
CEDA PACE

Program Report

Revised & Approved:
November 7, 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

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, CA 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. The Authority retains Program 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 a 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 a 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). A 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. A 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 a 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

A 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.

A 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 a 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, a Program Administrator will determine whether the estimated equipment and installation costs are reasonable. A 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 a 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, a Program Administrator may waive the time limitation with written approval of CEDA.

D. Eligible Contractors

A 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. A Program Administrator may, at its discretion, request that the Eligible Contractor add a 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 a Program Administrator has the option to include those fees in the financed amount.

A 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 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:** 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 a Program Administrator in order for a 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

A 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 a 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 a Program Administrator via email or by mail at the address provided in Section I.

Questions regarding the status of an Application should be directed to a Program Administrator toll free at the telephone number provided in Section I.

A 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, a Program Administrator has instituted the lender consent requirement to protect Property Owners from potential violations of their mortgage contracts.

Once a Program Administrator has determined an applicant’s eligibility for funding and the amount of funding required for the proposed project, a 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. A 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 a 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 a Program Administrator, neither a 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 a Program Administrator.

Step 6: Project Completion and Inspection

a 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.

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

1. 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.

A Program Administrator shall render a written decision within thirty (30) calendar days and send that decision to the Property Owner. The decision of a 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 a 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 a 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 a Program Administrator is lower than the fair market value of the Property, the Property Owner may appeal to a 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 a Program Administrator. 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 a Program Administrator. The mortgage lender, if applicable, must also consent to this valuation. 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 a Program Administrator within 90 days after the 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.

A 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 a 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 a 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

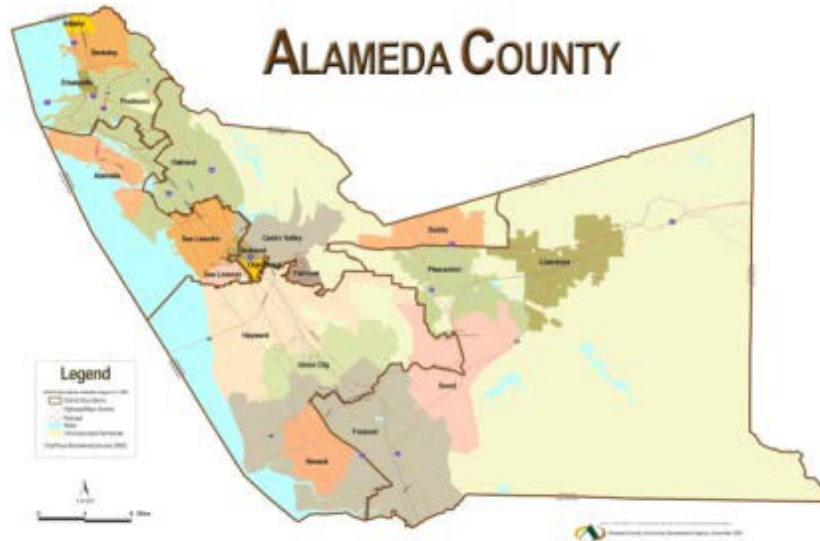
Participating Agency	Date Adopted	Participating Agency	Date Adopted
City of South San Francisco	February 22, 2012	City of Benicia	August 18, 2015
City of Pittsburg	March 5, 2012	City of Larkspur	August 19, 2015
County of Kern	March 13, 2012	City of Vallejo	August 25, 2015
City of Dublin	March 20, 2012	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

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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.



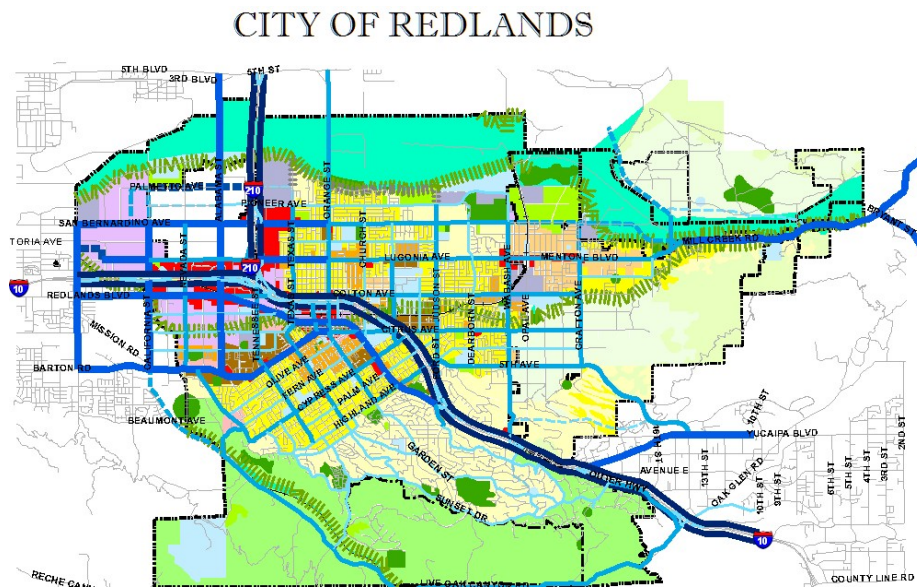
City of Rancho Cordova Boundary Map

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.



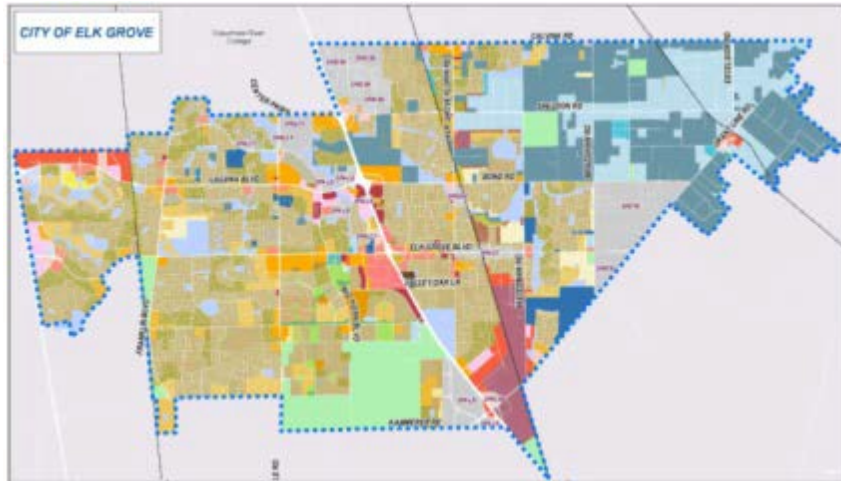
City of Redlands Boundary Map

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.



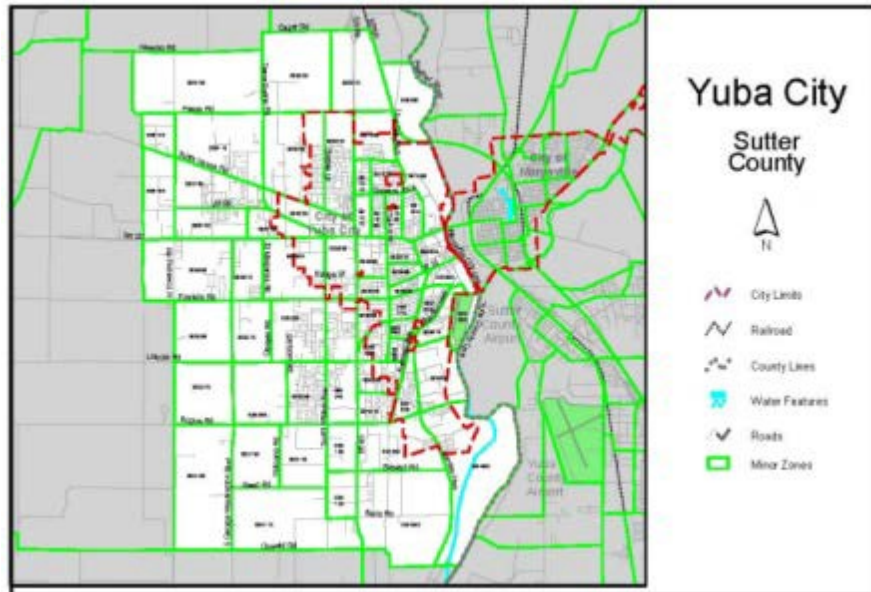
City of Elk Grove Boundary Map

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.



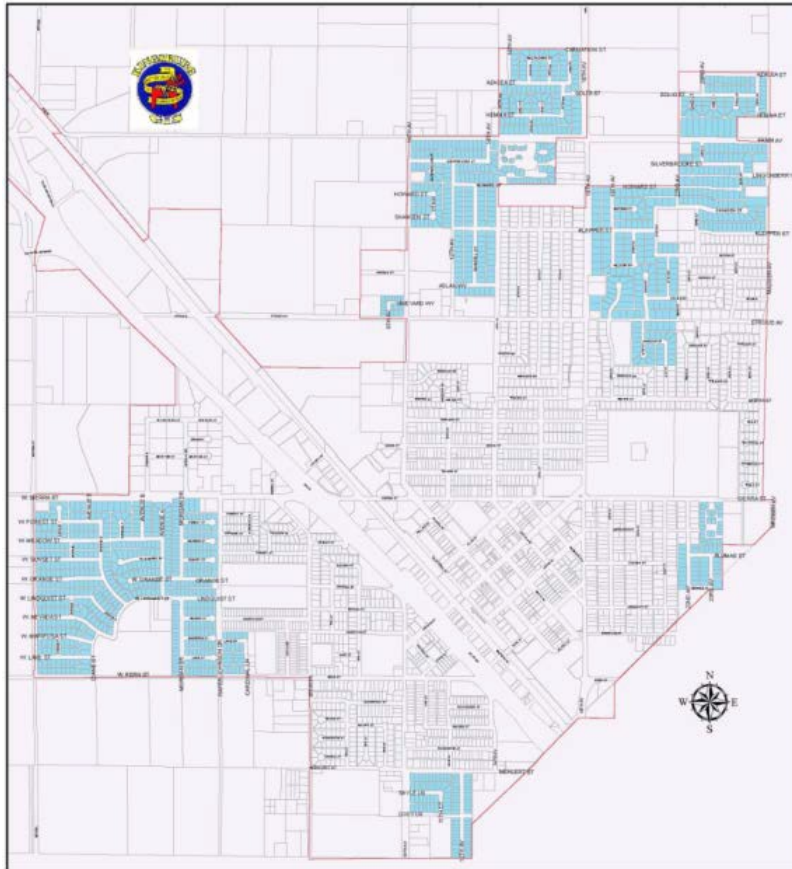
City of Yuba City Boundary Map

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.



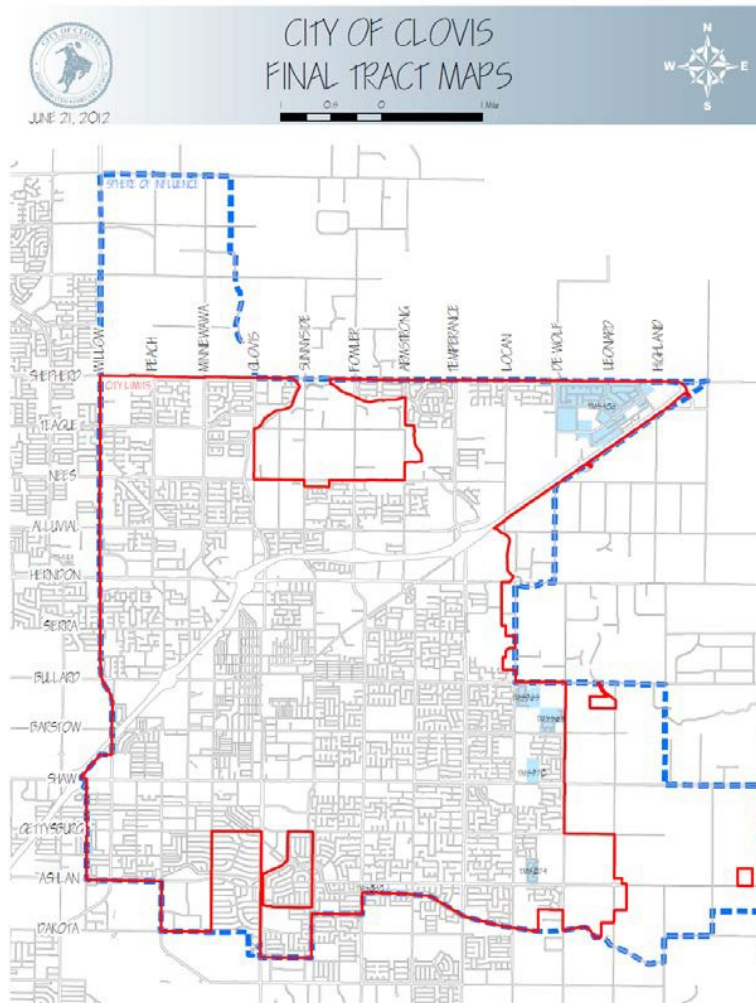
City of Kingsburg Boundary Map

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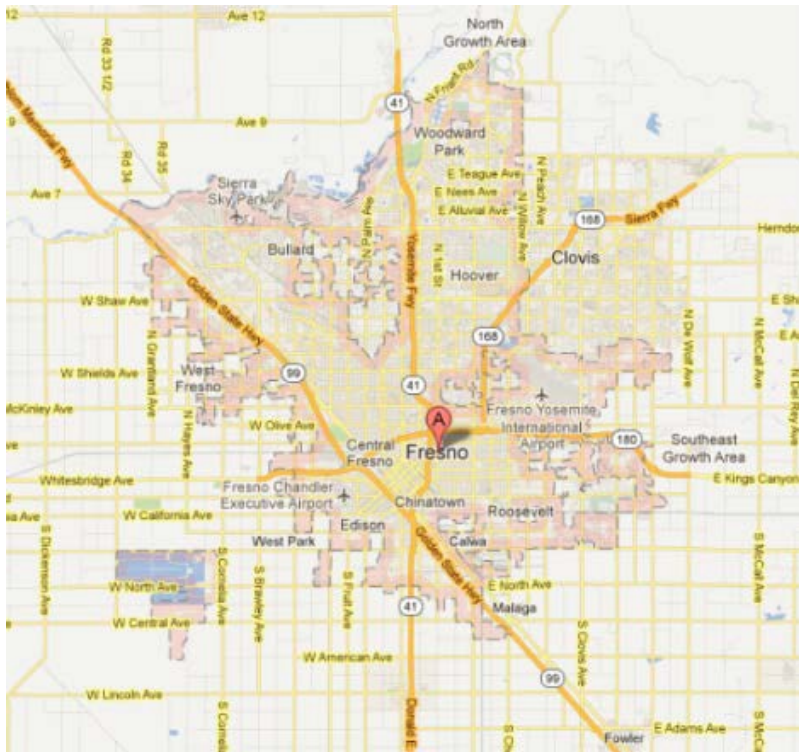
City of Clovis Boundary Map

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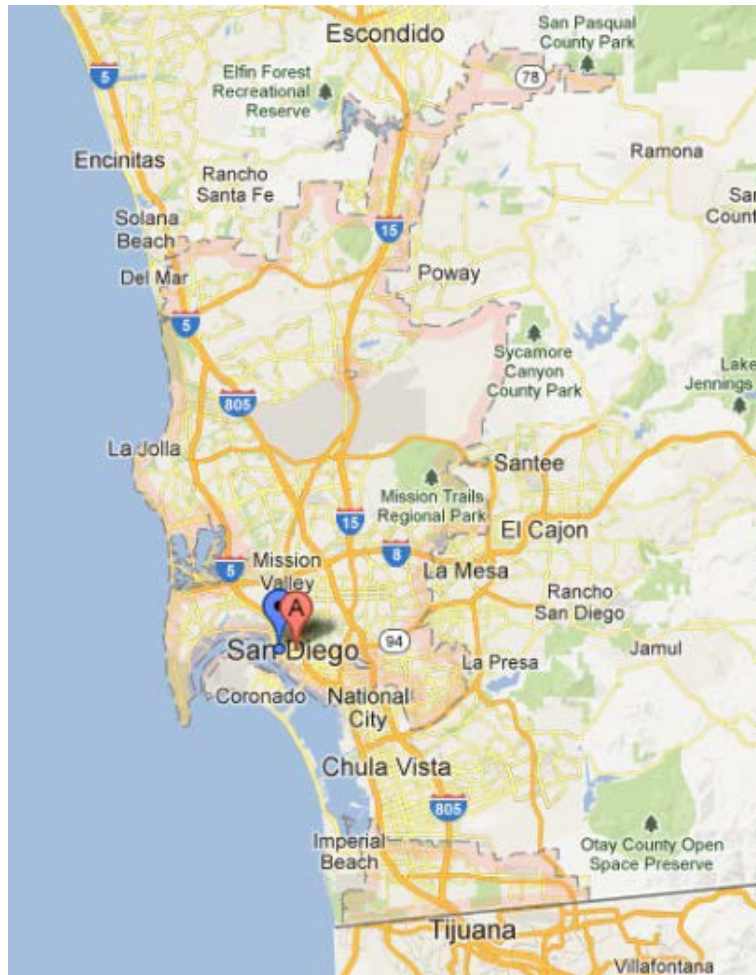
City of Fresno Boundary Map

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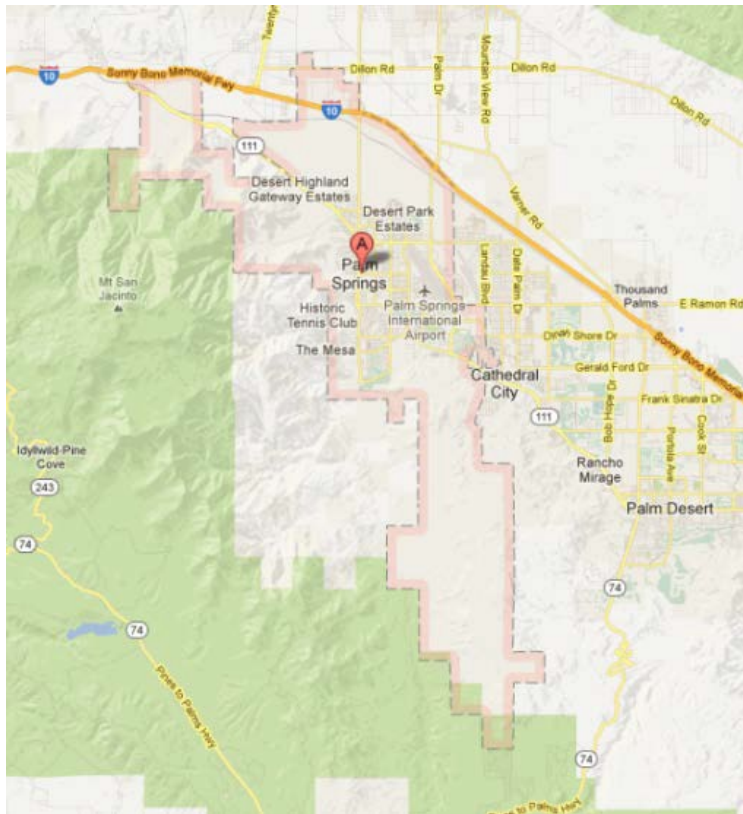
City of San Diego Boundary Map

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.



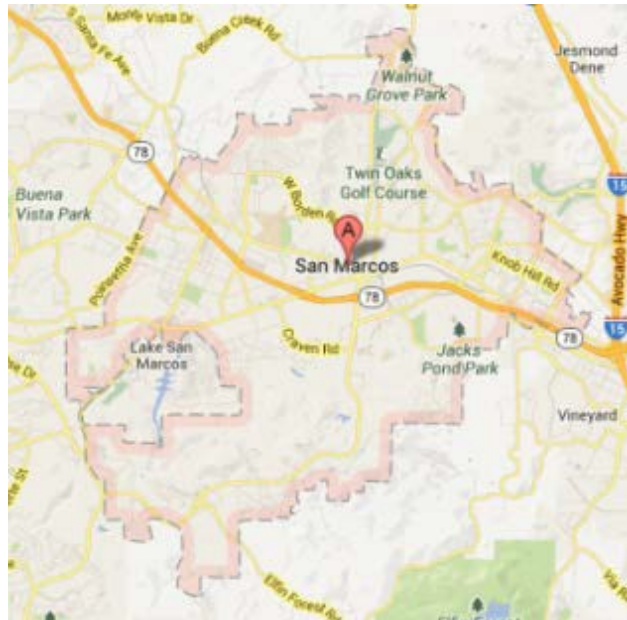
County of Butte Boundary Map

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

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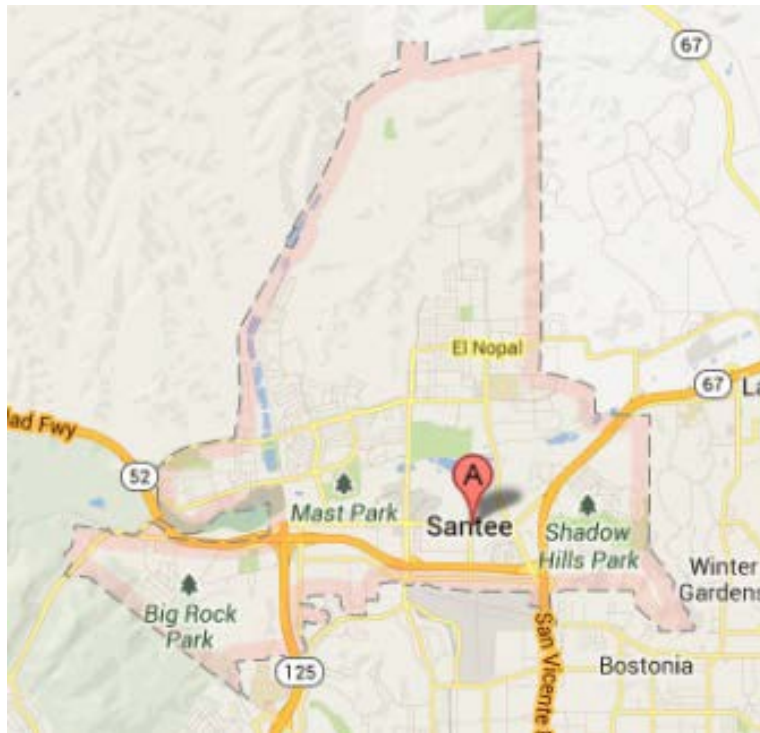
City of Vista Boundary Map

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.



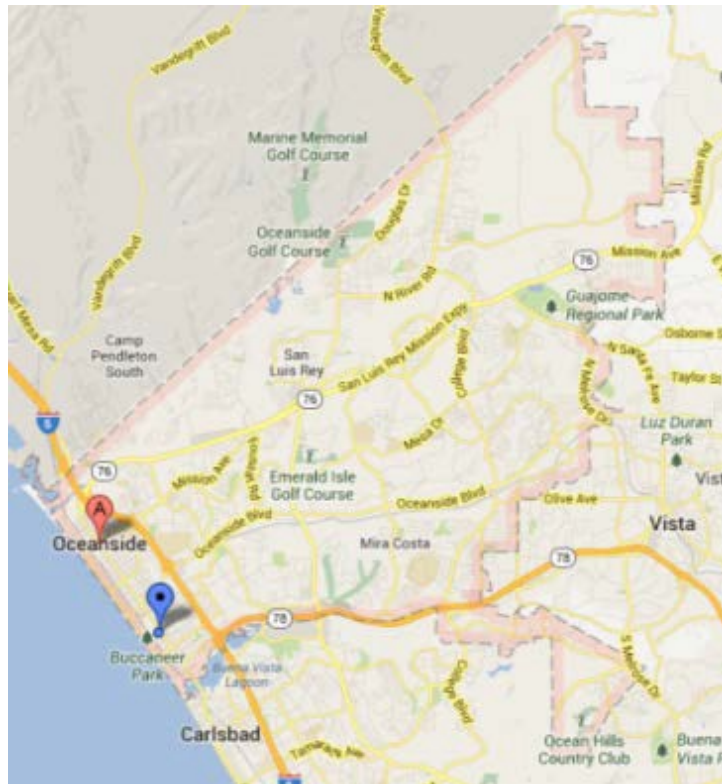
City of Santee Boundary Map

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City of Oceanside Boundary Map

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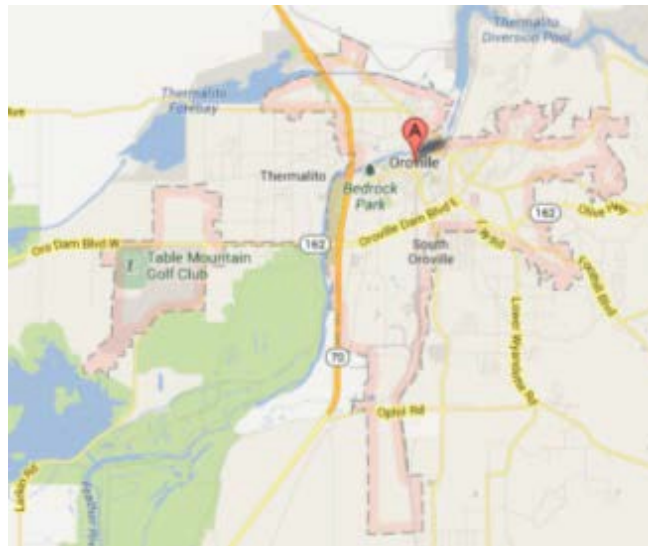
City of Chico Boundary Map

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

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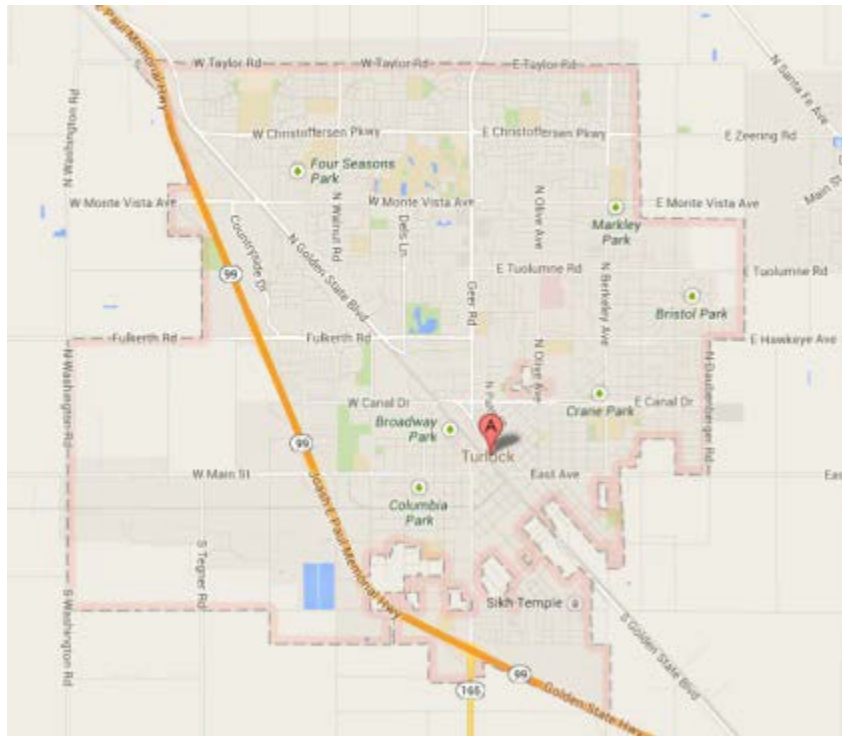
County of San Diego Boundary Map

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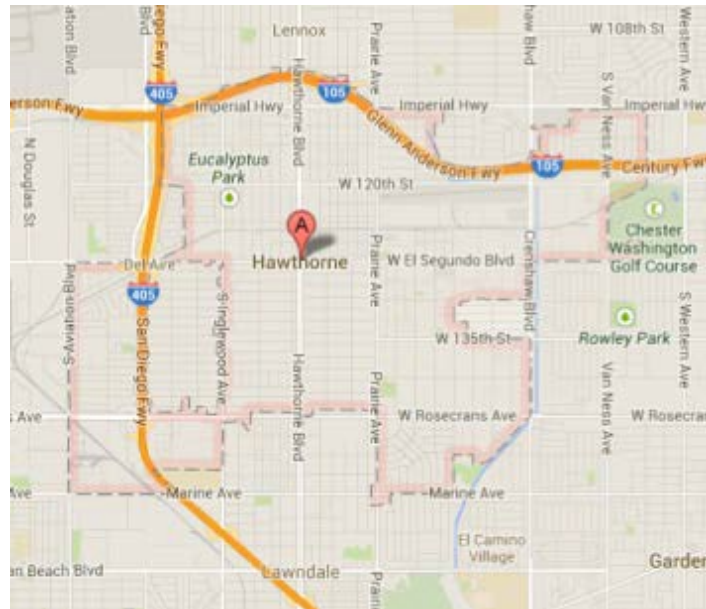
City of Turlock Boundary Map

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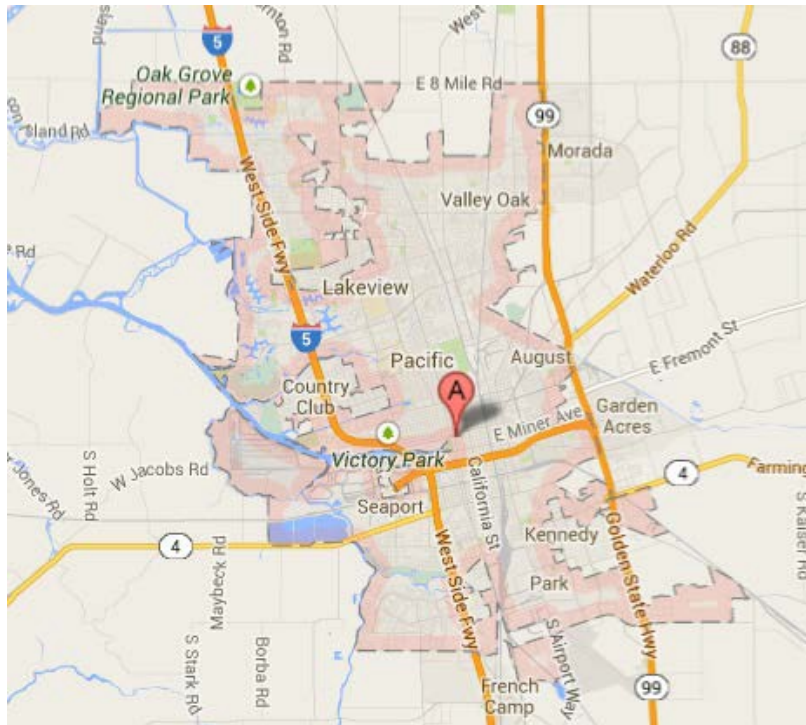
City of Hawthorne Boundary Map

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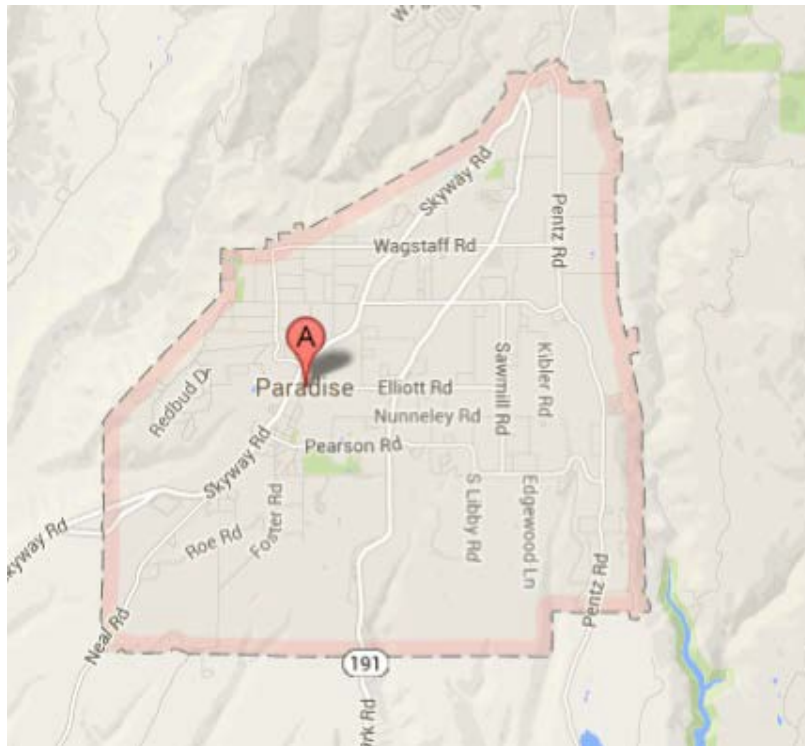
City of Stockton Boundary Map

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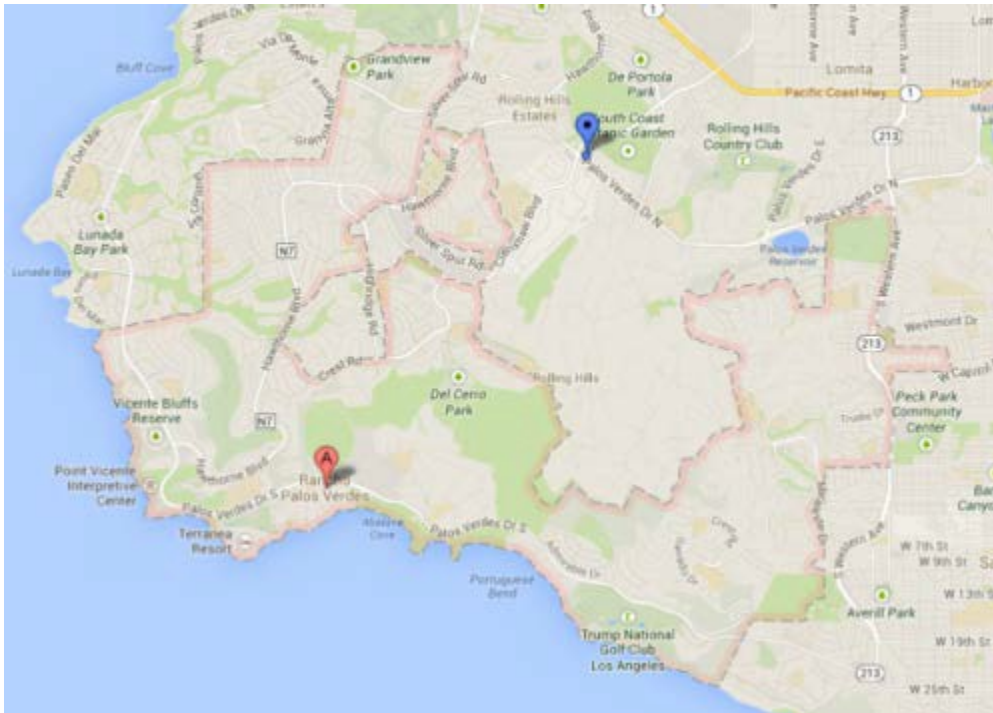
Town of Paradise Boundary Map

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.



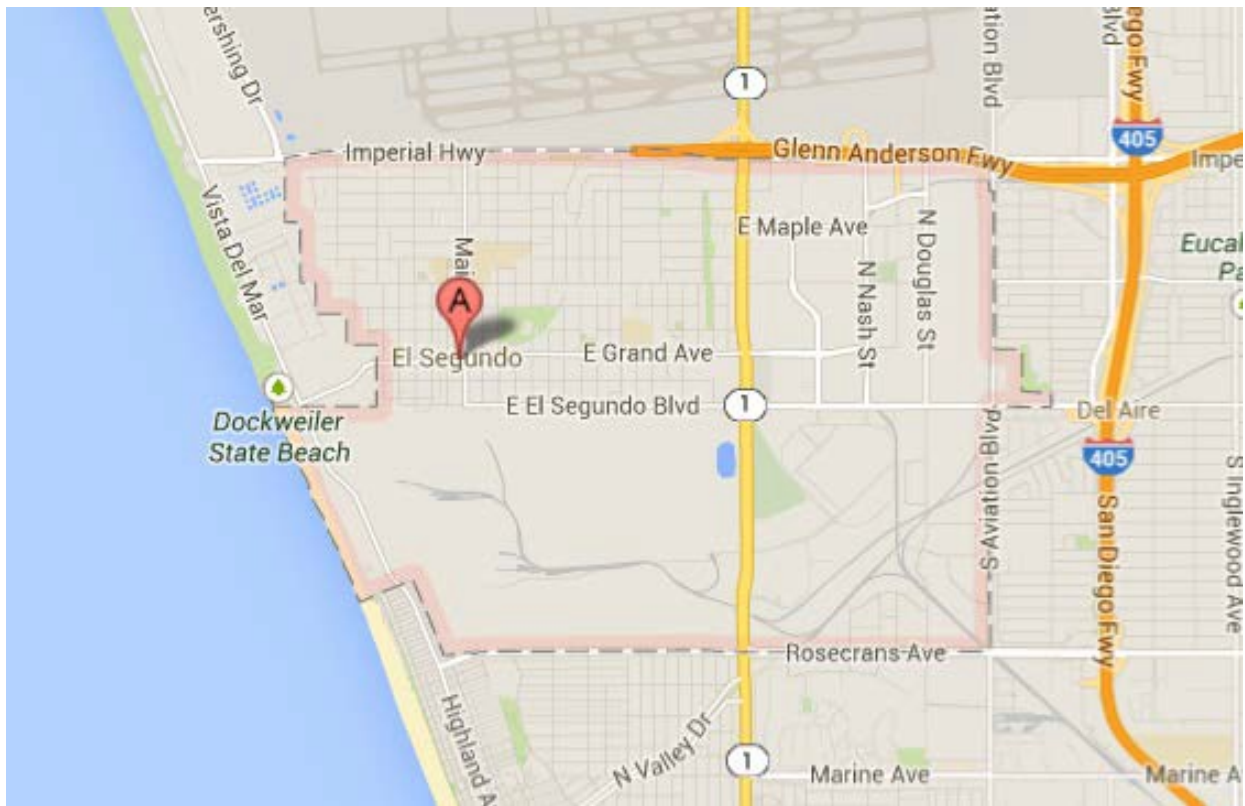
City of Lomita Boundary Map

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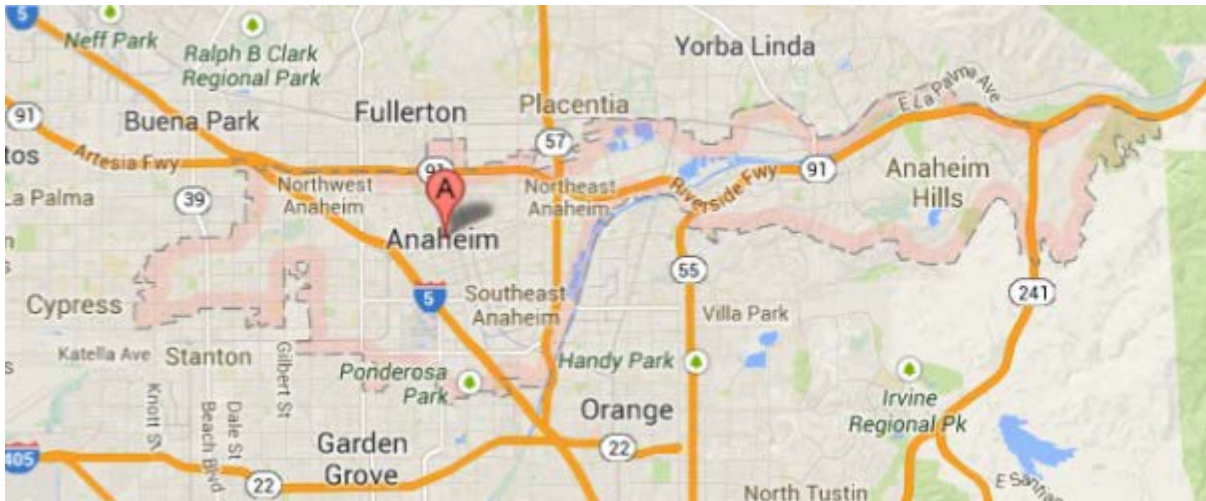
City of El Segundo Boundary Map

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.



