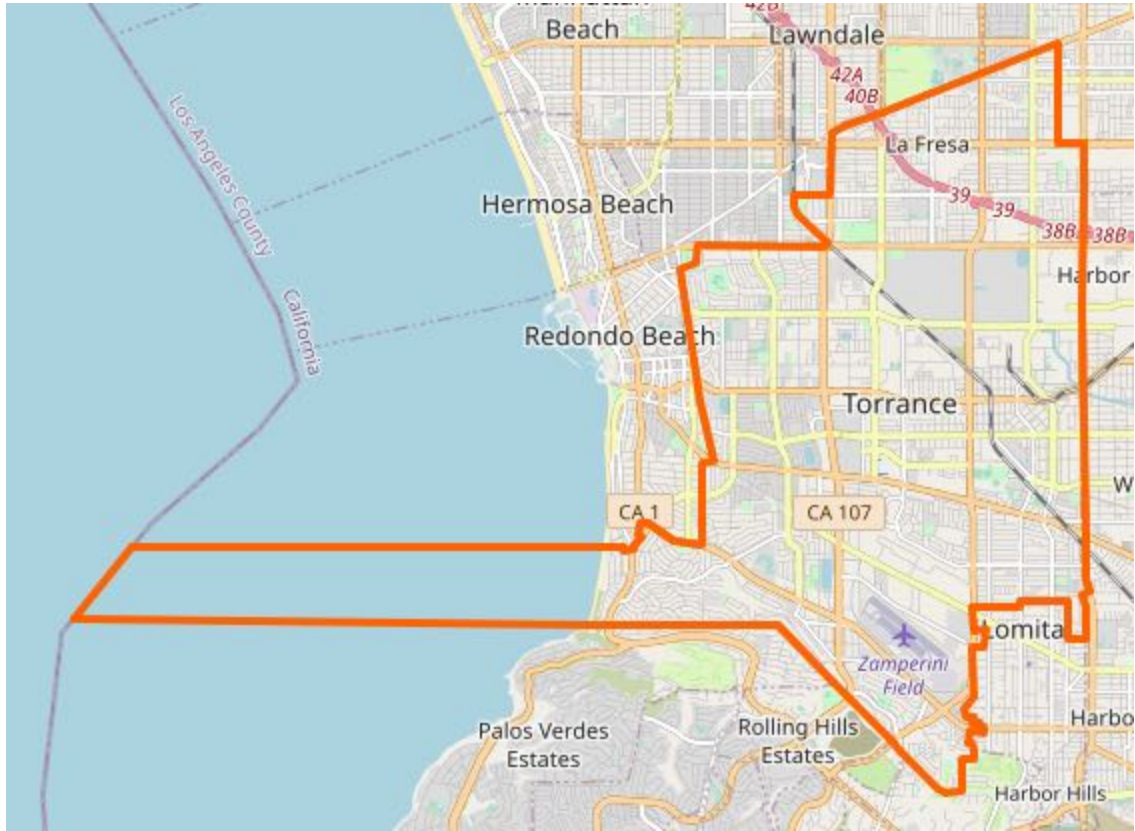
City of Torrance Boundary Map

The boundary of the Assessment District shall be the same as the City of Pismo Beach as modified from time to time, and the complete City of Pismo Beach Boundary Map is on file with the City Engineering Department, City of Pismo Beach and is incorporated herein by reference.



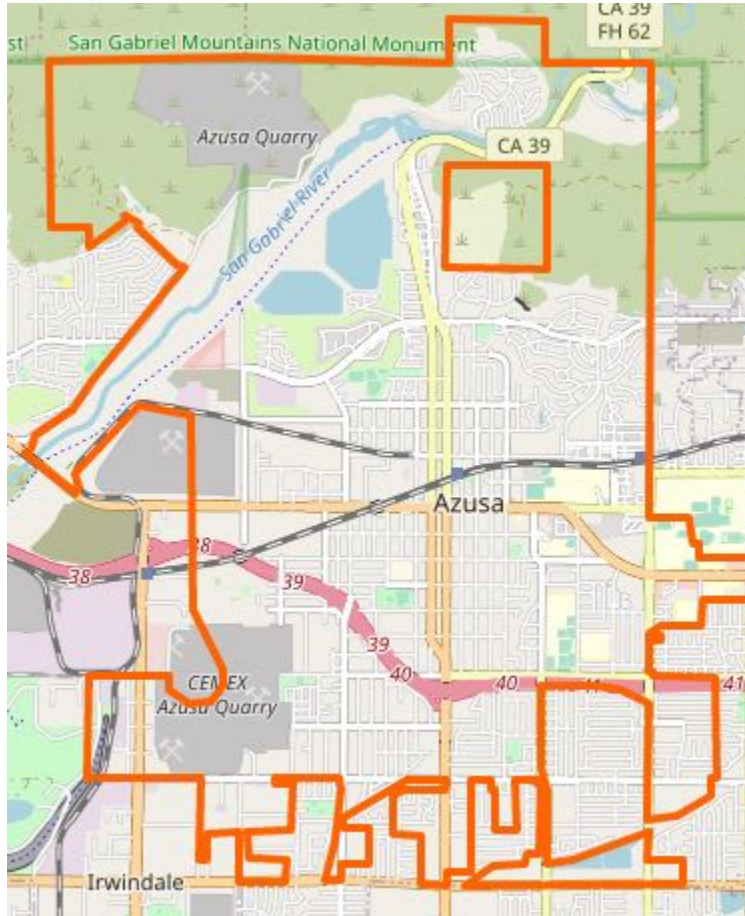
The boundary of the Assessment District shall be the same as the City of Torrance as modified from time to time, and the complete City of Torrance Boundary Map is on file with the City Engineering Department, City of Torrance and is incorporated herein by reference.

City of Torrance Boundary Map



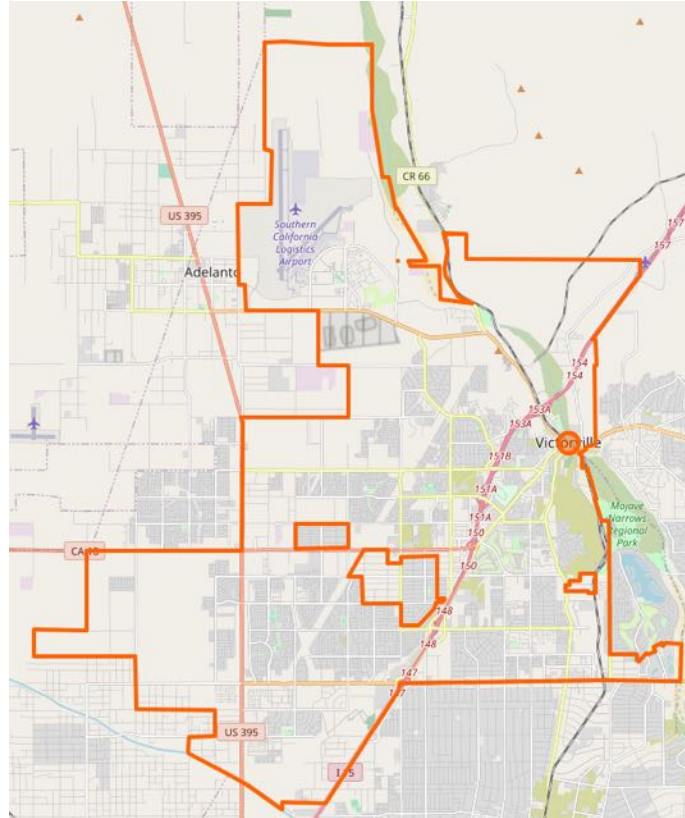
City of Azusa Boundary Map

The boundary of the Assessment District shall be the same as the City of Azusa as modified from time to time, and the complete City of Azusa Boundary Map is on file with the City Engineering Department, City of Azusa and is incorporated herein by reference.