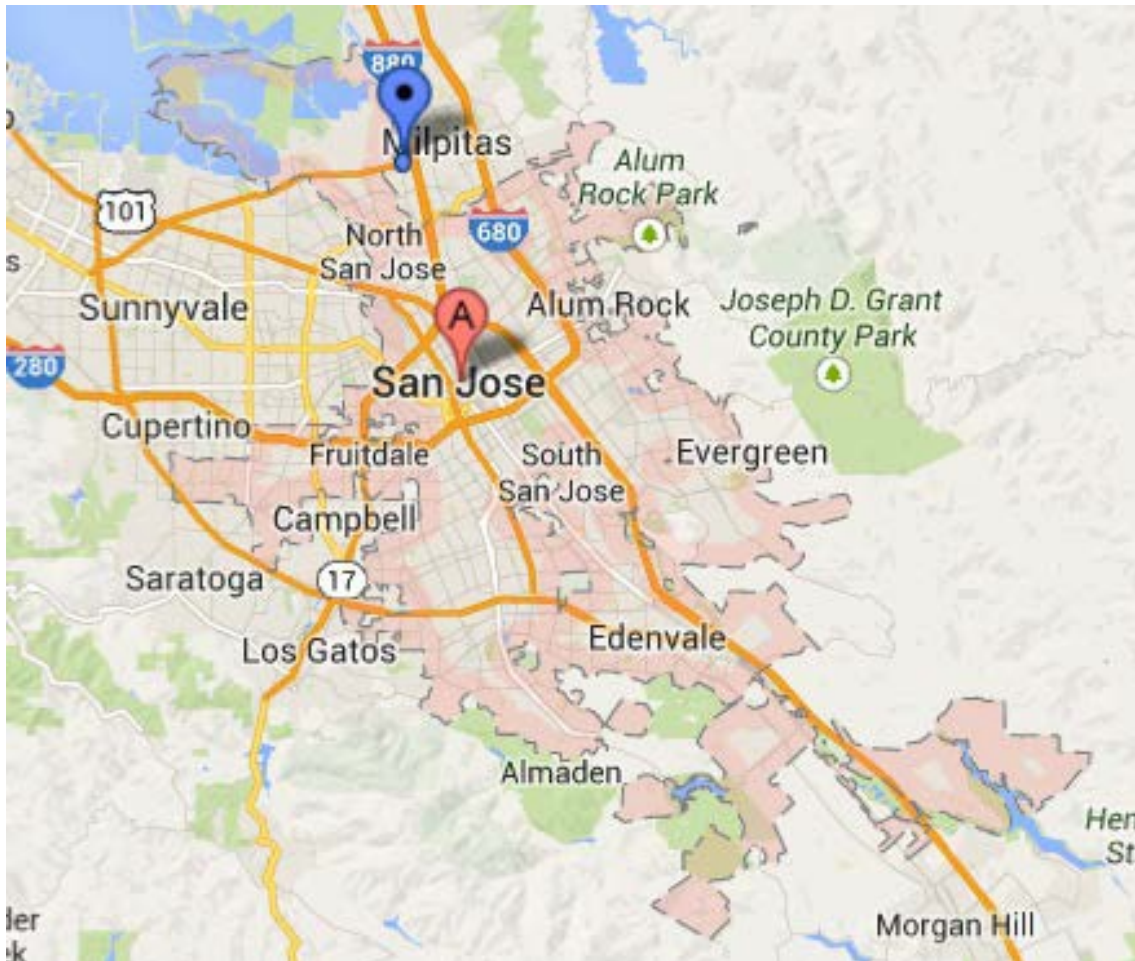
City of Anaheim Boundary Map

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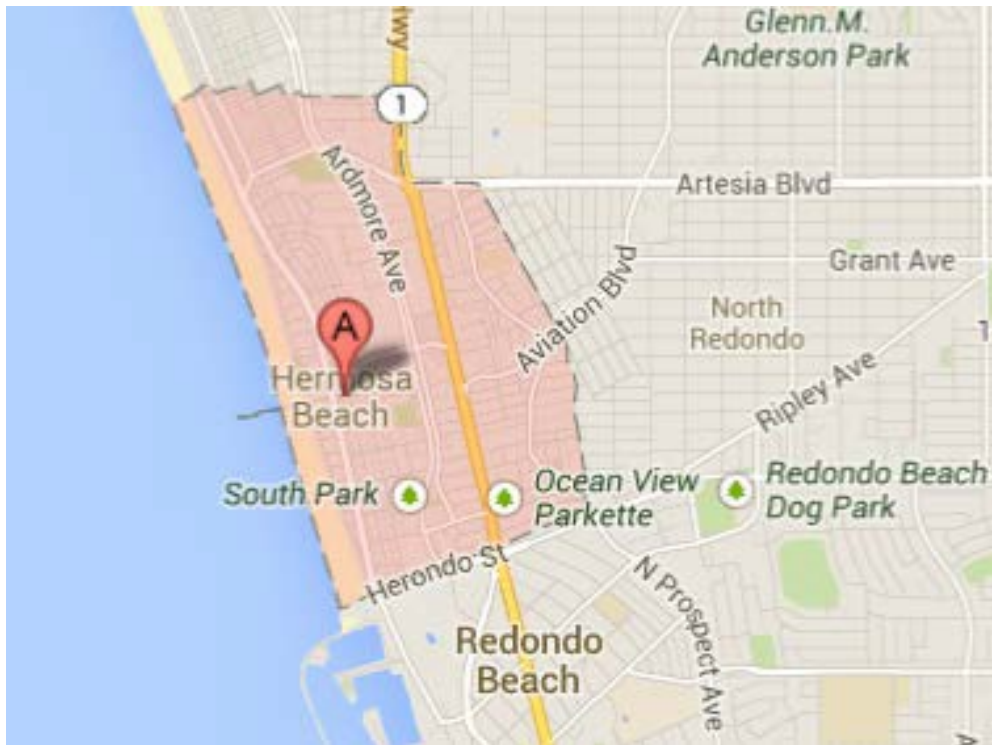
City of San Jose Boundary Map

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City of Hermosa Beach Boundary Map

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City of Rolling Hills Boundary Map

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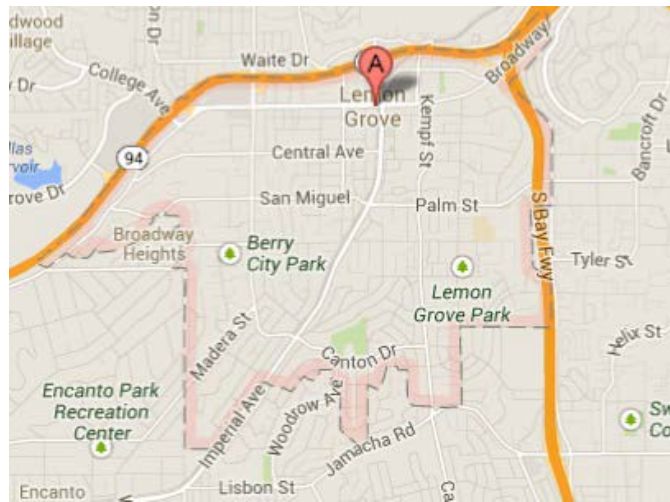
City of Gardena Boundary Map

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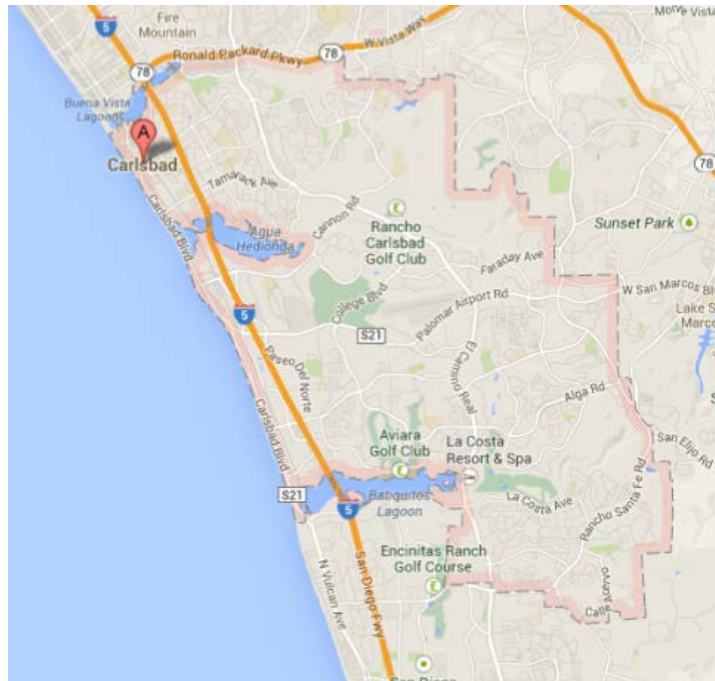
City of Lemon Grove Boundary Map

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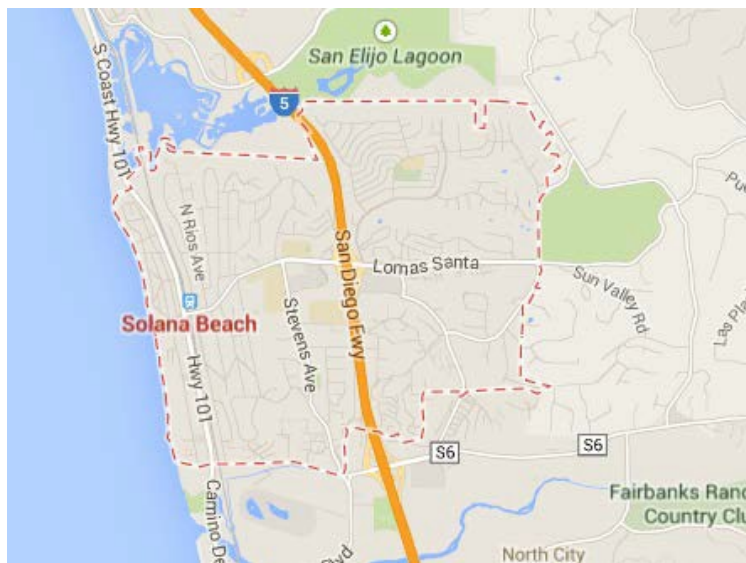
City of Carlsbad Boundary Map

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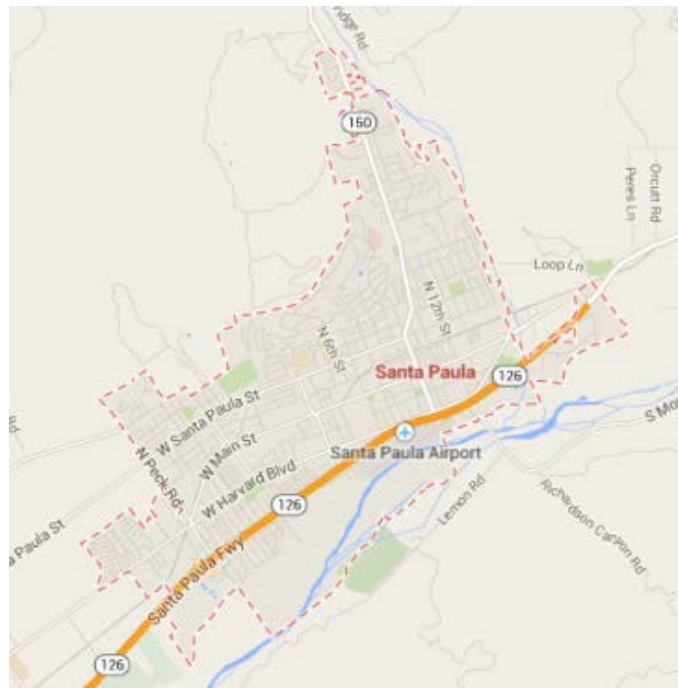
City of Solana Beach Boundary Map

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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.



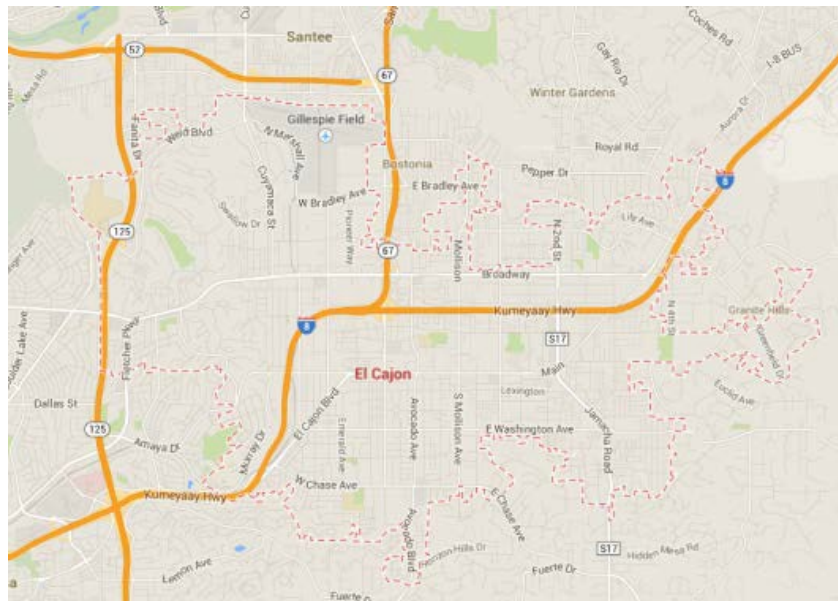
County of Monterey Boundary Map

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.



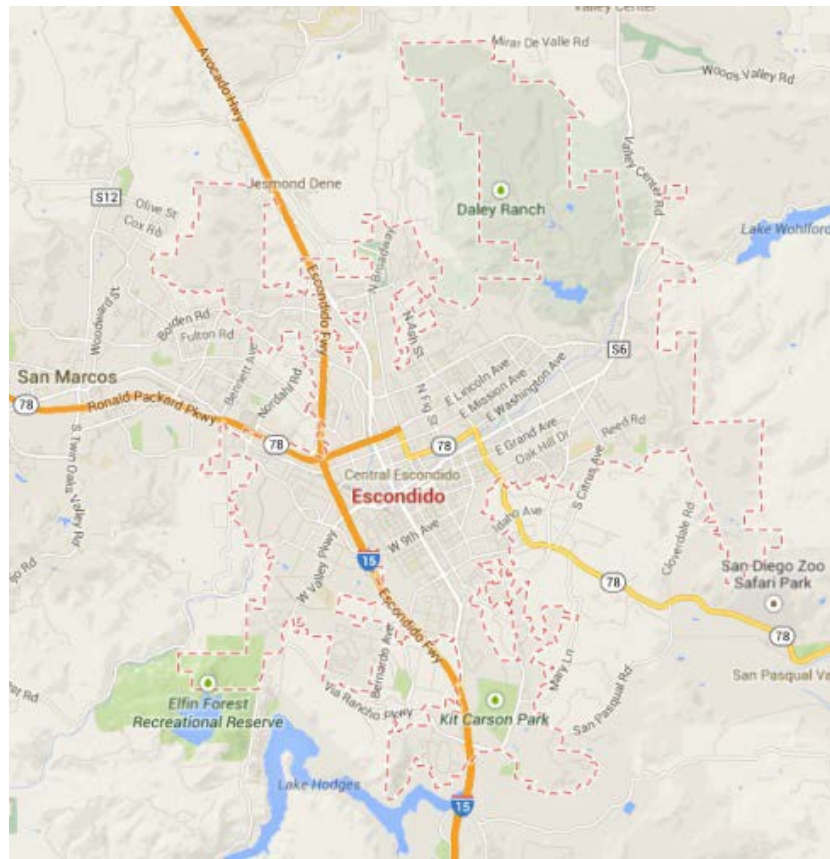
City of El Cajon Boundary Map

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.



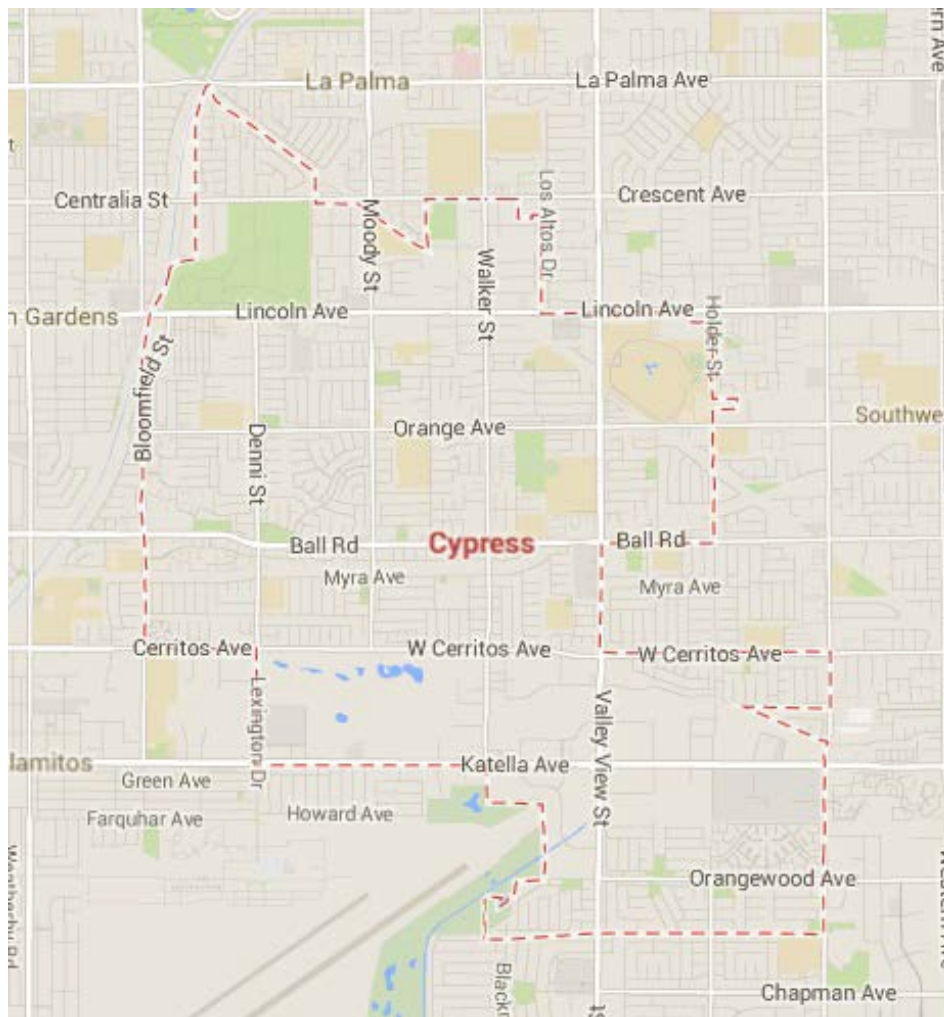
City of Escondido Boundary Map

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.



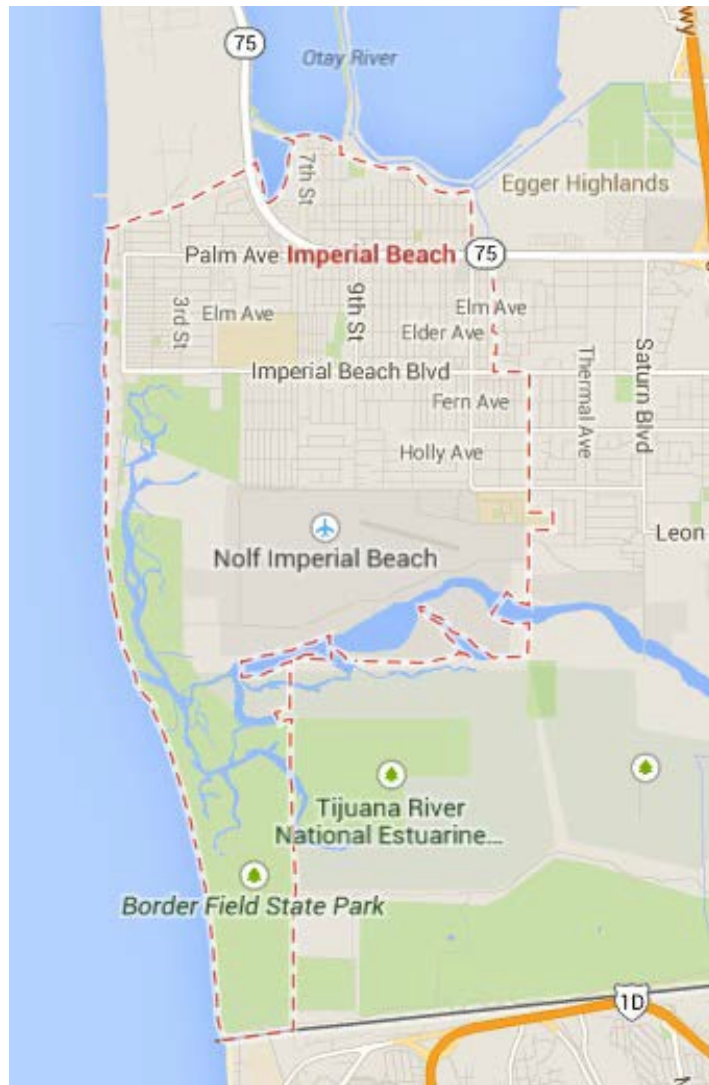
City of Cypress Boundary Map

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.



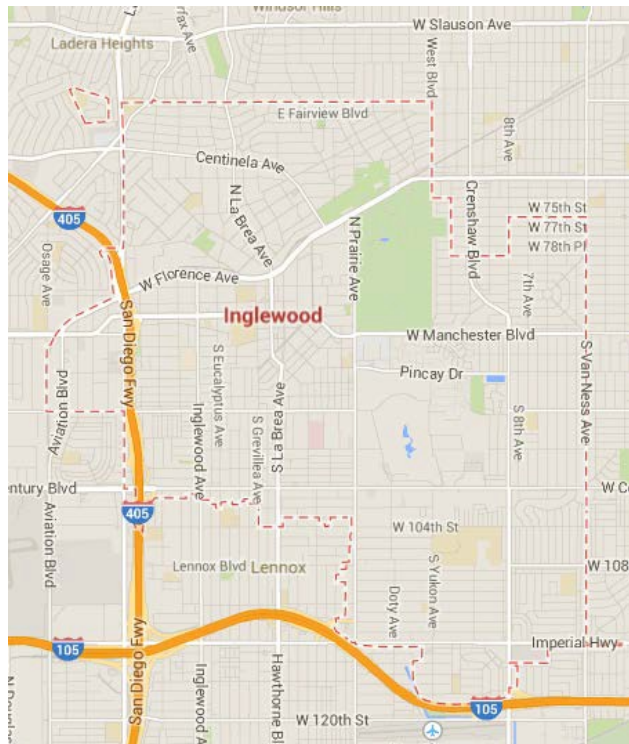
City of Imperial Beach Boundary Map

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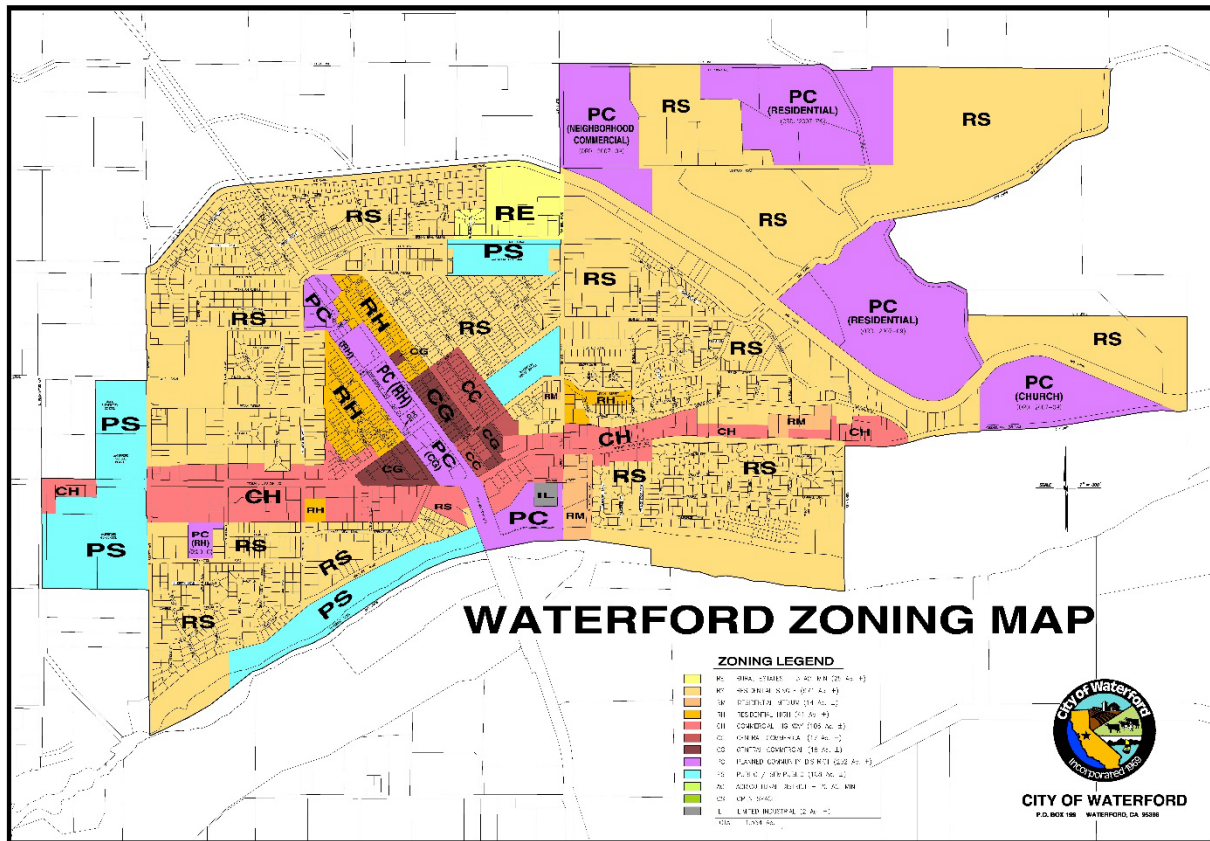
City of Inglewood Boundary Map

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.



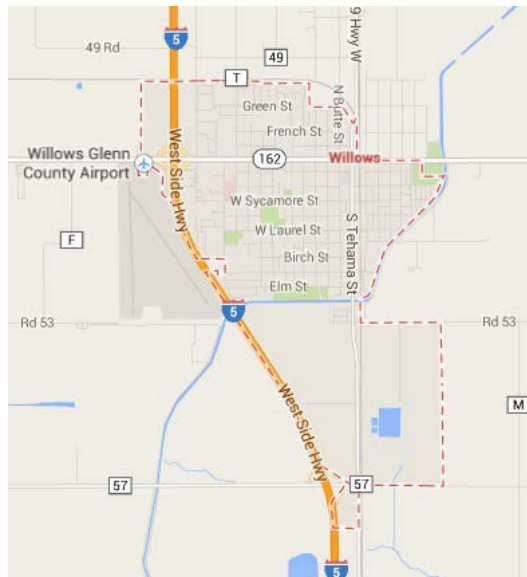
City of Waterford Boundary Map

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



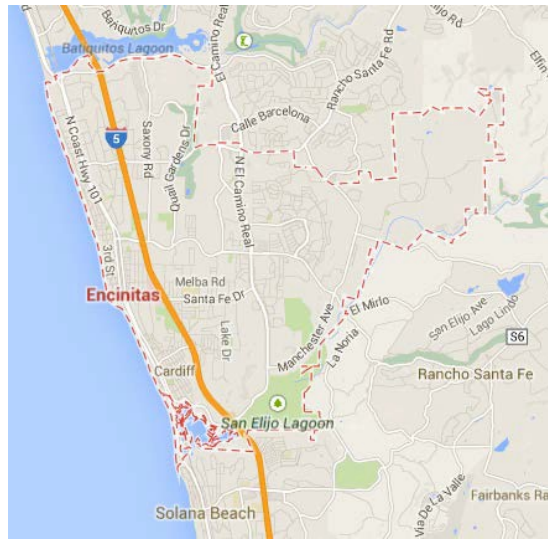
City of Willows Boundary Map

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.



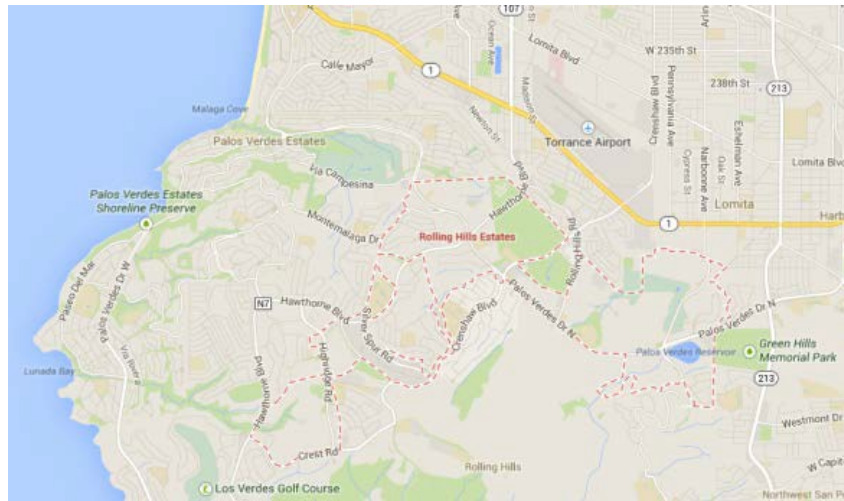
City of Lancaster Boundary Map

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.



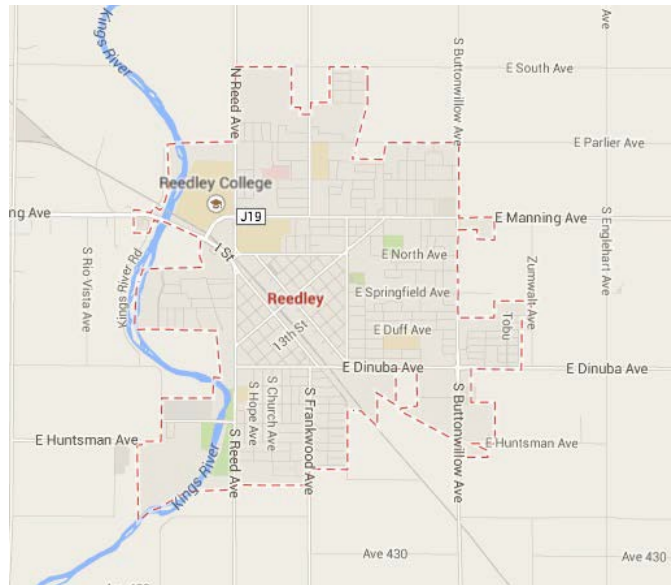
City of Rolling Hills Estates Boundary Map

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.



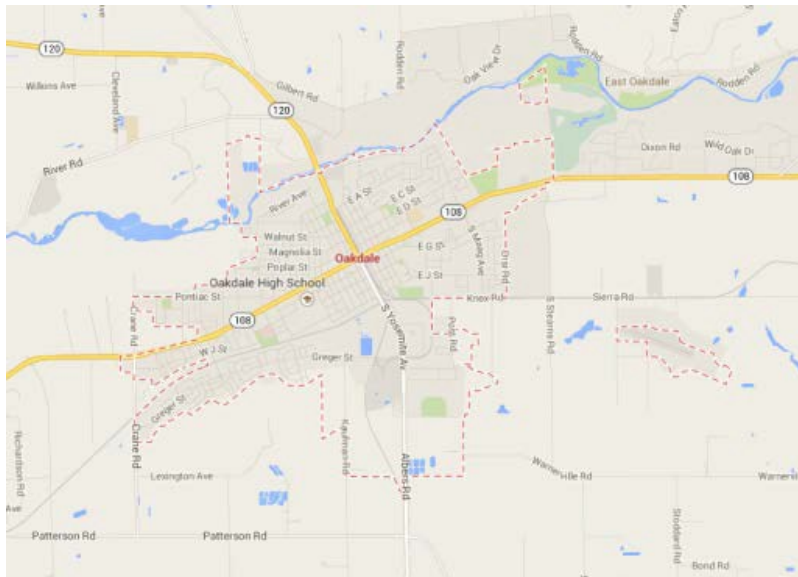
City of Reedley Boundary Map

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.



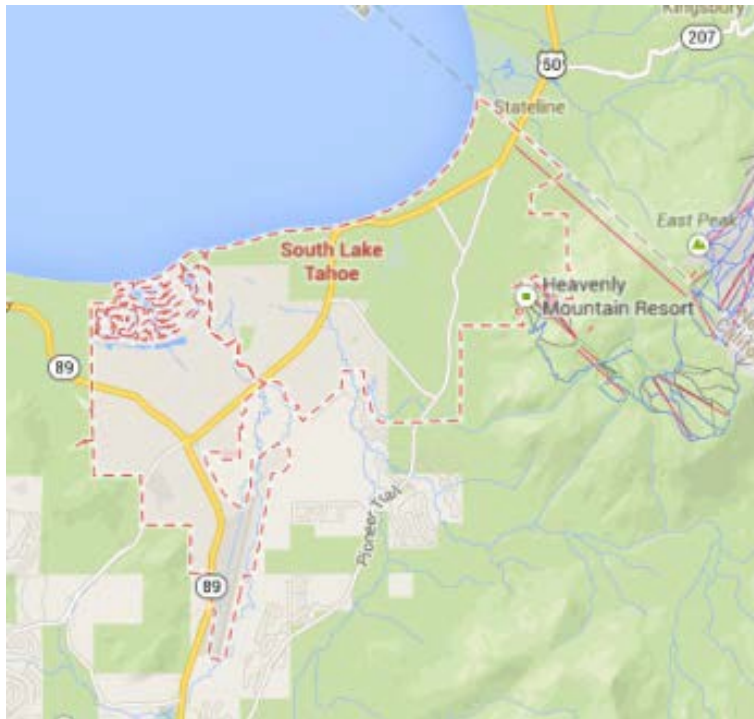
City of Oakdale Boundary Map

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.



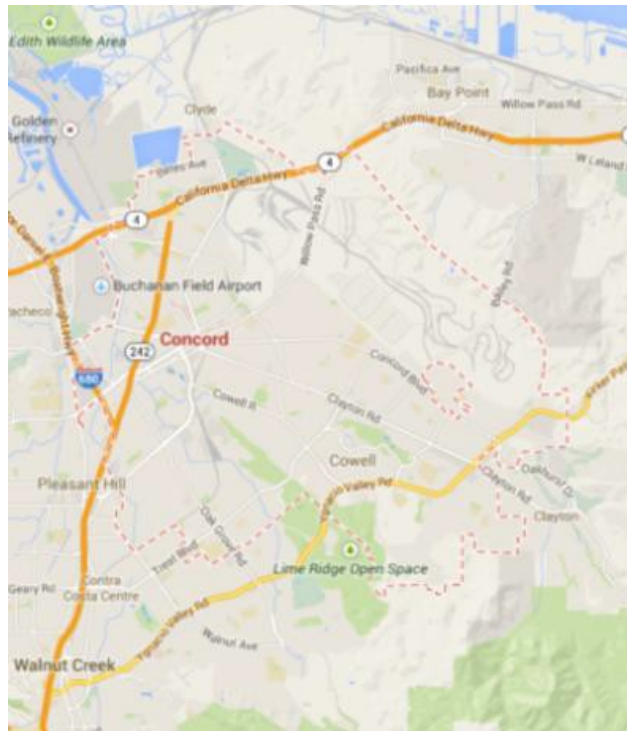
City of South Lake Tahoe Boundary Map

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.



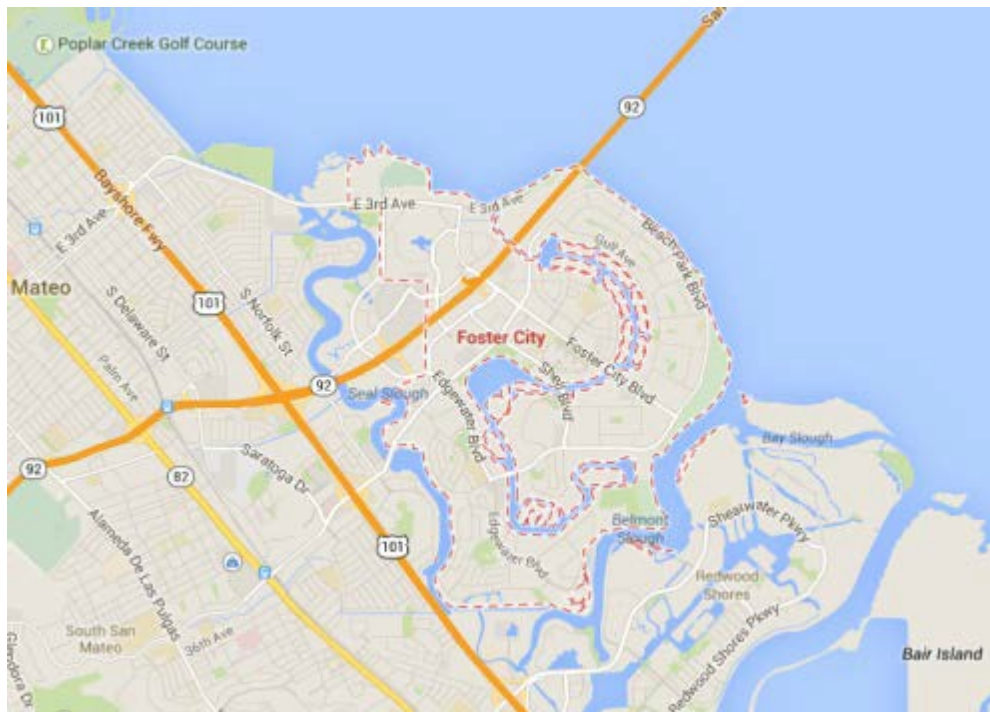
City of Salinas Boundary Map

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.



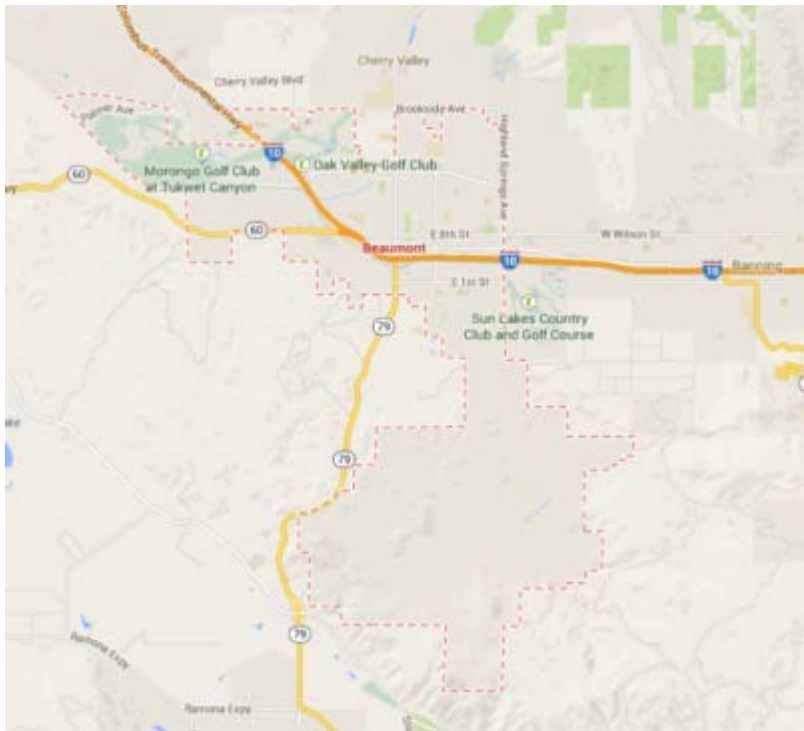
City of Orland Boundary Map

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.



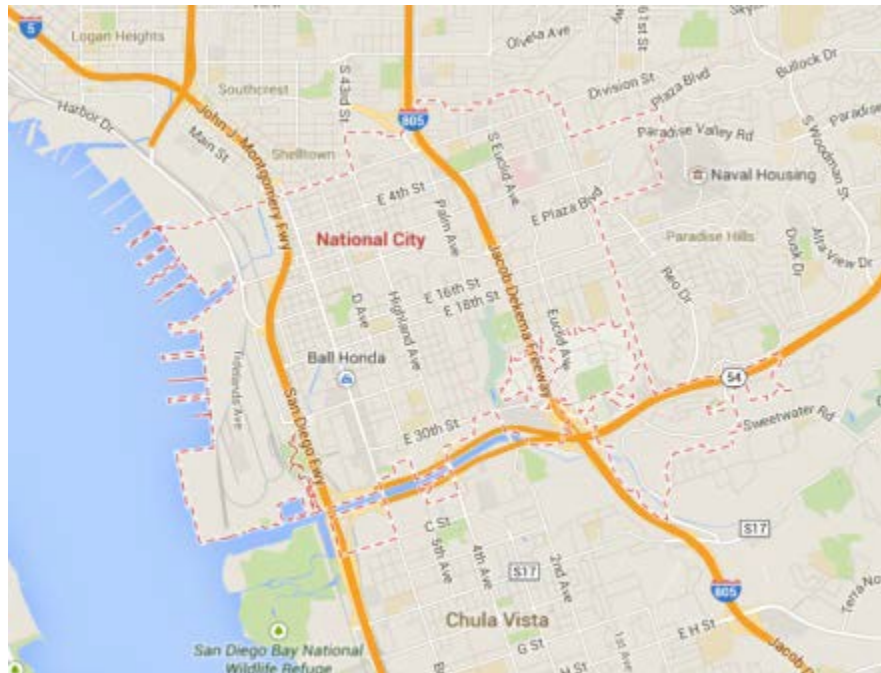
City of Beaumont Boundary Map

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.



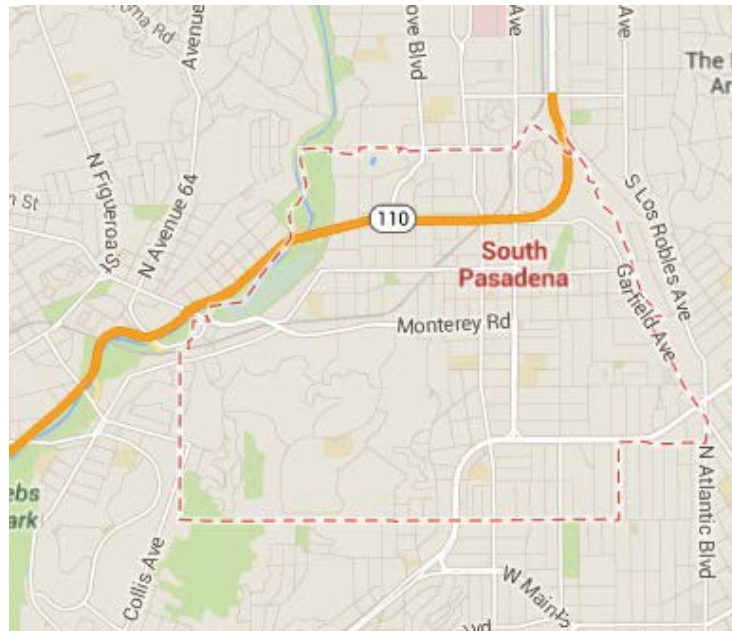
City of National City Boundary Map

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.



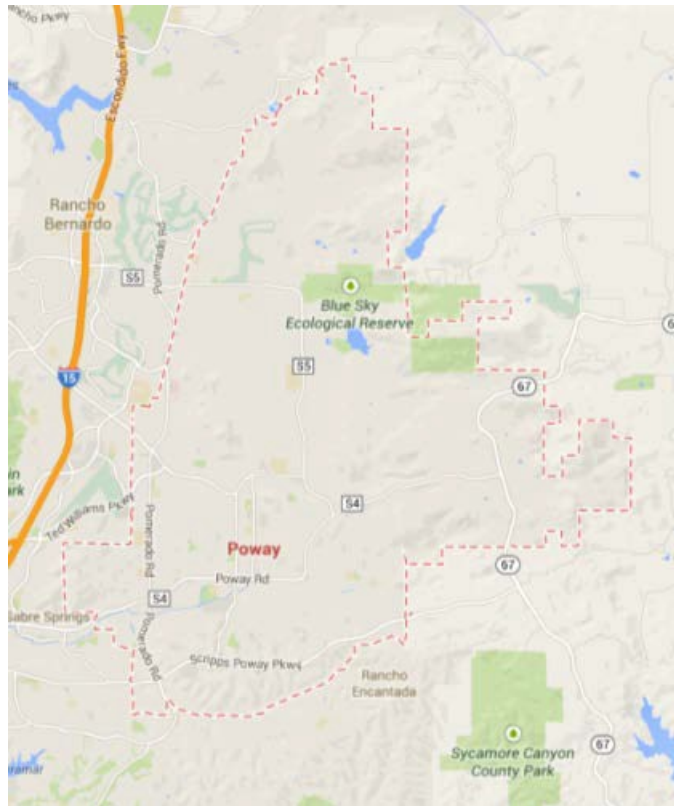
City of South Pasadena Boundary Map

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



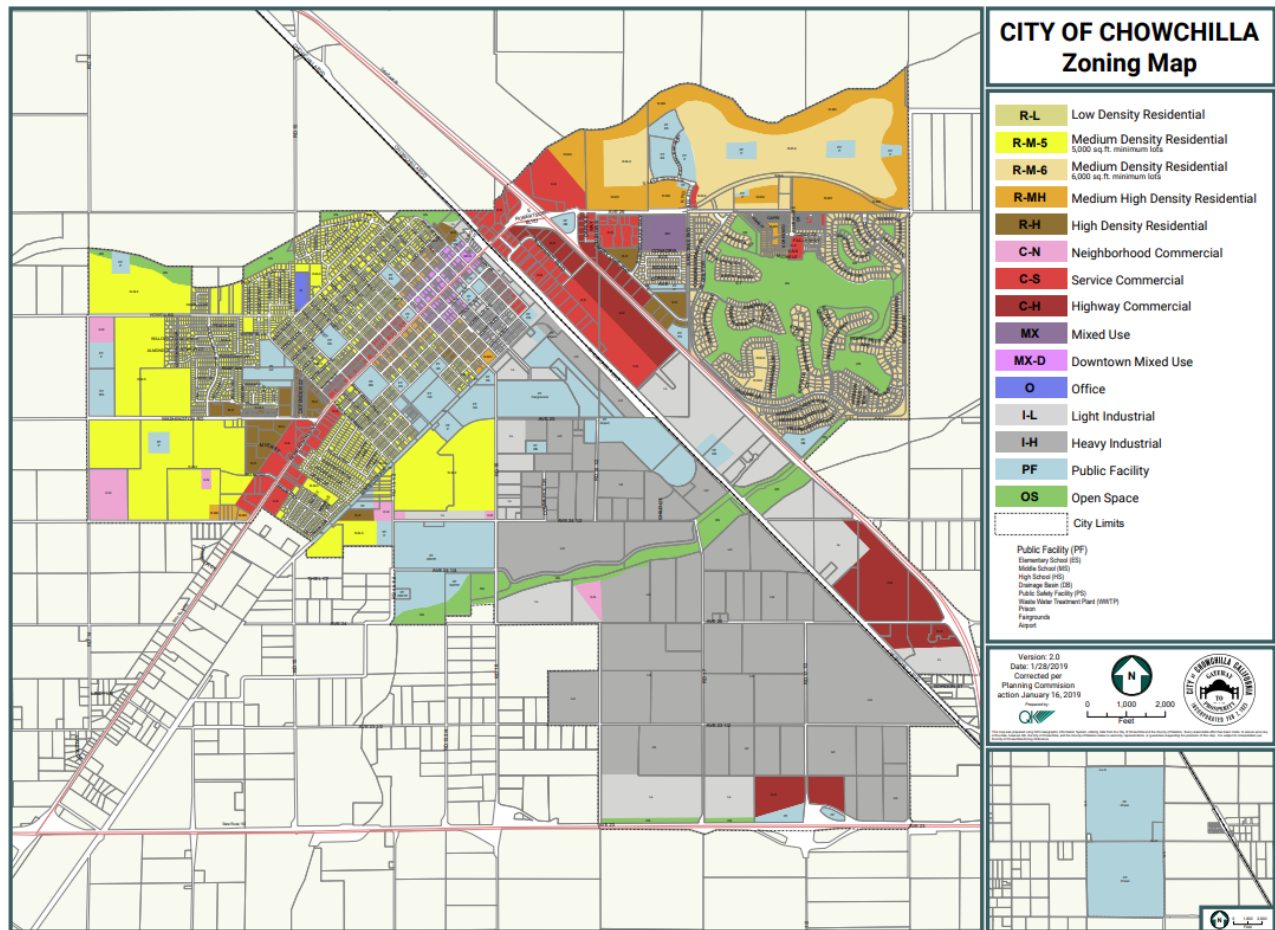
City of Poway Boundary Map

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.



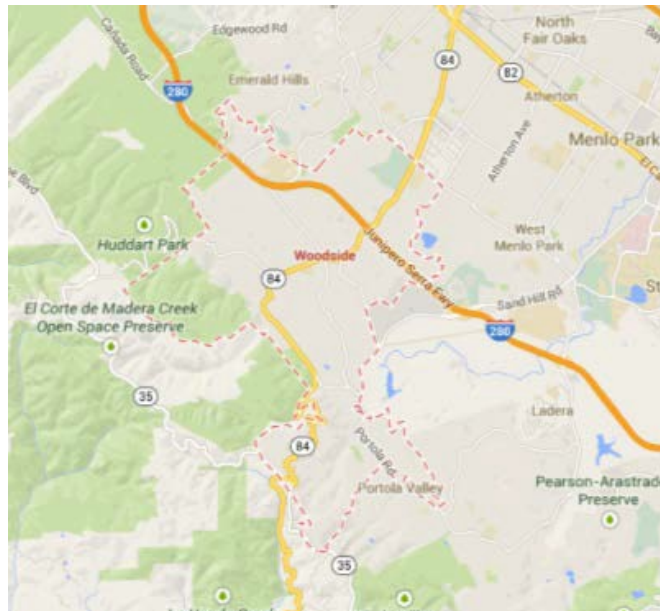
City of Chowchilla Boundary Map

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.



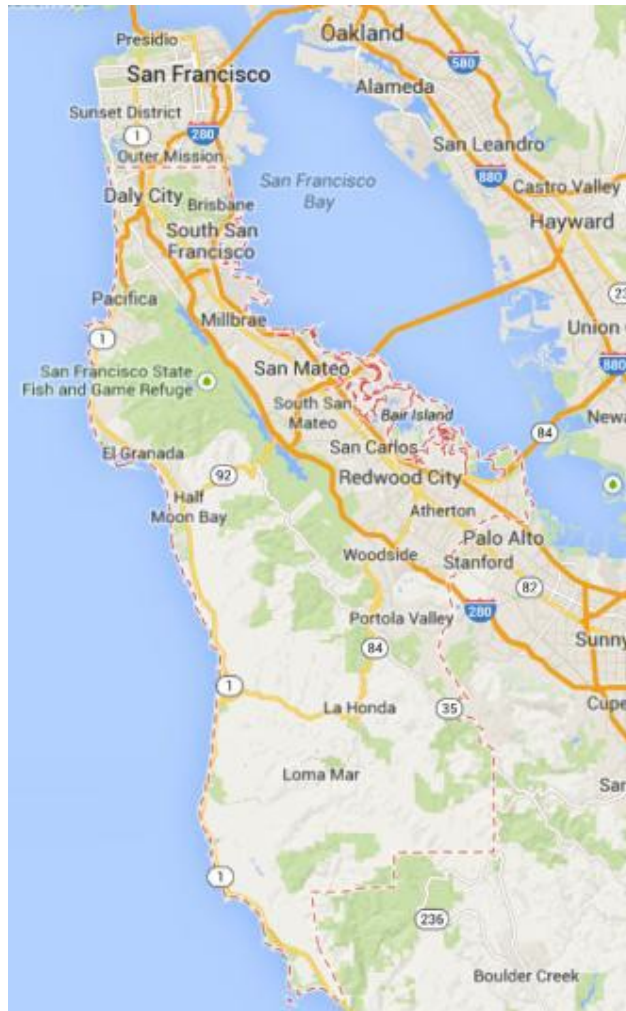
Town of Woodside Boundary Map

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.



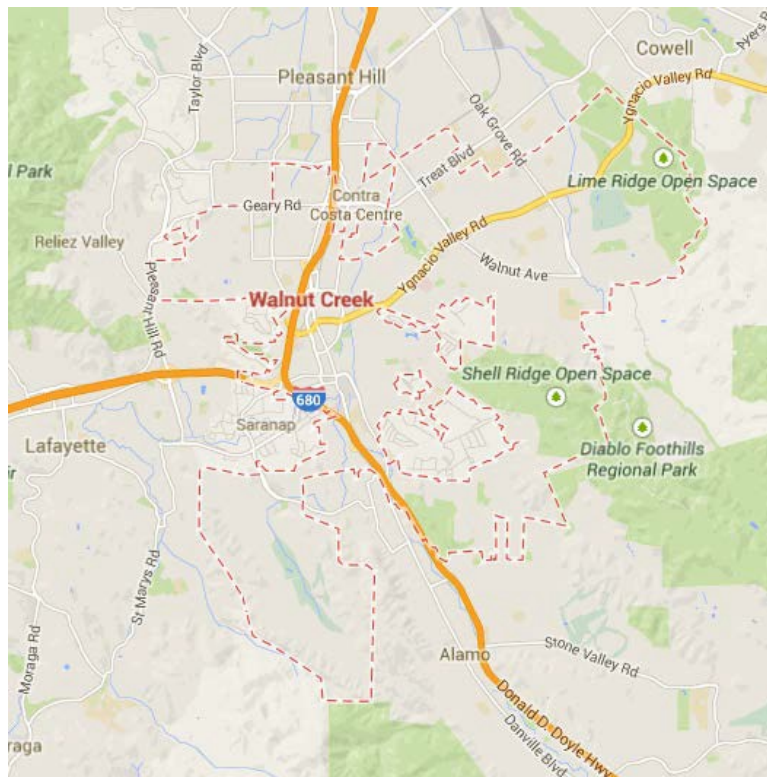
City of Monrovia Boundary Map

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.



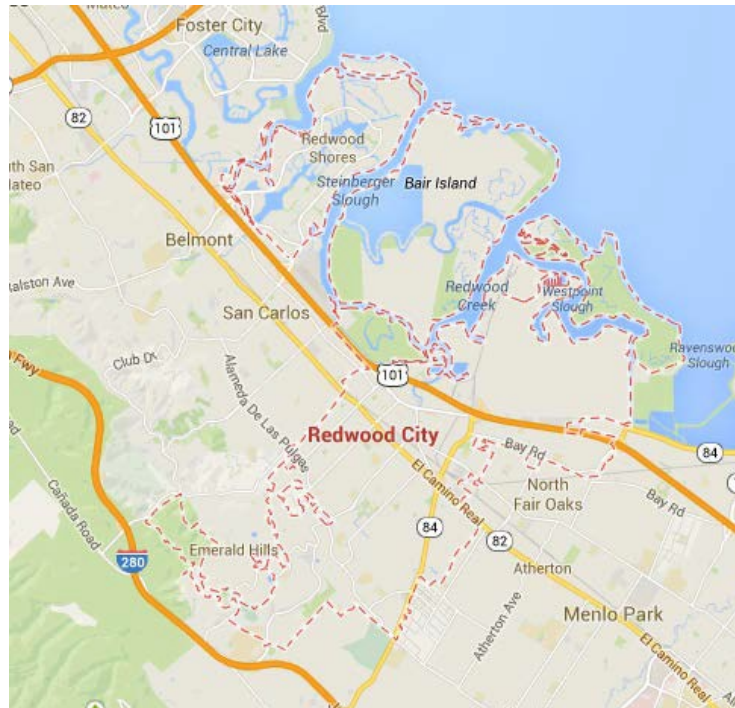
City of Walnut Creek Boundary Map

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.



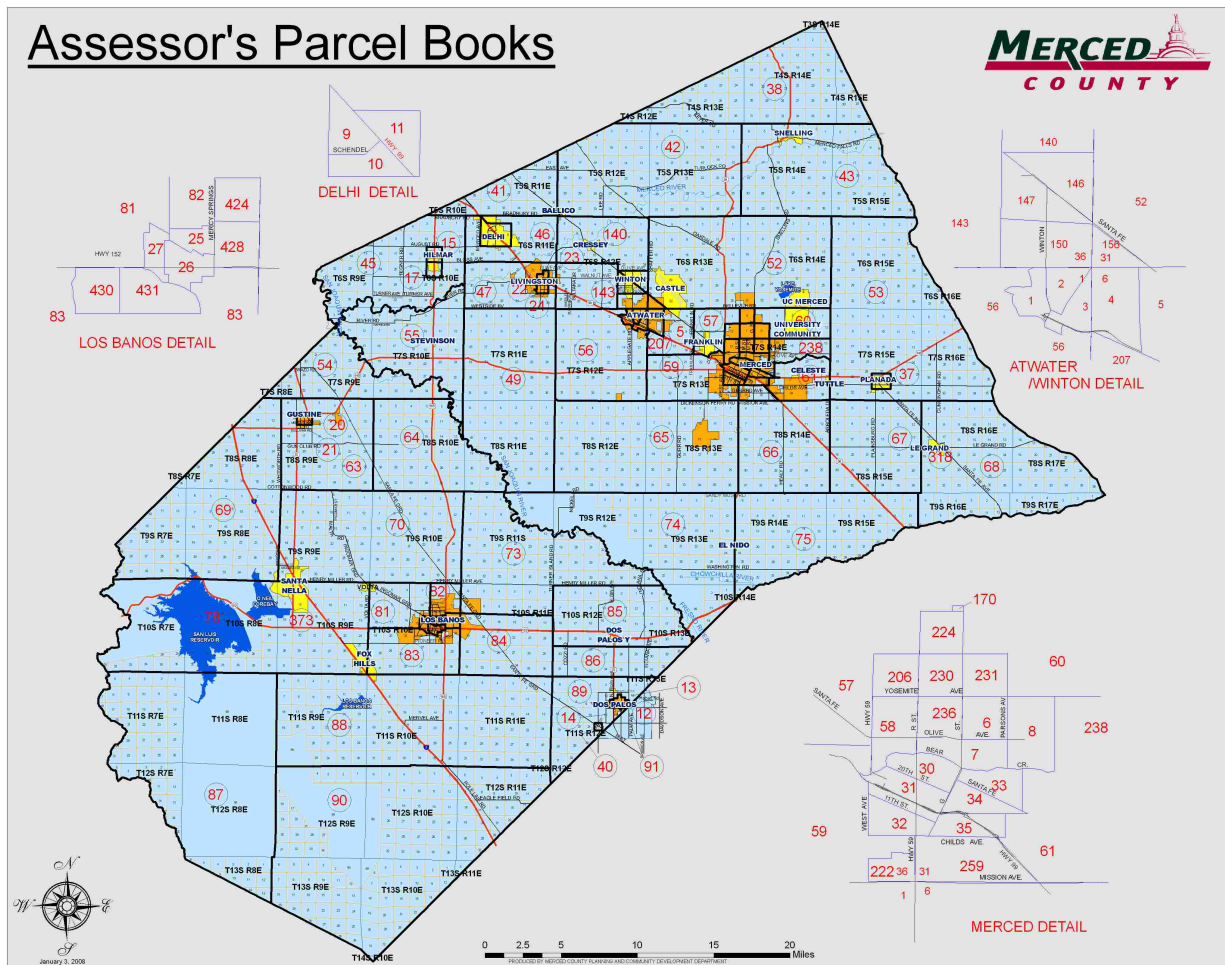
City of Redwood City Boundary Map

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.



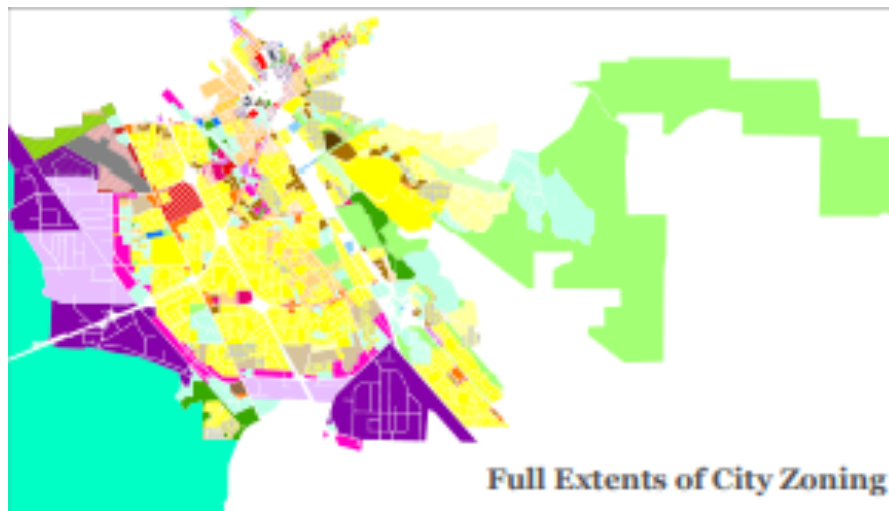
County of Merced Boundary Map

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.



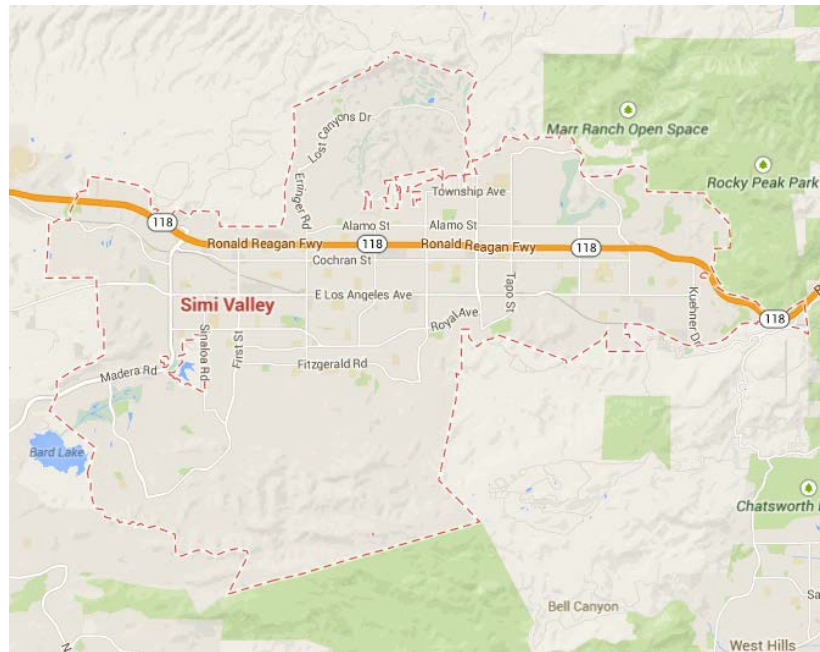
City of Hayward Boundary Map

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.



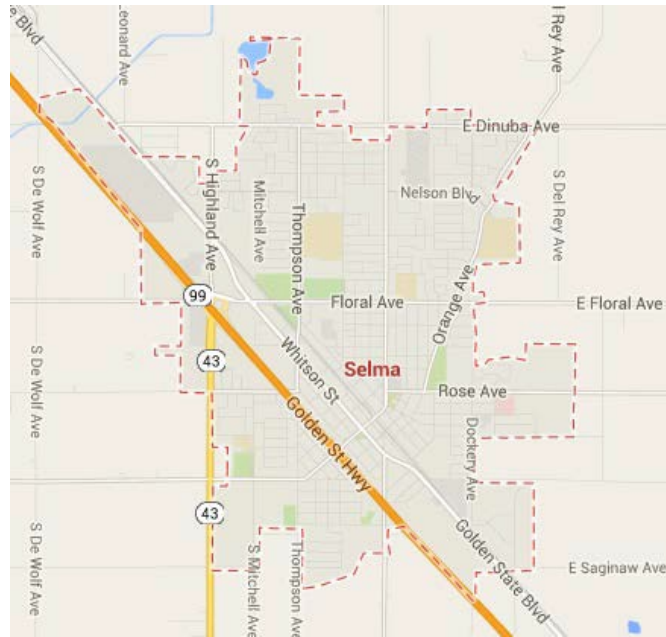
City of Simi Valley Boundary Map

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.



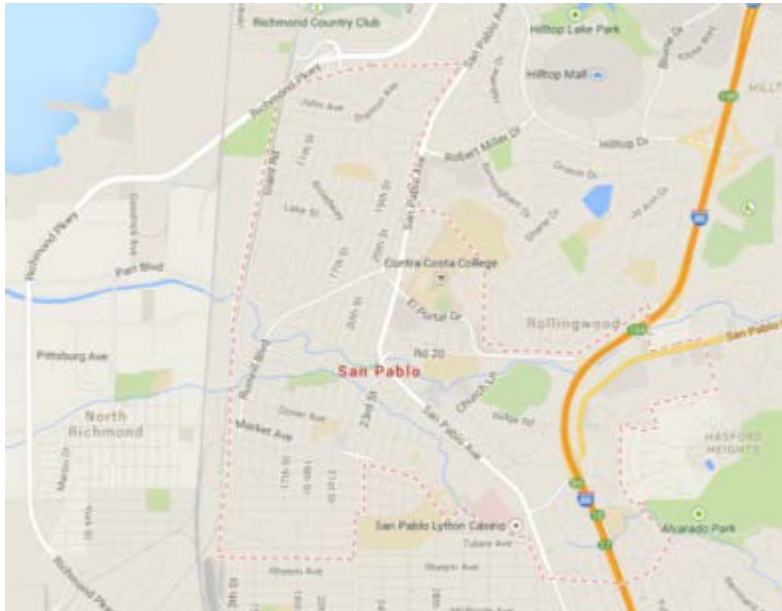
City of Selma Boundary Map

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.



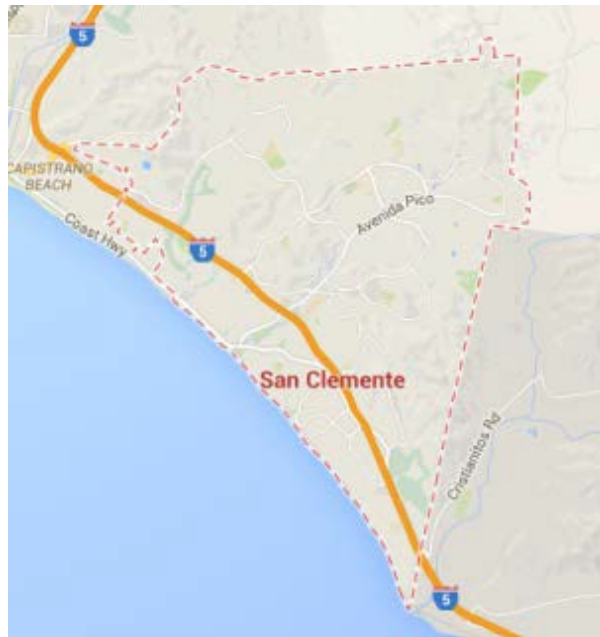
City of San Pablo Boundary Map

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.



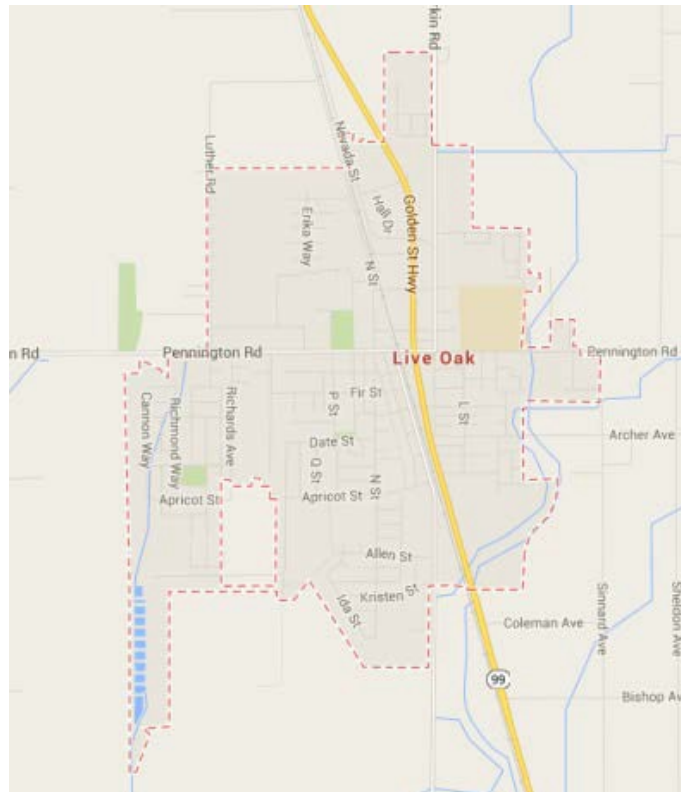
City of Oakley Boundary Map

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.



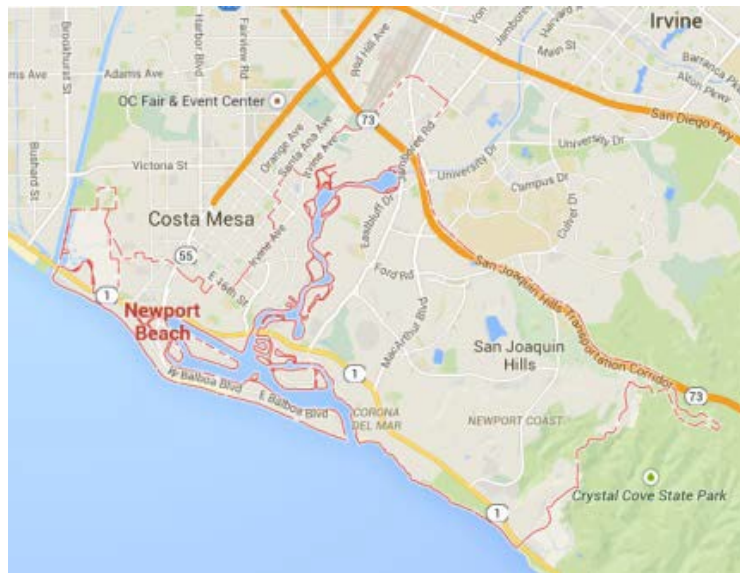
City of Live Oak Boundary Map

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.



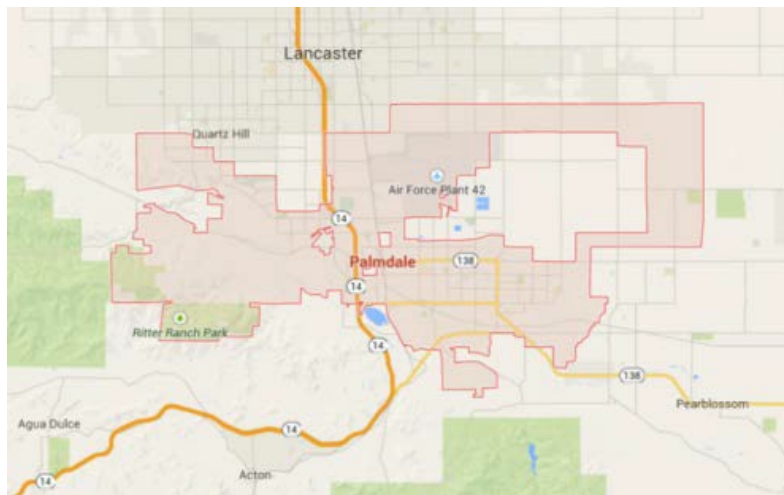
City of Newport Beach Boundary Map

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.



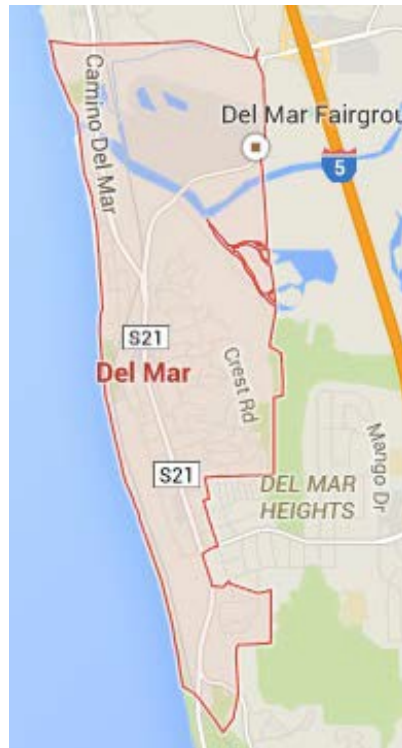
City of Palmdale Boundary Map

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.



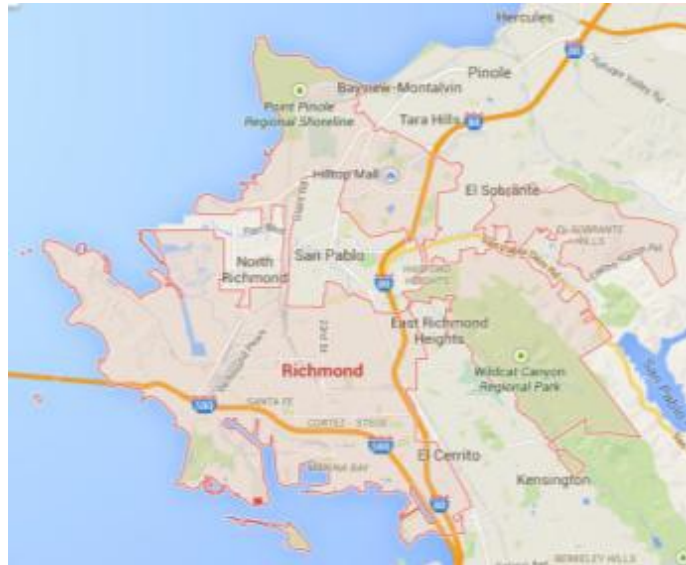
City of Antioch Boundary Map

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.



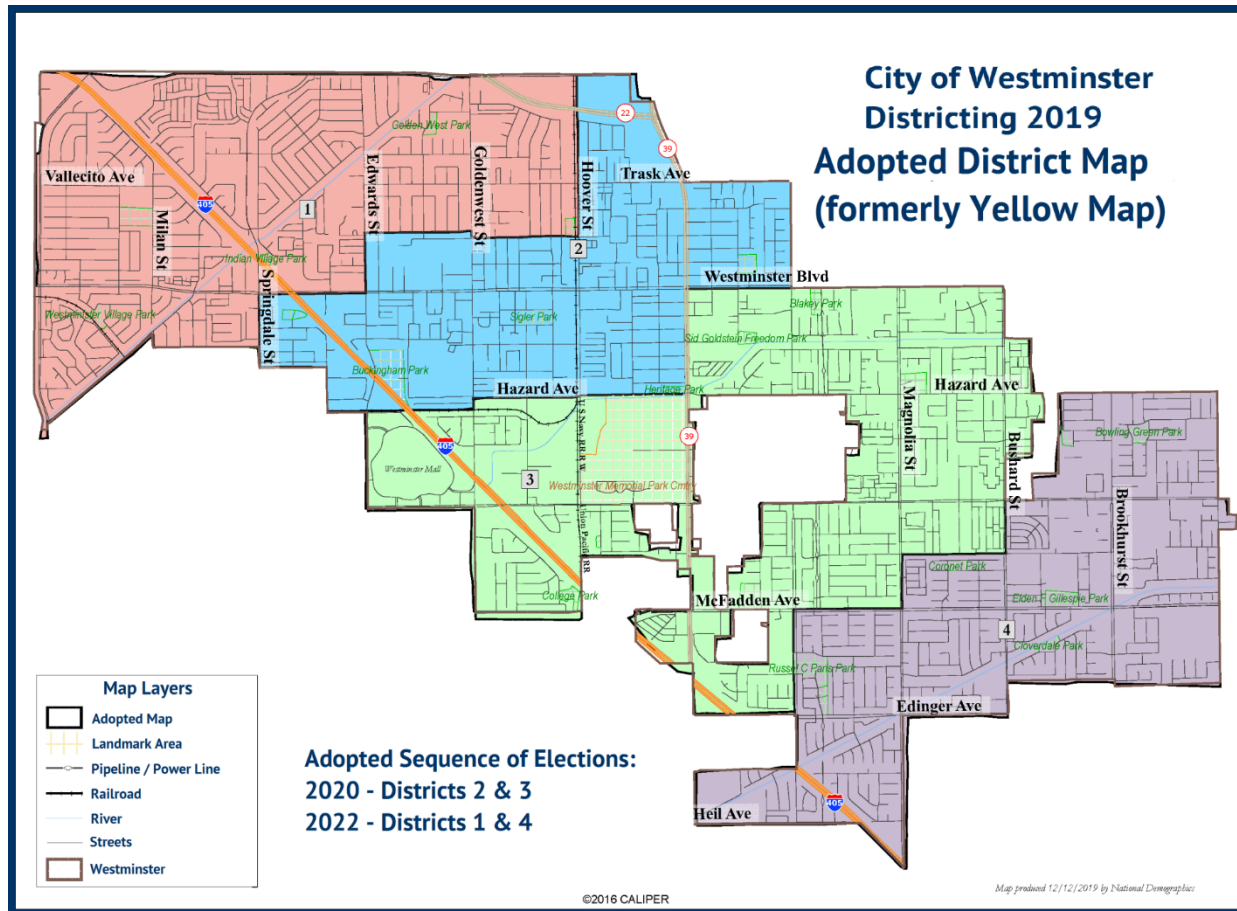
City of San Ramon Boundary Map

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.



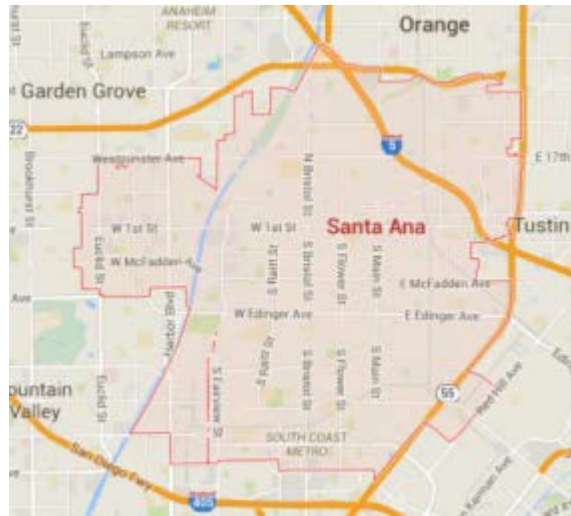
City of Westminster Boundary Map

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 Santa Ana Boundary Map

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



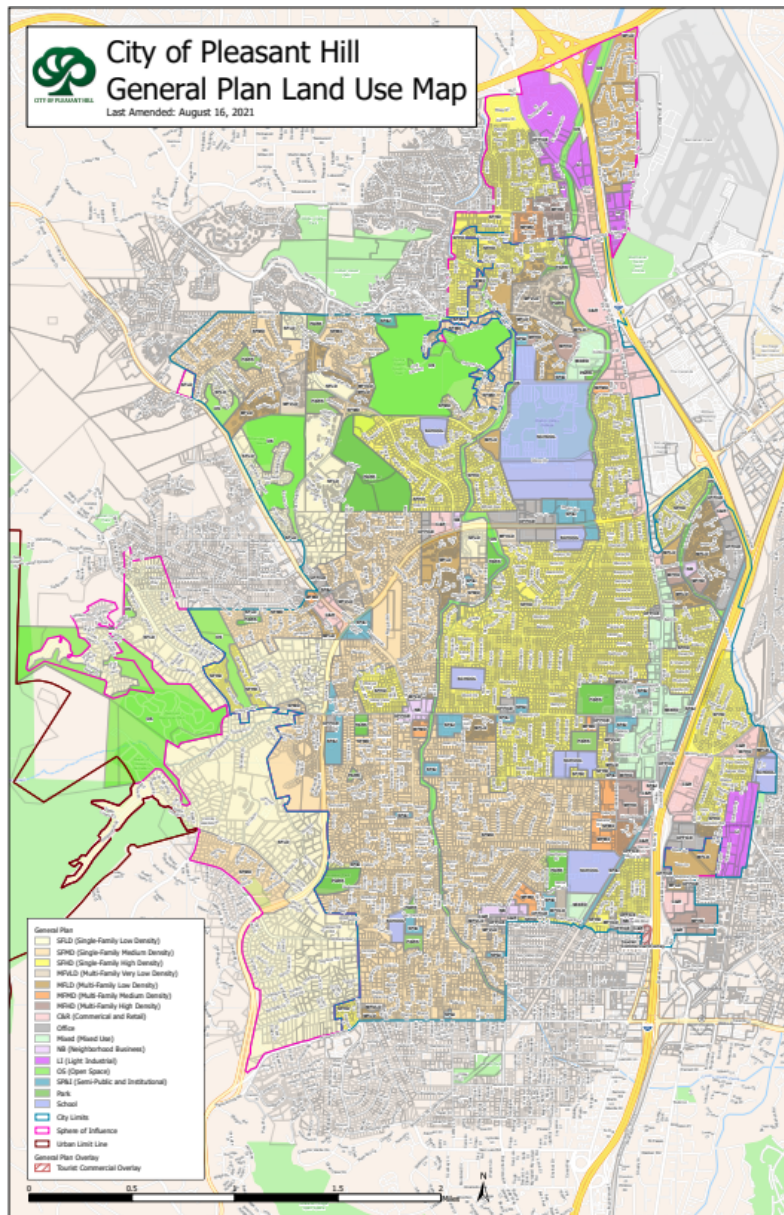
City of Lafayette Boundary Map

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.



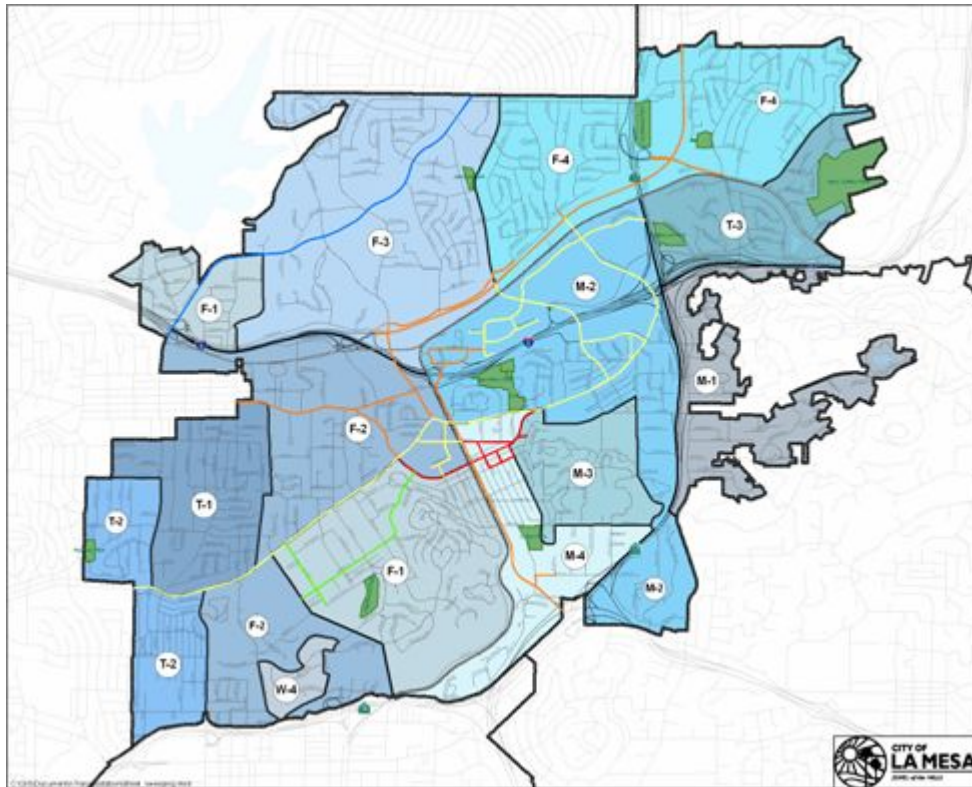
County of Sacramento Boundary Map

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.



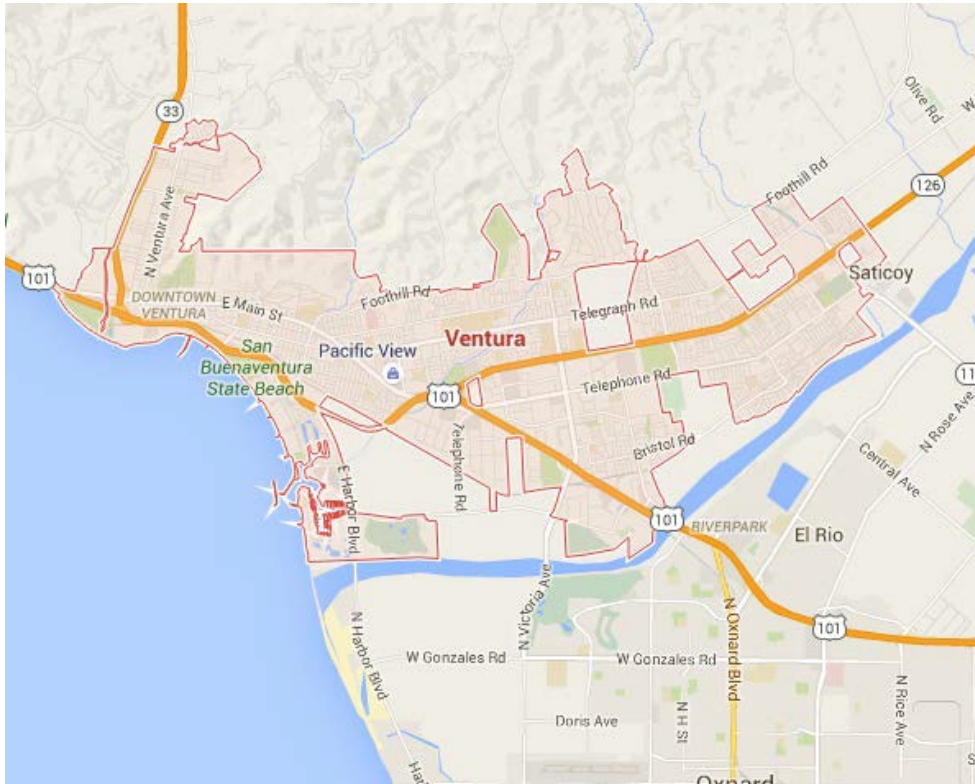
Town of Danville Boundary Map

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.



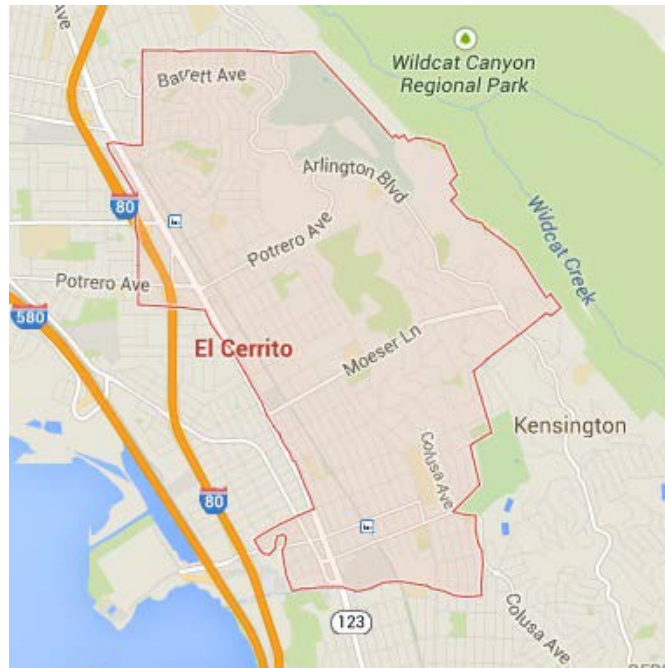
City of Ventura Boundary Map

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.



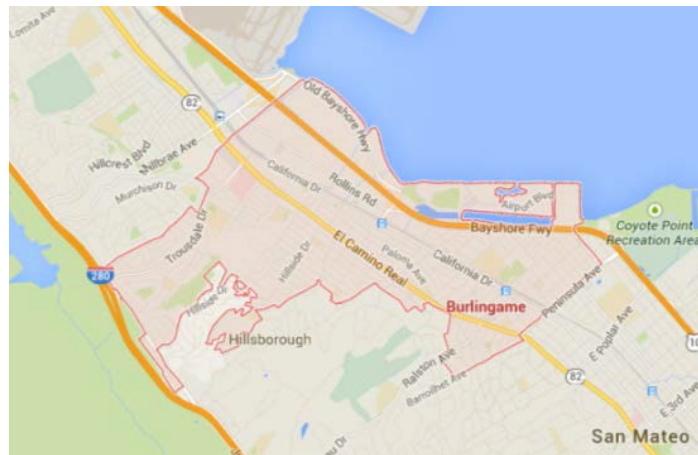
City of El Cerrito Boundary Map

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.



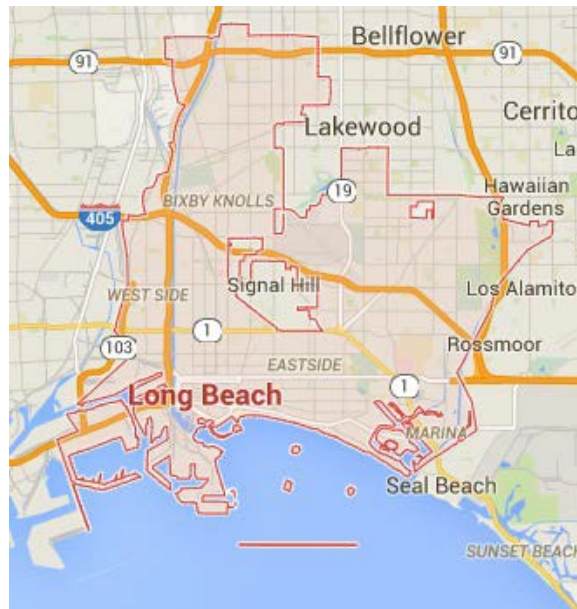
City of Burlingame Boundary Map

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.



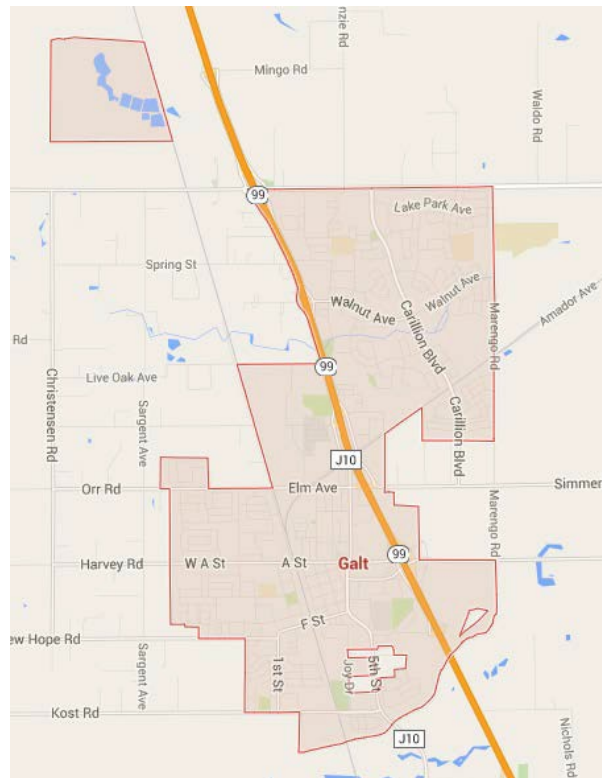
City of Long Beach Boundary Map

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.