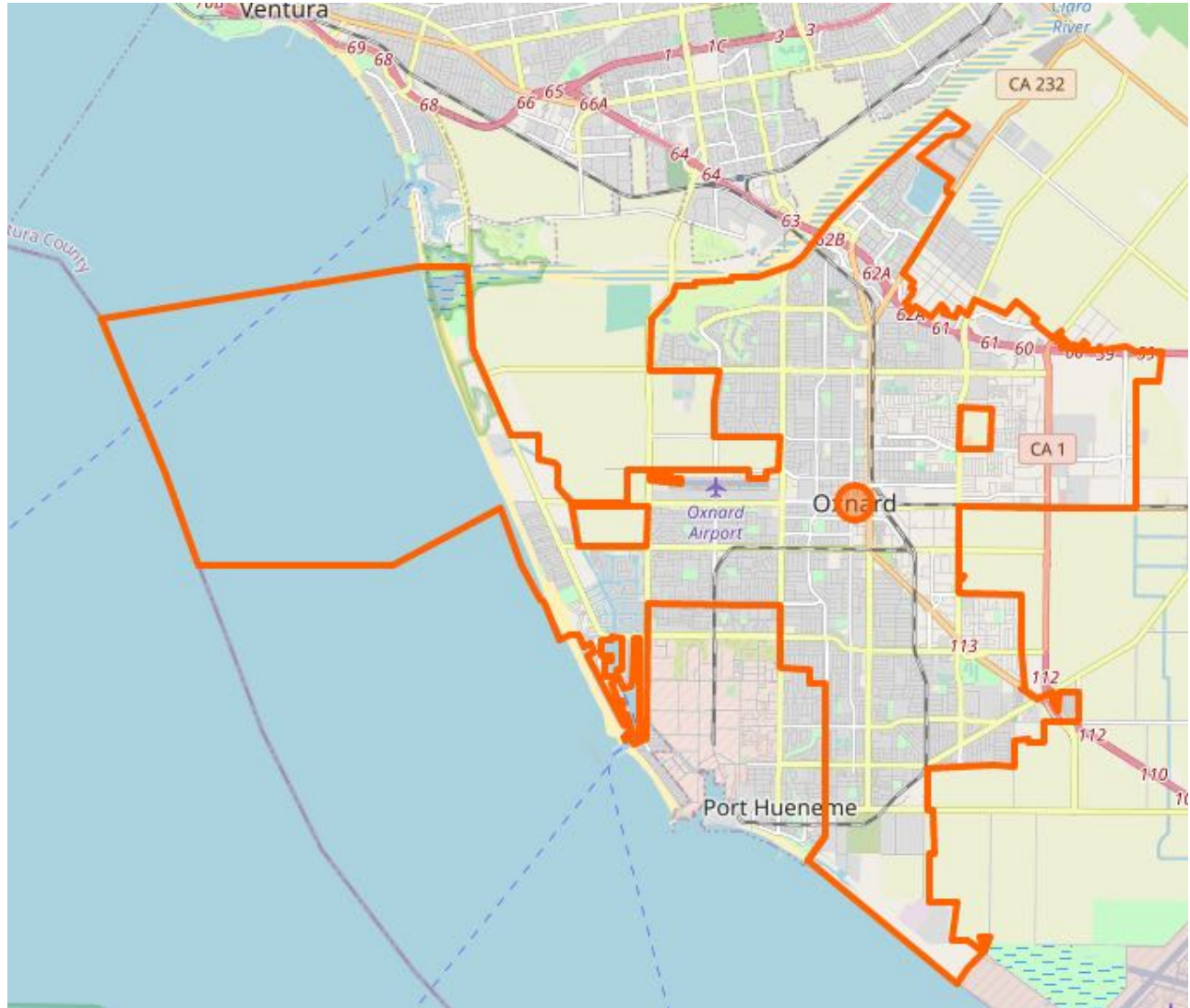
City of Victorville Boundary Map

The boundary of the Assessment District shall be the same as the City of Victorville as modified from time to time, and the complete City of Victorville Boundary Map is on file with the City Engineering Department, City of Victorville and is incorporated herein by reference.



City of Oxnard Boundary Map

The boundary of the Assessment District shall be the same as the City of Oxnard as modified from time to time, and the complete City of Oxnard Boundary Map is on file with the City Engineering Department, City of Oxnard and is incorporated herein by reference.



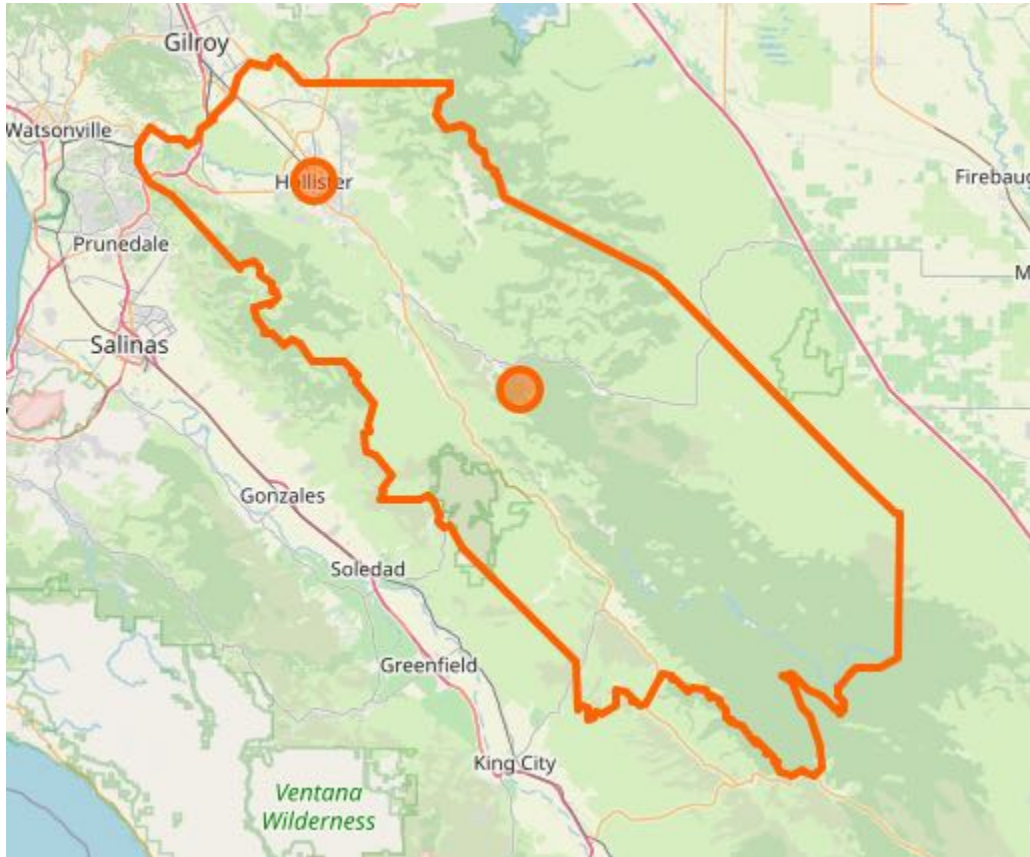
City of Sacramento Boundary Map

The boundary of the Assessment District shall be the same as the City of Sacramento as modified from time to time, and the complete City of Sacramento Boundary Map is on file with the City Engineering Department, City of Sacramento and is incorporated herein by reference.



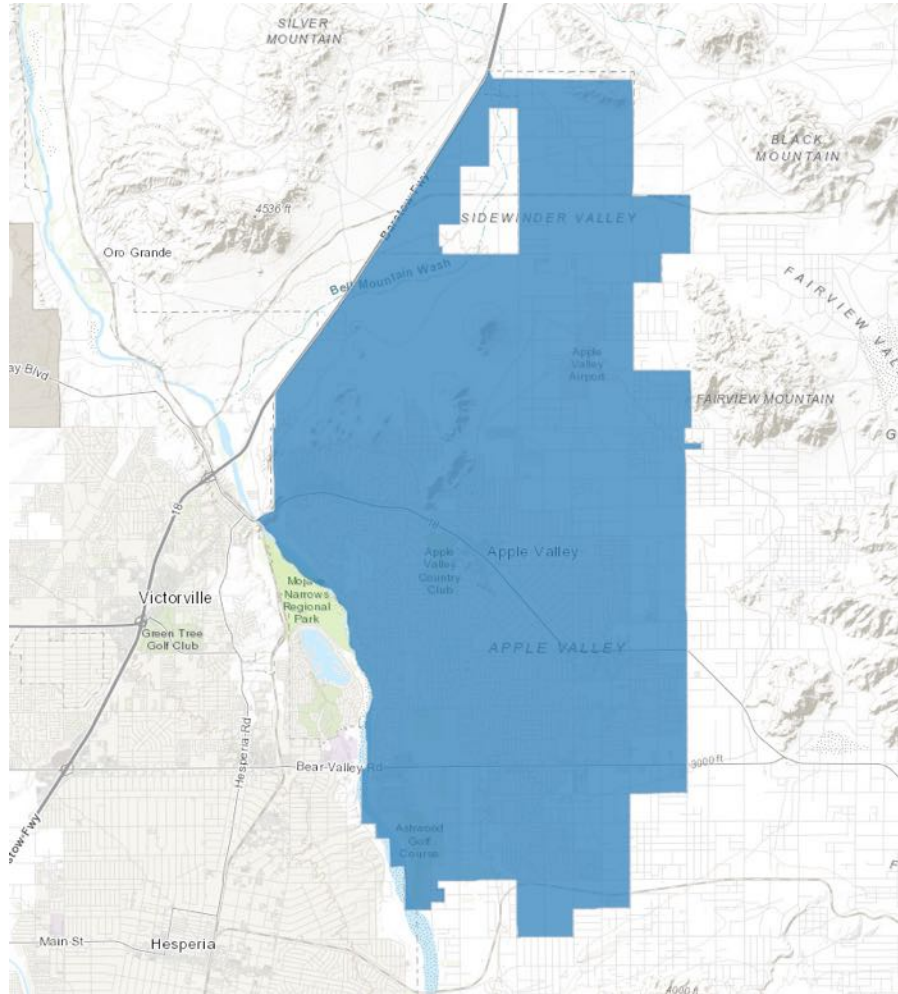
Town of Apple Valley Boundary Map

The boundary of the Assessment District shall be the same as the County of San Benito as modified from time to time, and the complete County of San Benito Boundary Map is on file with the Engineering Department, County of San Benito and is incorporated herein by reference.



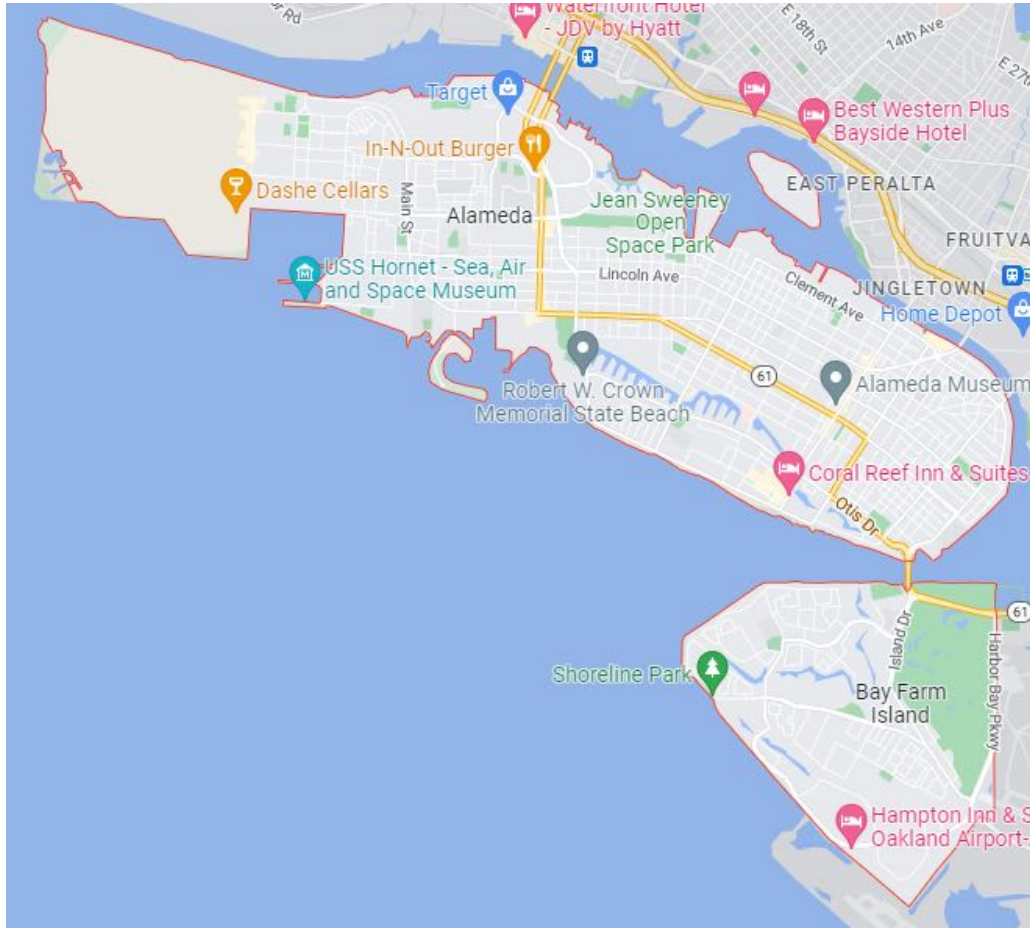
Town of Apple Valley Boundary Map

The boundary of the Assessment District shall be the same as the Town of Apple Valley as modified from time to time, and the complete Town of Apple Valley Boundary Map is on file with the Engineering Department, Town of Apple Valley and is incorporated herein by reference.