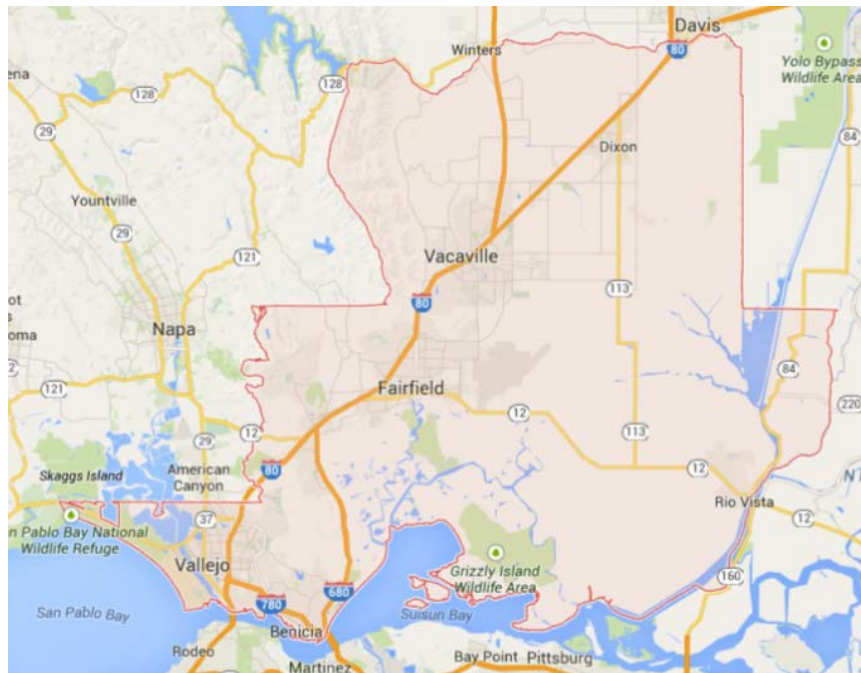
City of Galt Boundary Map

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.



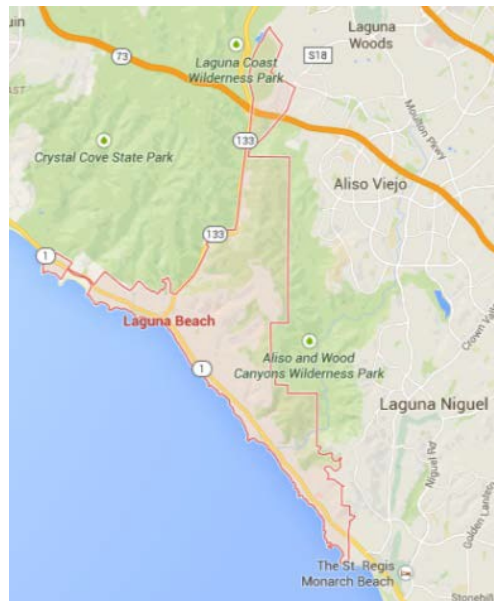
County of Solano Boundary Map

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.



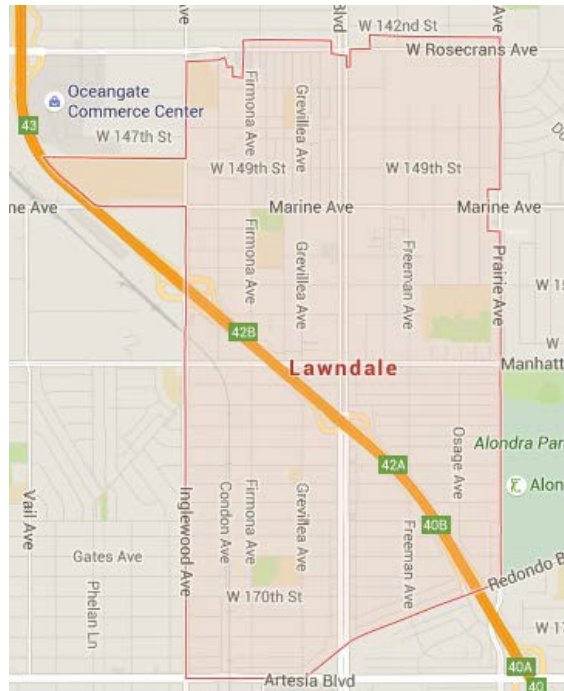
City of Clayton Boundary Map

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.



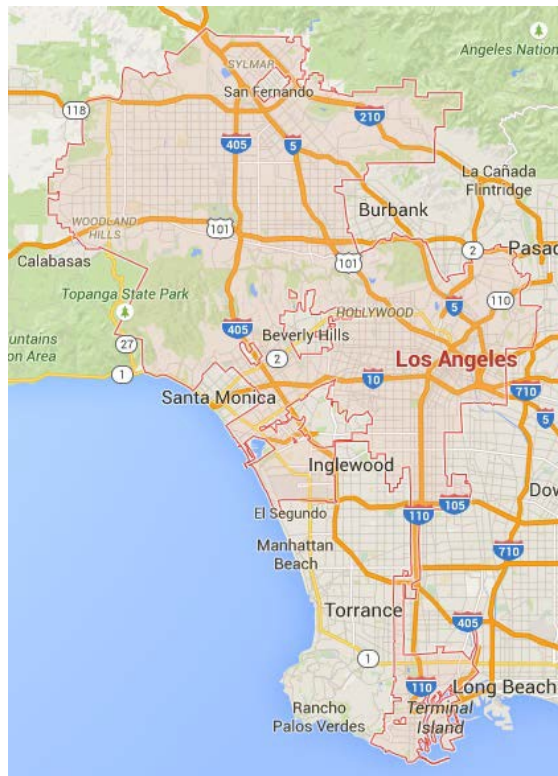
City of Lawndale Boundary Map

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.



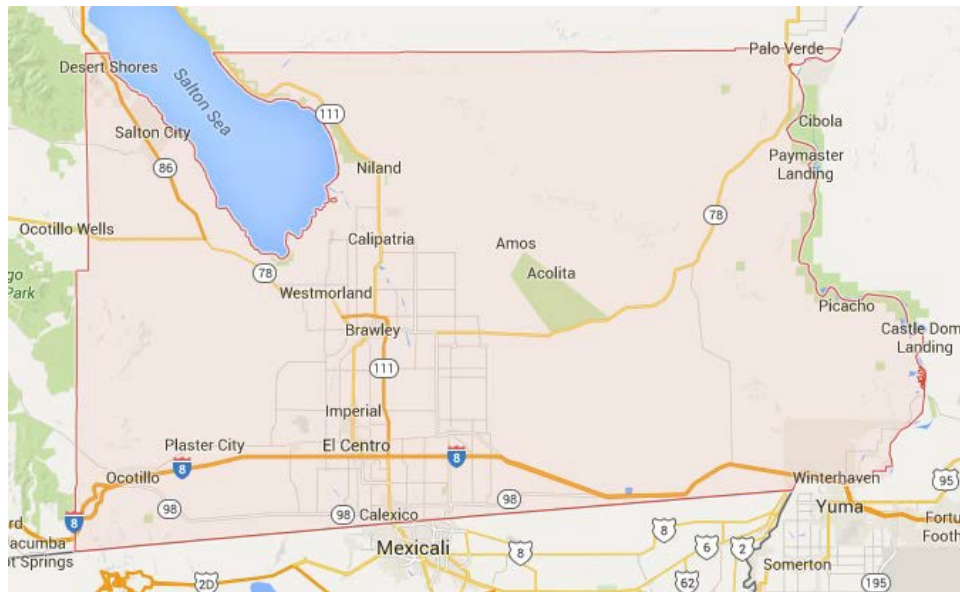
City of Los Angeles Boundary Map

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.



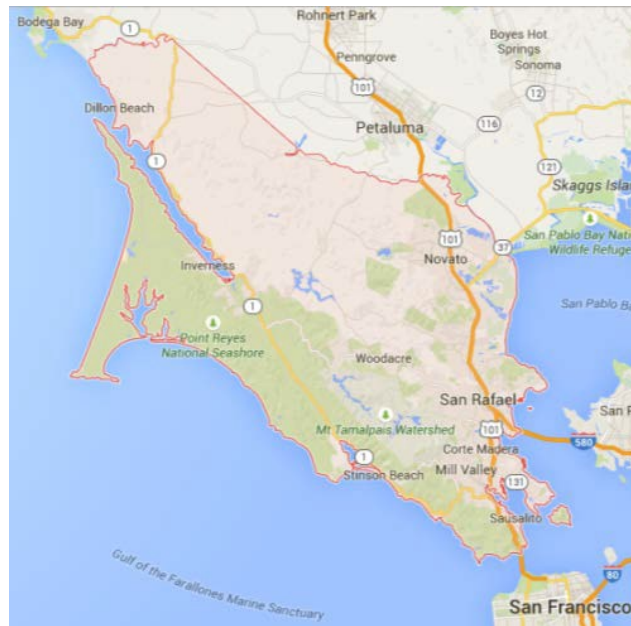
County of Imperial Boundary Map

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.



County of Marin Boundary Map

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



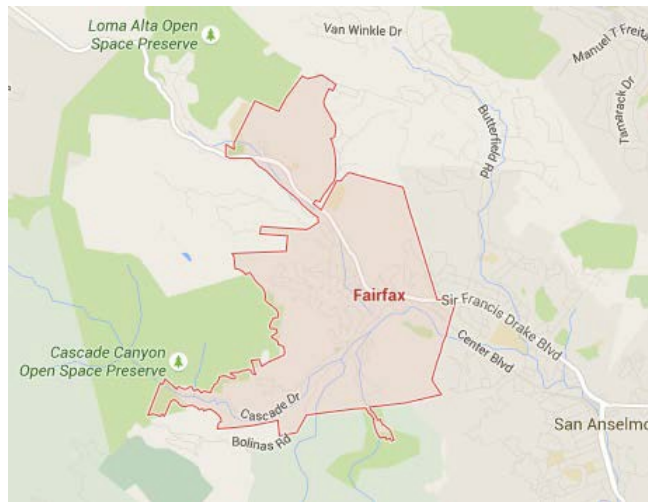
Town of San Anselmo Boundary Map

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.



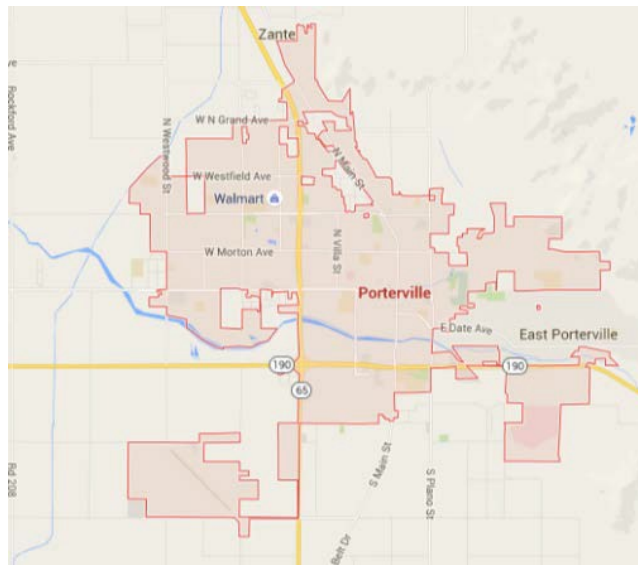
Town of Fairfax Boundary Map

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.



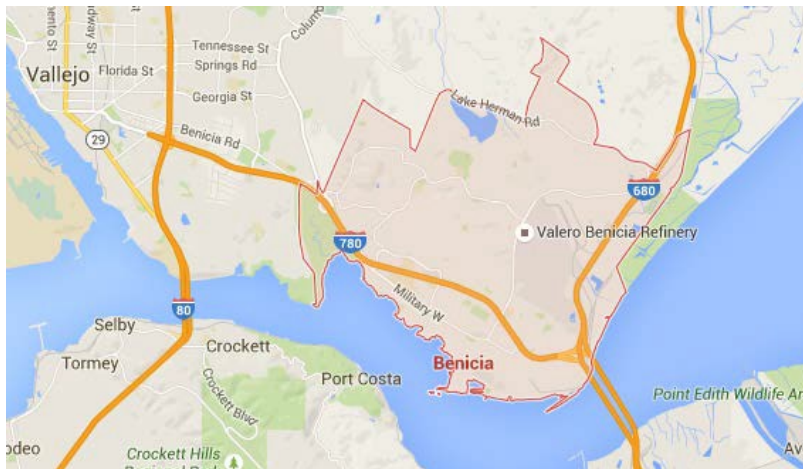
City of Chula Vista Boundary Map

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.



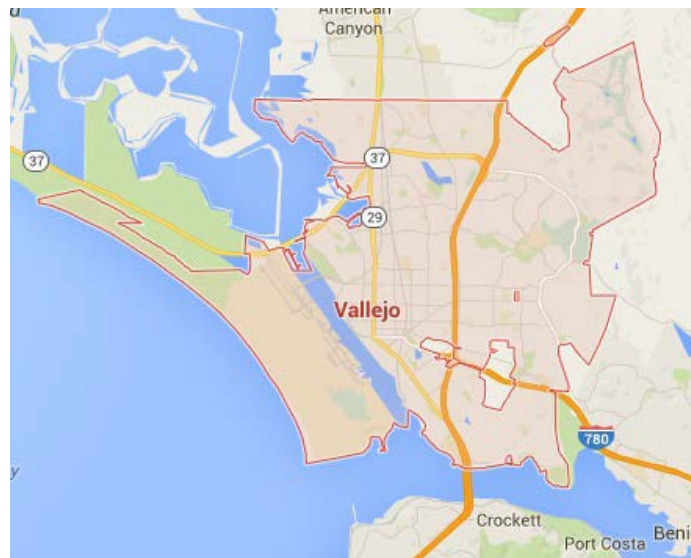
City of Benicia Boundary Map

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.



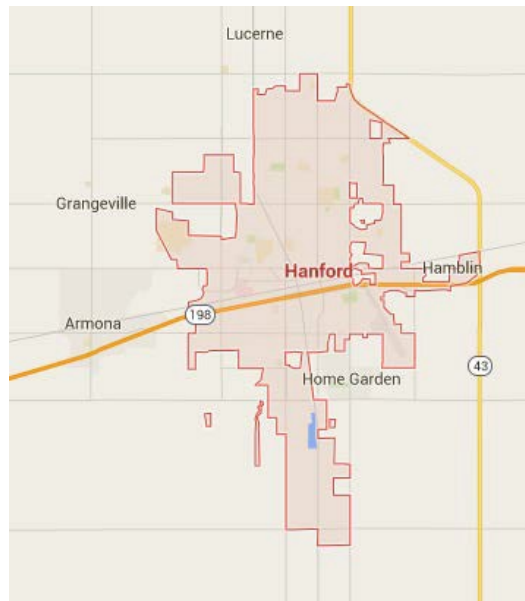
City of Santa Cruz Boundary Map

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.



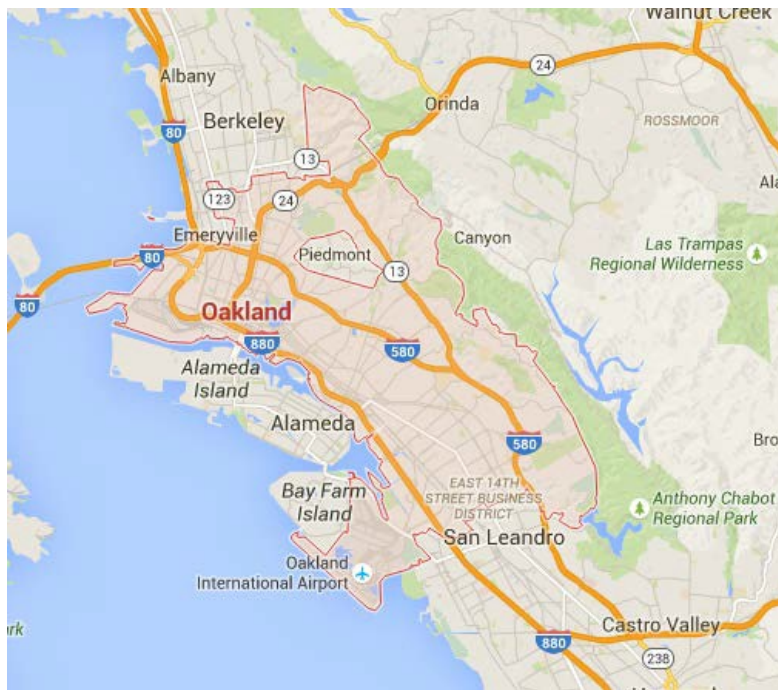
City of Suisun City Boundary Map

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.



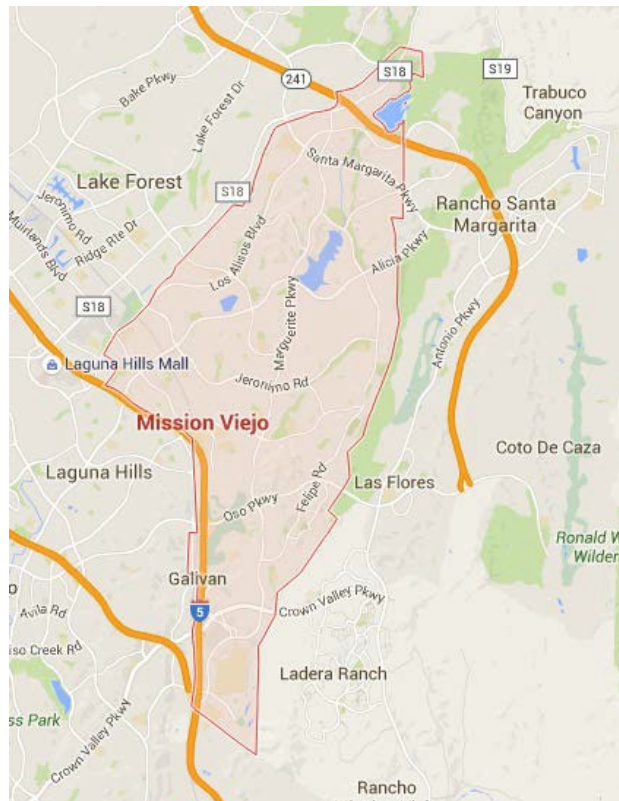
City of Oakland Boundary Map

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.



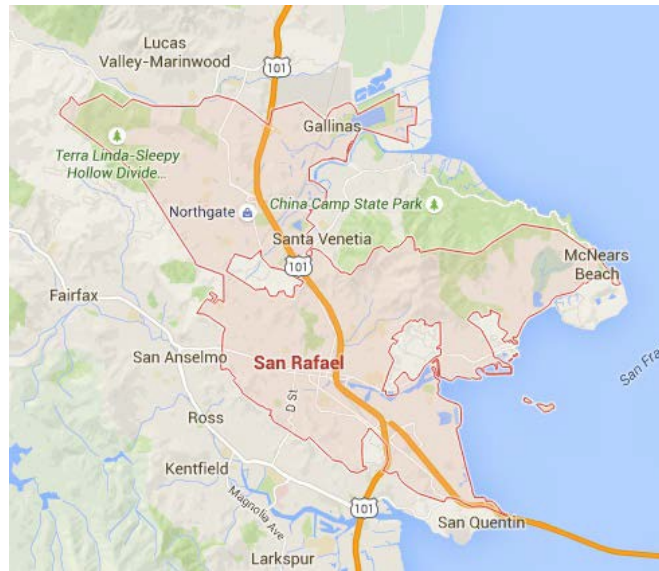
City of Mission Viejo Boundary Map

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.



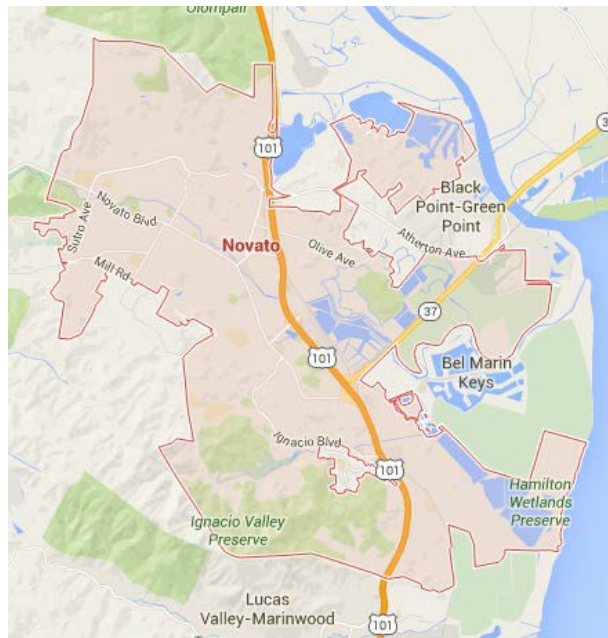
City of San Rafael Boundary Map

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.



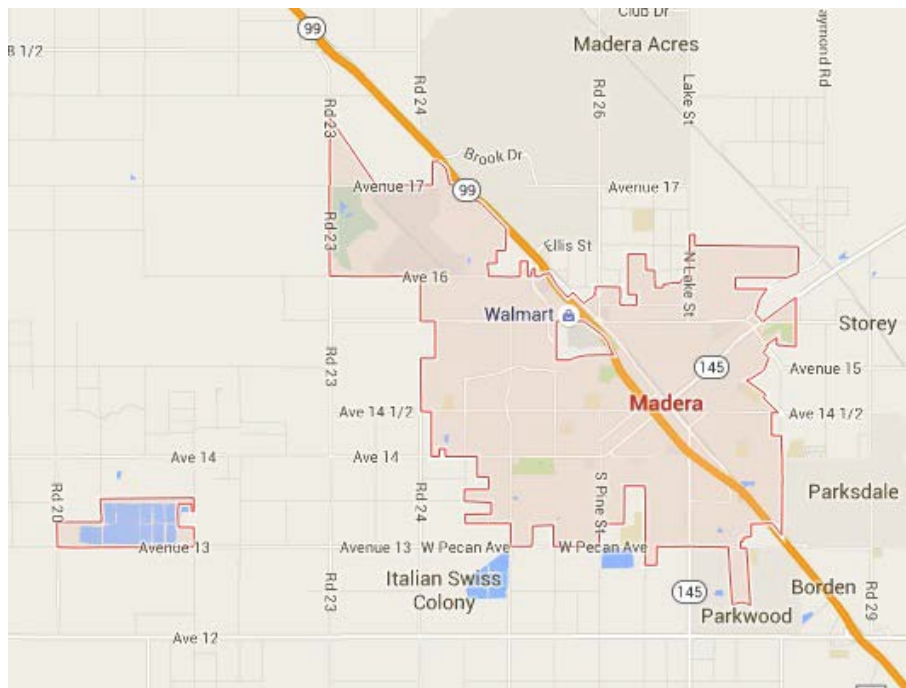
City of Novato Boundary Map

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.



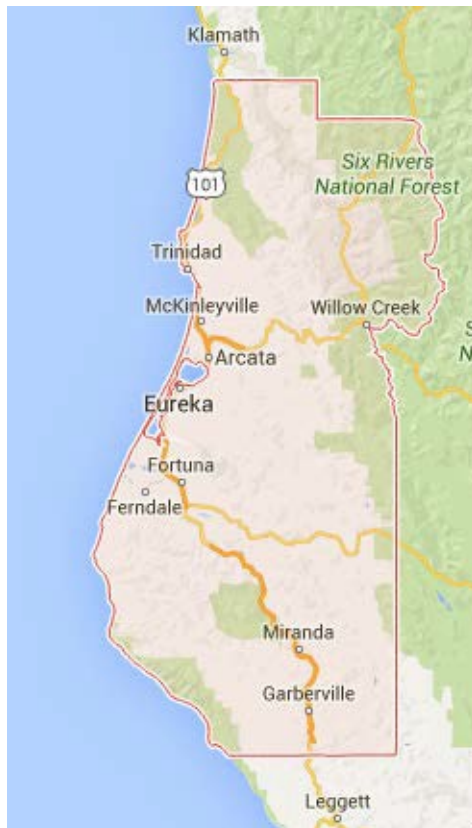
City of Union City Boundary Map

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.



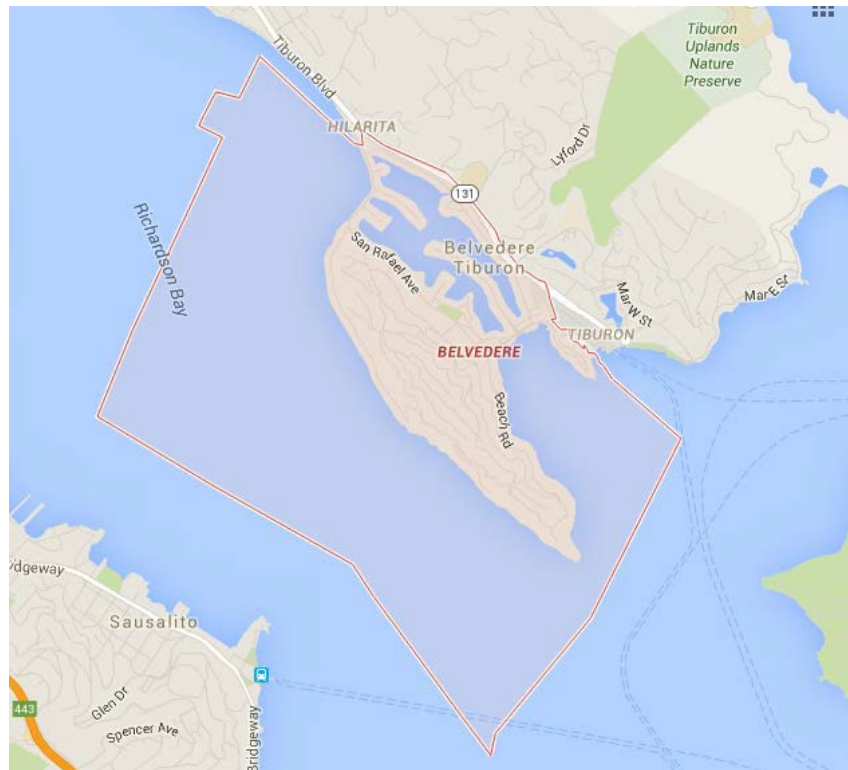
County of Humboldt Boundary Map

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.



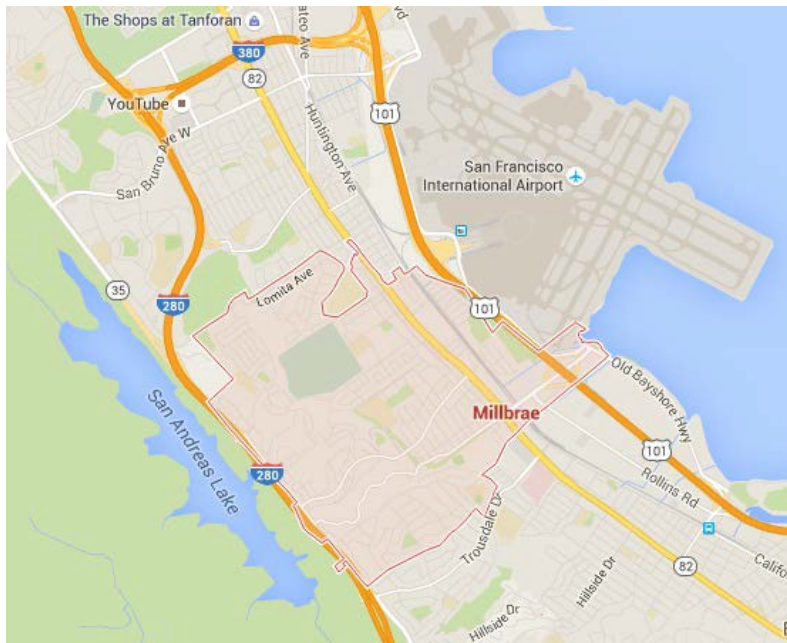
City of Tracy Boundary Map

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.



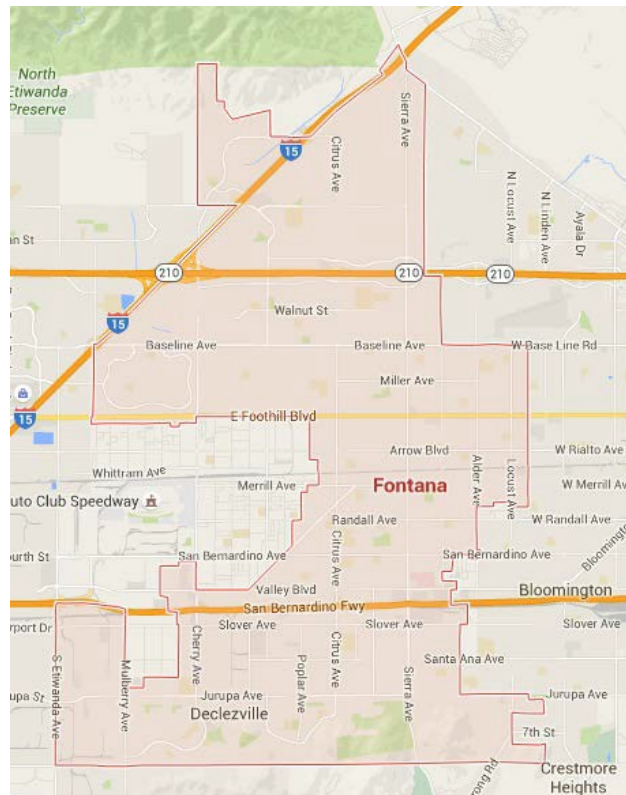
County of Yuba Boundary Map

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.



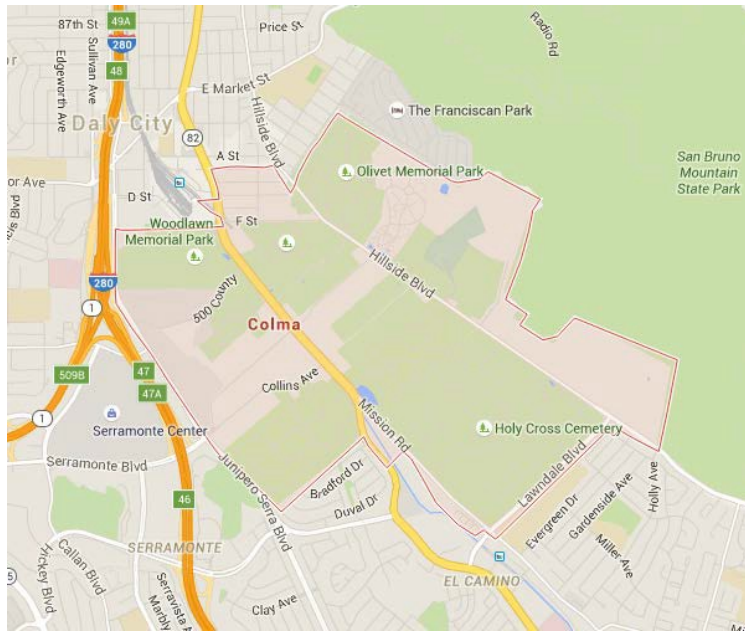
City of Loma Linda Boundary Map

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.



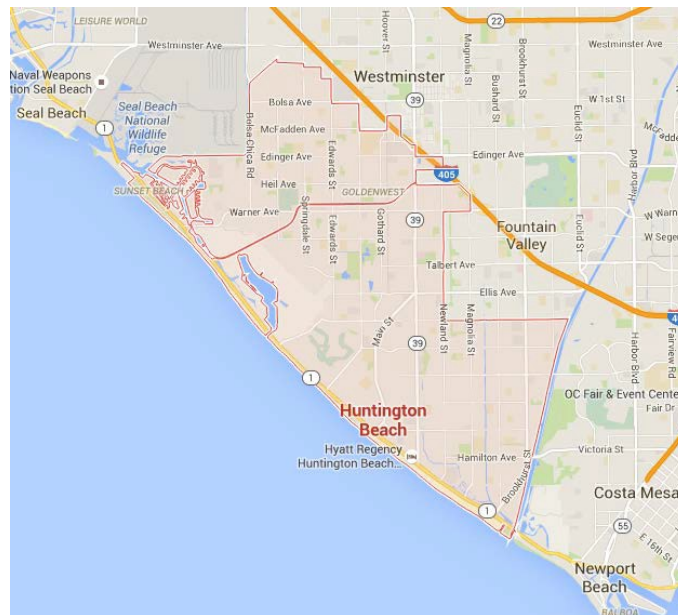
City of Colma Boundary Map

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.



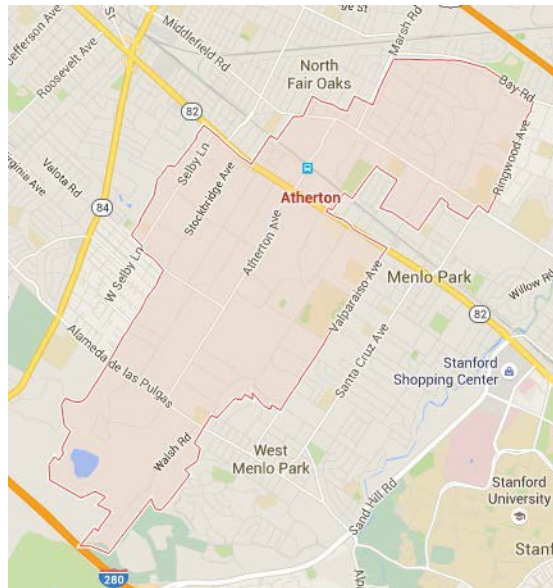
City of Huntington Beach Boundary Map

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.



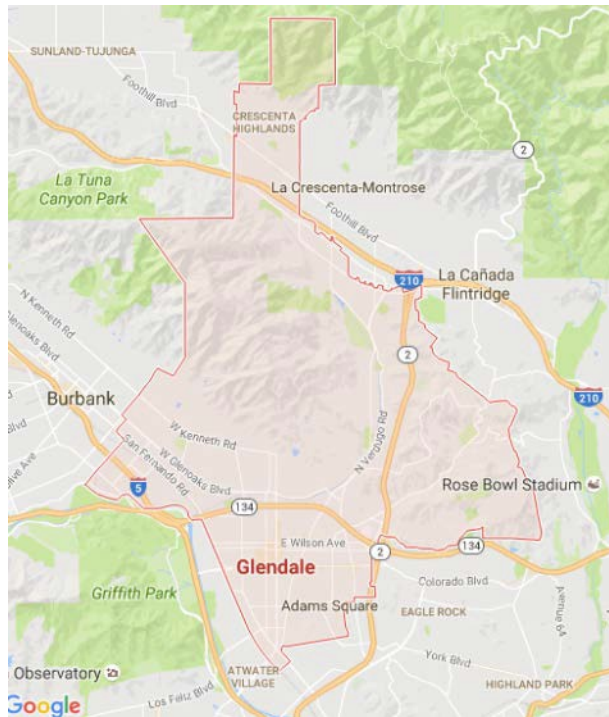
Town of Atherton Boundary Map

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.



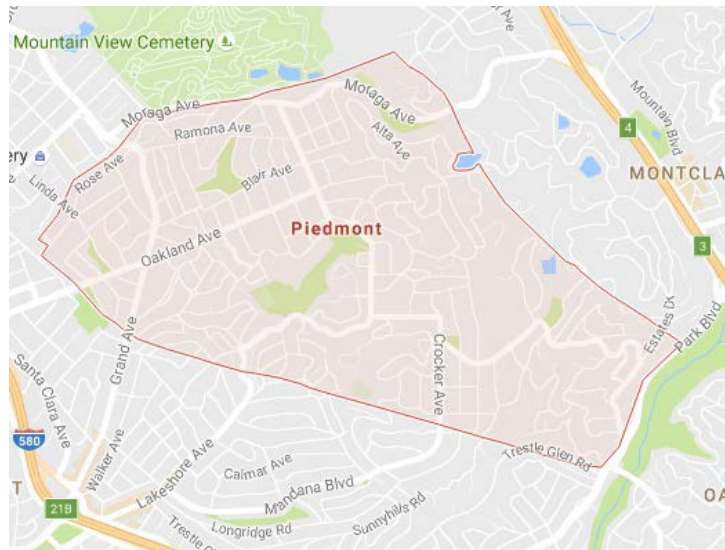
City of Corcoran Boundary Map

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.



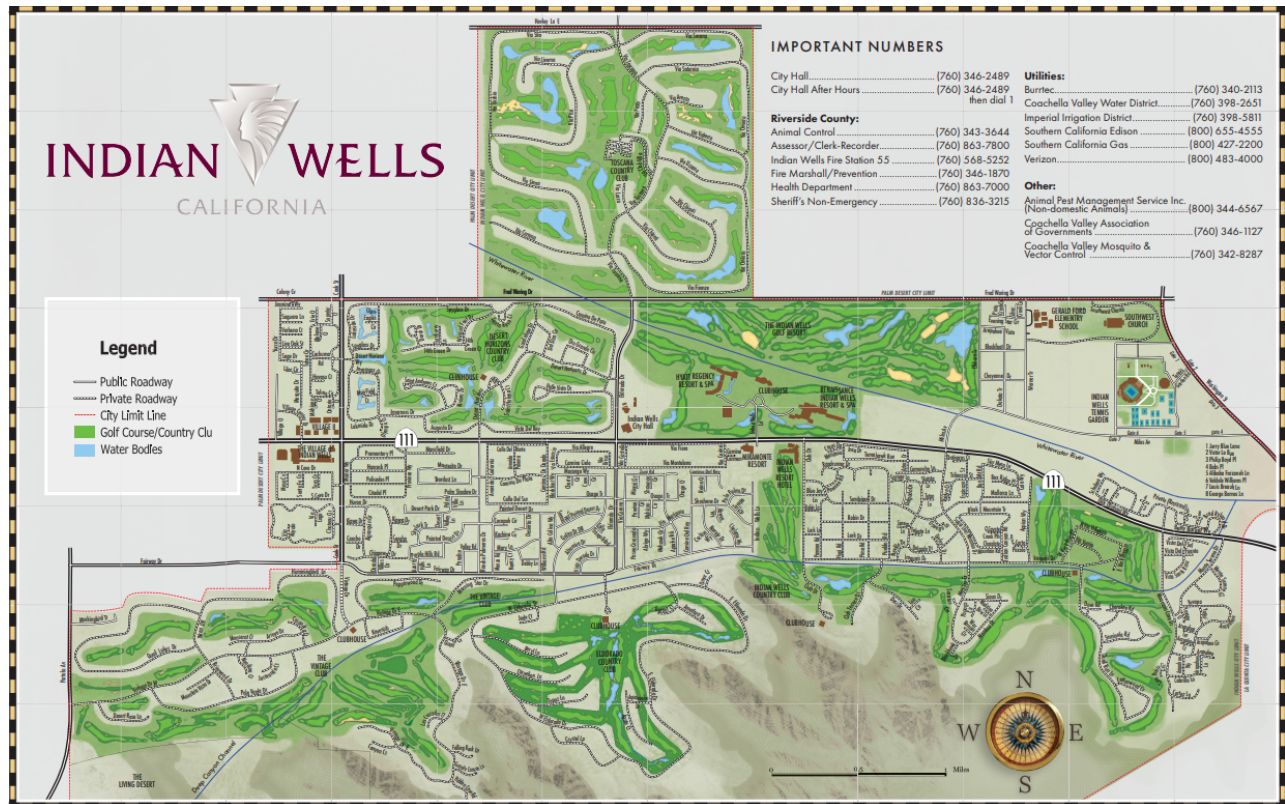
City of Piedmont Boundary Map

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.



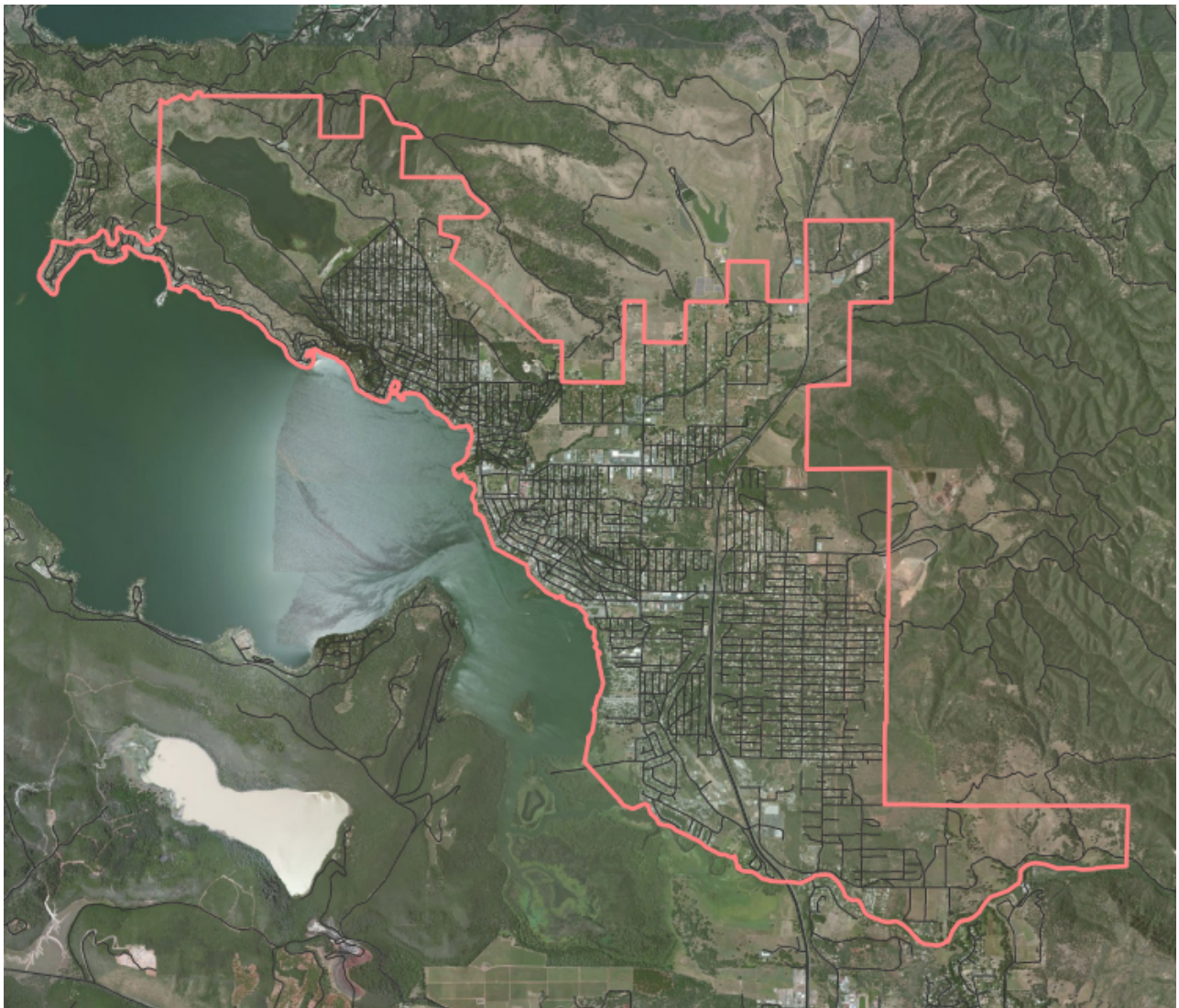
City of Indian Wells Boundary Map

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.



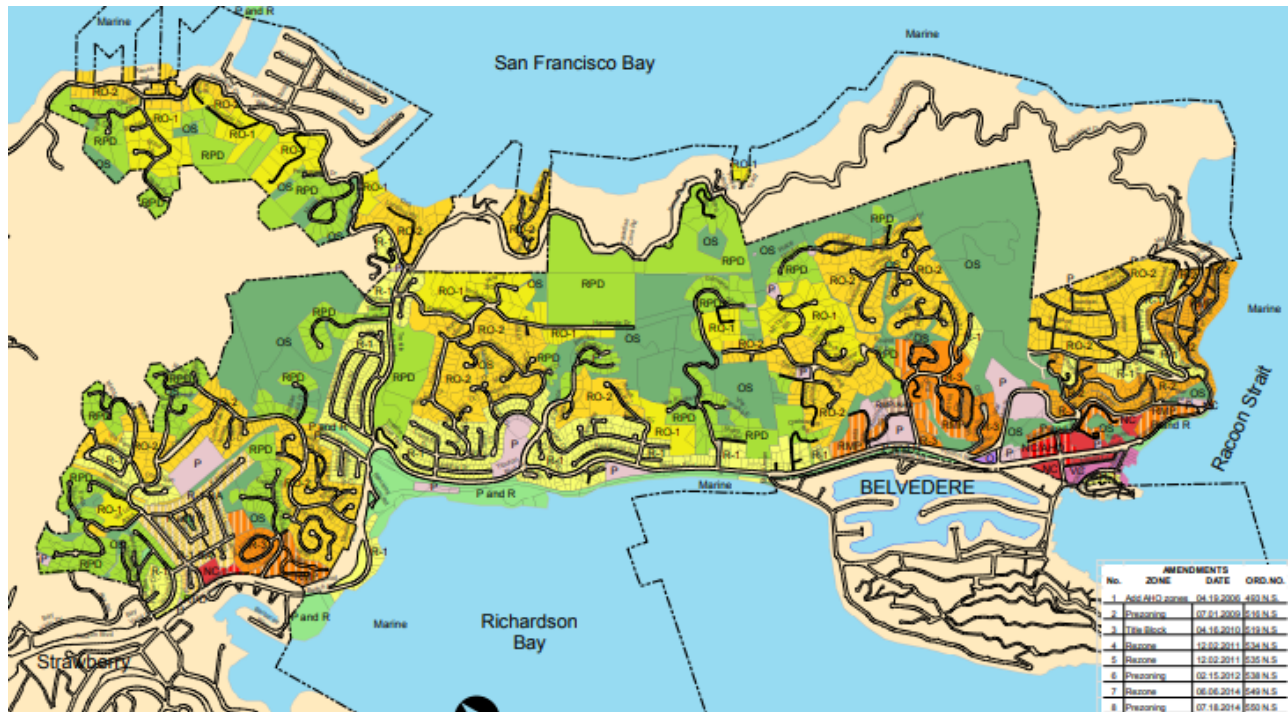
County of Sonoma Boundary Map

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.



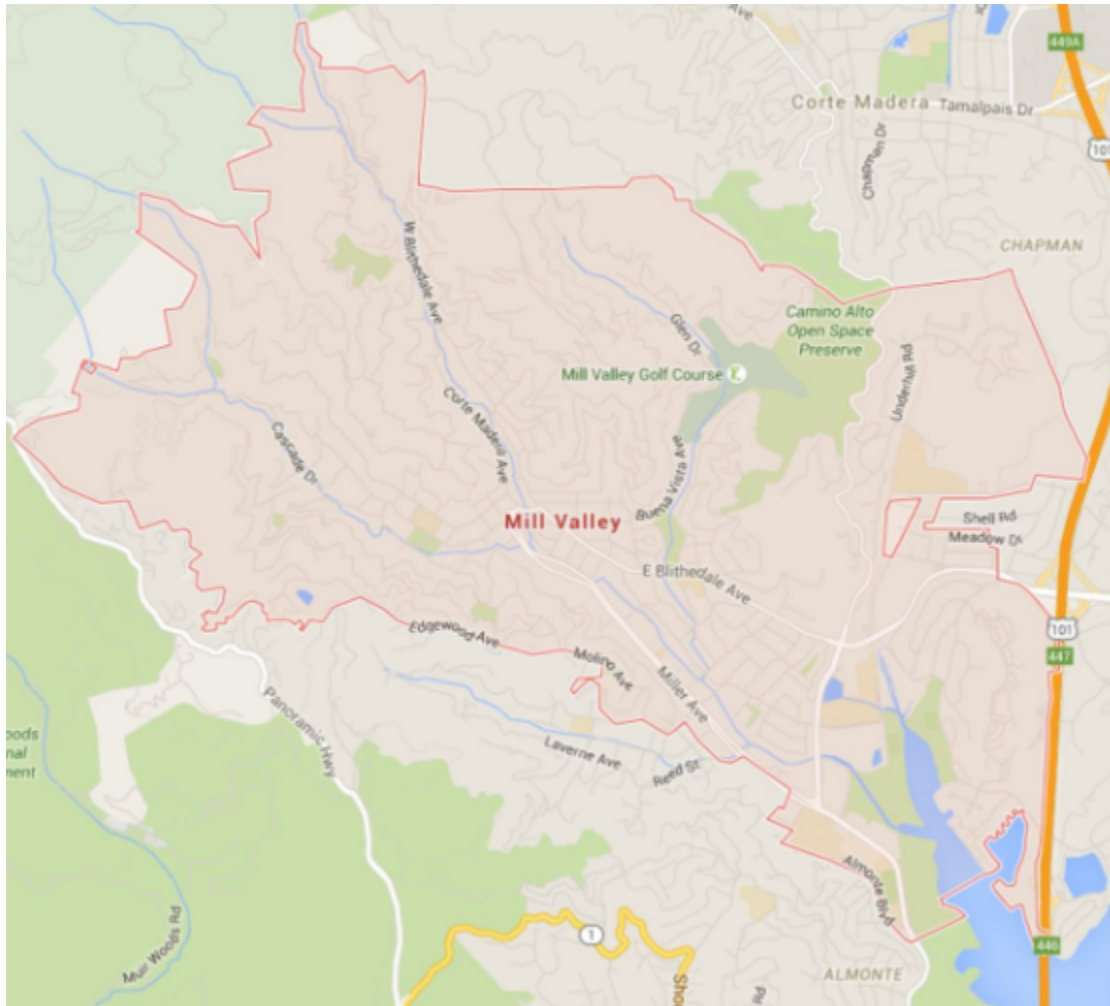
City of Camarillo Boundary Map

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.



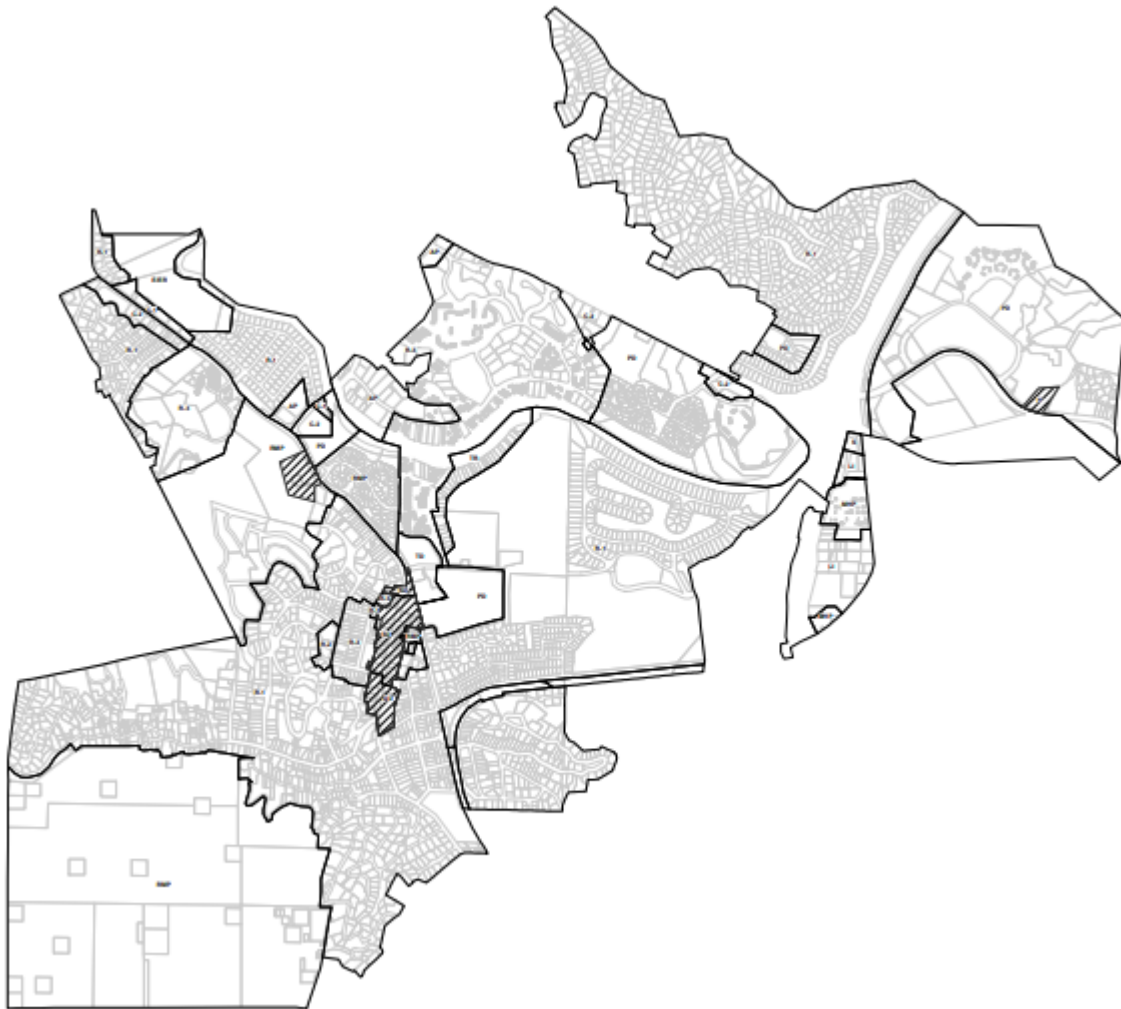
City of Mill Valley Boundary Map

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.



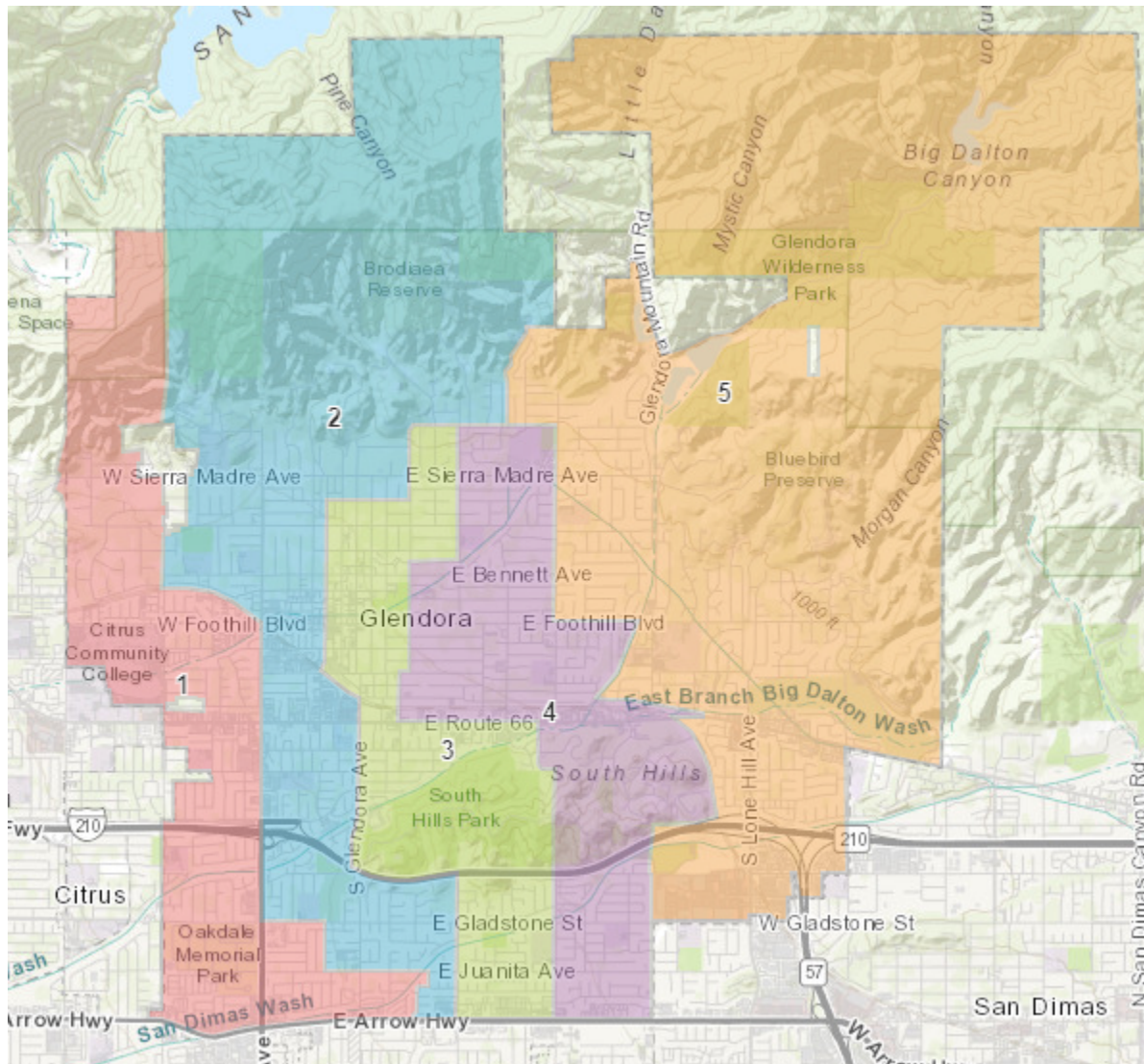
City of Larkspur Boundary Map

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.



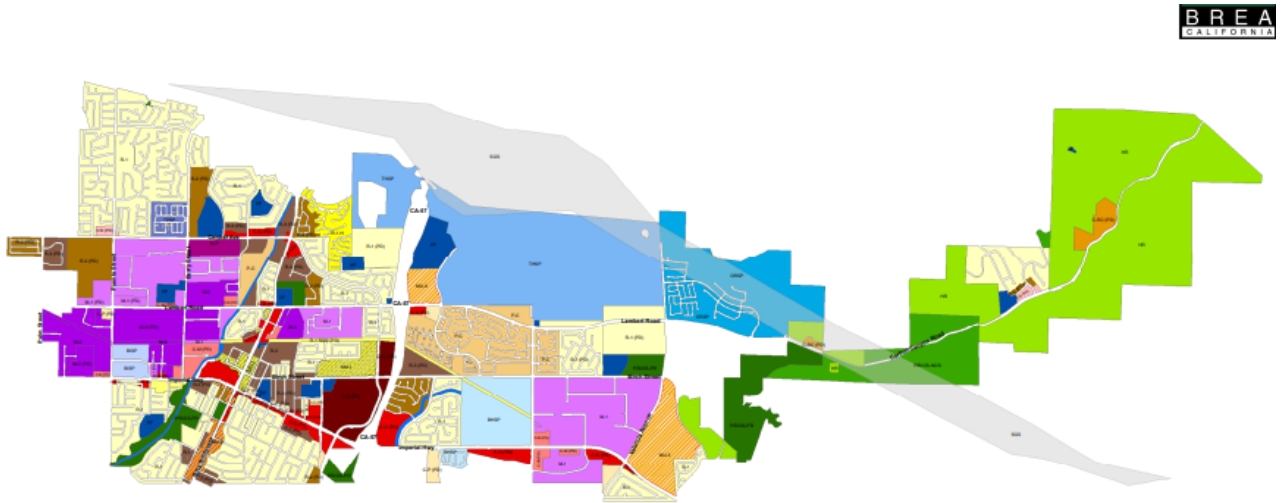
City of Glendora Boundary Map

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.



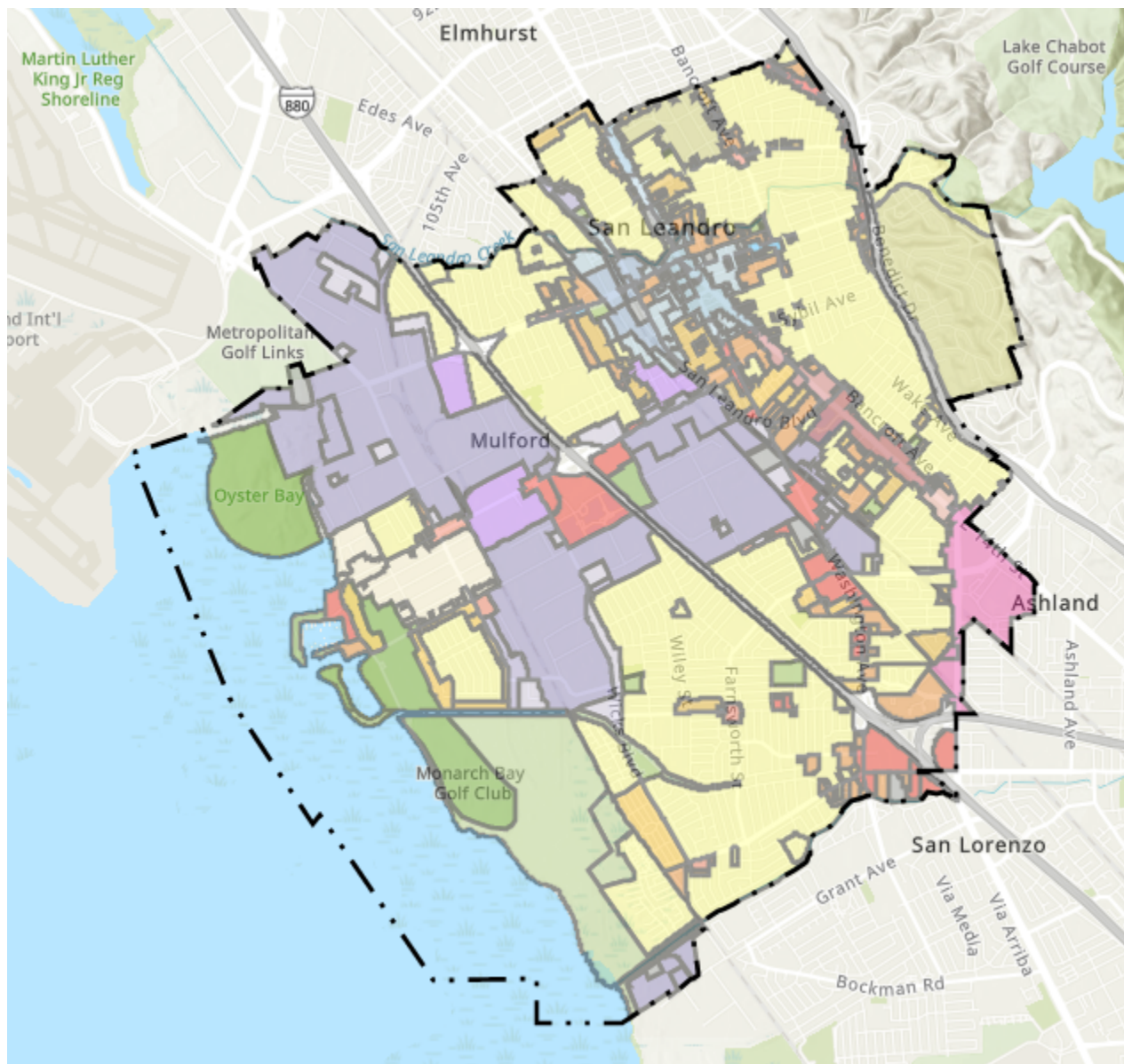
City of Brea Boundary Map

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.



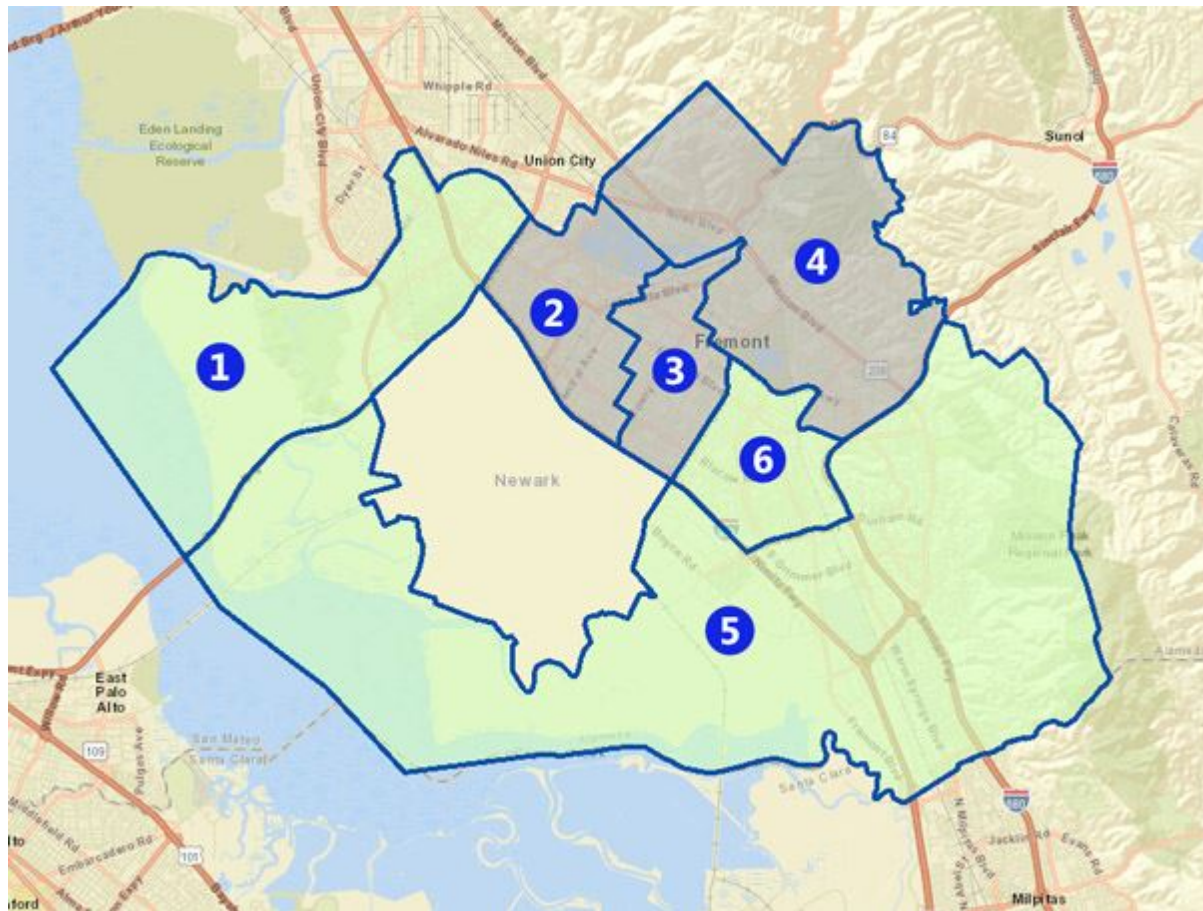
City of San Leandro Boundary Map

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.



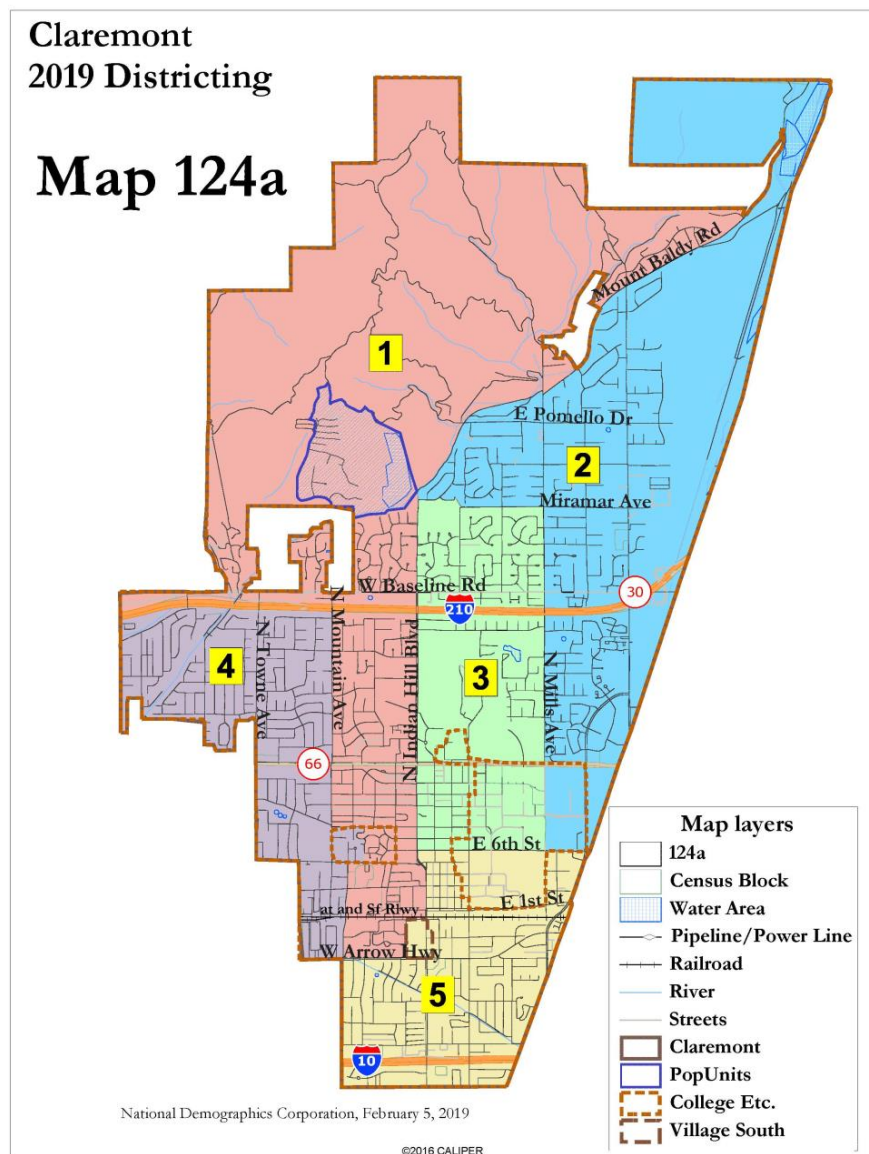
City of Rancho Cucamonga Boundary Map

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.



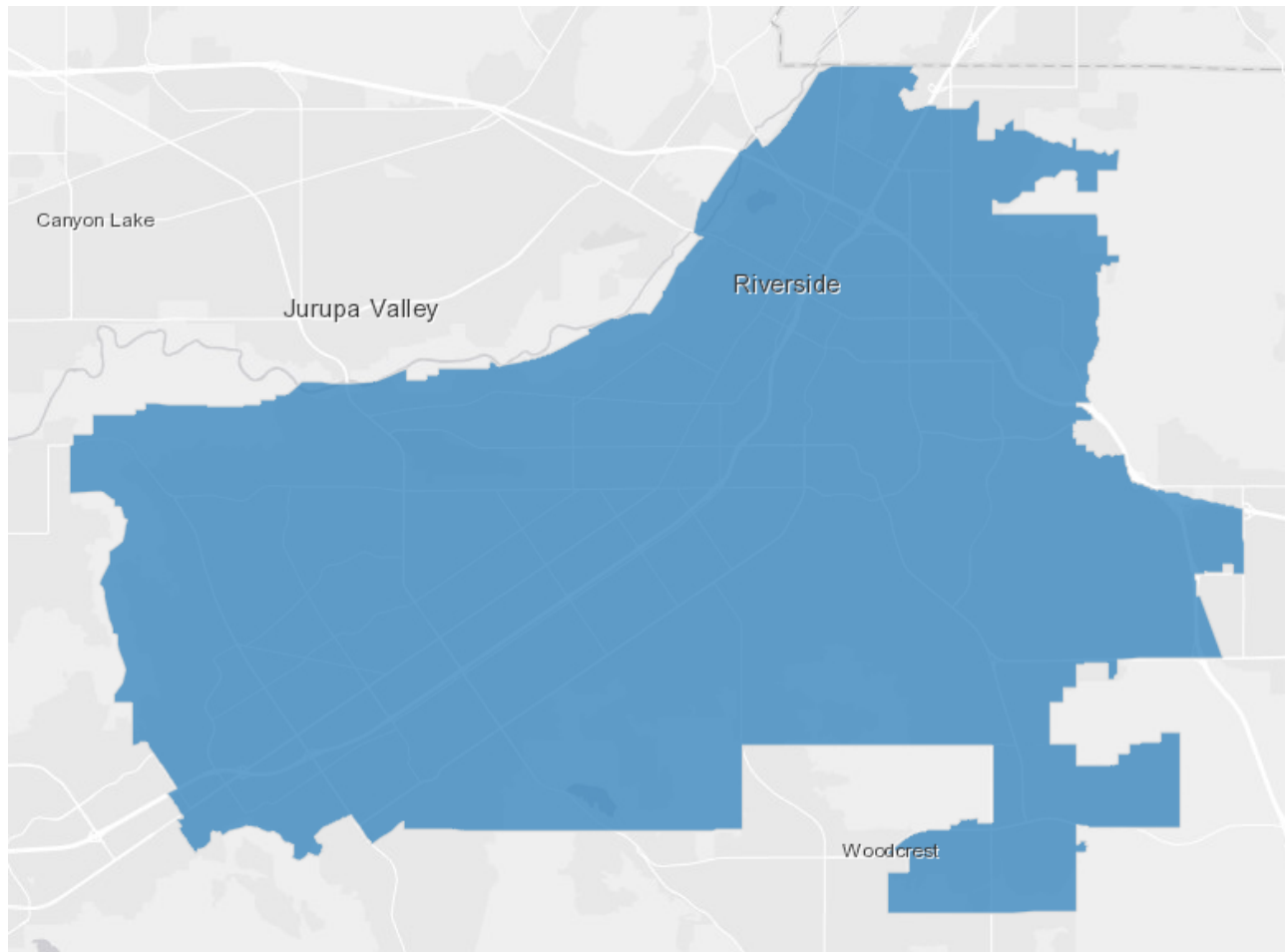
City of Claremont Boundary Map

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.



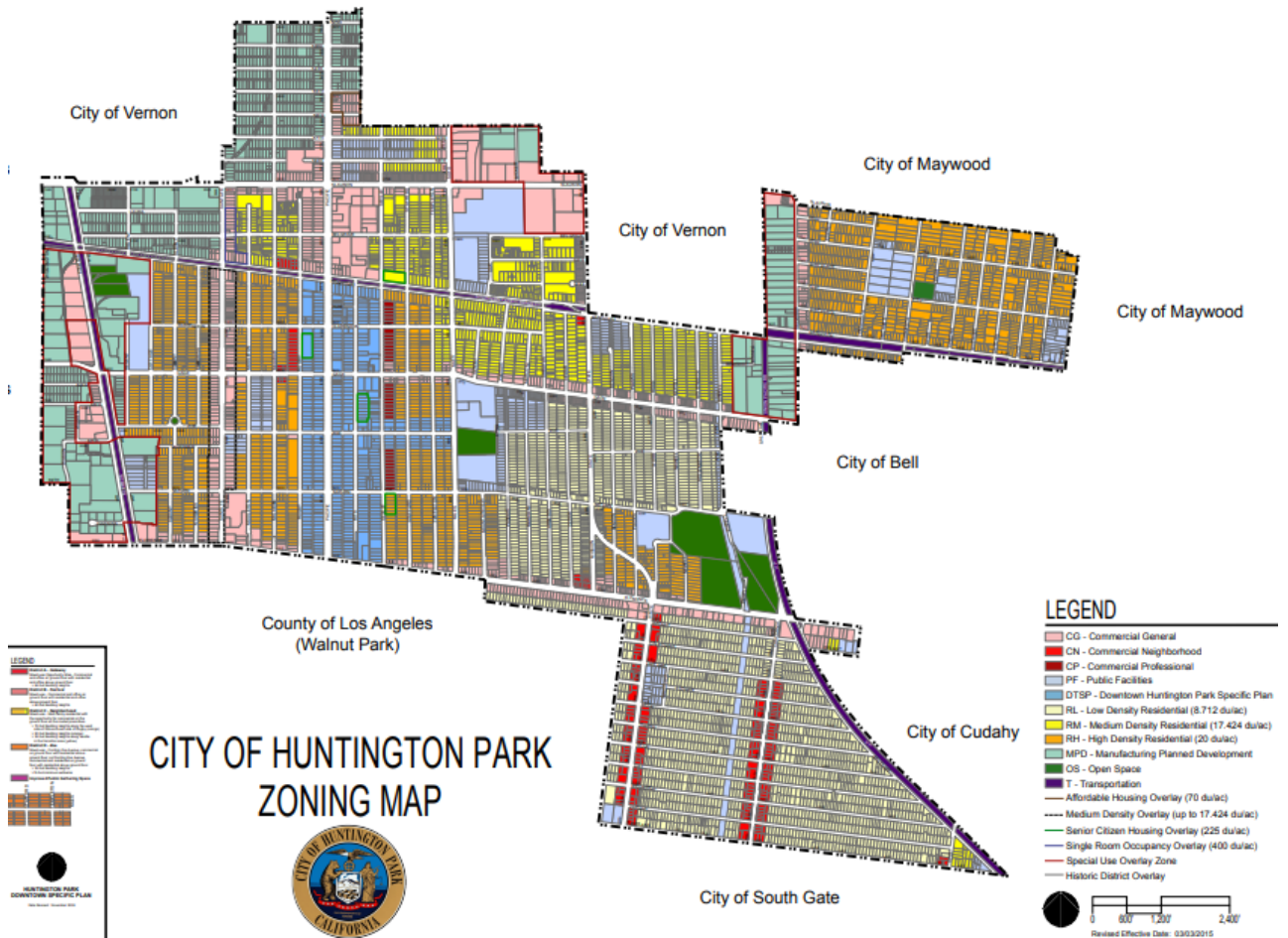
City of Riverside Boundary Map

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.



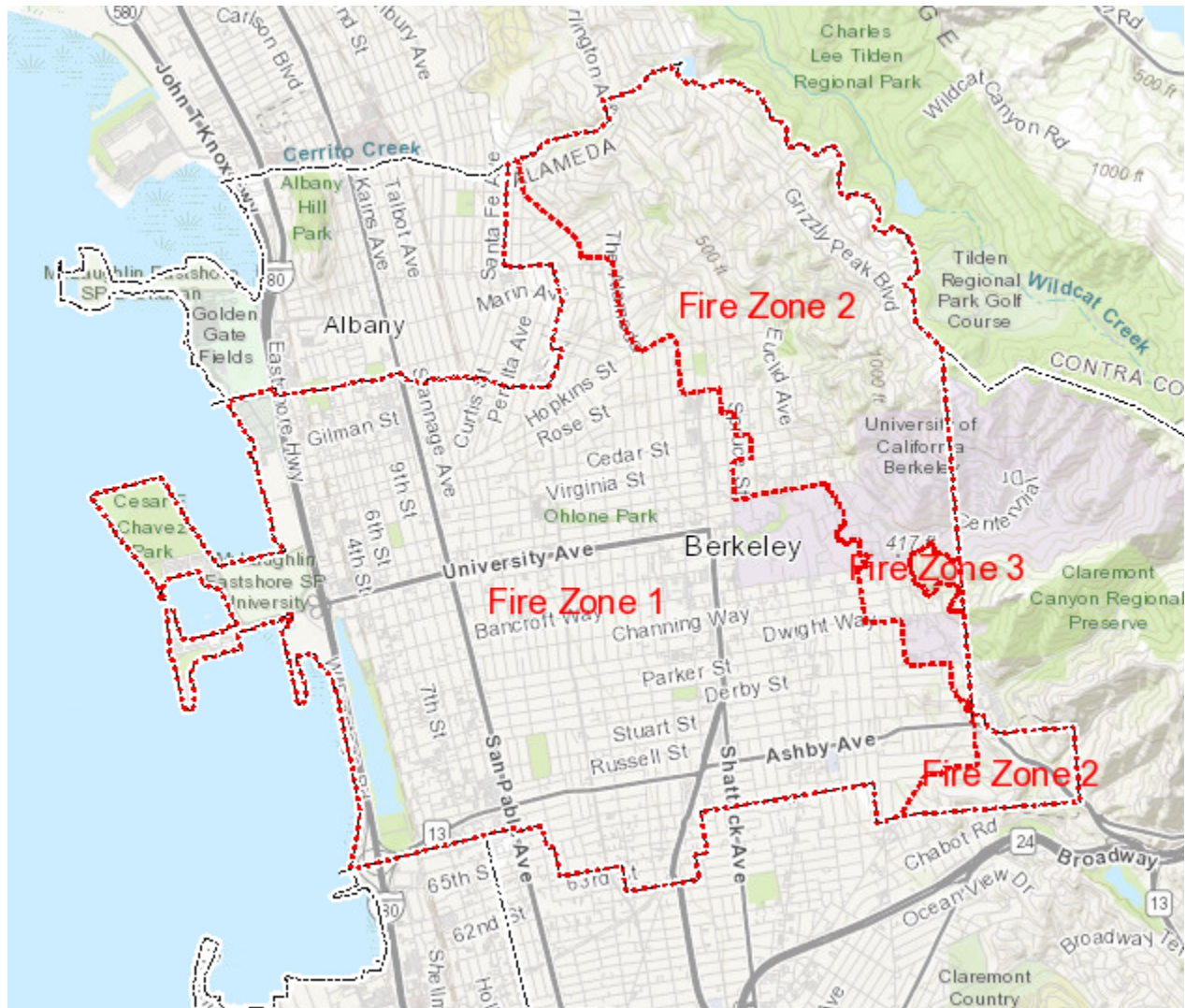
City of Huntington Park Boundary Map

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.



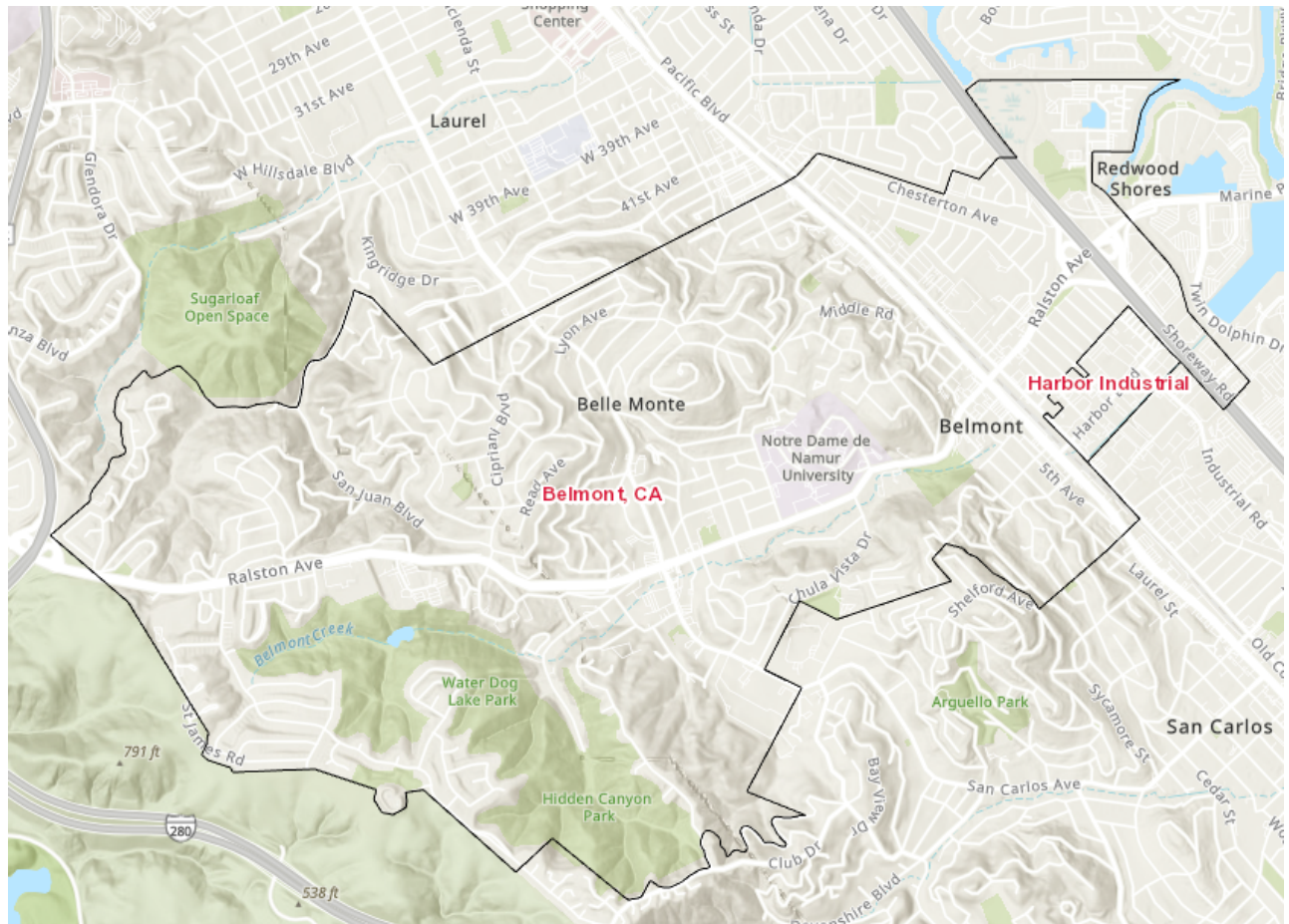
City of Berkeley Boundary Map

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.



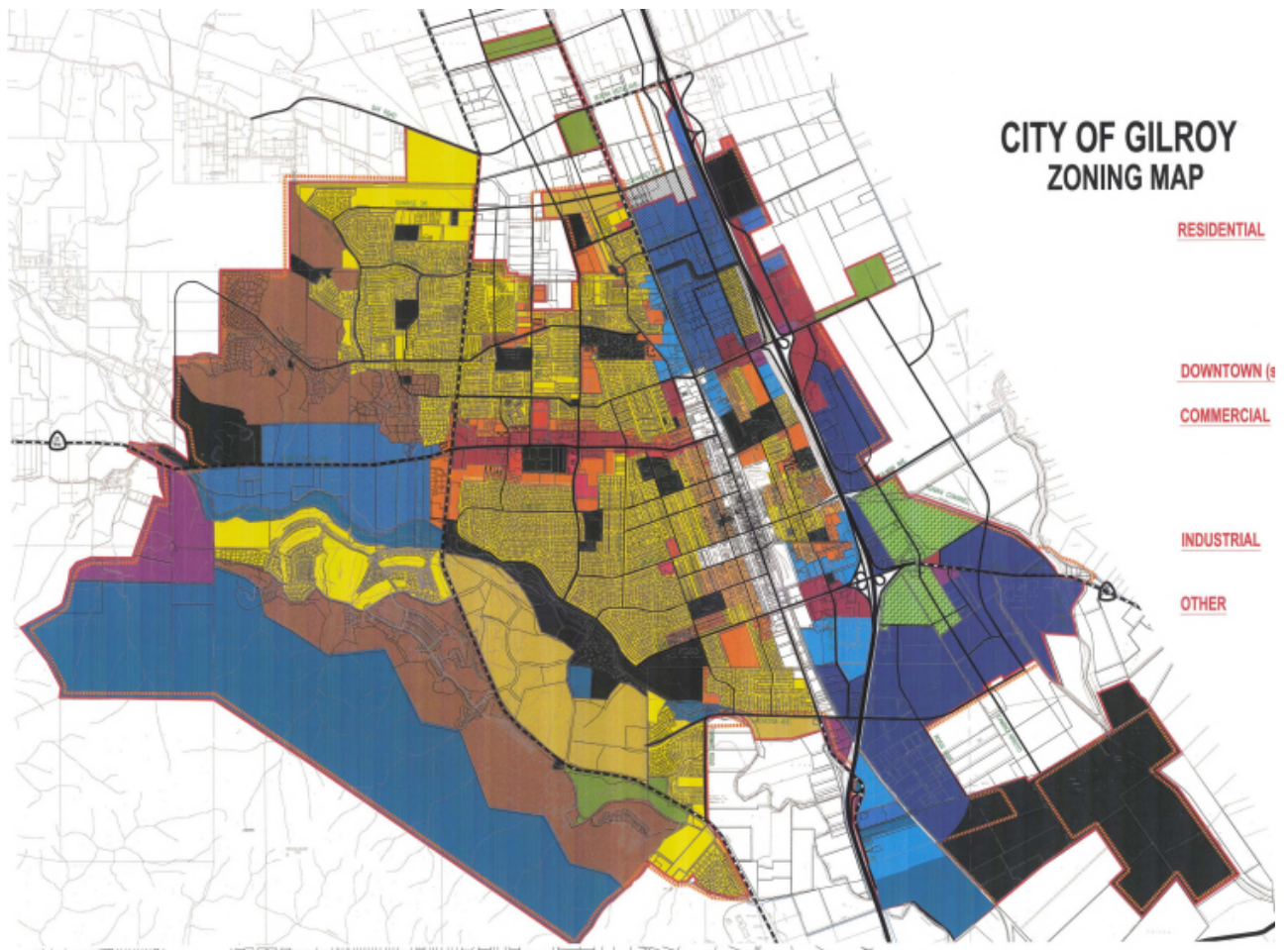
City of Belmont Boundary Map

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.