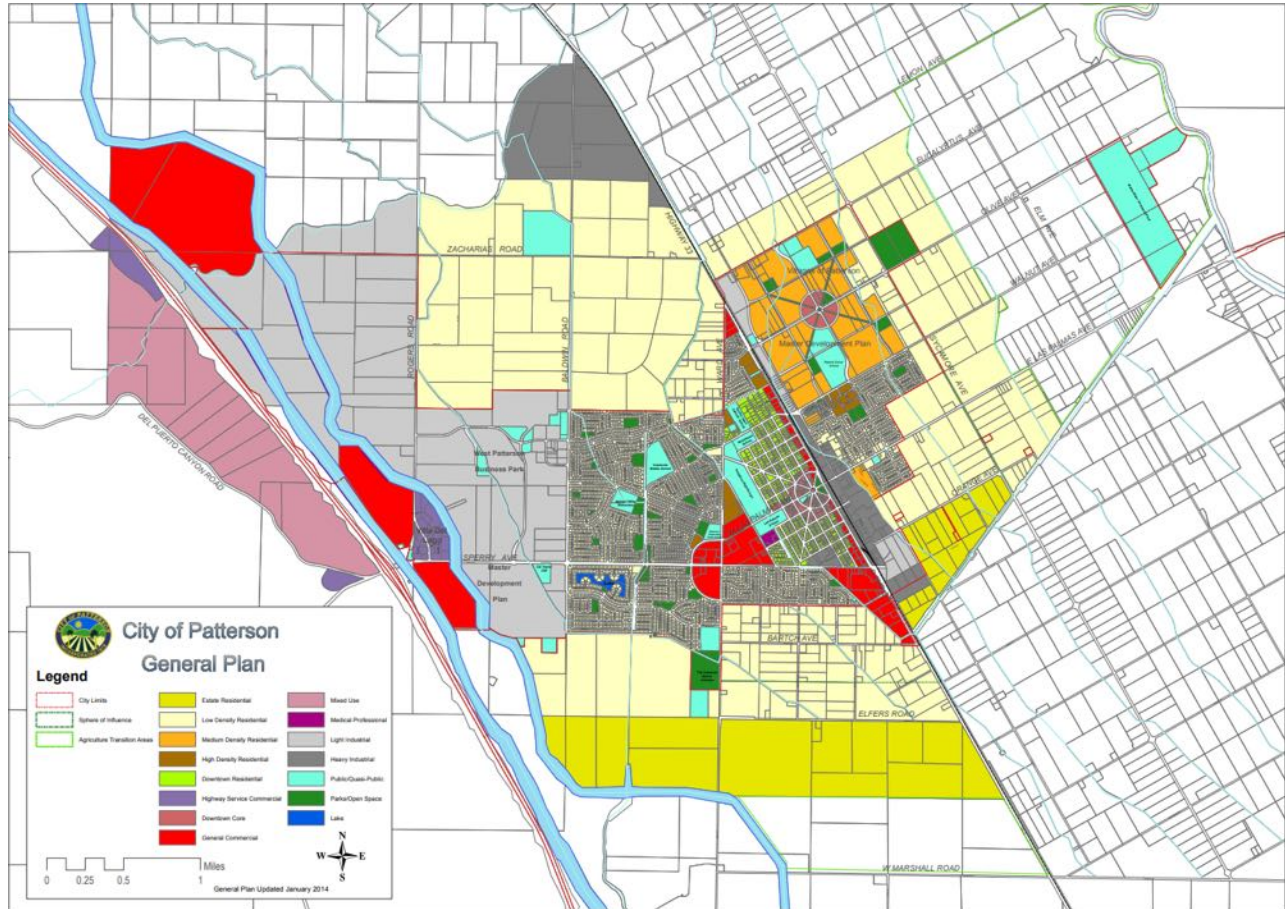
City of Alameda Boundary Map

The boundary of the Assessment District shall be the same as the City of Alameda as modified from time to time, and the complete City of Alameda Boundary Map is on file with the Engineering Department, City of Alameda and is incorporated herein by reference.



City of Patterson Boundary Map

The boundary of the Assessment District shall be the same as the City of Patterson as modified from time to time, and the complete City of Patterson Boundary Map is on file with the Engineering Department, City of Patterson and is incorporated herein by reference.



All Counties Boundary Map

The boundaries of the Assessment District shall be amended from time to time to include all California Cities and Counties as they adopt certain resolutions authorizing the Authority to form the Assessment District on their behalf. The boundaries of the Participating Agency shall be on file with the Participating Agencies Engineering Department and is incorporated herein by reference.



EXHIBIT B: Template Assessment Financing Contract

CEDA PACE PROGRAM

ASSESSMENT FINANCING CONTRACT

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

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 CEDA 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 CEDA PACE Application dated _____, 20____, 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; and

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; and

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, a 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 [thirty (30) 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. Use of Proceeds

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 percent (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 a 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 XIID 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 XIIC 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 XIIC or XIIC 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 (i) 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 (ii) 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 [_____] and provide notice

information for such replacement party to the Borrower:

To Authority: CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
2150 River Plaza Drive, Suite 275
Sacramento, CA 95833

and

To Borrower: [Program Administrator]

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]

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FIGTREE PACE PROGRAM

ASSESSMENT FINANCING CONTRACT

[A PROGRAM SPONSORED BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND ADMINISTERED BY DIVIDEND FINANCE, LLC, (the "Program Administrator")]

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

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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 I.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

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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. Use of Proceeds

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

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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

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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

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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.

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- 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

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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 XIIIID 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 XIII C 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 XIII A or XIII C 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

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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

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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.

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- 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

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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 Dividend Finance and provide notice information for such replacement party to the Borrower:

To Authority:

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
2150 River Plaza Drive, Suite 275
Sacramento, CA 95833

and

DIVIDEND FINANCE, LLC
9330 Scranton Road, Suite 600
San Diego, CA 92121

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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

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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]

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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: _____

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

V612015

A-1

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EXHIBIT "B"
DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

V612015

B-1

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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	\$ _____
Total:	\$ _____

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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, 20__ to September 1, 20__	__%
September 2, 20__ to September 1, 20__	__%
September 2, 20__ to September 1, 20__	__%
September 2, 20__ to September 1, 20__	__%
September 2, 20__ and thereafter	__%

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 _____
Title _____

Attest:

By
Name _____
Title _____

BORROWER NAME

By
Name _____
Title _____

BORROWER NAME

By
Name _____
Title _____

EXHIBIT "A"

[ATTACH COPY OF EXECUTED AND ACCEPTED APPLICATION]

EXHIBIT "B"

DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

EXHIBIT "C"

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

1. Financing Terms

<u>Improvement Amount</u>	\$ _____
<u>Term of Financing (Years)</u>	_____
<u>Interest Rate</u>	_____ %
<u>Closing Date of Financing Instruments</u>	_____

2. Financing Amount Determination

<u>Cost of Improvements</u>	\$ _____
<u>Cost of Issuance (_____ % of the Total Financing Amount)</u>	_____
<u>Capitalized Interest</u> <u>(based on closing date through September 2, 20)</u>	_____
<u>Processing Fee</u>	_____
<u>Total:</u>	_____

3. Annual Assessment Installments

<u>Annual Debt Service (Principal & Interest)</u>	_____
<u>Annual Administrative Assessment</u>	_____

4. Prepayment Premium

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

<u>Prepayment Occurring Between</u>	<u>Amount</u>
<u>September 2, 20 _____ to September 1, 20 _____</u>	_____ %
<u>September 2, 20 _____ to September 1, 20 _____</u>	_____ %

September 2, 20 to September 1, 20 %

September 2, 20 to September 1, 20 %

September 2, 20 and thereafter %

EXHIBIT C: Authorized Improvements

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 or light 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
- Evapotranspiration 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

Seismic Improvements (Commercial PACE Only)

- Prior to financing a seismic improvement, a property owner must secure written sign off from a professional engineer, contractor, 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.

Wildfire Resiliency Improvements (Commercial PACE Only)

- Prior to financing a wildfire resiliency improvement, a property owner must secure written sign off from a professional engineer, contractor, or architect, licensed in the State of California, stating the improvement will reduce the risk of property damage by wildfire. The property must also be located in an eligible wildfire risk zone as noted by the California Office of Emergency Services.

Title 24 Compliance

- Measures required to be installed or retrofitted to a property in order to ensure compliance with California Title 24 are deemed as eligible. Prior to financing these measures, a property owner must secure written evidence from a professional engineer, contractor, or architect, licensed in the State of California, stating that the improvements are necessary for the property to comply with Title 24.

Authorized 1 Signature	Authorized 2 Signature	Authorized 3 Signature	Authorized 4 Signature
Name (Print)	Name (Print)	Name (Print)	Name (Print)
Date	Date	Date	Date

Application for California Enterprise Development Authority's Commercial PACE Financing

This Application requests the information the California Enterprise Development Authority ("CEDA") will need to determine your commercial property's eligibility for CEDA's commercial property assessed clean energy ("PACE") financing. Information found on your property tax bill and mortgage documents, if applicable, will help you complete this form. There is no fee to apply.

1. Determine the eligibility of your Commercial Property.

To qualify, each of the following statements must be true.