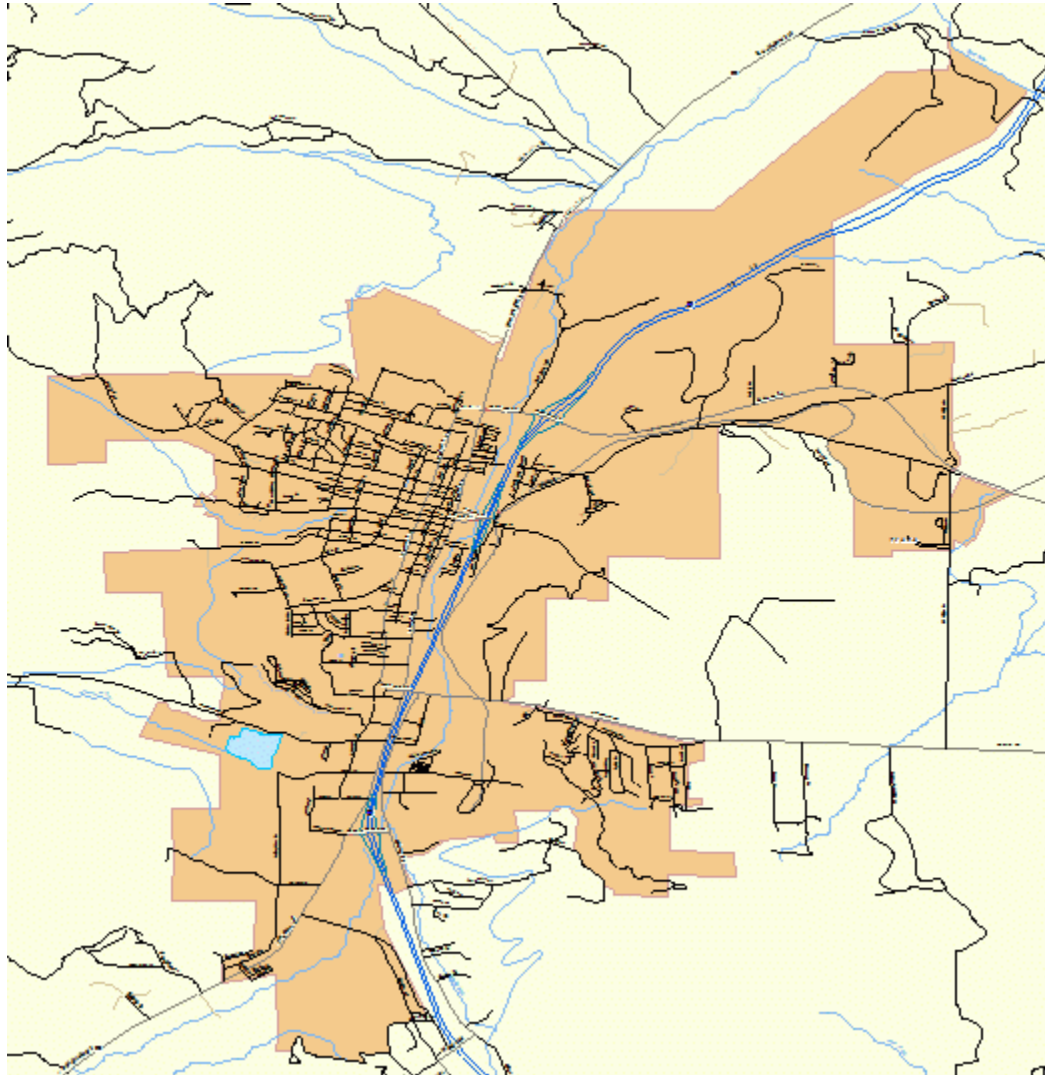
City of Yreka Boundary Map

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.



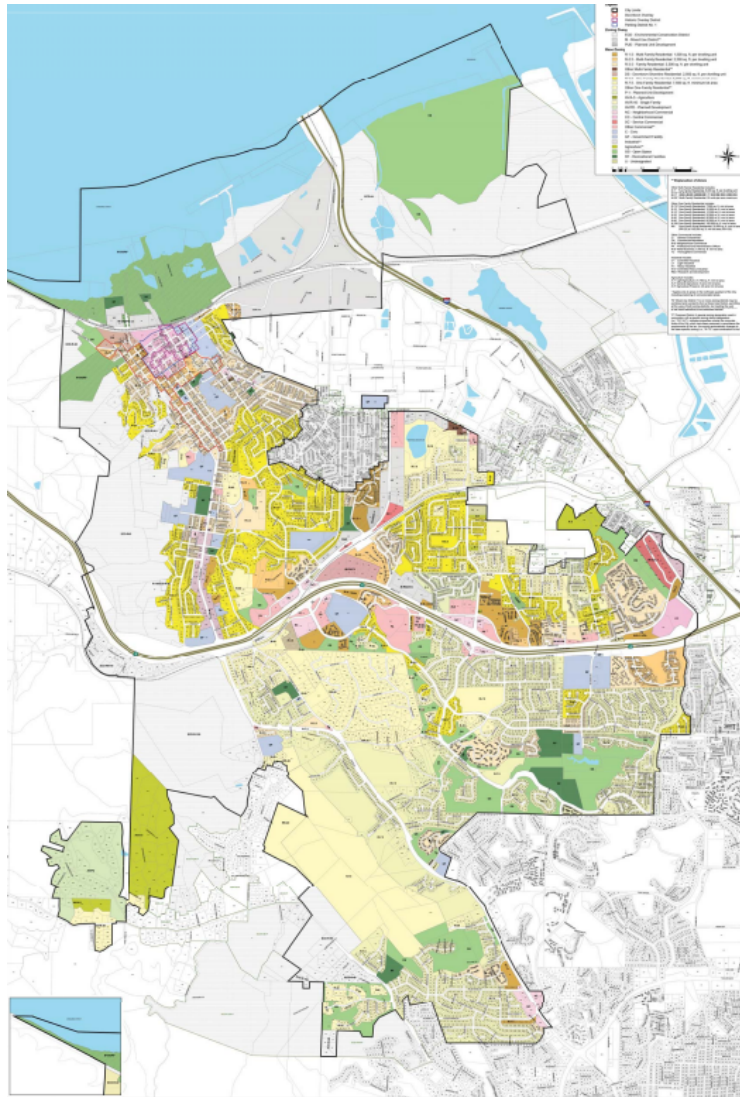
City of Yreka Boundary Map

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.



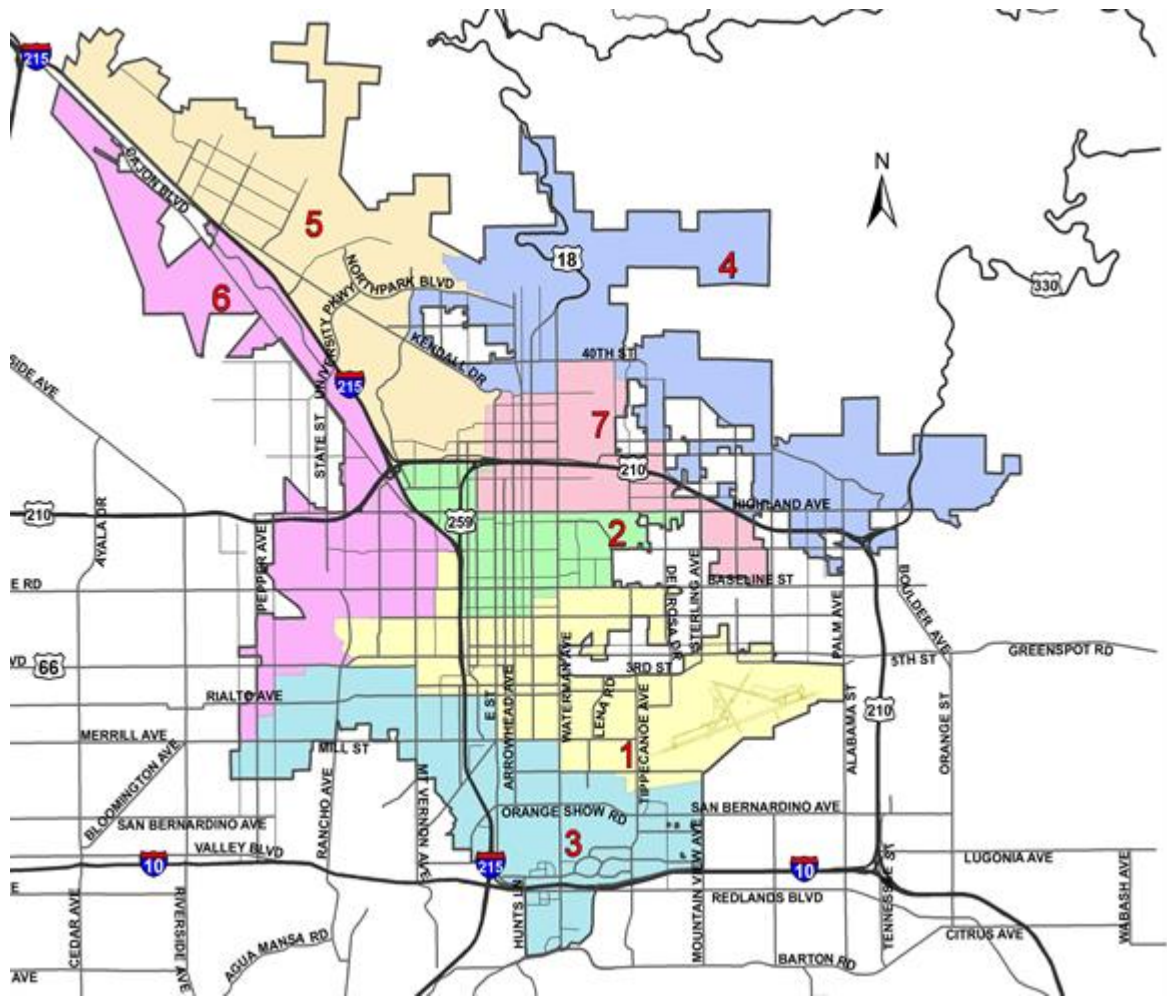
City of Martinez Boundary Map

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.



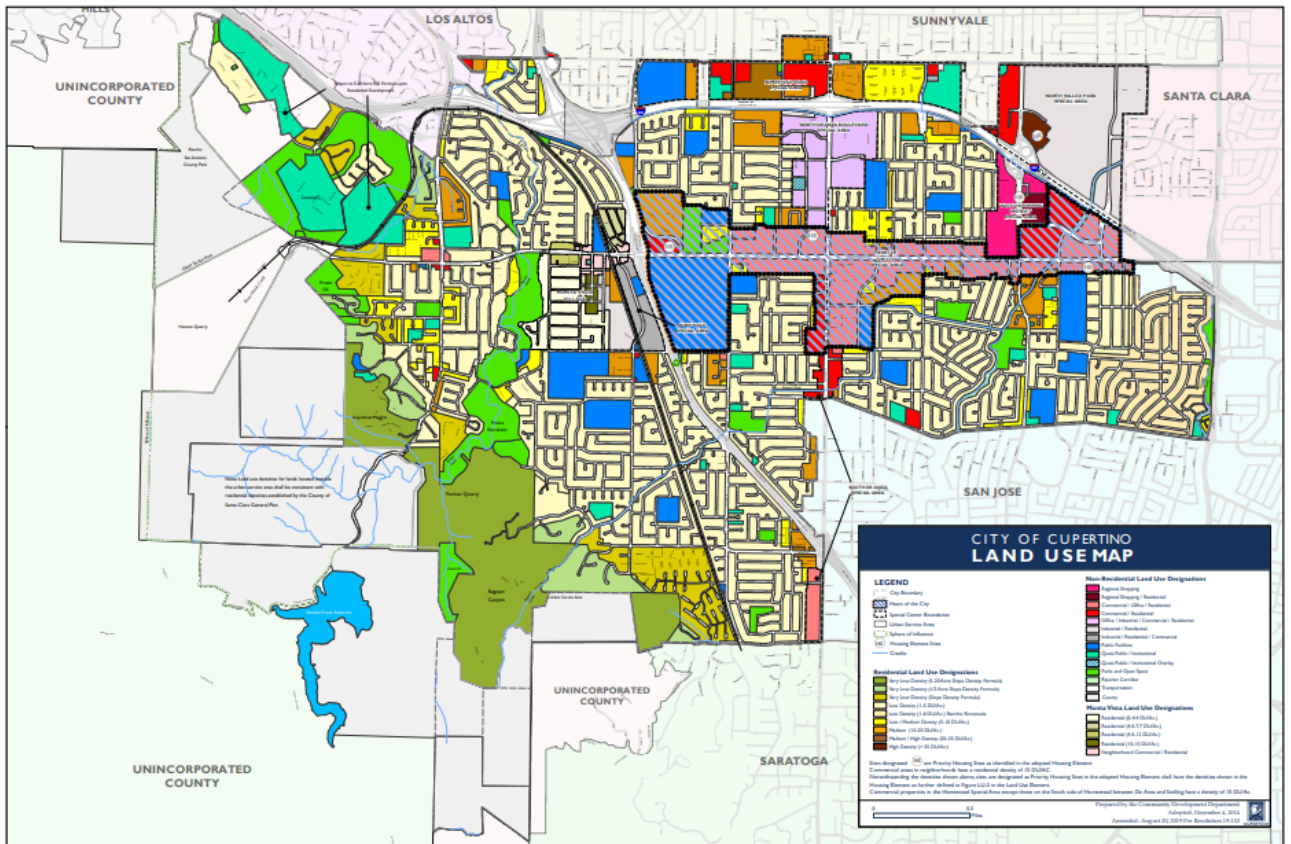
City of San Bernardino Boundary Map

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.



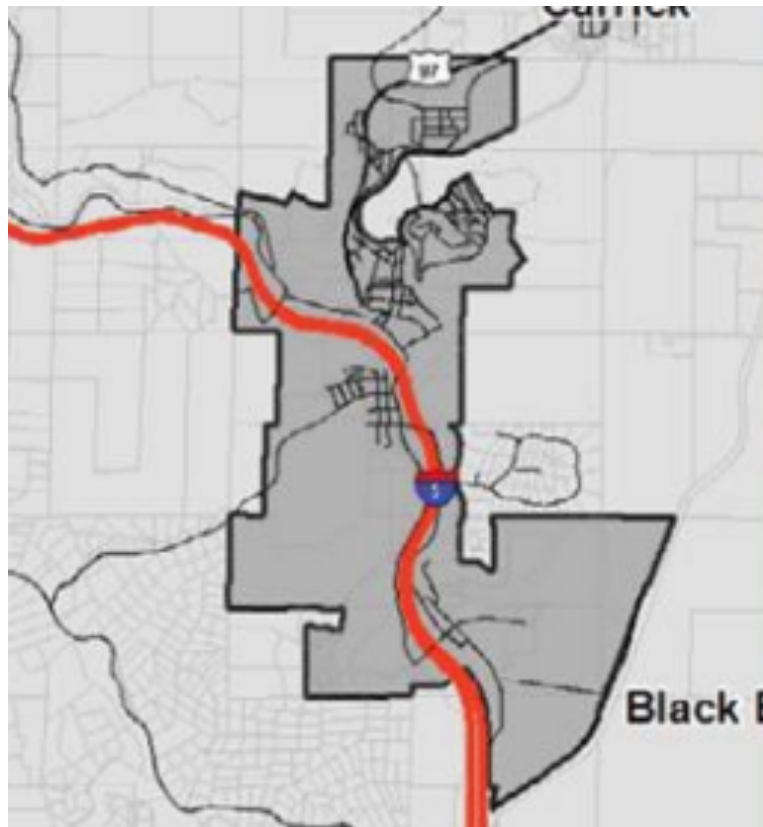
City of Cupertino Boundary Map

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



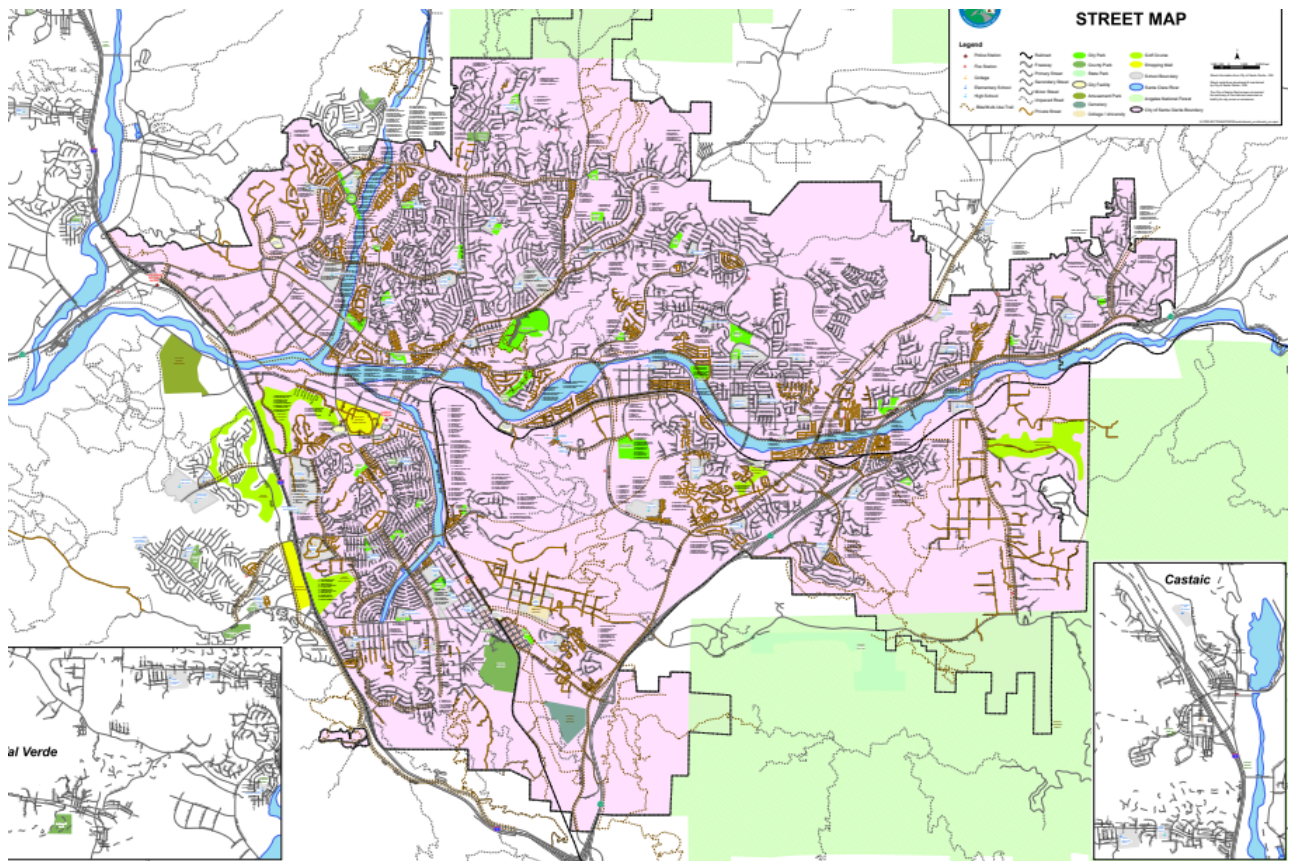
City of Weed Boundary Map

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.



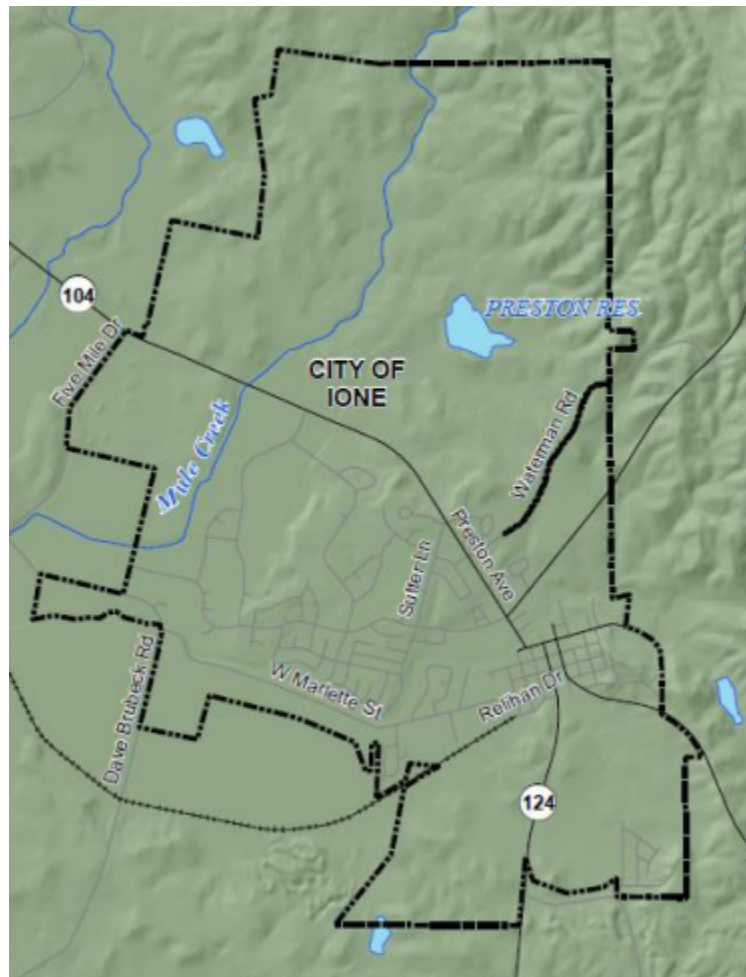
City of Santa Clarita Boundary Map

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.



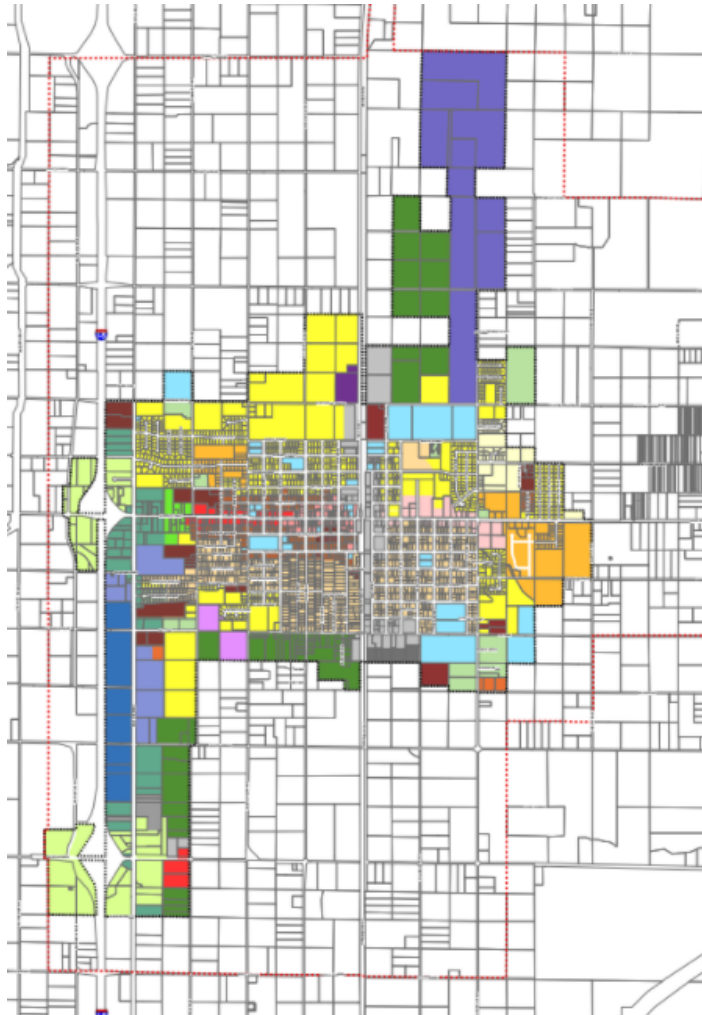
City of Ione Boundary Map

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.



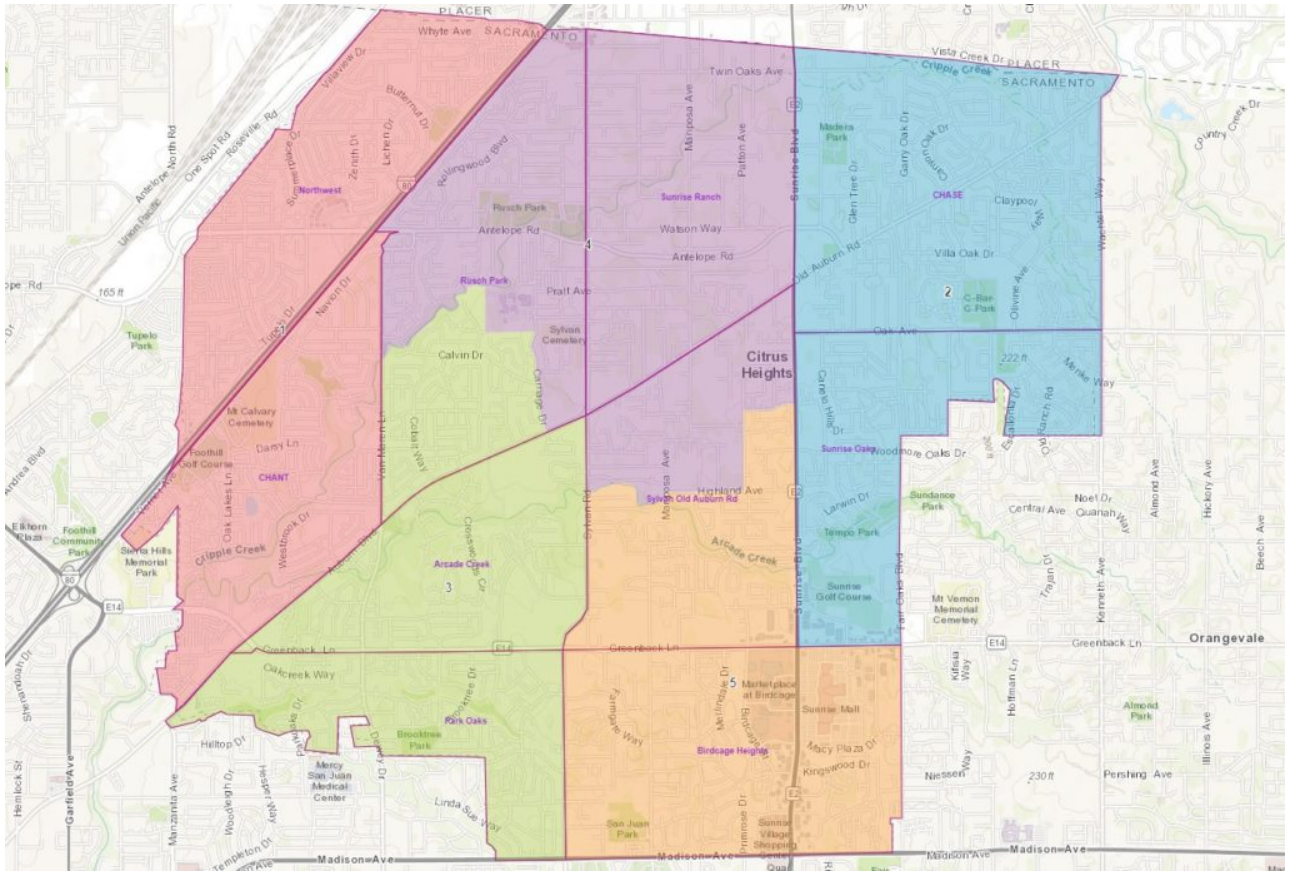
City of Corning Boundary Map

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.



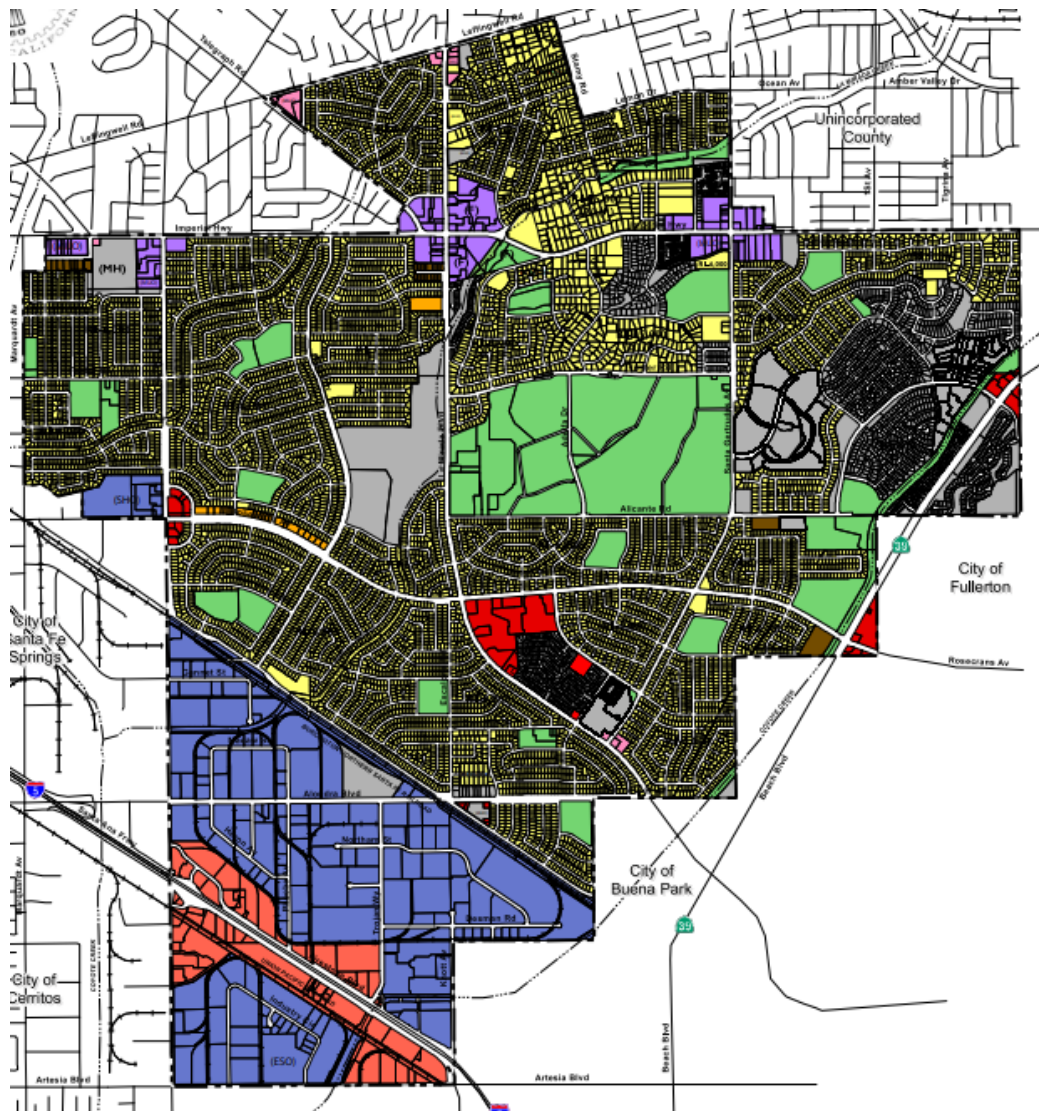
City of Blue Lake Boundary Map

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.



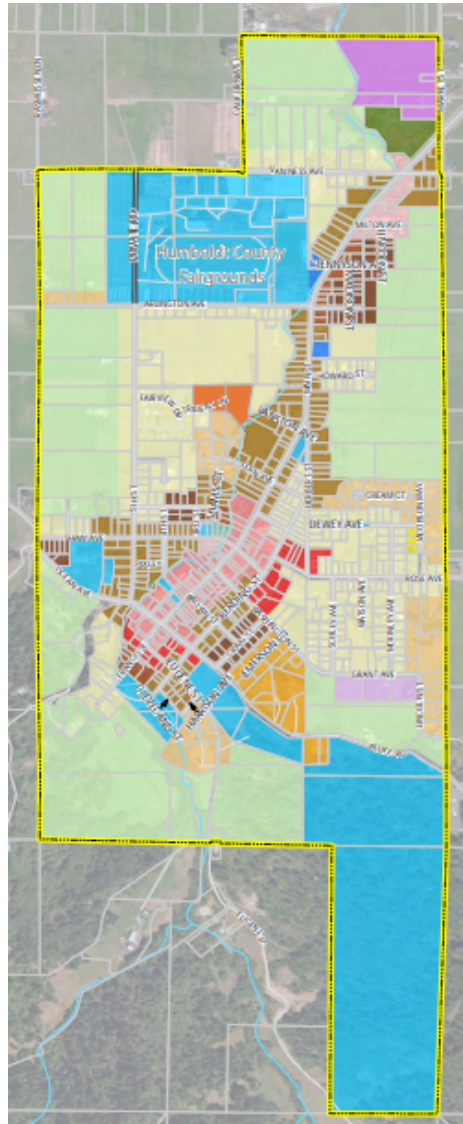
City of La Mirada Boundary Map

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.



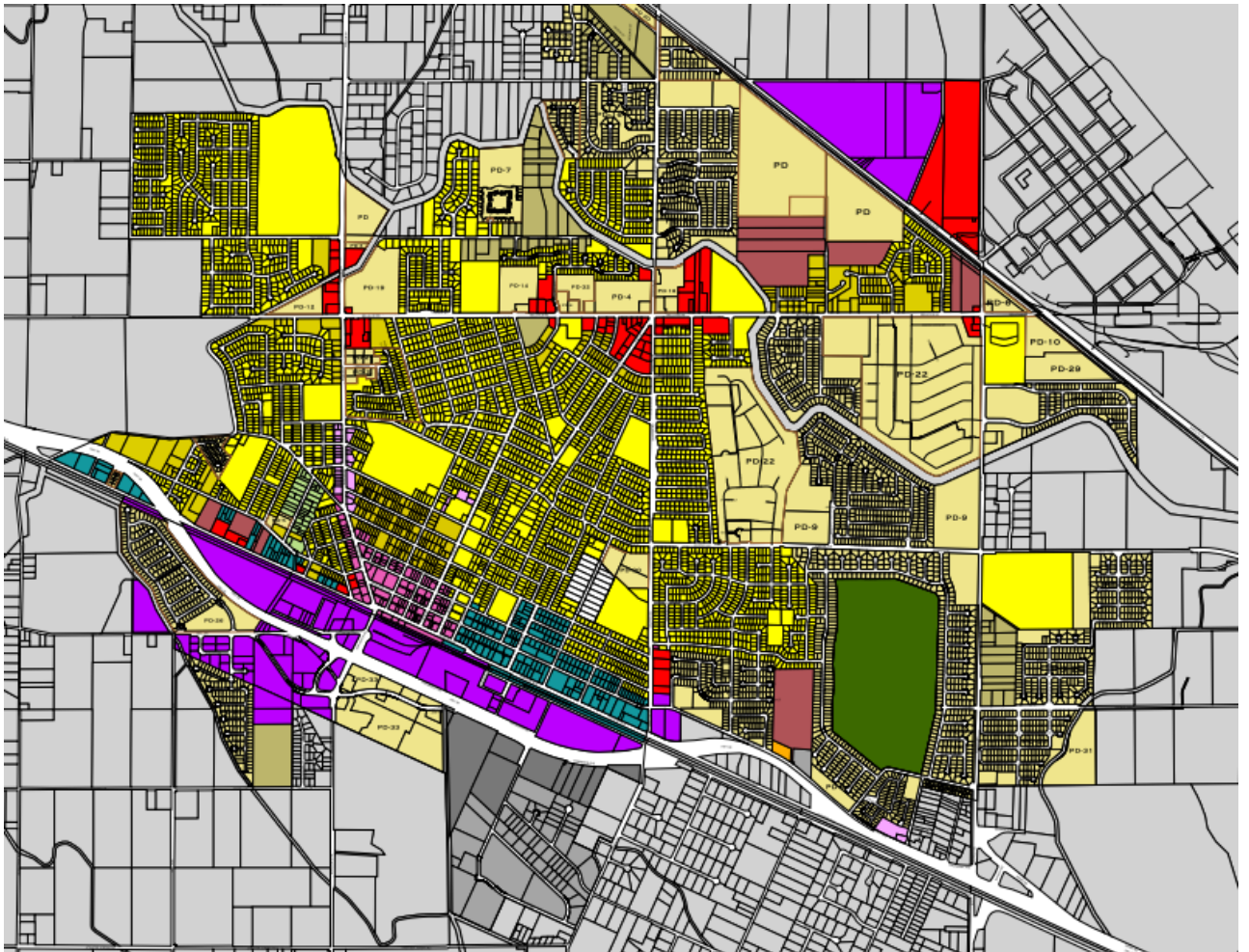
City of Ferndale Boundary Map

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.



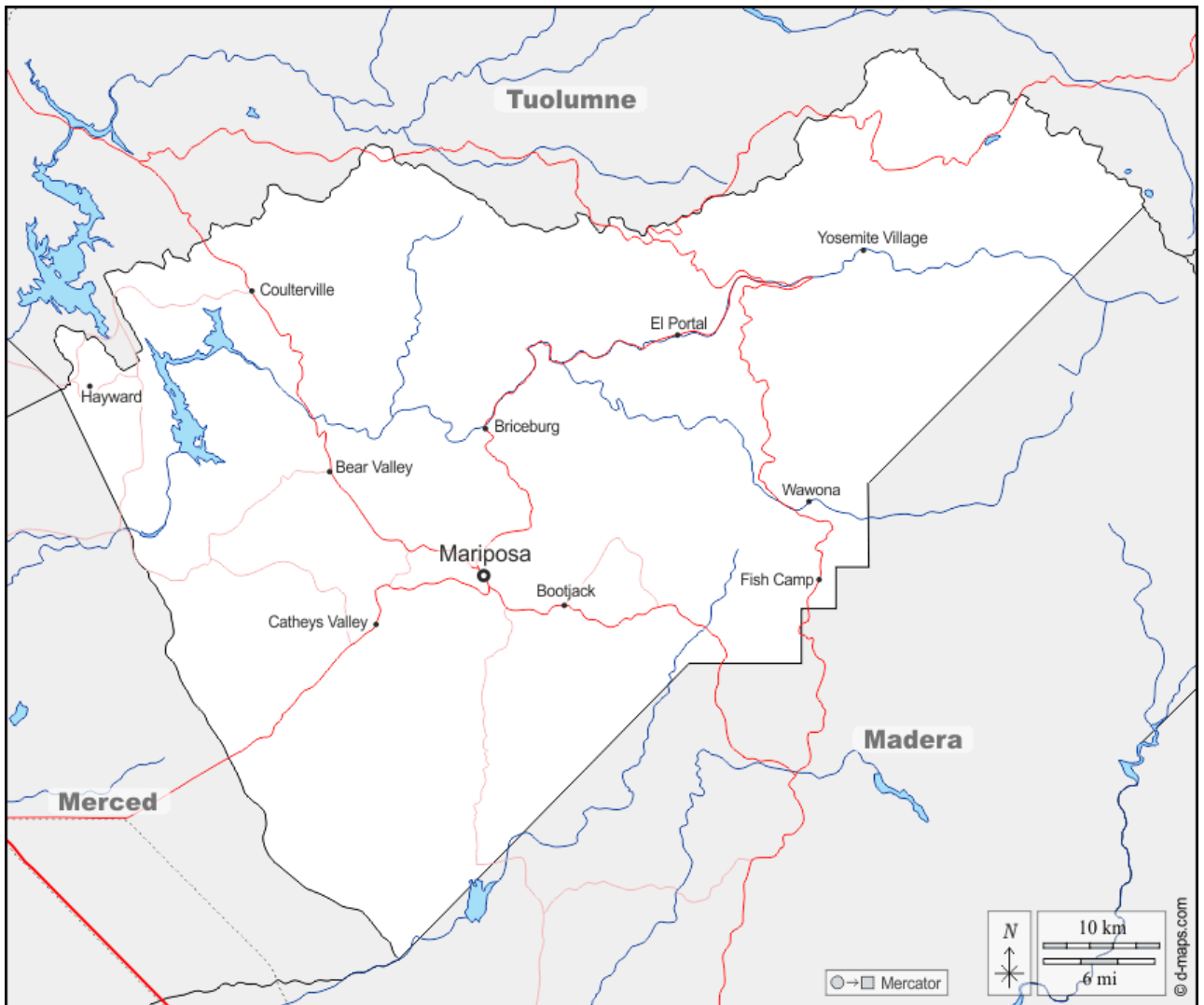
City of Atwater Boundary Map

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.



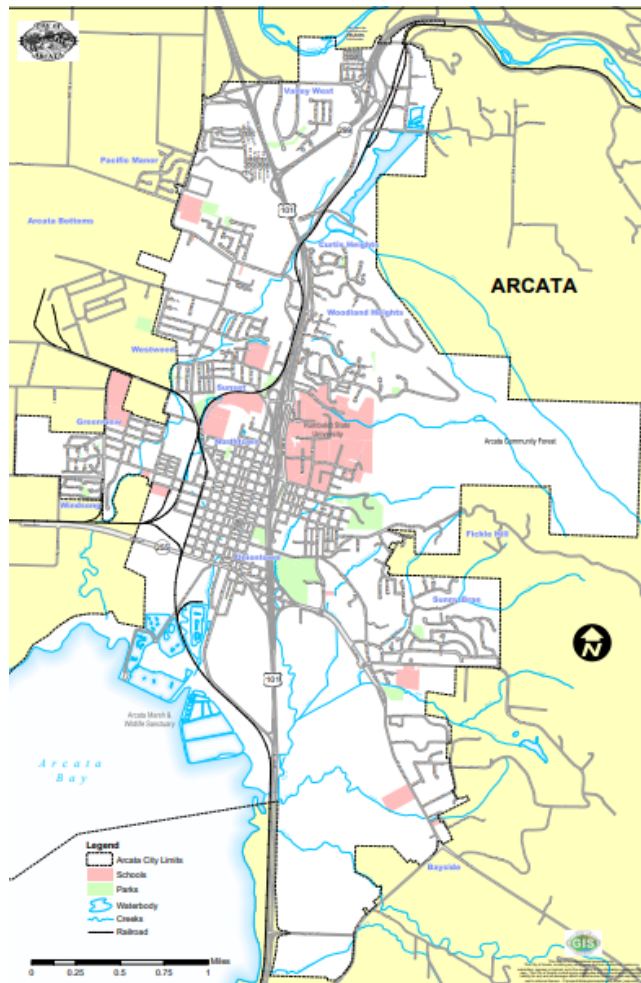
County of Mariposa Boundary Map

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.



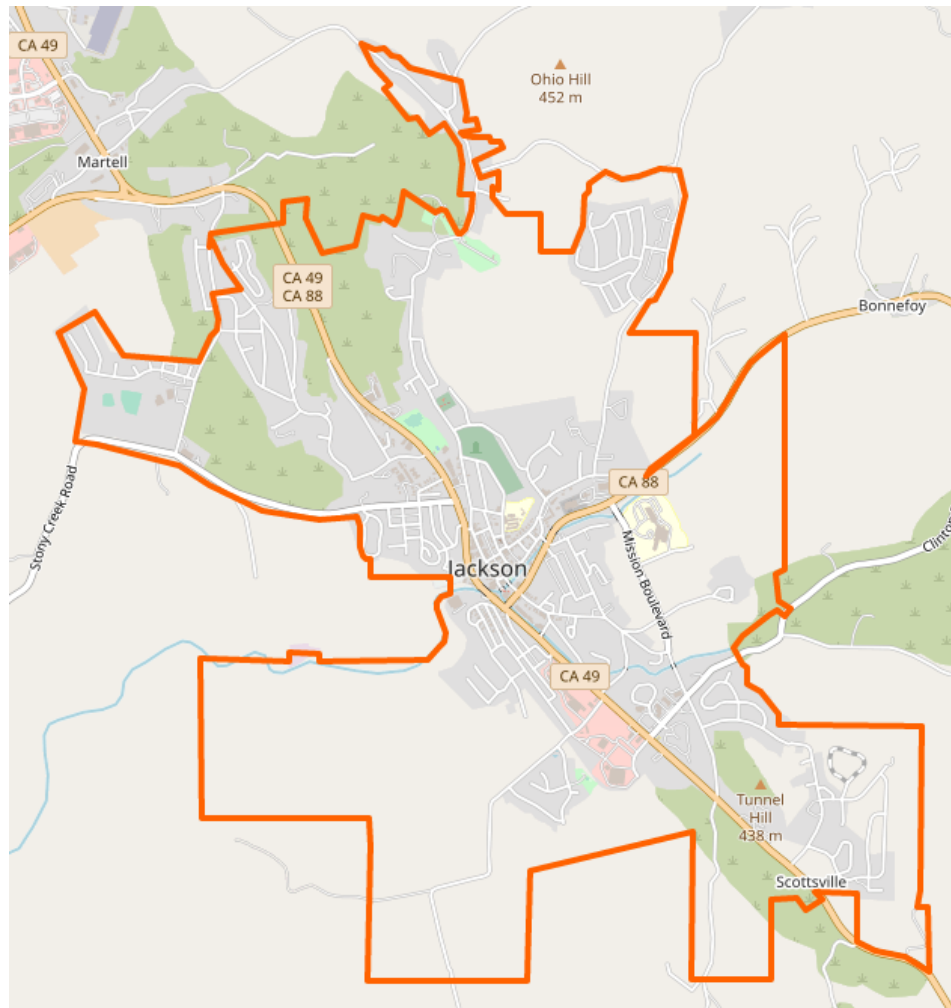
City of Arcata Boundary Map

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.