<u>YES</u>	<u>NO</u>	
		<u>I am/we are the property owner of record (legal owner)</u>
		<u>Property taxes are current and have not been delinquent in the past 3 years or since owning the property if less than 3 years.</u>
		<u>I am/we are not in bankruptcy and have not been in bankruptcy in the past 5 years</u>
		<u>The property is not listed as an asset in a current bankruptcy</u>
		<u>There are no federal or state income tax liens, judgment liens or similar involuntary liens on the property in amounts exceeding \$1,000.</u>

Please answer the following questions regarding mortgage(s) on the property.

<u>YES</u>	<u>NO</u>	
		<u>Is this property mortgaged?</u>
		<u>Is the mortgage in a Commercial Mortgage Backed Security (CMBS) pool? (If known)</u>
		<u>Is there a U.S. Small Business Administration (SBA) loan on the property?</u>

If the property is mortgaged, the following statements must be true:

<u>TRUE</u>	<u>FALSE</u>	
		<u>The current mortgage balance does not exceed the total value of the property. (Use value as found on property tax bill or as determined by an Appraisal Institute MAI designated appraiser within the past 90 days)</u>
		<u>Mortgage payments on the property are current and have not been delinquent in the</u>

past 3 years or since owning the property, if less than 3 years

2. Tell us about your Commercial Property.

What is the physical Address of the property as listed on the property tax record?

Street Address

City, State, Zip

What is the Assessor's Parcel Number(s) for the property?

3. Tell us about your Project.

If known, what is the estimated installed cost of your project?

If you are adding solar (PV) or energy storage, are you interested in selling the Investment Tax Credit and other tax benefits to a tax equity investor?

YES NO

(circle one)

Which contractor would you like to install/construct your improvements?

If known, what kind of improvements would you like to finance?

- | | |
|--|--|
| <input type="checkbox"/> <u>Solar panels (photovoltaic)</u> | <input type="checkbox"/> <u>Low energy light fixtures and controls</u> |
| <input type="checkbox"/> <u>Solar panels (thermal hot water)</u> | <input type="checkbox"/> <u>HVAC (heating/air conditioning)</u> |
| <input type="checkbox"/> <u>Low flow water fixtures and toilets</u> | <input type="checkbox"/> <u>Seismic structural improvements</u> |
| <input type="checkbox"/> <u>Low flow irrigation systems and controls</u> | <input type="checkbox"/> <u>High-efficiency windows</u> |
| <input type="checkbox"/> <u>Insulation and/or weatherization</u> | <input type="checkbox"/> <u>High-efficiency pool pumps</u> |
| <input type="checkbox"/> <u>Efficient roof</u> | <input type="checkbox"/> <u>Fuel cells</u> |
| <input type="checkbox"/> <u>Skylights</u> | <input type="checkbox"/> <u>Electric vehicle plug-in (solar sourced)</u> |
| <input type="checkbox"/> <u>Wind power</u> | <input type="checkbox"/> <u>Other</u> |

4. Tell us about the Property Owner.

Which best describes the property's legal ownership

- Owned by individual(s)
- Owned by a trust
- Owned by a partnership, LLC, or corporation
- Other (please describe) _____

What is the Property Owner's legal name as it appears on the property tax record?

<u>Owner 1 Name</u>	<u>Tax ID Number or last 4 digits of SSN</u>
<u>Owner 2 Name</u>	<u>Tax ID Number or last 4 digits of SSN</u>
<u>Owner 3 Name</u>	<u>Tax ID Number or last 4 digits of SSN</u>
<u>Owner 4 Name</u>	<u>Tax ID Number or last 4 digits of SSN</u>

Who is the owner's primary contact regarding PACE financing? (Owner or authorized representative)

<u>Name/Title</u>	<u>Email</u>	<u>Preferred direct phone</u>

5. Tell us about the Mortgage.

Skip to Section 6 if there is no mortgage on the property.

For mortgaged properties, CEDA requires written Lender Acknowledgement to protect the property owner 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:

- A copy of the two most recent mortgage statements
- A copy of the mortgage documents (including note, deed of trust, or other mortgage agreement)

Note: For CEDA or its Program Administrator to initiate the Lender Acknowledgment process, you must execute the form of Authorization to Furnish and Release information attached to this Application.

Lender 1

<u>Name of Lending Institution or Lender</u>	
<u>Contact Name</u>	
<u>Email</u>	<u>Phone Number</u>
<u>Account Number</u>	

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 CEDA PACE? The CEDA PACE Program (the “Program”) has been adopted by the California Enterprise Development Authority (“CEDA”) and number of cities and counties that are members of CEDA have agreed to participate in the Program. The Program 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 a variety of property improvements including (i) energy efficiency; (ii) water efficiency; (iii) renewable energy; (iv) seismic safety and strengthening; (v) electric vehicle charging infrastructure; and (vi) wildfire safety and suppression (collectively, the “Improvements”) that are permanently affixed to the owner’s real property (the “Property”). The Program engages program administrators (each, a “Program Administrator” and together, the “Program Administrators”) responsible for administration of the Program.

Execution of Assessment Financing Contract. Each financing will be made pursuant to an Assessment Financing Contract between CEDA and the Property Owner. Subsequent to approval of this Application by a Program Administrator, the Property Owner must enter into an Assessment Financing Contract with CEDA in order to obtain financing for qualified Improvements. A Program Administrator will provide the Assessment Financing Contract to the Property Owner when the scope of Improvements has been finalized by a Program Administrator, and, if applicable Lender Acknowledgment has been received. The Property Owner must submit to a Program Administrator a qualifying proposal for work and such proposal must be signed by both the issuing Program Administrator’s Independent Contractor and the Property Owner, if applicable. A Program Administrator 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, the Property Owner should carefully review any agreement(s) or security instrument(s) which affect the Property or to which Borrower is a party. **ENTERING INTO A CEDA PACE PROGRAM ASSESSMENT FINANCING CONTRACT WITHOUT THE ACKNOWLEDGMENT OF PROPERTY OWNER'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 PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT.**

Lender Acknowledgment (for Mortgaged Properties). Under the CEDA PACE program, Lender Acknowledgment is required before financing is approved. The Program Administrator may assist with the Lender Acknowledgment process where applicable. If you, the Property Owner, 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 PROGRAM ADMINISTRATOR STAFF WILL NOT PROVIDE PROPERTY OWNERS WITH ADVICE REGARDING EXISTING AGREEMENTS OR SECURITY INSTRUMENTS.**

The Program Administrator will assist the Property Owner with sending a written request of Lender Acknowledgment to all mortgage lenders listed in Property Owner'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 a Program Administrator.

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

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

- Holding an active contractor's license of the appropriate kind as required by the California State Licensing Board for the Improvements
- Maintaining Worker's Compensation insurance, and
- Maintaining a General Liability insurance policy in the minimum amount of \$1,000,000 per occurrence

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 Property Owner.

Acknowledgement

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

<u>Authorized 1 Signature</u>	<u>Authorized 2 Signature</u>	<u>Authorized 3 Signature</u>	<u>Authorized 4 Signature</u>
<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>
<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>

7. Disclosures Regarding Interest Rates, Fees and Qualifications

<u>Interest Rates and Terms Disclosures</u>	
<u>Interest Rate</u>	<u>The interest rate is market-based and determined at the time of financing.</u>
<u>Minimum Financing</u>	<u>\$100,000</u>
<u>Maximum Financing</u>	<u>Not to exceed 20% of the total property value.</u>
<u>Payments</u>	<u>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.</u>
<u>Terms</u>	<u>Assessments are available in 5, 10, 15, 20, 25 and 30 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.</u>
<u>Rebates and Incentives</u>	<u>Improvements may be eligible for rebates and/or incentives. Program Administrators do not assist with processing rebates/incentives. All processing of rebates/incentives is between the property owner and the party offering the rebate/incentive.</u>
<u>No Personal Guarantee</u>	<u>CEDA PACE Program assessments are secured by real property and require no personal guarantee.</u>
<u>Capitalized Interest</u>	<u>Any interest accruing from the time of fund allocation to the next applicable debt service payment will be capitalized (added to the assessment). The Program Administrator will notify the property owner of the estimated amount of capitalized interest before the property owner executes a Financing Agreement.</u>
<u>Fees</u>	
<u>Processing Fee</u>	<u>A fee of \$ ____ will be added to the total amount of the assessment at the time of closing. An additional \$ ____ 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.</u>
<u>Annual Administrative Fee</u>	<u>An annual charge of up to \$ ____ for every \$1,000 of the annual assessment amount will be incurred for recovery of the program's administrative costs.</u>
<u>Cost of Issuance</u>	<u>The Program Administrator charges a Cost of Issuance of up to ____ % of the total financing to cover costs of issuing bonds to fund projects. This charge is not an out-of-pocket expense for the property owner but is apportioned from the total financing.</u>
<u>Progress Payment Fee (Incurred by Contractor)</u>	<u>A fee may be charged to any Contractor requesting a progress payment for partially completed purchase, installation or construction of Improvements. Contractors may draw a total of four (4) progress payments in addition to a final payment for completed work unless other arrangements have been made in advance with a Program Administrator.</u>
<u>Expenses & Expense Deposit</u>	
<u>Third Party Report Costs</u>	<u>Certain third-party reports and legal review may be required as a condition of closing PACE financing, including appraisal, title, legal, environmental</u>

	<u>screening and/or technical review. Required reports will be identified prior to a Program Administrator issuing an application. Third party report costs can be included in the total amount of financing or paid directly to the vendor(s) by Borrower.</u>
<u>Expense Deposit</u>	<u>An Expense Deposit of \$ _____ is due to The Program Administrator with this application. Any unused deposit remaining will be refunded to the borrower. Additional expenses incurred can either be paid by Borrower at closing or added to the final financing amount.</u>
<u>Prepayment and Re-amortization</u>	
<u>Prepayment Premium</u>	<u>The assessment may be prepaid at any time prior to maturity with a premium of 5% in years 1-5 declining 1% per year to 0% in years 6-maturity.</u>
<u>Re-amortization</u>	<u>Assessments are liened every July 1. Prepayments must be received by June 15 of each year to be reflected on the next cyclical property tax bill. For example, a partial prepayment received on May 1, 2024 would be reamortized and reflected on the tax bill issued in September 2024, whereas a partial prepayment received on July 15, 2024 would be reamortized and reflected on the tax bill issued in September 2025.</u>
<u>Qualifications</u>	
<u>Legal Owner</u>	<u>Applicant must be the property owner of record.</u>
<u>Current on Taxes</u>	<u>The Property Owner 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.</u>
<u>Current on Mortgage (if applicable)</u>	<u>If the property is mortgaged, the Property Owner 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.</u>
<u>No Bankruptcy</u>	<u>The Property Owner 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.</u>
<u>Value-to-Liens No Greater than 90%</u>	<u>The combined amount of PACE financing plus any outstanding debt secured by the property cannot exceed the greater or 90% of value (the higher of assessed or appraised).</u>
<u>Lender Acknowledgement</u>	<u>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.</u>

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 [PROGRAM ADMINISTRATOR]’s 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.