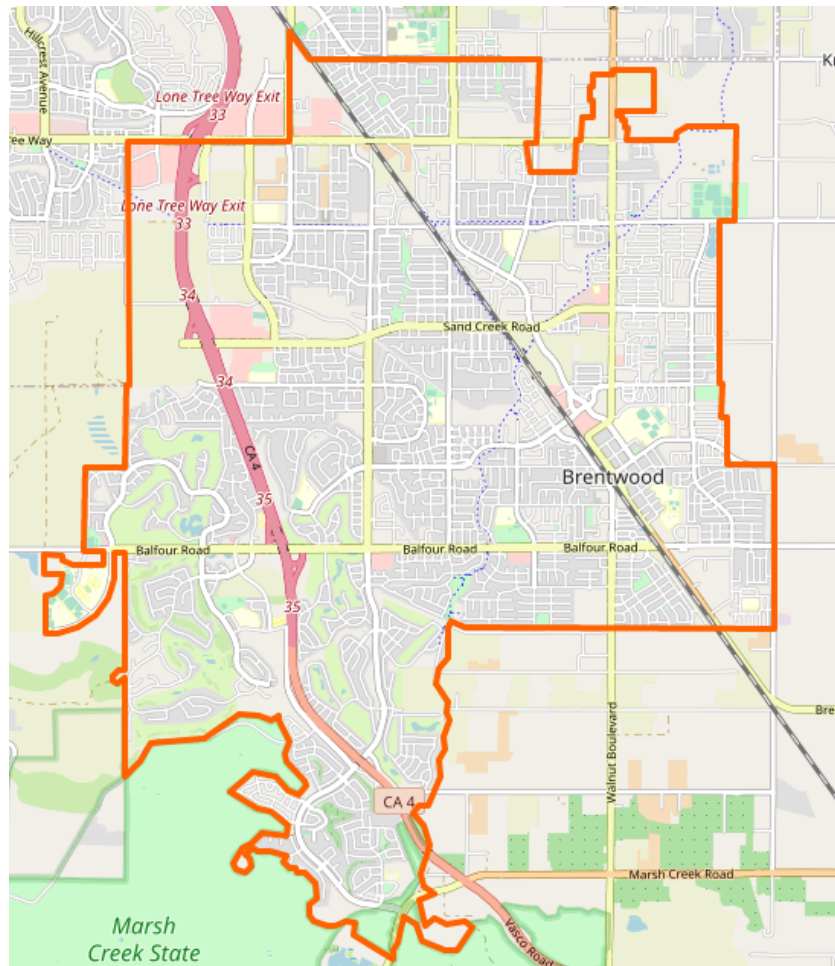
City of Jackson Boundary Map

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.



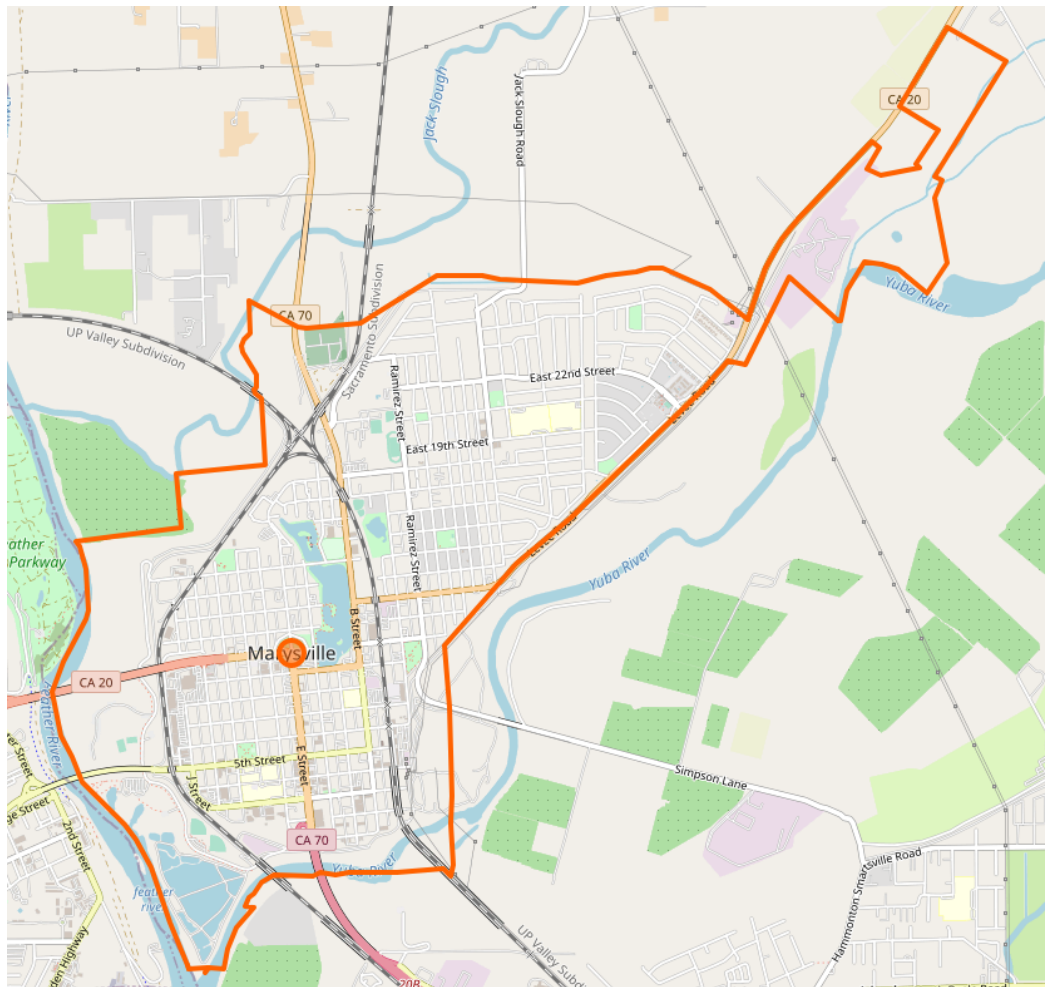
City of Brentwood Boundary Map

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.



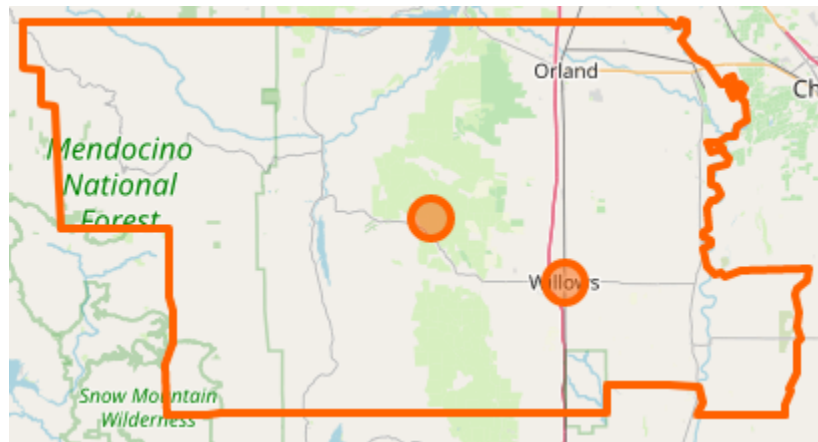
City of Marysville Boundary Map

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.



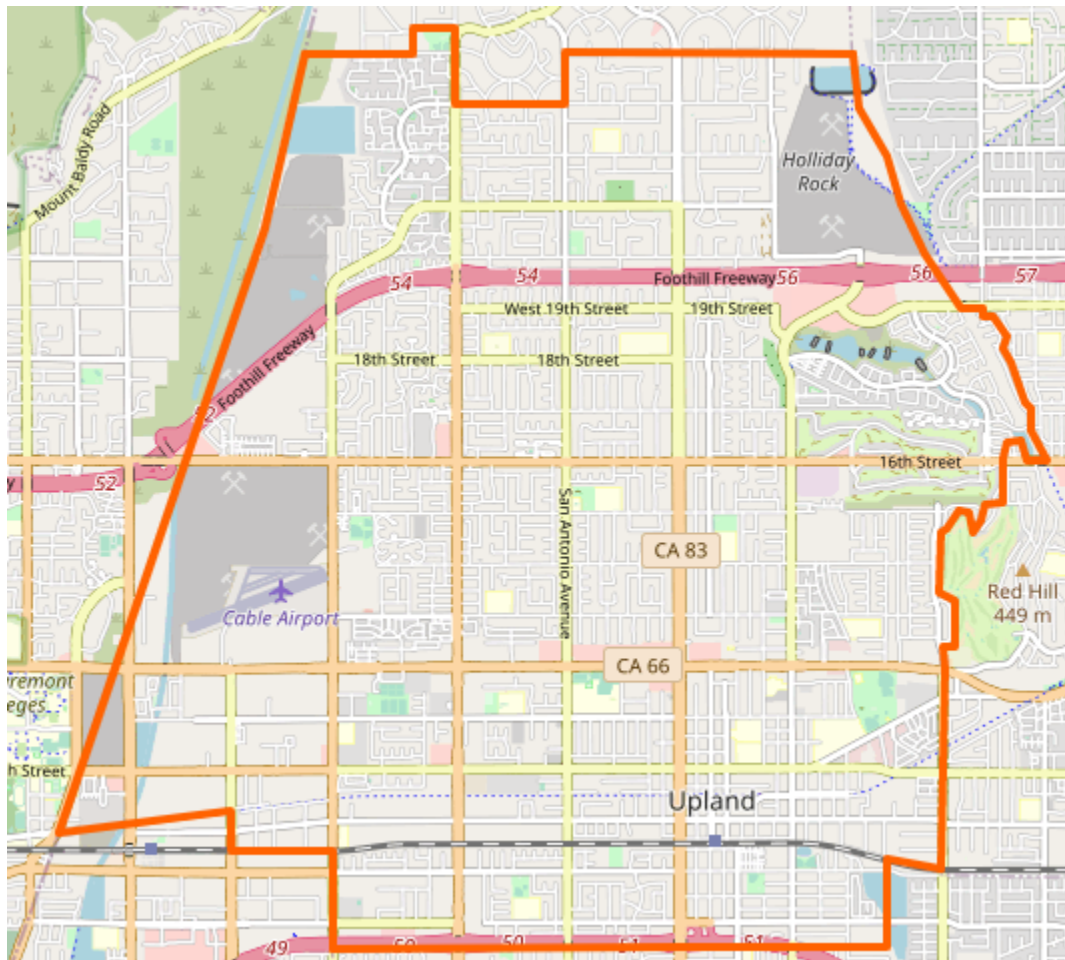
County of Glenn Boundary Map

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.



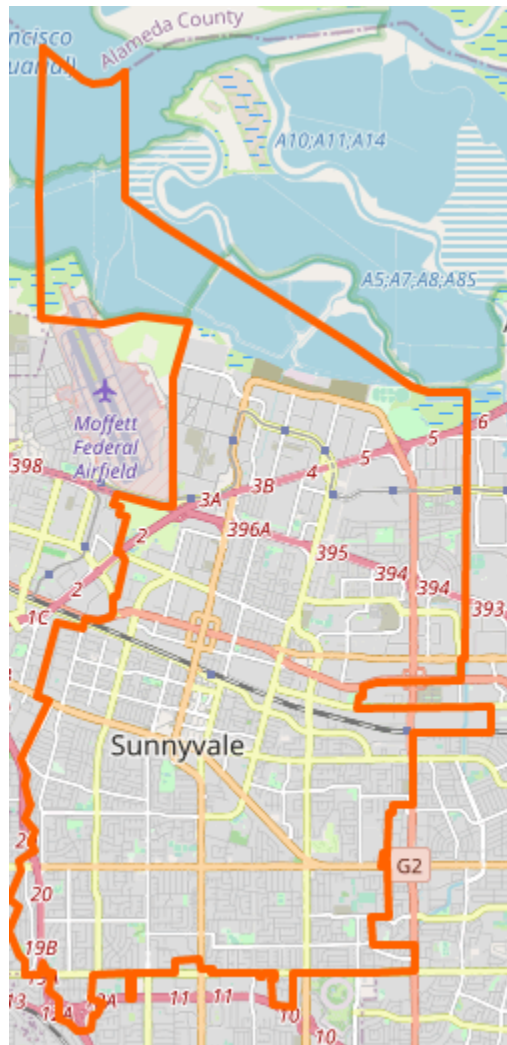
City of Upland Boundary Map

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.



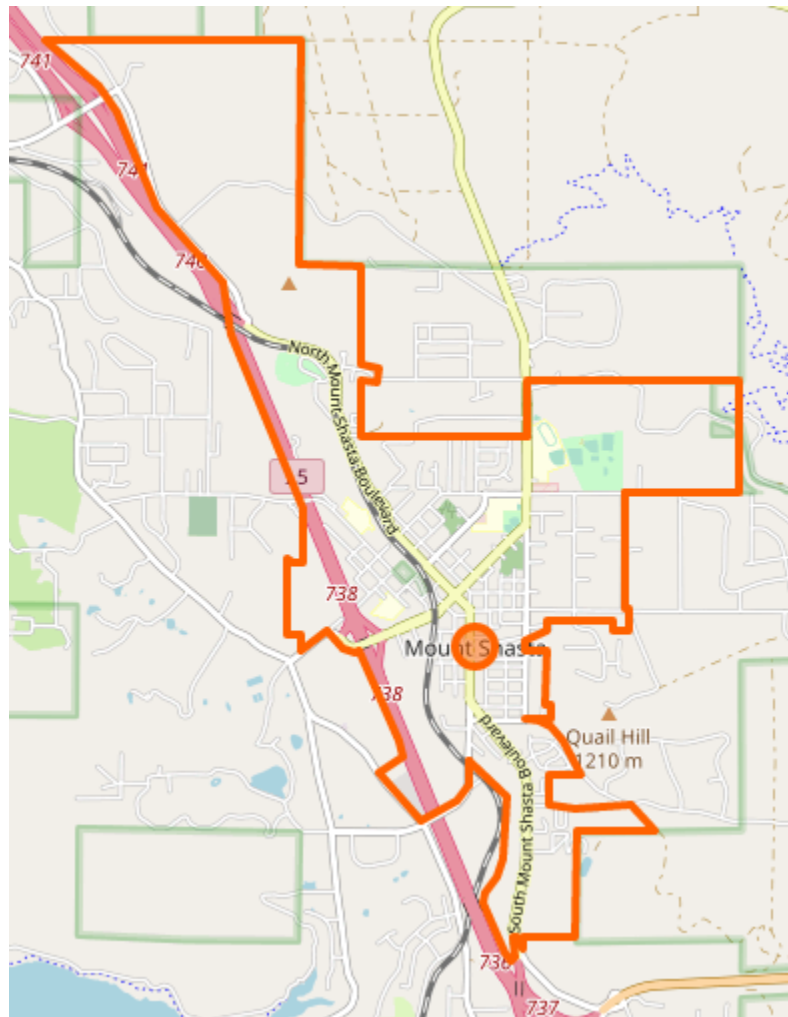
City of Sunnyvale Boundary Map

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.



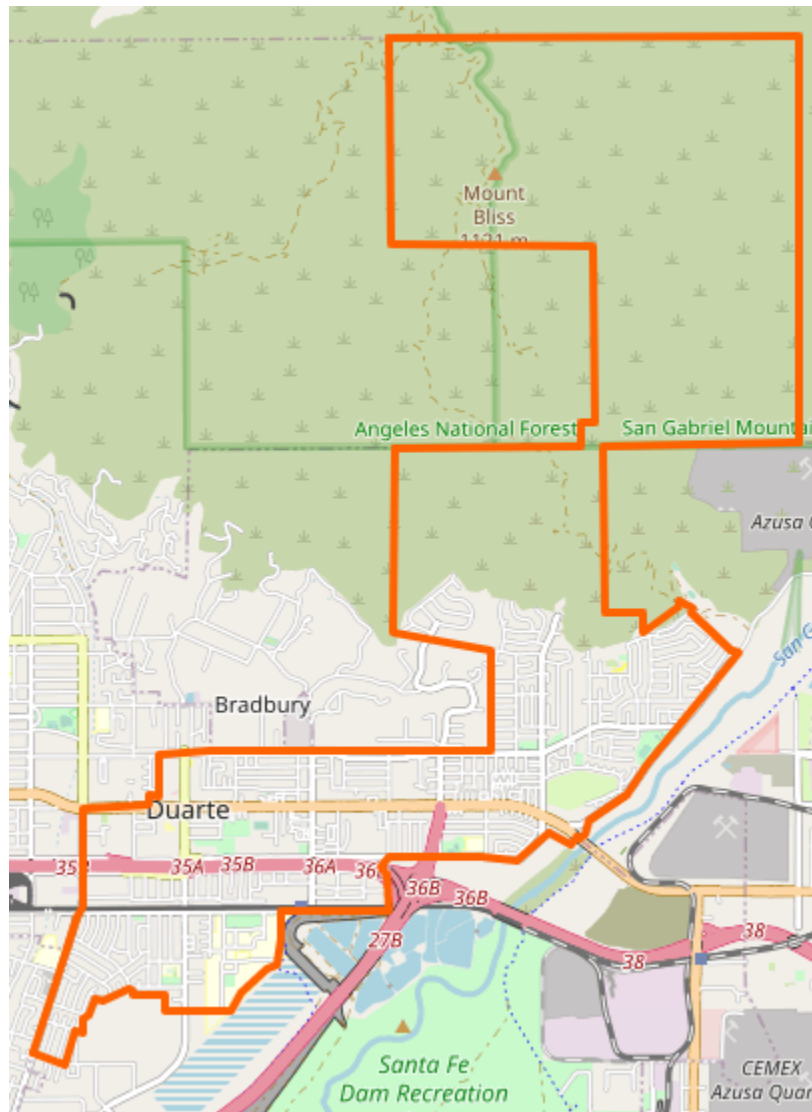
City of Mount Shasta Boundary Map

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.



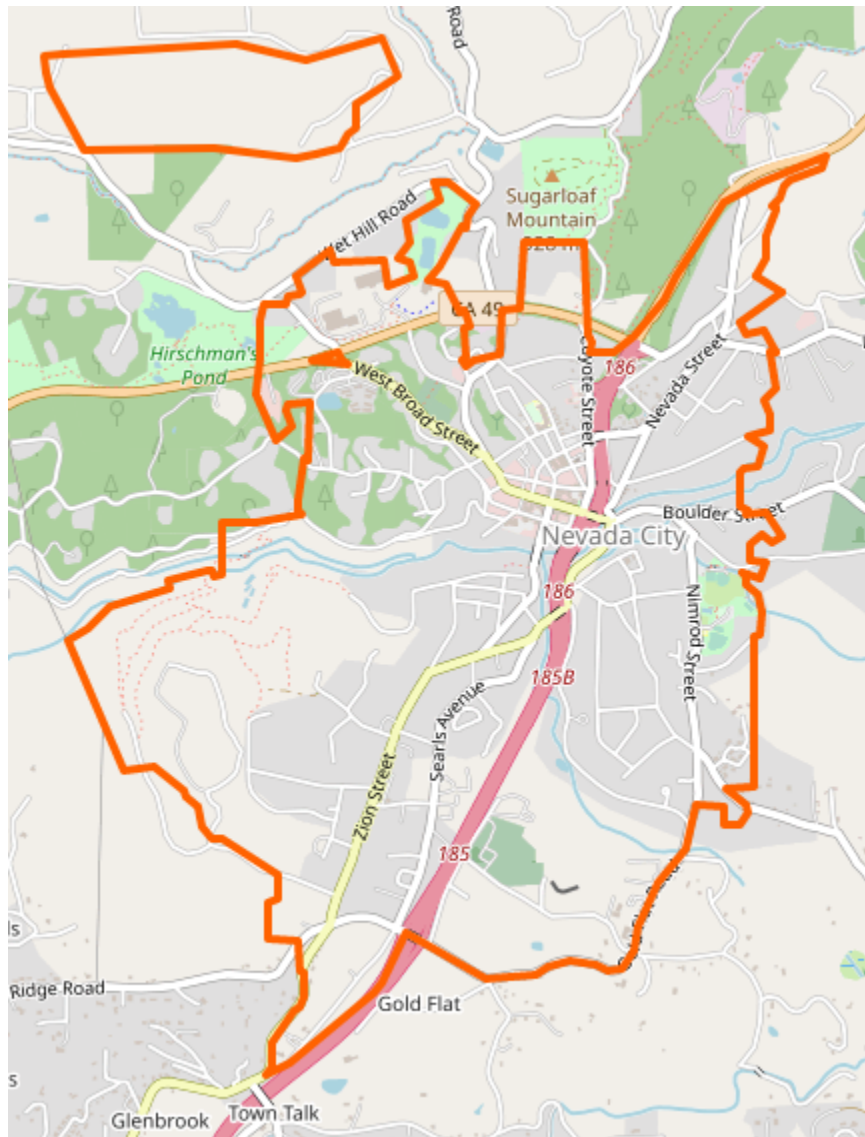
City of Duarte Boundary Map

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.



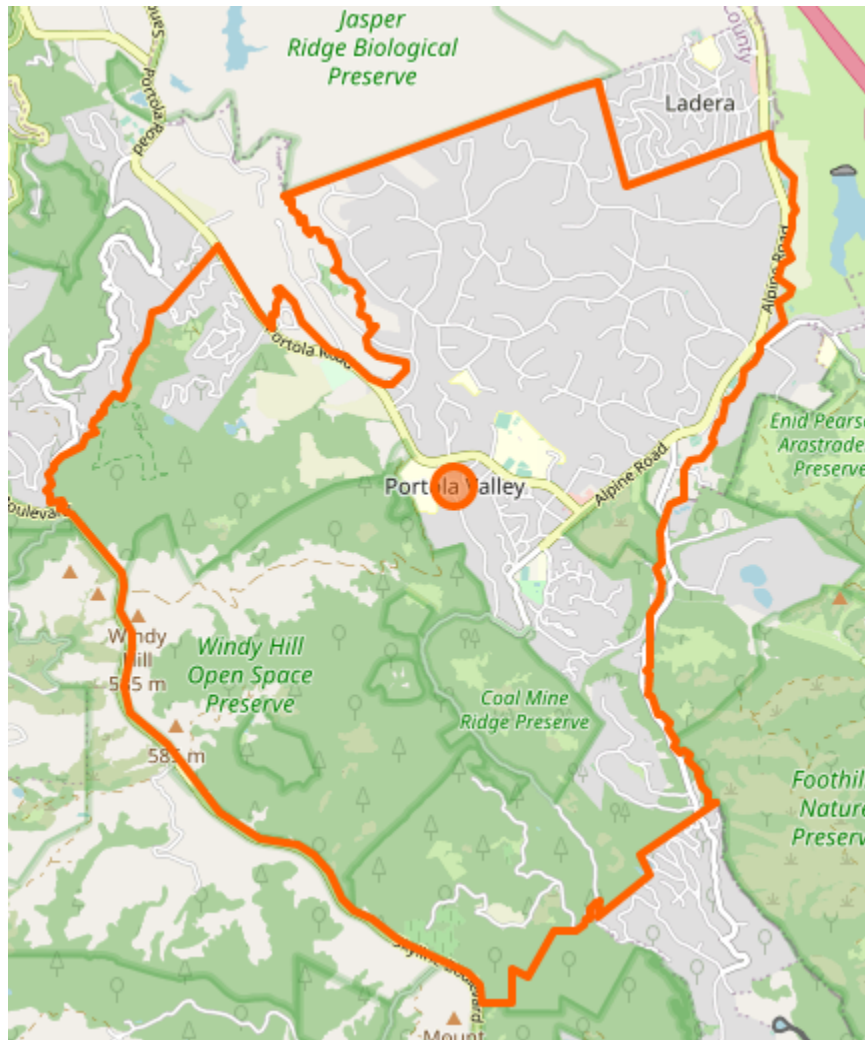
City of Nevada City Boundary Map

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.



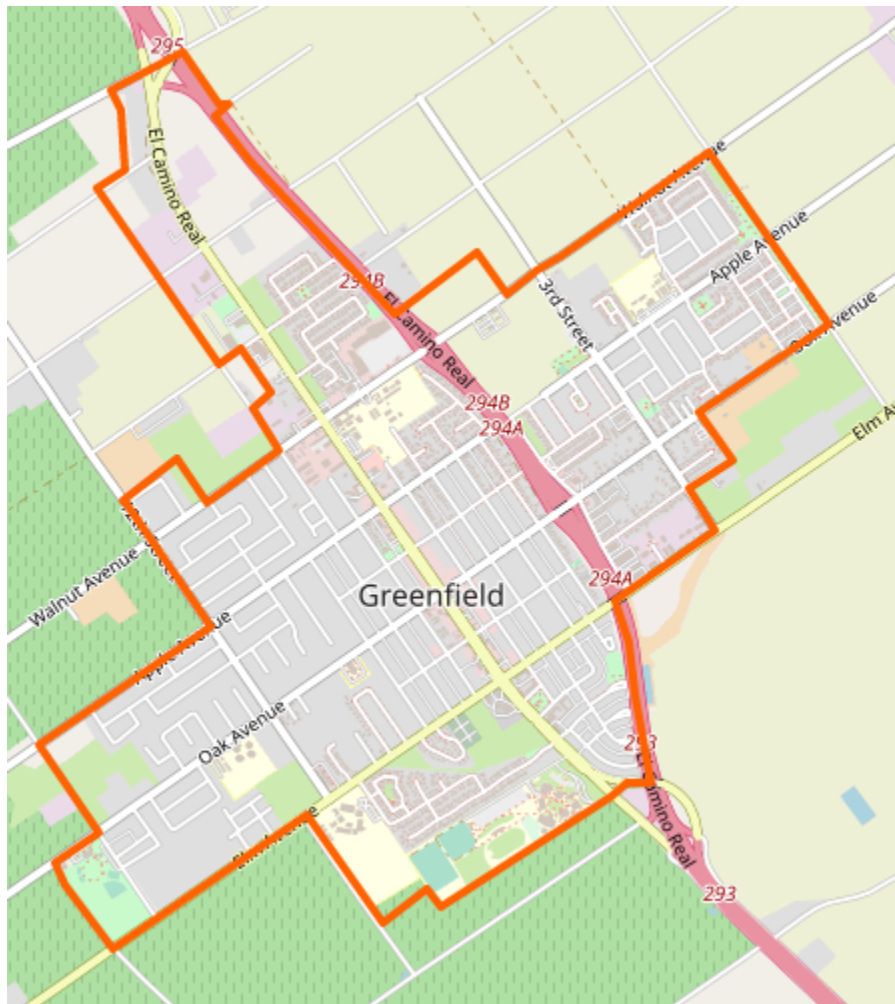
City of Portola Valley Boundary Map

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.



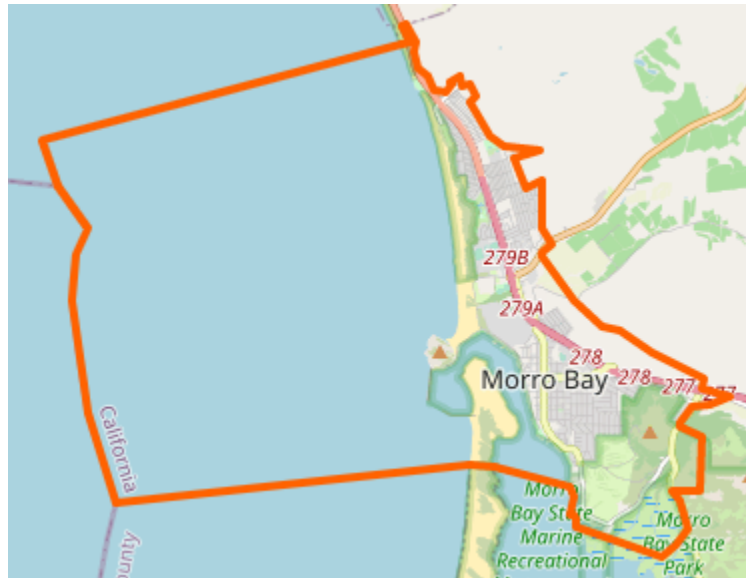
City of Greenfield Boundary Map

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.



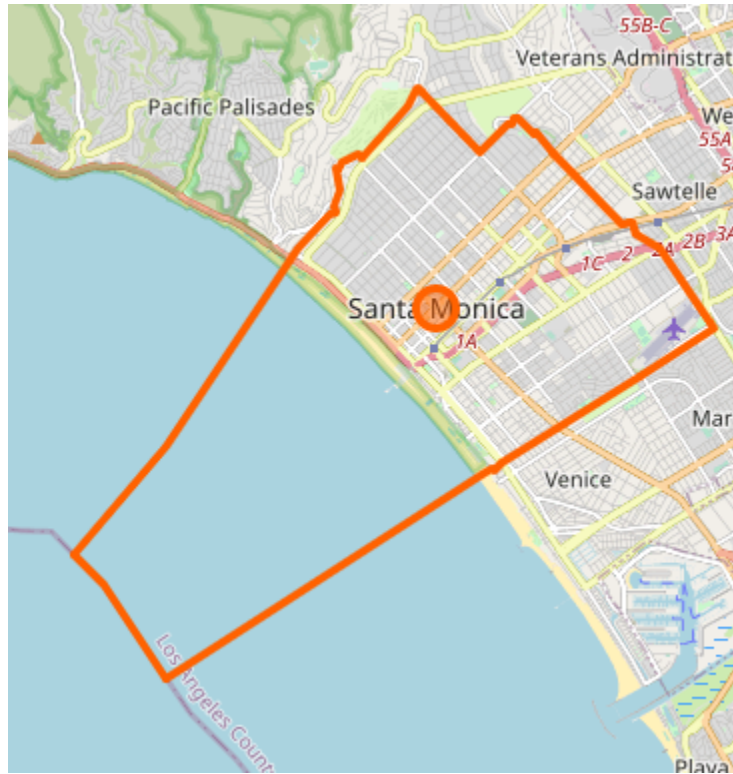
City of Morro Bay Boundary Map

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.



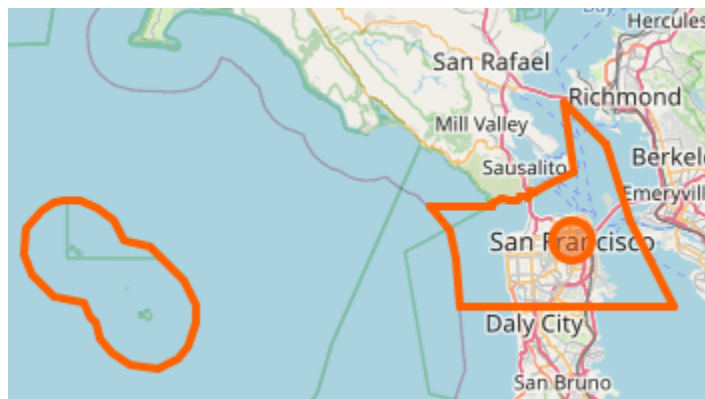
City of Santa Monica Boundary Map

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.



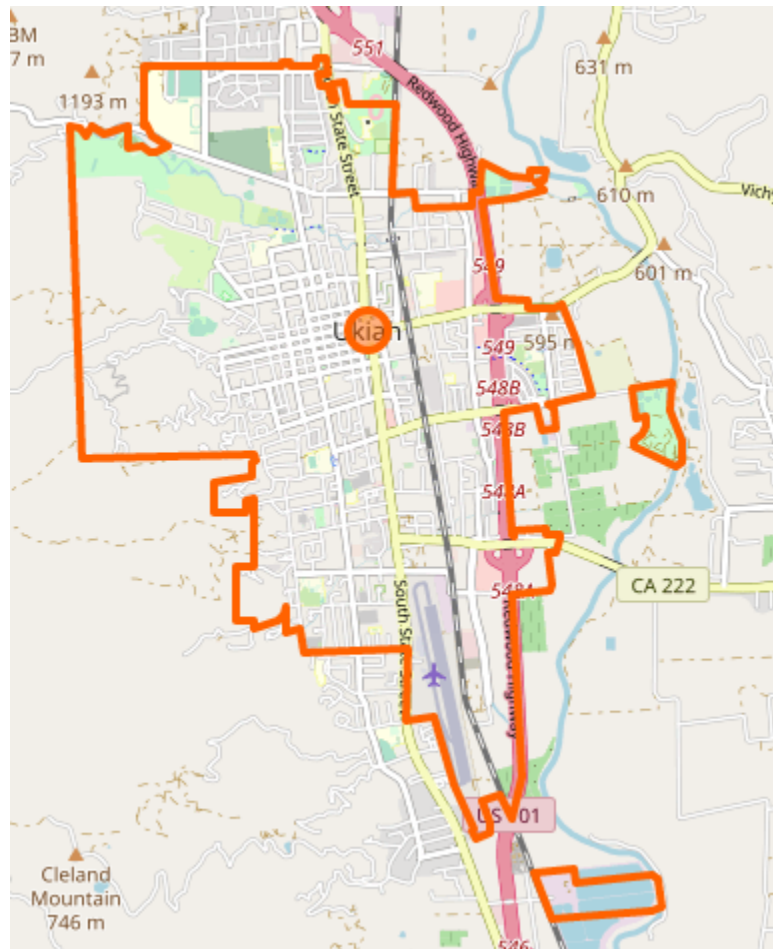
City and County of San Francisco Boundary Map

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.



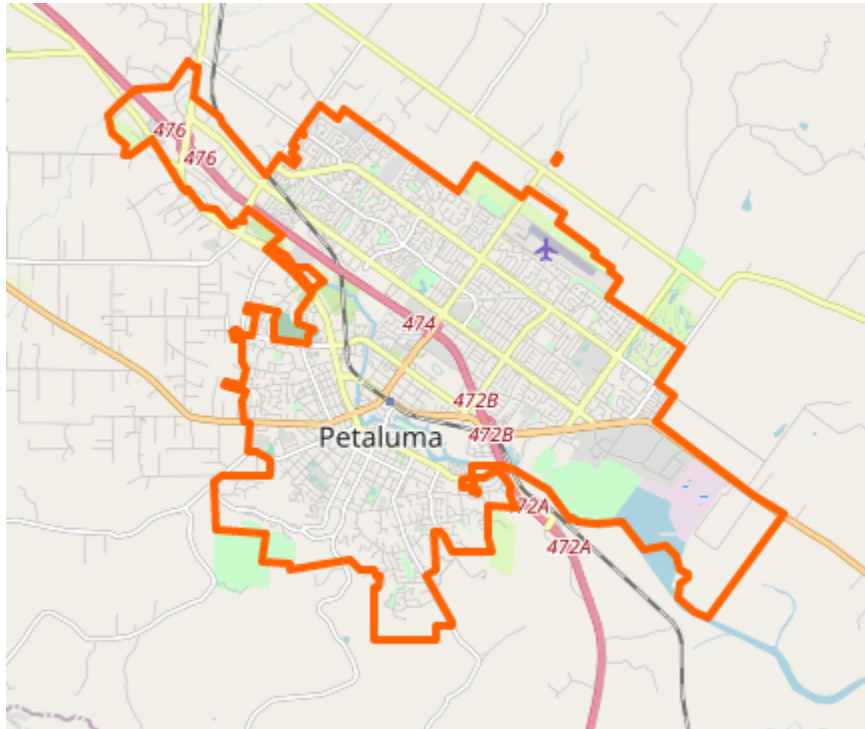
City of Ukiah Boundary Map

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.



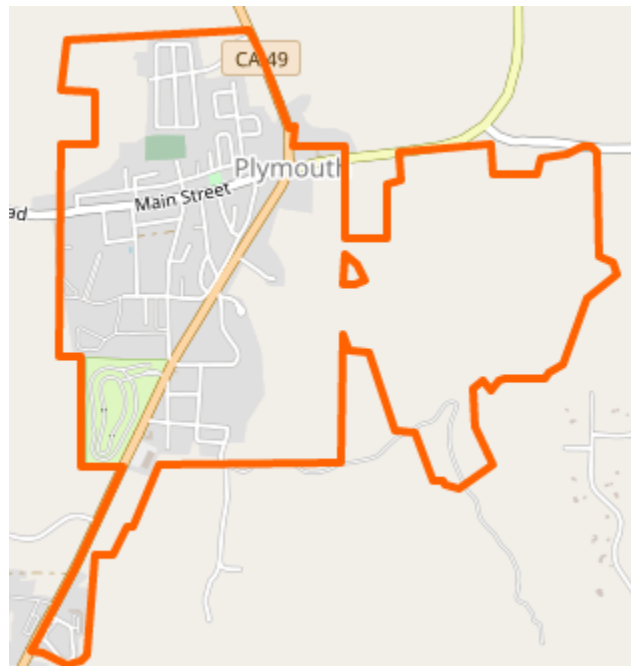
City of Petaluma Boundary Map

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.



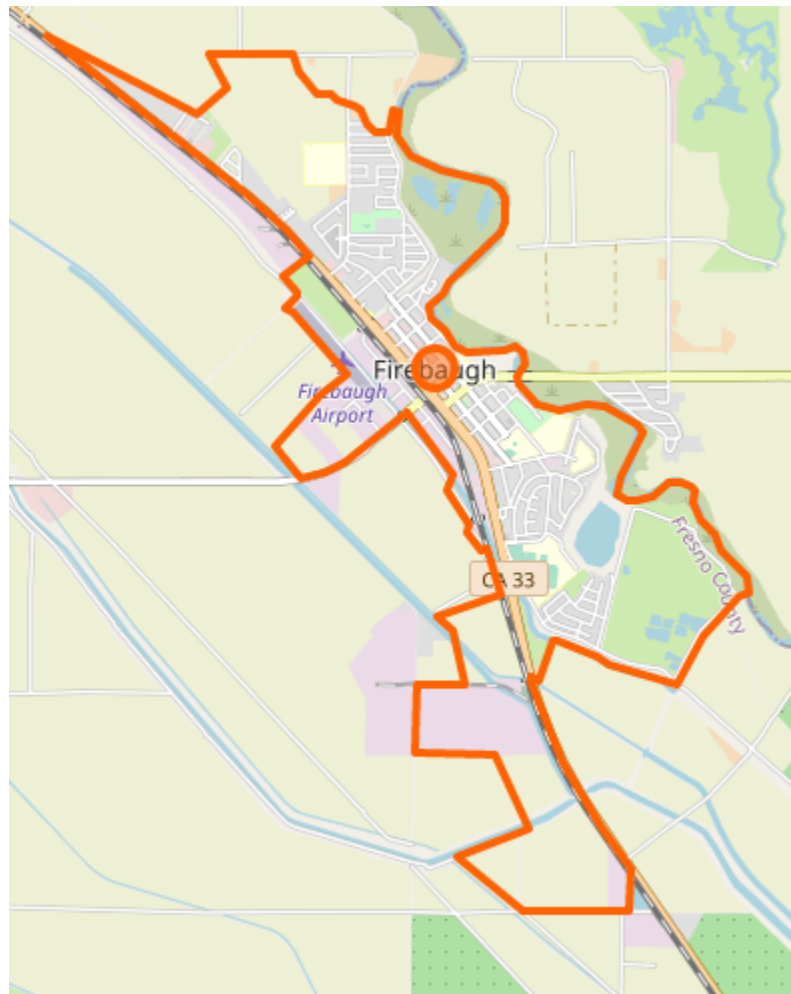
City of Plymouth Boundary Map

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.



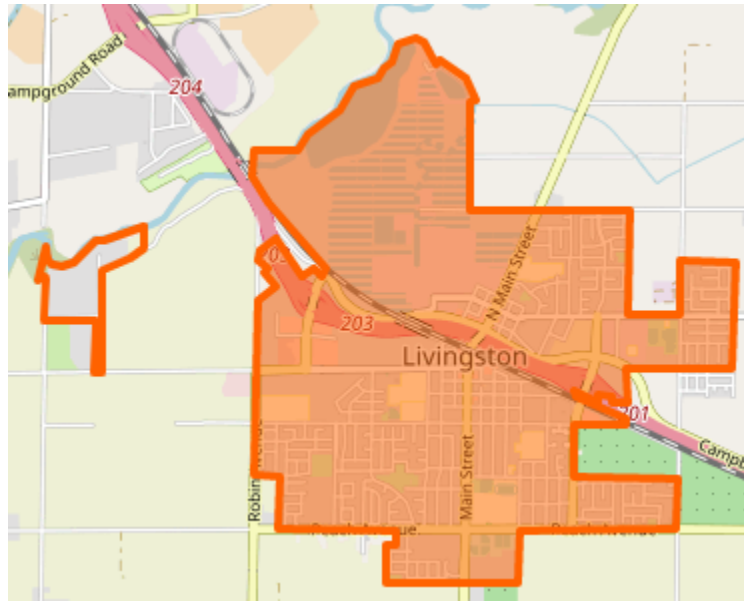
City of Firebaugh Boundary Map

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.



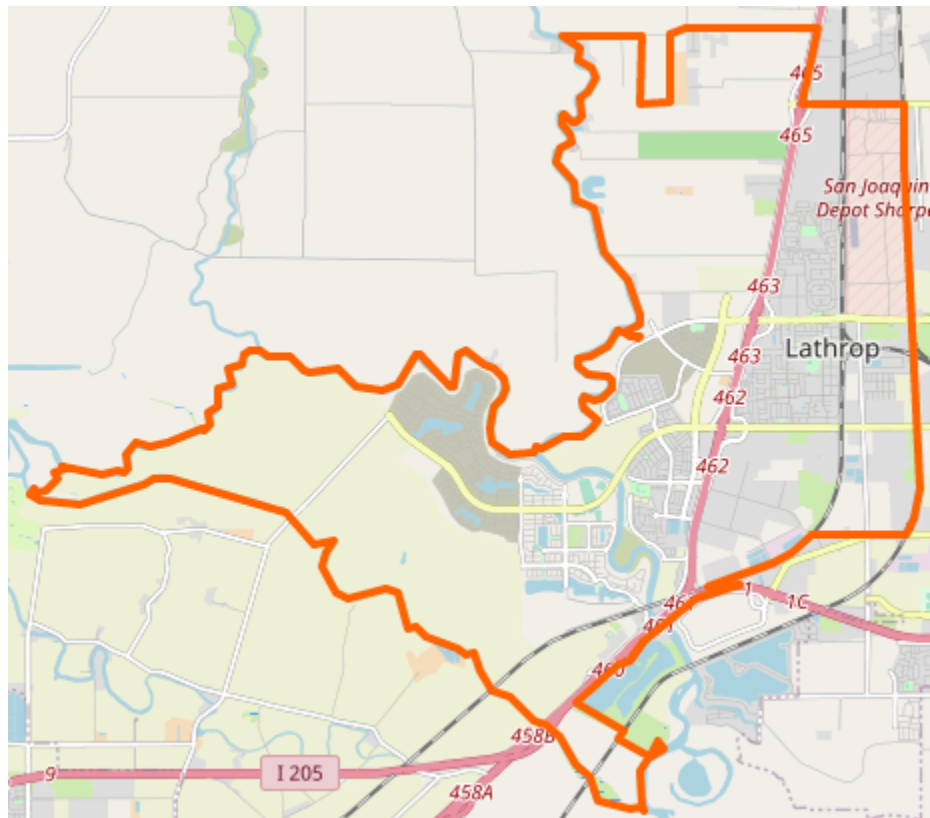
City of Milpitas Boundary Map

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.