<u>Authorized 1 Signature</u>	<u>Authorized 2 Signature</u>	<u>Authorized 3 Signature</u>	<u>Authorized 4 Signature</u>

<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>

<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>

8. 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. Financing Agreement Authority:** I/(we) am/(are) applying for assessment financing pursuant to the CEDA 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 CEDA PACE financing program will require the acknowledgment of my/our mortgage lender if the property is mortgaged and a lender may not grant acknowledgement 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 a Program Administrator, the CEDA 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 a Program Administrator, the CEDA 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 a Program Administrator, the CEDA 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 CEDA 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.

9. Indemnification and Waiver of Claims.

I/(we) agree to indemnify, and waive the right to recover from, CEDA, the Program Administrator, any City or County from 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 the CEDA PACE program.

Acknowledgement

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

<u>Authorized 1 Signature</u>	<u>Authorized 2 Signature</u>	<u>Authorized 3 Signature</u>	<u>Authorized 4 Signature</u>
<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>
<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>

Acknowledgement

Please submit all checked documents along with this application to your selected Program Administrator representative. Please include your name and property address in the subject line.

- Copy of pages of incorporation, partnership 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 owning entity.
- A copy of the two most recent mortgage statements (if applicable)
- A copy of the mortgage documents (including note, deed of trust, or other mortgage agreement (if applicable)
- Signed Authorization to Furnish and Release Information for each lender (see following page, if applicable)
- Tax returns, or audited or CPA-prepared financial statements for 2020, 2021 and 2022, and 2023 YTD
- Executed Construction/Installation Agreement, when available

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 SSN or
Tax ID Number _____

I, _____ [Property Owner], currently domiciled at

_____ [Owning Entity Address], City
of _____ County of _____, State of California,
hereby authorize _____ [Mortgage Lender] to discuss, release, furnish and
provide information related to my Loan Number _____ to the Program Administrator and
authorize the Program Administrator to obtain lender acknowledgement from you for our PACE
financing.

Signed By:

_____	_____	_____	_____
<u>Authorized 1 Signature</u>	<u>Authorized 2 Signature</u>	<u>Authorized 3 Signature</u>	<u>Authorized 4 Signature</u>
_____	_____	_____	_____
<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>	<u>Name (Print)</u>
_____	_____	_____	_____
<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>

Summary report:	
Litera Compare for Word 11.7.0.54 Document comparison done on 11/5/2024 6:45:16 PM	
Style name: Change with Moved Text	
Intelligent Table Comparison: Active	
Original DMS: nd://4867-4134-4680/1/CEDA PACE Program Report - August 11, 2022 Version.docx	
Modified DMS: nd://4870-1633-3736/1/CEDA PACE Program Report - 2024 Update.docx	
Changes:	
Add	454
Delete	85
Move From	0
Move To	0
Table Insert	32
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	29
Embedded Excel	0
Format changes	0
Total Changes:	601

Staff Report

Action Requested	Review and approve 2024 CEDA Audit and Audit findings.
Staff Discussion	<p>On October 26, 2023, the CEDA Board of Directors approved James Marta & Associates to conduct the CEDA Annual Audit in 2023 and 2024. This approval was predicated on both James Marta & Associates' competitive quote and prior positive experience in working with them on the CEDA Annual Audit.</p> <p>The enclosed documents detail James Marta & Associates' CEDA Annual Audit, conducted in-office on September 26, 2024. The report was issued on October 7, 2024.</p> <p>The audit contains highlights including the issuance of 15 bonds, CEDA entering into a marketing contract with Kosmont Financial Services for the BAND program, and CEDA's contributions to economic development. The report also notes that, though there was a slowdown in project flow due to high interest rates and uncertainty in the market, CEDA still had a successful year. Moving forward, CEDA staff wants to focus on bolstering deal flow by supporting and marketing existing key partnerships, and targeting new partners and different projects.</p> <p>Staff recommends review and approval of the 2024 CEDA Audit and Audit findings.</p>
Recommendation	Staff recommends approval of the 2024 CEDA Audit and Audit findings.



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
California Enterprise Development Authority
Sacramento, California

We have audited the financial statements of the California Enterprise Development Authority (CEDA) for the years ended June 30, 2024 and 2023 and have issued our report thereon dated October 7, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated November 3, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of CEDA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted the majority of our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CEDA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are new Governmental Accounting Standards that may affect the District in upcoming years. See Attachment A.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We are not aware of any significant estimates in the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the California Enterprise Development Authority's financial statements relate to the conduit debt obligations in Note 6 to the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We are not aware of any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We are not aware of any material misstatements as a result of our audit procedures. There were no corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to California Enterprise Development Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 7, 2024 (Attachment B).

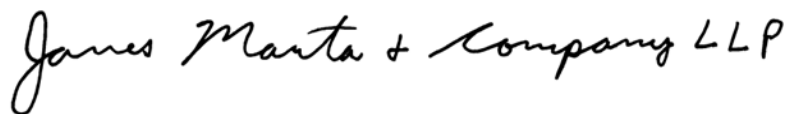
Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with California Enterprise Development Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the use of the Board of Directors and management of California Enterprise Development Authority and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 7, 2024

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the District in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the District. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 101, Compensated Absences

Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

We do not expect GASB 101 to have any significant impact on the CEDA at this time.

GASB Statement No. 102, Certain Risk Disclosures

Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

We do not expect GASB 102 to have any significant impact on the CEDA at this time.

GASB Statement No. 103, Financial Reporting Model Improvements

Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

We do not expect GASB 103 to have any significant impact on the CEDA at this time.



California Enterprise Development Authority
Targeting Capital Resources to Grow Local Economies

MANAGEMENT REPRESENTATION LETTER

October 7, 2024

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the Statement of Financial Position, Statement of Activities, Statement of Cash Flows and statement of fiduciary cash receipts and disbursements of California Enterprise Development Authority (CEDA) as of June 30, 2024 and 2023 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of California Enterprise Development Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 7, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 3, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

Page 2 of 4

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- All cash activity has been properly reflected in the fiduciary fund.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

Page 3 of 4

- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- California Enterprise Development Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which California Enterprise Development Authority is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to

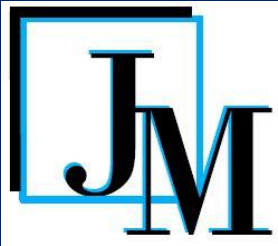
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volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- California Enterprise Development Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Gurbax Sahota

Gurbax Sahota
Chair



**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023**

JAMES MARTA & COMPANY LLP
701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 999-9494
(916) 993-9489 FAX

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

JUNE 30, 2024

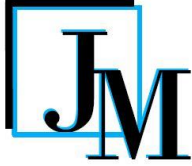
BOARD OF DIRECTORS

Gurbax Sahota	Chair
Larry Vaupel	Vice Chair/Secretary
Dave White	Treasurer
Bob Burris	Member
Jennifer McLain Hiramoto	Member
Josh Metz	Member
Aaron Laurel	Member
Eric Romero	Member

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Enterprise Development Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statement of Net Position of California Enterprise Development Authority (CEDA) as of and for the year ended June 30, 2024 and 2023, and the related Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, and the Statement of Fiduciary Cash Receipts and Disbursements for the years then ended, and the related notes to the financial statements, which collectively comprise California Enterprise Development Authority's basis financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the California Enterprise Development Authority, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows, and fiduciary cash receipts and disbursements thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Enterprise Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As further described in Note 1 to the financial statements, the fiduciary activities related to the residential PACE program are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

California Enterprise Development Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and cash basis for the fiduciary activities as described in note 1 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Enterprise Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California Enterprise Development Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Enterprise Development Authority's ability to continue as a going concern for a reasonable period of time.

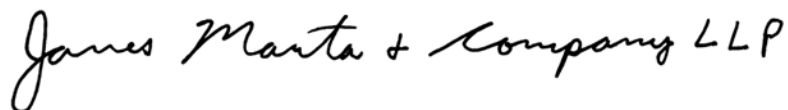
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024 on our consideration of the California Enterprise Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California Enterprise Development Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 7, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

Overview

This section of the California Enterprise Development Authority (CEDA) annual financial report presents management's discussion and analysis of its financial performance during the fiscal year that ended on June 30, 2024. It is being provided for the purpose of enhancing the information in the financial audit and should be reviewed in concert with that report.

CEDA is a joint powers authority created in 2006. The Authority has a governing Board of eight members who comprise the Executive Committee of the California Association for Local Economic Development (CALED) and the President/CEO of CALED. Public agency members of CEDA join to facilitate the issuance of private activity bonds for the purpose of economic and community development.

Guiding Principles for Budget Development

CEDA prepares a budget using the following principles to align its financial resources with its mission and organizational priorities:

- CEDA's financial and administrative activities are governed by means of a Management Agreement with CALED.
- Programs and services are funded within the limits of fee revenue derived from bond issuance.
- Two reserve funds (operating budget and legal) are budgeted when necessary and shown in the adopted budget. At the end of the year, excess funds may be committed to the reserves.

Financial Highlights

In 2023-24, CEDA issued 15 bonds for a total of \$758,502,500. In comparison, 2022-23 saw a total dollar amount of authorized bonds at \$454,856,000 and 31 deals closed. Fee Revenues were lower this year than the previous year with \$901,375 in 2022-23 versus \$595,248 in 2023-24 due to less bonds being issued than in the previous year.

The management fee payable to CALED of \$300,000 that was approved by the CEDA board to commence fiscal year 2017-18 remained the same in fiscal year 2023-2024.

CEDA entered into a marketing contract with Kosmont Financial Services to market their new pooled-financing program, Bonds Advancing New Development (BAND). This contract is reflected in the increased direct program expenses of \$91,207 in FY 2023-24 as compared to \$46,028 in FY 2022-23. While an added direct expense, CEDA feels this investment will benefit the JPA through the diversity of projects and ability to assist in more economic development finance opportunities throughout the state.

The success of CEDA's conduit-bond issuances is best seen in the contributions made to economic development. CEDA was formed in 2006 with the specific mission of supporting economic development in California. CEDA's contributions help economic developers attend training events and further support economic development. Even with decreased project flow, the CEDA Board was able to approve a contribution to economic development for \$245,000. While reduced from \$545,000 in FY 2022-23, the Board felt it was important to contribute surplus funds to further CALED's mission and support economic development practitioners.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

Condensed Statement of Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets	\$ 1,449,952	\$ 1,489,500	\$ 1,445,855
Current Liabilities	<u>60,796</u>	<u>36,303</u>	<u>3,393</u>
Net Position Unrestricted	<u>\$ 1,389,156</u>	<u>\$ 1,453,197</u>	<u>\$ 1,442,462</u>

Condensed Statement of Activities

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues	\$ 572,166	\$ 901,763	\$ 1,038,230
Expenses	<u>636,207</u>	<u>891,028</u>	<u>990,494</u>
Changes in Net Position	<u>(64,041)</u>	<u>10,735</u>	<u>47,736</u>
Net Position Beginning	<u>1,453,197</u>	<u>1,442,462</u>	<u>1,394,726</u>
Net Position Ending	<u>\$ 1,389,156</u>	<u>\$ 1,453,197</u>	<u>\$ 1,442,462</u>

Economic Factors Affecting the Future

Primary sources of revenue are derived from application, issuance, annual fees, and PACE management fees. Primary expenditures are the Management Agreement with CALED, various direct expenses (such as SLIP Insurance), and contributions of excess funds to CALED for economic development purposes.

The Authority had a successful year even though we saw a slowdown in project flow due to high interest rates and uncertainty in the market. CEDA staff is focused on bolstering deal flow in the 2024-25 fiscal year by supporting and marketing to existing key partnerships and targeting new partners and different projects.

Non-Profit 501(c)(3) bonds continued to drive CEDA's growth this past year and likely will continue to make up most issuances in the coming fiscal year. These deals are a combination of new projects and refinances.

While CEDA did not issue any Industrial Development Bonds (IDBs), staff continues to promote this financing tool to support growth in the statewide manufacturing industry and to fight for allocation at the State Treasurer's Office.

The PACE program, for commercial PACE (C-PACE) projects only, was quiet in 2023-24. Our PACE partner, Dividend Finance, provided us a termination notice sharing that they are closing their PACE department in FY 2022-23, and CEDA has been engaged in the termination process with Dividend over the past year. This process will be finalized in early 2024-25. Once completed, CEDA will re-engage with their C-PACE partners in hopes of closing projects in 2024-25.

BASIC FINANCIAL STATEMENTS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF NET POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,426,544	\$ 1,488,740
Accounts receivable	21,297	-
Prepaid expenses	<u>2,111</u>	<u>760</u>
Total assets	<u>1,449,952</u>	<u>1,489,500</u>
LIABILITIES		
Current Liabilities		
Performance deposits	-	30,000
Due to affiliated entity	13,454	3,803
Unearned revenue	<u>47,342</u>	<u>2,500</u>
Total liabilities	<u>60,796</u>	<u>36,303</u>
NET POSITION		
Unrestricted	<u>\$ 1,389,156</u>	<u>\$ 1,453,197</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Fee revenues	\$ 571,703	\$ 901,375
Total operating revenues	571,703	901,375
OPERATING EXPENSES		
Management fees	300,000	300,000
Contribution to economic development	245,000	545,000
Direct program expenses	91,207	46,028
Total operating expenses	636,207	891,028
Operating income	(64,504)	10,347
NONOPERATING REVENUES		
Investment income	463	388
Change in net position	(64,041)	10,735
Net position, July 1	1,453,197	1,442,462
Net position, June 30	\$ 1,389,156	\$ 1,453,197

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash receipts from fees charged	\$ 595,248	\$ 901,375
Cash paid for management fees and economic development	(535,349)	(841,590)
Cash paid for direct program expenses	<u>(122,558)</u>	<u>(15,786)</u>
Net cash provided (used) by operating activities	<u>(62,659)</u>	<u>43,999</u>
Cash flows from investing activities:		
Interest income received	<u>463</u>	<u>388</u>
Increase (decrease) in cash	(62,196)	44,387
Beginning cash and cash equivalents	<u>1,488,740</u>	<u>1,444,353</u>
Ending cash and cash equivalents	<u>\$ 1,426,544</u>	<u>\$ 1,488,740</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (64,504)	\$ 10,347
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts receivable	(21,297)	500
Prepaid expenses	(1,351)	242
Increase (decrease in):		
Performance deposits	(30,000)	30,000
Due to affiliated entities	9,651	3,410
Unearned revenues	<u>44,842</u>	<u>(500)</u>
Net cash provided by operating activities	<u>\$ (62,659)</u>	<u>\$ 43,999</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENT OF FIDUCIARY CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	PACE Program Activity	
	<u>2024</u>	<u>2023</u>
Cash Receipts		
Revenues Received	\$ 965,346	\$ 1,207,655
Total additions	<u>965,346</u>	<u>1,207,655</u>
 Cash Disbursements		
Expenses Paid Out	931,370	1,168,669
Other Disbursements	5,673	-
Total deductions	<u>937,043</u>	<u>1,168,669</u>
 Change in Cash Position	 28,303	 38,986
Cash - beginning	<u>576,290</u>	<u>537,304</u>
Cash - ending	<u>\$ 604,593</u>	<u>\$ 576,290</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

California Enterprise Development Authority (the "Authority") is a joint powers agency formed on June 1, 2006 pursuant to the provisions of Title I, Division 7, Chapter 5, Article I of the Government Code of the State of California. The purpose of the Authority is to assist the members, for-profit and non-profit organizations located within the jurisdictions of the members in financing industrial and commercial development projects and other public purpose projects.

The Authority issues conduit debt for the express purpose of providing capital financing for a specific third party that is not part of the Authority's financial reporting entity. Although the conduit debt obligations may bear the name of California Enterprise Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or a loan with the third party on whose behalf they are issued.

Property Assessed Clean Energy (PACE) Program

Property assessed clean energy (PACE) is a mechanism for financing energy efficiency and renewable energy improvements on properties. Under Assembly Bill 811, California property owners in special assessment districts may enter into voluntary contractual assessments against their properties, to finance a range of authorized energy and water efficiency products and improvements. In partnership with Dividend Finance, CEDA offers PACE funding to property owners to amortize payments for eligible improvements for up to 20 years with long term, low interest rate loans and no money down, repaid as a line-item on the property owner's annual property tax bill.

During fiscal year 2016-17, CEDA implemented a residential PACE (R-PACE) program in addition to commercial PACE (C-PACE) already in its portfolio. On behalf of Dividend Finance's clients, CEDA issues multijurisdictional bonds that generate private capital for PACE commercial property improvement projects and bonds to take out loans to finance residential property projects.

Legislation passed in January 2018 resulted in Dividend Finance halting new R-PACE project originations as of April 1, 2018, until solutions to meet the necessary underwriting requirements could be resolved. CEDA has discontinued its R-PACE program and is not issuing new debt but continues to service previously existing R-PACE contracts and perform administrative work for R-PACE related to the closing of the program.

CEDA is in the process of ending its partnership with administrator Dividend Finance. Once that is completed, CEDA will engage with a new administration team for new commercial PACE transactions and the continued administration of existing transactions.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

Since these funds are controlled by a third party and not by CEDA, the Authority has elected to use the cash basis of accounting as described in Note 1.B.

B. BASIS OF ACCOUNTING

The Authority is accounted for as an enterprise fund and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority include application, issuance and annual fees. Operating expenses of the Authority include the cost of providing the services, administrative expenses and management fees. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

Fiduciary Funds – Cash Basis

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority uses a fiduciary fund to account for the proceeds and expense associated with its Property Assessed Clean Energy (PACE) program. The fund activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's general operations. The fiduciary fund financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

C. CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

D. INCOME TAXES

The Authority is a tax-exempt corporation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2024 and 2023 consisted of the following:

	<u>Governmental Activities</u>		<u>Fiduciary Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash in banks	<u>\$ 1,426,544</u>	<u>\$ 1,488,740</u>	<u>\$ 604,593</u>	<u>\$ 576,290</u>

Custodial Credit Risk

Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts, by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by governmental units.

3. PERFORMANCE DEPOSIT

Any organization applying for Industrial Development Bonds is required to submit a performance deposit to the Authority equal to 0.5% of the amount of the Qualified Private Activity Bond Allocation being requested, not to exceed \$100,000. Upon issuance of the Bonds, the state notifies the Authority who returns the performance deposit to the applicant. The Authority has no performance deposit as of June 30, 2024, and \$30,000 JBR performance deposit as of June 30, 2023.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

4. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2024 through October 7, 2024, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

5. RELATED PARTY TRANSACTIONS

The Joint Powers Agreement has designated California Association for Local Economic Development (CALED), a California nonprofit corporation, as the administrator and executor of the agreement. The agreement also designates the Executive Committee of the Board of Directors of CALED and the President of CALED as the Board of Directors of the Authority.

For the years ended June 30, 2024 and 2023, the Authority entered into a management agreement with CALED, an affiliated entity, for an annual fee of \$300,000 for both fiscal years. CALED provides administrative oversight, office space and other related expenses and services under the management agreement.

As of June 30, 2024, there was an additional payment to CALED which represents expenses paid by CALED on behalf of the Authority amounting to \$22,129 and a balance due to CALED in the amount of \$13,454.

6. CONDUIT DEBT OBLIGATIONS

The Authority has issued Conduit Bonds to provide financial assistance to organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the organization served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

6. CONDUIT DEBT OBLIGATIONS (Continued)

As of June 30, 2024, the Authority had the following number of Conduit Bonds authorized, related authorized bond issue amount, related aggregate principal balance due as of June 30 and related fees charged:

Fiscal Year Ended June 30:	Number of Bonds Authorized	Dollar Amount of Bonds Authorized	Outstanding Principal Balance	Issuance Fees
2024	15	\$ 758,502,500	\$ 709,661,683	\$ 302,590
2023	31	454,856,000	348,322,210	563,432
2022	39	587,575,533	505,976,436	698,757
2021	32	590,475,020	454,221,913	636,889
2020	26	553,771,000	482,083,959	639,328
2019	24	368,113,249	229,158,193	471,535
2018	32	349,425,910	173,745,364	525,569
2017	33	625,952,139	334,675,395	817,942
2016	14	113,606,718	80,561,420	199,665
2015	17	111,530,080	54,754,454	162,860
2014	17	209,824,479	36,004,936	208,162
2013	10	203,300,000	72,484,768	196,625
2012	4	55,250,000	-	65,625
2011	28	522,247,271	143,181,794	760,670
2010	8	82,184,455	-	147,886
2009	5	37,000,000	7,500,000	70,000
2008	10	188,192,839	15,750,000	292,715
2007	3	40,065,000	-	65,525
Totals	348	\$ 5,851,872,193	\$ 3,648,082,525	\$ 6,825,775



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
California Enterprise Development Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements of California Enterprise Development Authority (the “Authority”), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated October 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financials statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

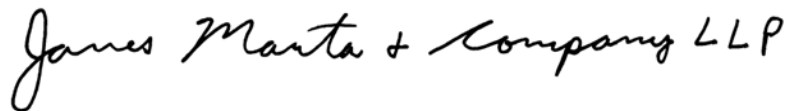
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiency may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the California Enterprise Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 7, 2024



September 24, 2024

Ms. Gurbax Sahota
Chair
California Enterprise Development Authority
2150 River Plaza Drive, Suite 275
Sacramento, CA 95833

Re: Proposal to Provide Assessment District Administration Services for California Enterprise Development Authority

Dear Ms. Sahota:

Willdan Financial Services (“Willdan”) is pleased to submit the following proposal to the California Enterprise Development Authority (“CEDA or Authority”) to provide Assessment Administrator Services to the annual administration of the PACE Program. Willdan employs leading experts in the field of special district administration, formation and re-engineering, the most advanced special district administration software, and a depth of resources and customer service unmatched in the industry at a competitive fee.

Founded over 50 years ago, Willdan Group Inc, (“WGI”) is a national public finance, energy consulting, and engineering firm. We are a recognized leader in assessment district formation and administration, energy audit program management, and project delivery for governmental agencies and public utilities. **Furthermore, our District Administration Services (“DAS”) group administers PACE programs within Florida, Michigan, Wisconsin, Missouri, Ohio, Texas, Colorado, Utah, and California.**

Willdan has unparalleled experience developing and administering PACE programs throughout the United States; informed by our ongoing involvement in existing programs, our in-depth knowledge and familiarity of energy efficiency and energy reduction programs, and our unique understanding of the financing alternatives presently available throughout the United States. Willdan’s extensive experience, will enable us to hit the ground running in the successful delivery of each aspect of this project.

We are excited about this opportunity to serve the California Enterprise Development Authority. If you wish to discuss any aspect of this proposal, please contact Assistant Director Beatrice Medina; her contact information is provided in the table below.

Contact Information
Engagement Director
Beatrice Medina
Assistant Director, PACE Group
27368 Via Industria, Suite 200 Temecula, CA 92590
Toll Free #: (800) 755-6864 Direct Tel #: (951) 587-3554
Email: bmedina@willdan.com . www.willdan.com

Sincerely,

WILLDAN FINANCIAL SERVICES

A handwritten signature in blue ink that reads 'Gladys Ceballos'.

Gladys Ceballos
Vice President / Director

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Experience and Qualifications

Firm Profile

Willdan Financial Services, a Corporation, is an operating division within WGI, which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (WLDN). WGI, through its divisions, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its communities.

A financially stable company, WGI has over 1,600 employees working in more than a dozen states across the U.S. Our employees include a number of nationally recognized Subject Matter Experts for all areas related to the broadest definition of connected communities

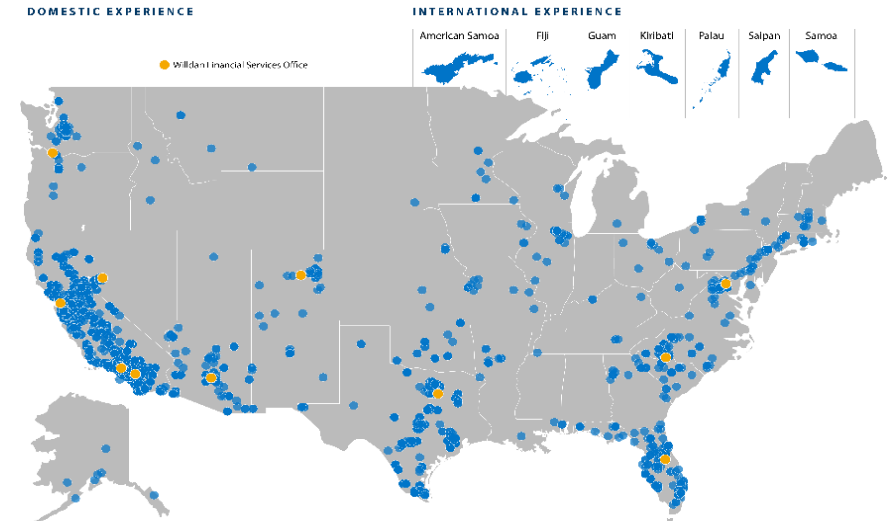
We have solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, Willdan is leading our clients into a future accelerated by change in resources, infrastructure, technology, regulations, and industry trends.

Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services, is a national firm and is one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of infrastructure challenges.

Our staff supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Willdan assists local public agencies by providing the following services:



Willdan Financial Services

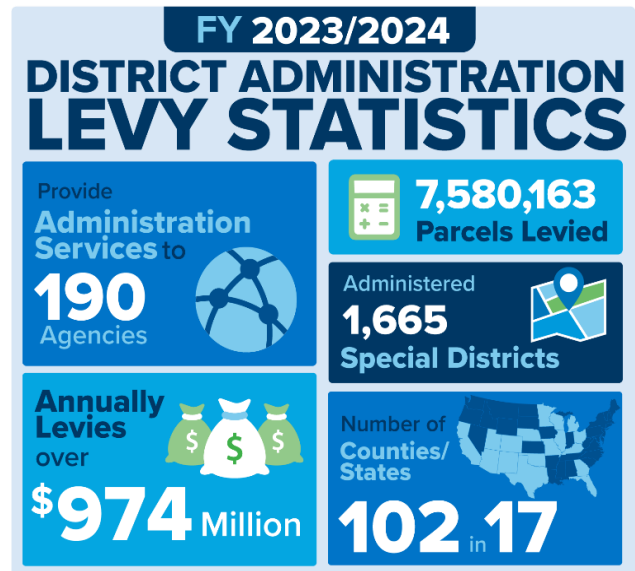
Services Provided

- Administration of special taxes, assessments, fees, standby charges, and utility rates
- District formation services for assessment / local improvement districts, Community Facilities Districts (CFDs), Landscaping and Lighting Districts, and special taxes
- User fee studies and cost allocation plans
- Utility rate and cost of service studies
- Economic development strategic plans
- Municipal advisory services
- Development impact fee establishment and analysis
- Property tax audits
- Housing development and implementation strategies
- Arbitrage and continuing disclosure services
- Real estate economic analysis
- Feasibility studies
- Debt issuance support
- Long-term financial plans and cash flow modeling

District Administration Services

Willdan's District Administration Services ("DAS") group addresses the ongoing day-to-day activities associated with the long-term collection of bonded and "pay-as-you-go" special taxes, assessments, fees, utility rates, and standby charges. These types of services demand accurate, timely, and knowledgeable treatment of many details. Subsequently, Willdan focuses on quality control and brings the advantage of current technology and knowledge of recent legislation to our clients. **The graphic to the right provides a snapshot of Willdan's district administration experience.**

In order to administer special districts accurately and efficiently on behalf of our clients, Willdan has developed a custom software program, known as MuniMagic+SM; instituted a quality assurance process; and employs dedicated property owner service representatives that handle and direct all incoming calls received on our toll-free tax line. These innovations are discussed below in greater detail.

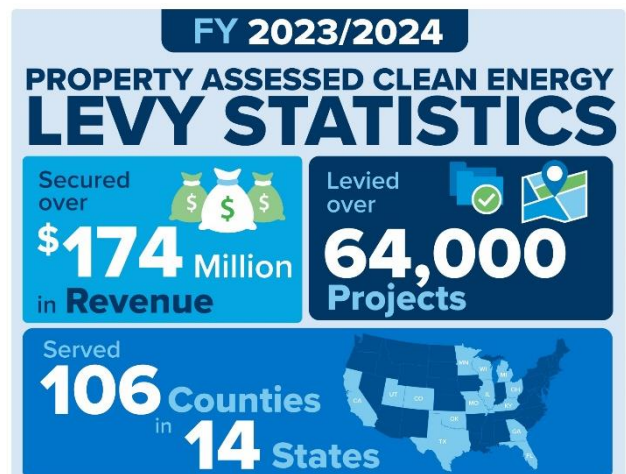


Listed below are examples of Willdan's capabilities and experience with Auditor/Controller Offices and Tax Collectors.

- **For more than 35 consecutive years** we have provided district administration, formation, and federal compliance services throughout California. Services include administration of special taxes, assessments, standby charges, and utility rates; arbitrage rebate calculations; and municipal disclosure report preparation and dissemination. Each of these available services enhance our ability to serve public agencies. Our organizational structure and systems have been designed to meet the needs of this niche market.
- Internet access (optional): Web access to parcel data is available to clients for whom Willdan administers district data. Service will be provided free of charge.
- A dedicated staff committed to meeting deadlines, being responsive to clients, and working hard to stay on top of legislative and industry developments.
- A focus on customer service, expressly on acting as an extension of agency staff.
- In-house licensed assessment engineers to generate Engineer's Reports and related documents.
- In-house capability to produce compatible formats (printed and electronic) for all necessary formation documents, including exhibits and appendices for Engineer's Reports.

PACE Administration Services

Willdan's DAS group **administers PACE programs within Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Michigan, Minnesota, Missouri, New Mexico, Ohio, Oklahoma, Texas, Utah, and Wisconsin to levy and reconcile nearly 98,000 parcels and secure over \$174 million in revenue for fiscal year 2023/2024.** Willdan has been at the forefront of PACE program administration having served as the City of Palm Desert's assessment administrator since the inception of their Energy Independence Program in 2008. Likewise, we assisted the City of Los Angeles with the development and implementation of their commercial PACE program. At present the DAS group provides PACE administration to CleanFund and Ygrene Energy.



Innovative Ideas

To accurately and efficiently administer special districts on behalf of our clients, Willdan has developed custom software program, known as MuniMagic+SM; instituted a quality assurance process; and employs dedicated property owner service representatives that handle and direct all incoming calls received via our toll-free tax line.



MuniMagic+ Software



Our staff originally created Willdan's **Municipal Administration Government Information Coordinator — MuniMagic+** — a custom software program to address the specific requirements related to administering taxes, assessments, standby charges, and fees more than 16 years ago. This software was designed and tested by the same Willdan staff responsible for handling annual special district tasks, ensuring that it is tuned to the specific needs connected with special district administration and reporting. In addition, the program allows our clients to access parcel information through the Internet with a graphical menu-driven format. With current changes in legislation and new programs focused on Property Assessed Clean Energy (PACE), Willdan IT/Development staff developed an updated web-based version of the original Legacy System, which was rolled out in September 2018.

MuniMagic+ is our secure proprietary web-based data management application. MuniMagic+ is hosted in the cloud utilizing Amazon Web Services (AWS) and contains data for more than 8.3 million parcels. The Web application provides a rich user experience via any modern web browser and can scale under load and recover from geographic disasters. Our data is stored securely and continuously backed up to the cloud and, with the help of AWS managed services, we experience near 100% system availability. The data within MuniMagic+ includes county assessor data, and other supplementary data identifying parcel characteristics.

Arbitrage Rebate/Continuing Disclosure



Willdan is nationally recognized for its expertise in municipal bond compliance reporting. We are committed to maintaining a qualified staff of practitioners that have a solid foundation in continuing disclosure and arbitrage rebate services and have six full-time staff members dedicated to compliance reporting plus a legal expert on staff with prior experience at one of the largest Bond Counsel firms in the country. All our arbitrage analysts maintain active Preparer Tax Identification Number ("PTIN") certifications with the IRS qualifying them to prepare arbitrage rebate filings.

Our analysts have performed arbitrage rebate analysis for all types of tax-exempt bond structures including fixed and variable rate debt, advanced refundings, multi-purpose bonds, integrated and super-integrated SWAPs and other derivative based transactions. We have extensive experience with transferred proceeds analysis for advance refunding bonds, spend-down analysis for penalty elections, and multi-year parity reserve allocations. ***The graphic to the left provides a snapshot of Willdan's arbitrage rebate and continuing disclosure experience.***

Scope of Services

Program Management Services

Willdan will provide Program Management Services related to the Commercial PACE Series Bonded Districts and the Residential PACE bonded District annually.

1. Coordinate with CEDA to track all inflow of funds from special assessments. Reconcile funds received with levied assessments to help CEDA direct funds to corresponding PACE accounts.
2. Levy reconciliations will be performed semi-annually prior to March and September bond payments. This analysis will be used to determine if sufficient funds have been received to pay scheduled bond payments.
3. Willdan will assist in coordinating optional bond redemptions from prepayment funds received.
4. Report delinquencies to CEDA semi-annually.

PACE Annual Administration Services

Willdan will provide assessment district services to the Authority, its member agencies and other customers.

Assessment District 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.
2. 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 CEDA.
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.
7. Provide a toll-free number to field inquiries from property owners, title companies and other interested parties regarding assessment proceedings and annual installments.
8. 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.

Following each prepayment, Willdan will prepare the appropriate bond call documents for the Trustee. Willdan will obtain recordation information for prepaid assessments and coordinate the Release of Lien.

9. 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.

10. Provide County Reconciliation Reports three times a year comparing the county current parcels with the apportionments received by the Trustee.
11. 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.
12. Optional Service - 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.

Delinquency Management Services

1. To assure that CEDA complies with its obligations associated with foreclosure covenants to bondholders for the program, Willdan will provide the following Delinquency 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 CEDA 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 CEDA delinquency amounts that are covered by counties that participate in Teeter programs. Parcels for which delinquent amounts are paid in full to CEDA under such programs will no longer be classified as delinquent by Willdan or CEDA. 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 CEDA 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 CEDA 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. CEDA will provide Willdan 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 CEDA 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 CEDA retained foreclosure counsel will collect these fees.
11. Provide a toll-free telephone number at Willdan to field inquiries from staff, parcel owners, lenders, and other interested parties concerning annual installments and delinquencies throughout the entire Delinquency Management/foreclosure process.
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 CEDA. Foreclosure actions will be initiated through special third-party foreclosure counsel as contracted by CEDA or the

Program Trustee. In all counties except Sacramento, Willdan will support the initiation of judicial foreclosure proceedings by November 1 of each year. In Sacramento County, Willdan 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

1. Once the delinquent assessments have been forwarded to judicial foreclosure counsel, Willdan will, upon request, provide the following services:
2. Prepare and forward a detailed report of the parcels to be foreclosed to foreclosure counsel.
3. Provide foreclosure counsel with the necessary resolutions and other documents to proceed with the judicial foreclosure process.
4. Keep CEDA 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.
5. Provide foreclosure counsel with "subsequent year" delinquency information consisting of any installments/years that become delinquent on parcels already in foreclosure.
6. Generally, respond to inquiries from CEDA staff and foreclosure counsel regarding the status of a foreclosure action and other relevant information.

Additional Services Offered

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

Client Responsibilities

Willdan will rely on obtaining the following information from CEDA:

Copies of any communications received from counties regarding apportionments. Notification of receipt of funds and supporting bank statements, copies of prepayment checks, and apportionment checks. If required, electronic copies of indentures, recorded liens, agreements, amortization schedules and any other relevant information necessary to administer the assessments not previously provided by the former Program Administrator.

Optional Services

PACE Assessment District Formation

CEDA 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. Willdan shall work with CEDA 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:

1. The Program Report updated from time to time;
2. The resolutions for a Public Entity authorizing the implementation of the Program in its jurisdiction;
3. Indemnification agreements, to the extent required by the local jurisdiction; (iv) the utility notices;
4. The Authority resolutions of intention for district formation and for public hearing;
5. Voluntary assessment contracts;
6. Assessment district liens;
7. Applicable disclosure related to the PACE financings; and
8. Published notices in the appropriate newspapers of general circulation;

Property Owner and Contractor Services

Willdan 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:

1. 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;
2. Processing of property owners' applications for PACE financing and approval or denial of applications based on eligibility requirements;
3. Assisting property owners in obtaining written acknowledgment of existing mortgage lenders to the levying of commercial PACE assessments;
4. 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;
5. Closing of PACE financings and recording the PACE liens;
6. Making requisitions to a paying agent or trustee to disburse improvement funds per Account Management Agreements or Indentures, where applicable;
7. Processing contractor application pursuant to the Program guidelines;
8. Develop and maintain quality control system to ensure contractors are accurately representing the terms of the Program to property owners;
9. Ensure compliance with any applicable consumer protection rules, laws and industry standards or regulations; and
10. Live customer support with a toll-free phone number for property owner and contractor inquires available at least during normal business hours.

Municipal Advisor Project Disclaimer

California Enterprise Development Authority (“Authority”) further represents, acknowledges, and agrees that:

- (i) The Authority uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission (“SEC”) to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The Authority is not looking to Willdan to provide, and Authority shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the Authority with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the Authority, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the Authority, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the Authority recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the Authority will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the Authority is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Willdan will rely on the validity and accuracy of the Authority’s data and documentation to complete our analysis. Willdan 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.

Schedule of Fees

PACE Annual Administration Services

All hourly rates, fees, and expenses are subject to increase, not to exceed the Consumer Price Index within the applicable region. Fees to be invoiced semi-annually in April and October.

Program Management Services

Program Management Services	
Series	Annual Management Fees
Commercial PACE Bonded Districts	
Series 2013B	\$ 1,500
Series 2014-1	1,500
Series 2014-2	1,500
Series 2015-1	1,500
Series 2015-2	1,500
Series 2015-3	1,500
Series 2016-1	1,500
Series 2016-2	1,500
Series 2016-3	1,500
Series 2017-1	1,500
Series 2017-2	1,500
Series 2018-1	1,500
Series 2018-2	1,500
Series 2020-1	1,500
Residential PACE	1,500
Commercial and Residential PACE One time set up fee	1,500
Changes to County Accounts	\$100 per county

Assessment District Administration Services

Annual Administration Services	
Service	Fee
Residential PACE Program	\$10 per financing
Commercial PACE Program	.7% of levy or minimum of \$30 per parcel, maximum of \$120/parcel.
	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)*	
All Payoff Quotes	\$100

*Requestor will pay for service.

Annual Administration Fees are to be recovered through assessments levied.

Delinquency Management Services

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

Delinquency Management Services		Fees
Fees Ultimately Reimbursed to Agency by Property Owner		
Delinquency Reminder Letter		\$15
Delinquency Demand Letter		45
Foreclosure Letter		65
Effect Removal from Tax Roll and Record Subsequent Notice of Satisfaction ⁽¹⁾		125
Payment Plan		200
Subsequent Foreclosure Services		300
Fees Paid Directly to Willdan by Requestor		
Delinquency Demand Payoff ⁽²⁾		\$50
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.

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

Optional Services

Optional Services	
Service	Fee
PACE Assessment District Formation	To be determined
Property Owner and Contractor Services	To be determined

Reimbursable Expenses

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

- Postage;
- County Recording Fees;
- Electronic data furnished by the County and/or other applicable resources;
- Maps;
- Travel expenses;
- Mileage (current federal prevailing rate);
- Construction cost periodicals; and
- Copying (currently 6¢ per copy).

Any additional expense for reports or from outside services will be billed to the Authority, plus a fifteen-percent mark-up. Charges for meeting and consulting with counsel, the Authority, or other parties regarding services not listed in the scope of work will be at our then current hourly rates (refer to rate schedule on the following page).

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

Hourly Rates

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

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Director	\$250
Principal Engineer	\$249
Assistant Director	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager / Program Director	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst	\$100
Assistant Analyst	\$75