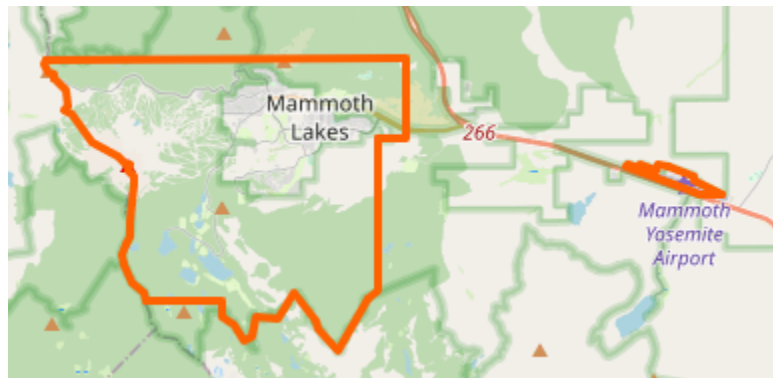
City of Lathrop Boundary Map

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.



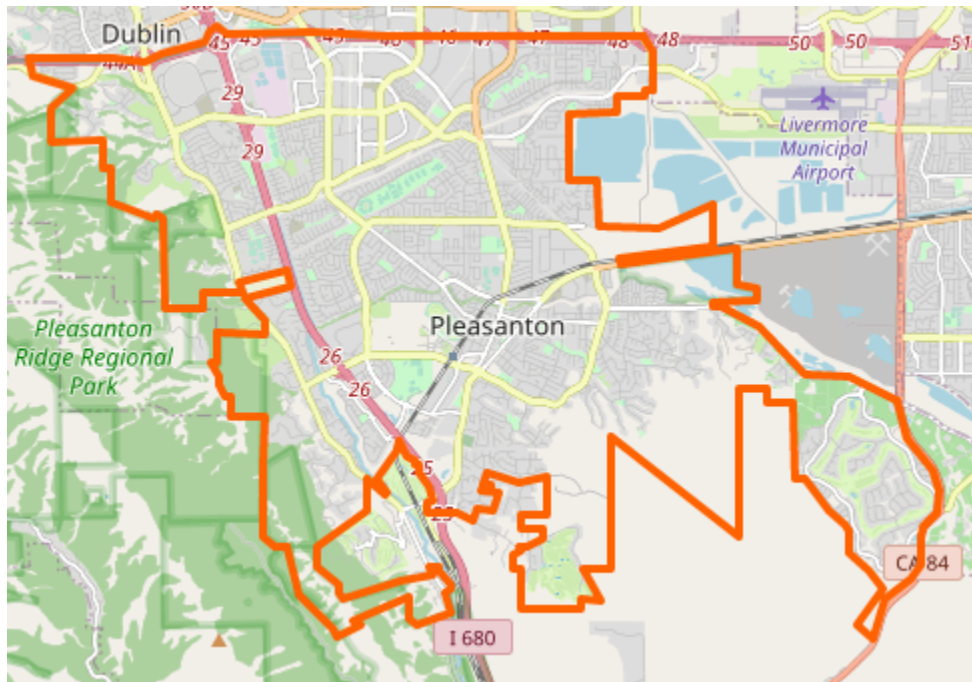
City of Mammoth Lakes Boundary Map

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.



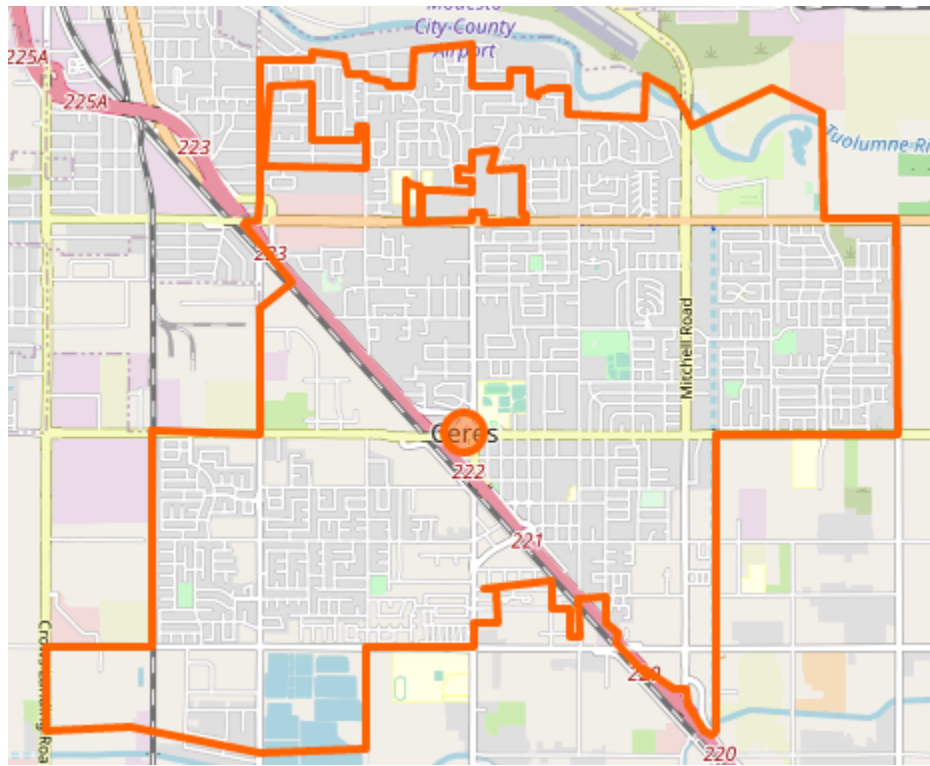
City of Pleasanton Boundary Map

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.



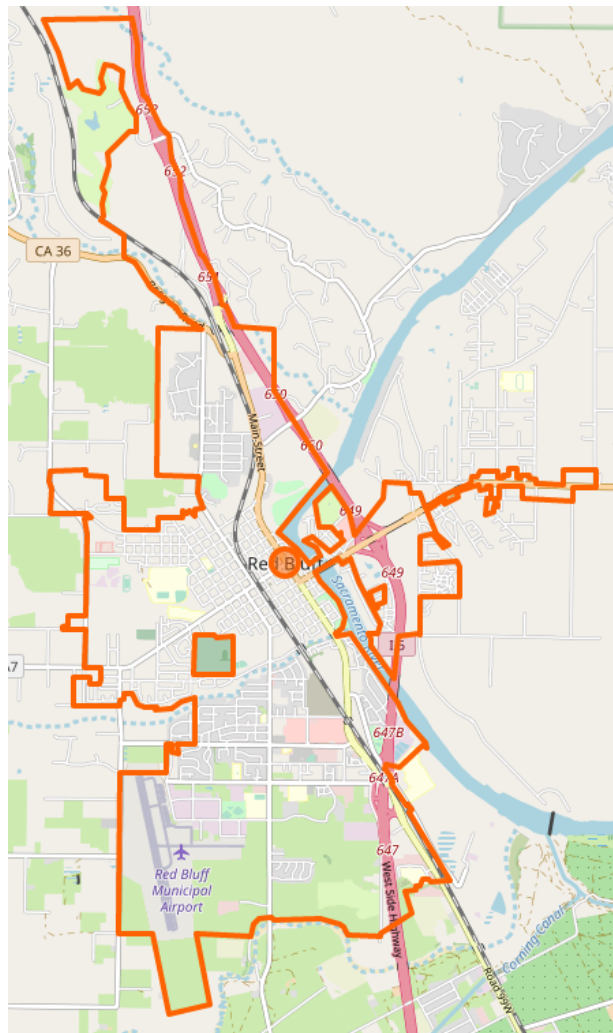
City of Ceres Boundary Map

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.



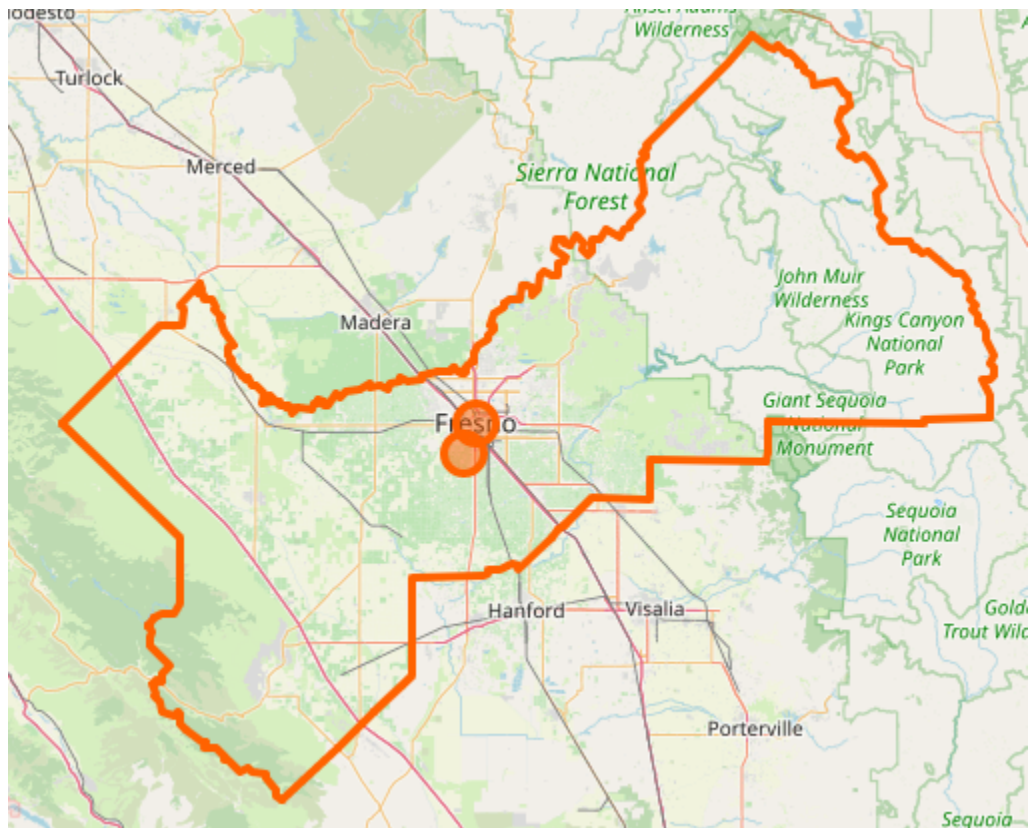
City of Red Bluff Boundary Map

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.



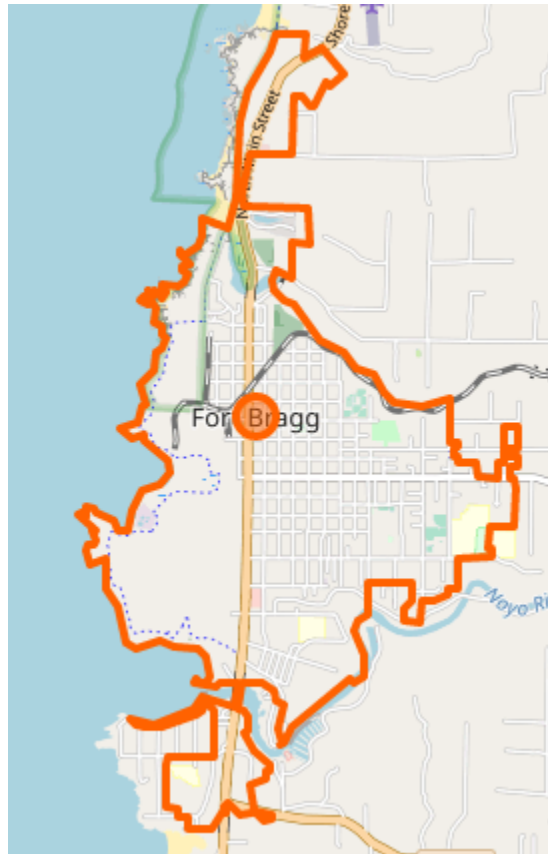
County of Fresno Boundary Map

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.



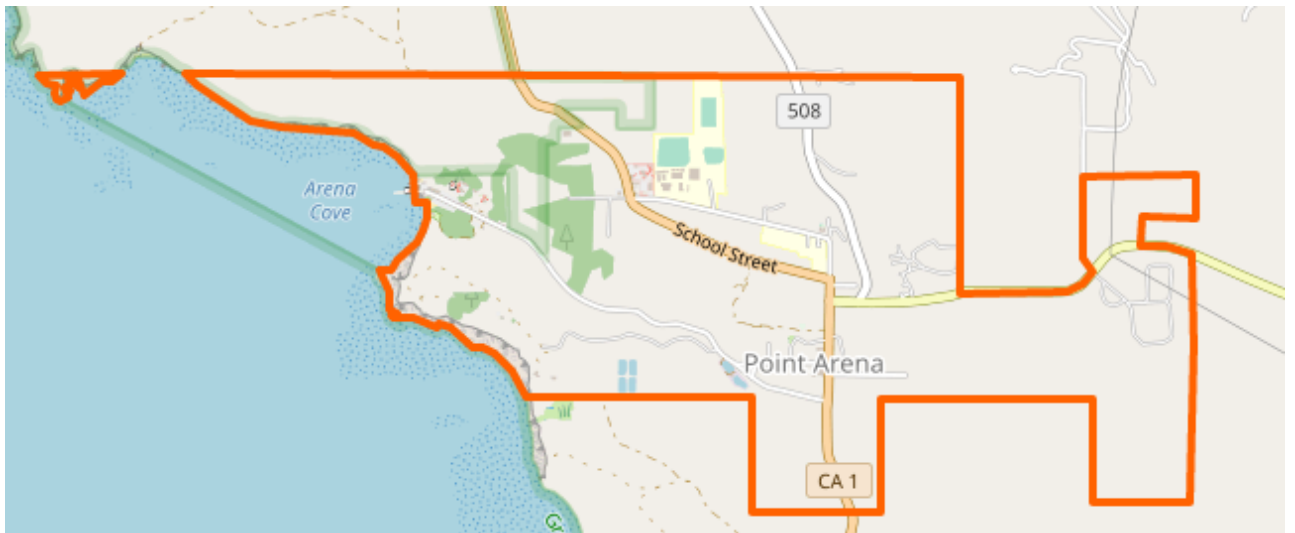
City of Fort Bragg Boundary Map

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.



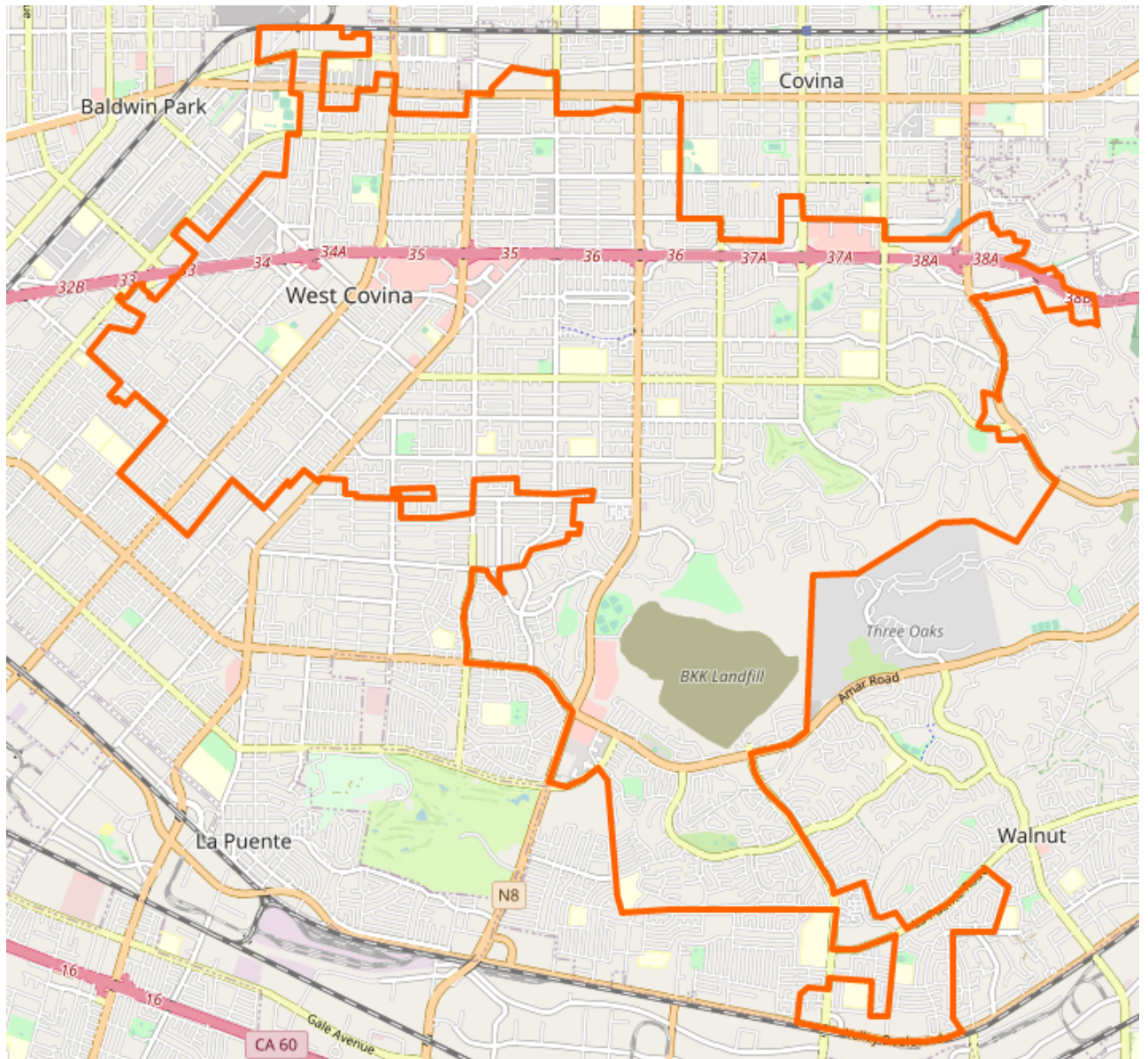
City of Point Arena Boundary Map

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.



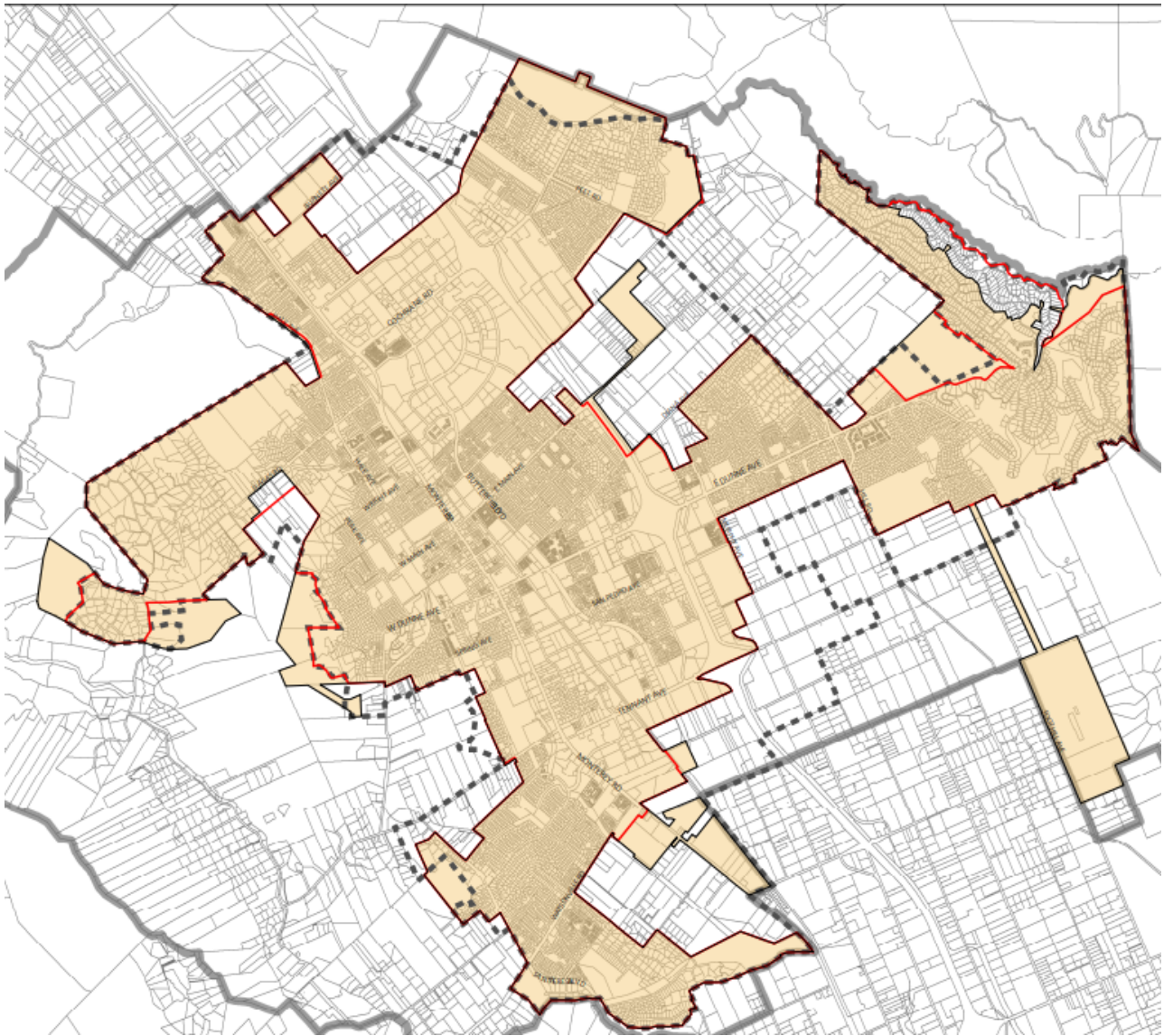
City of West Covina Boundary Map

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.



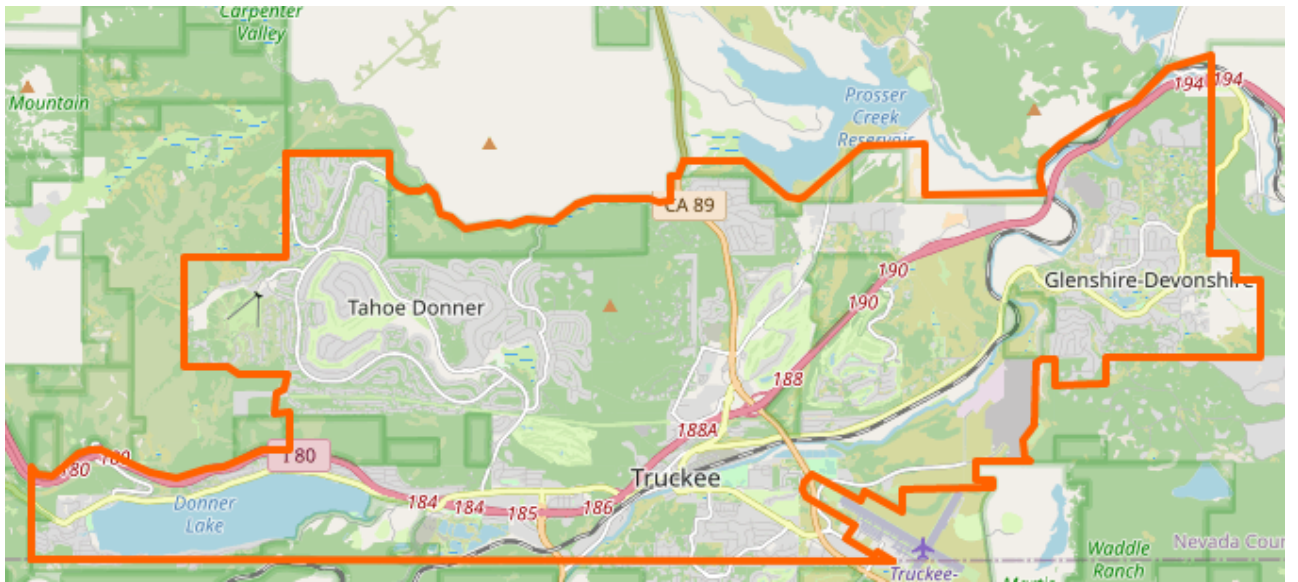
City of Morgan Hill Boundary Map

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.



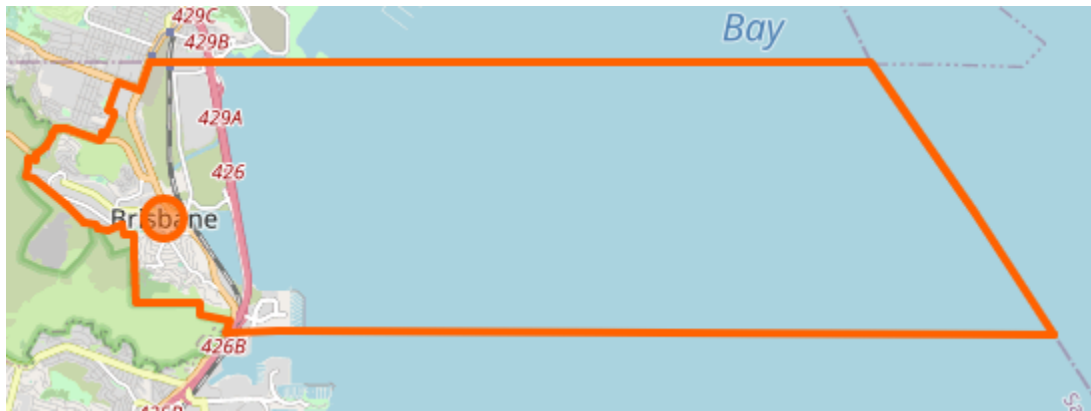
City of Truckee Boundary Map

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.



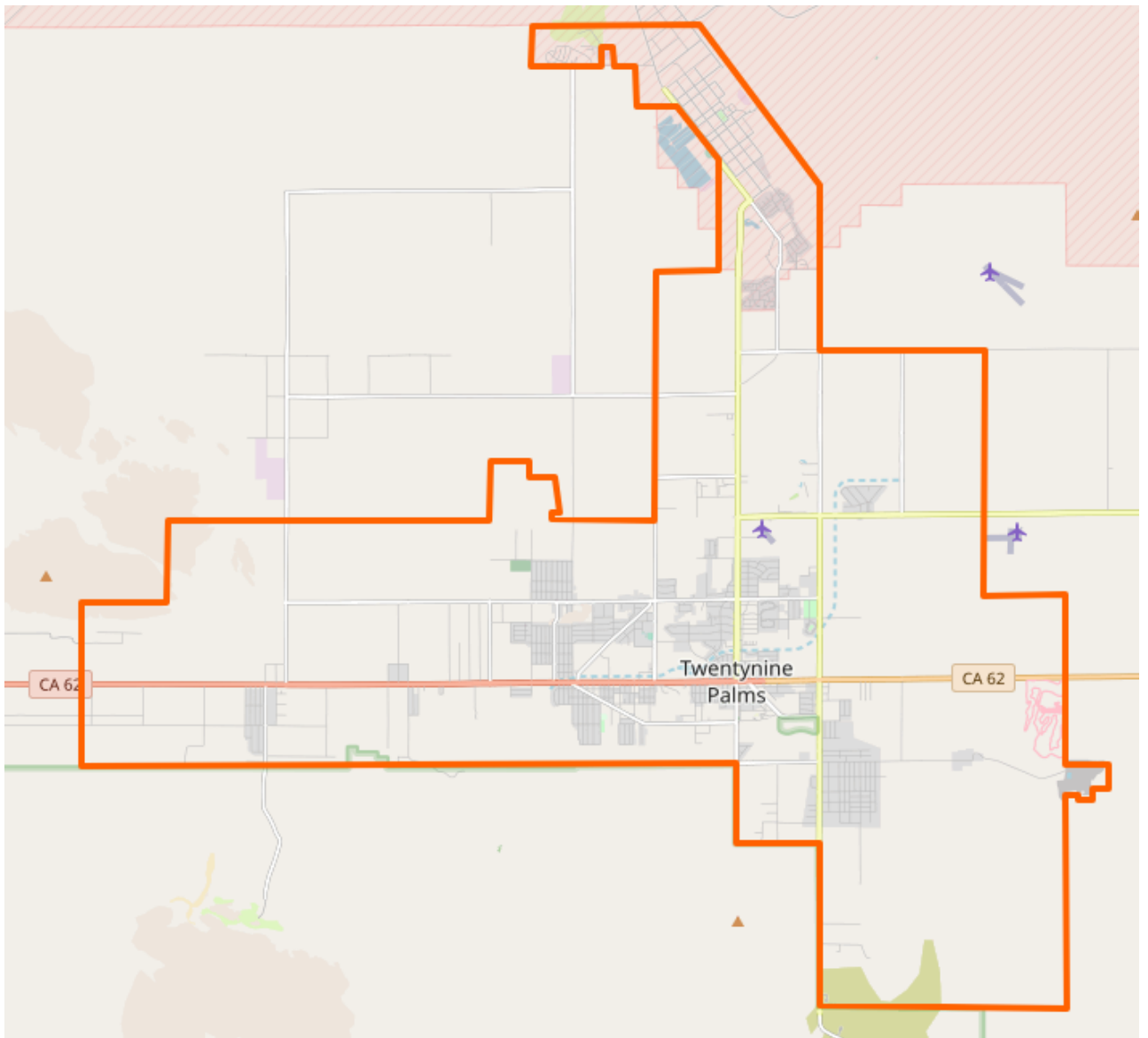
City of Brisbane Boundary Map

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.



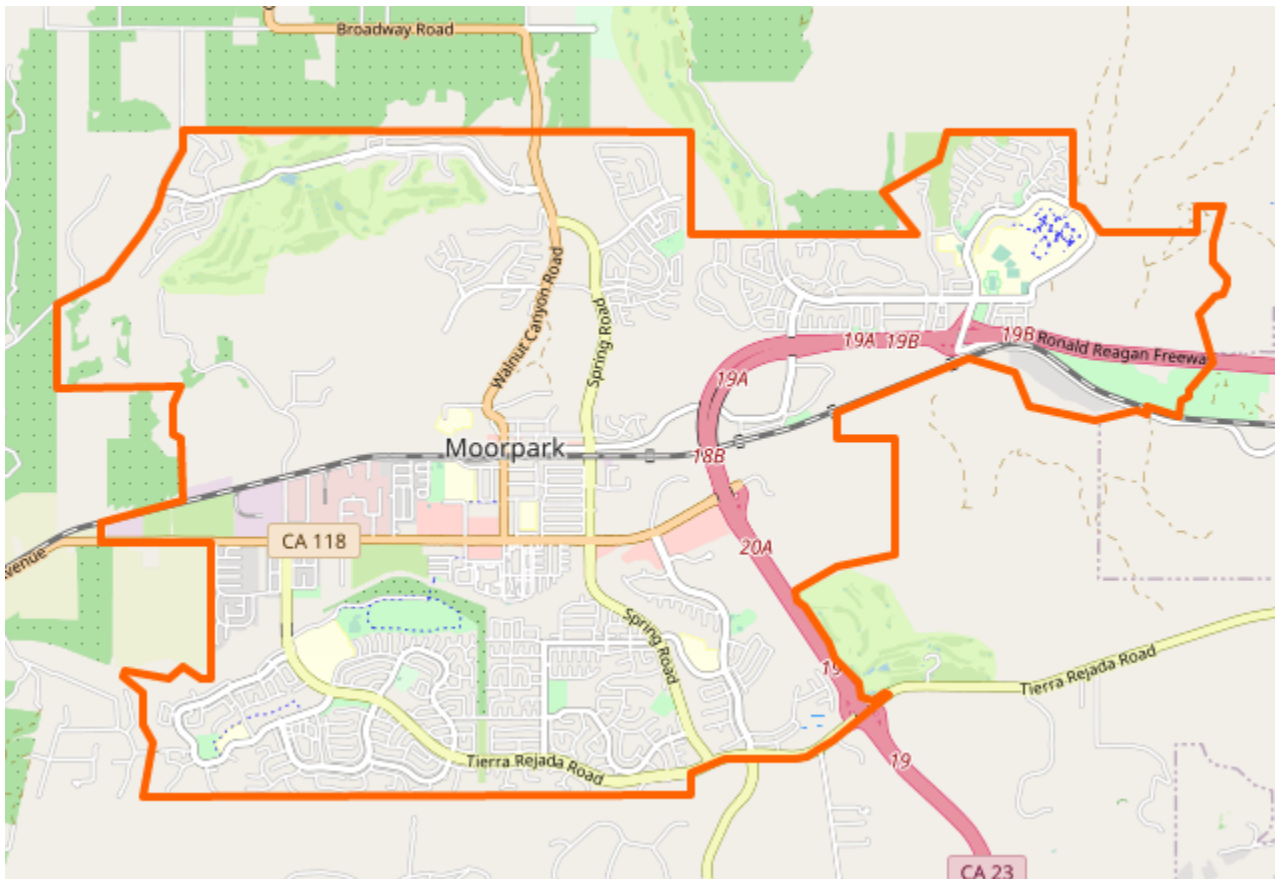
City of Twentynine Palms Boundary Map

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.



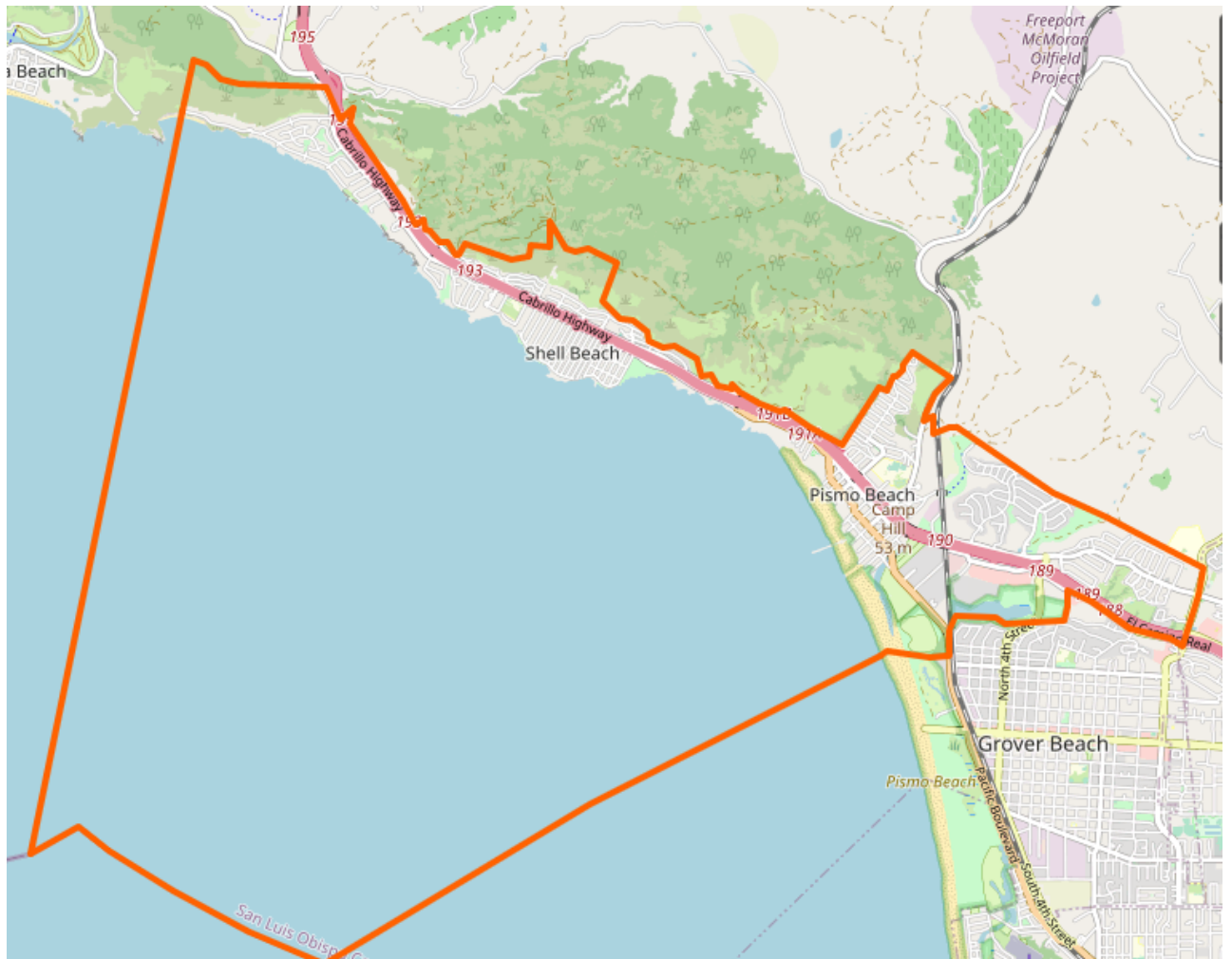
City of Moorpark Boundary Map

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.



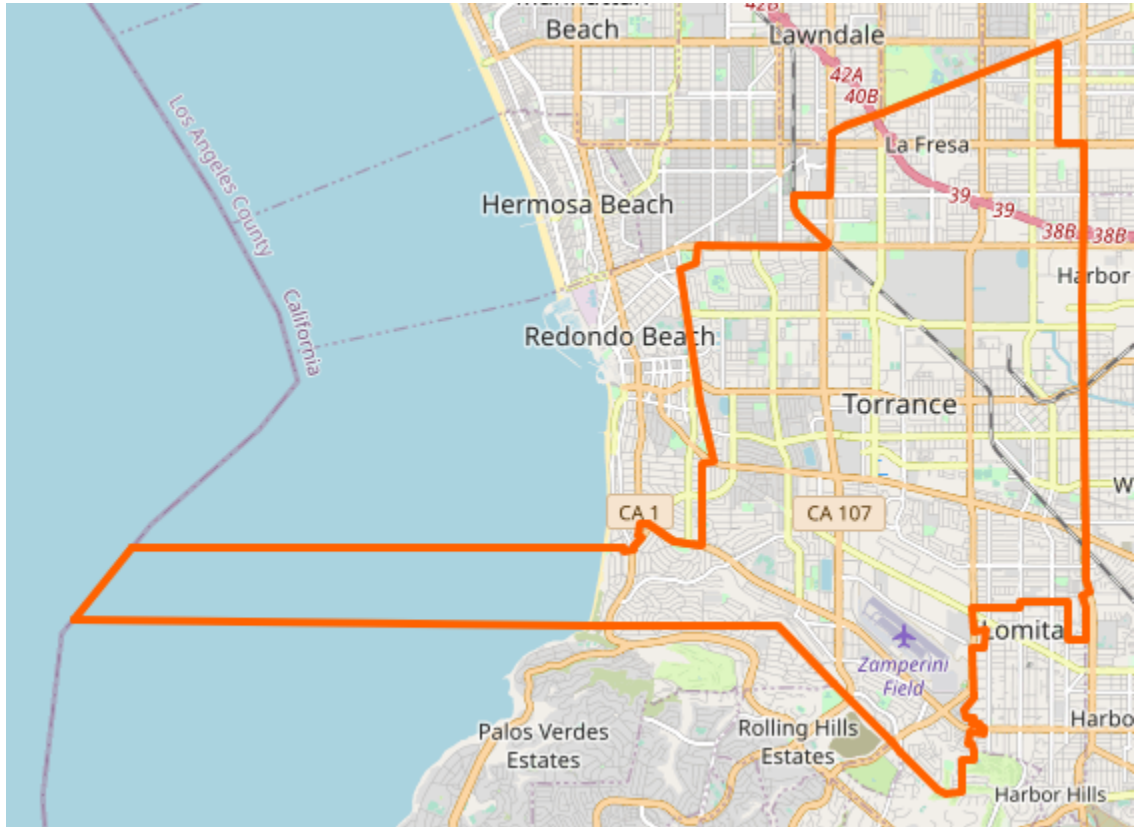
City of Torrance Boundary Map

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.



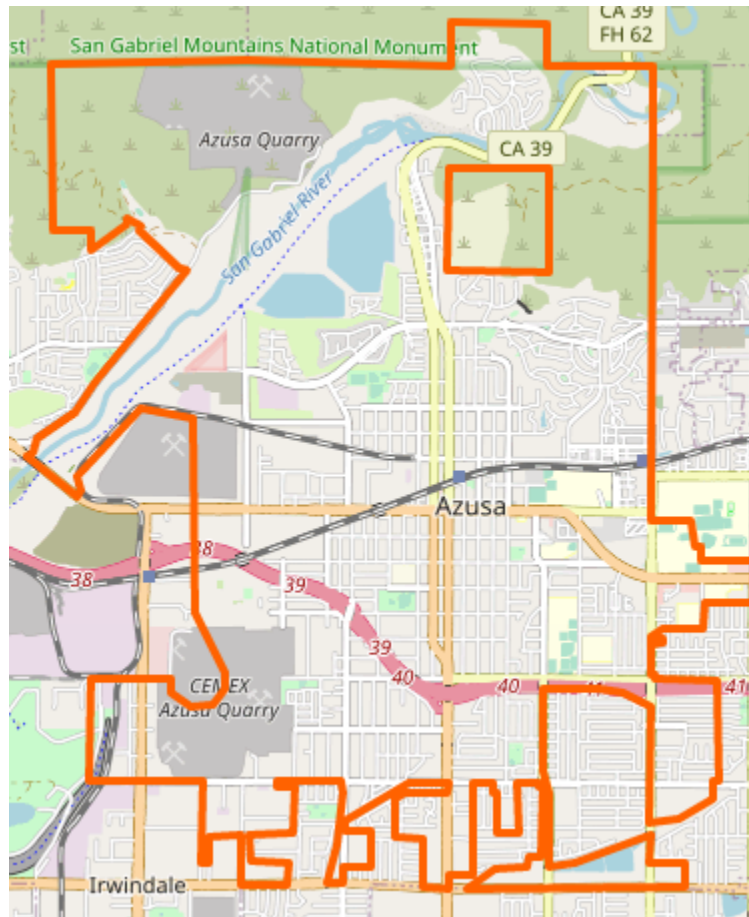
City of Torrance Boundary Map

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.



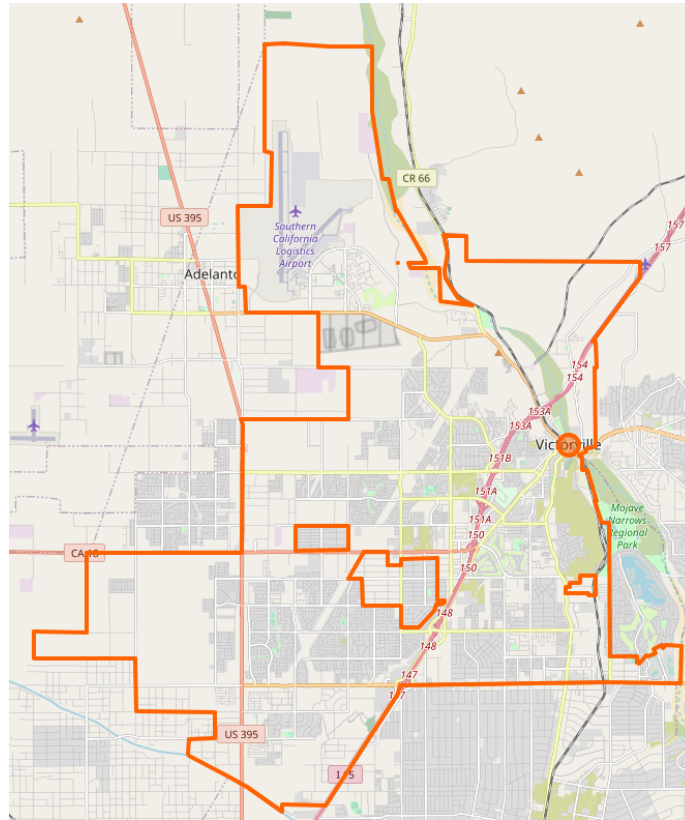
City of Azusa Boundary Map

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.



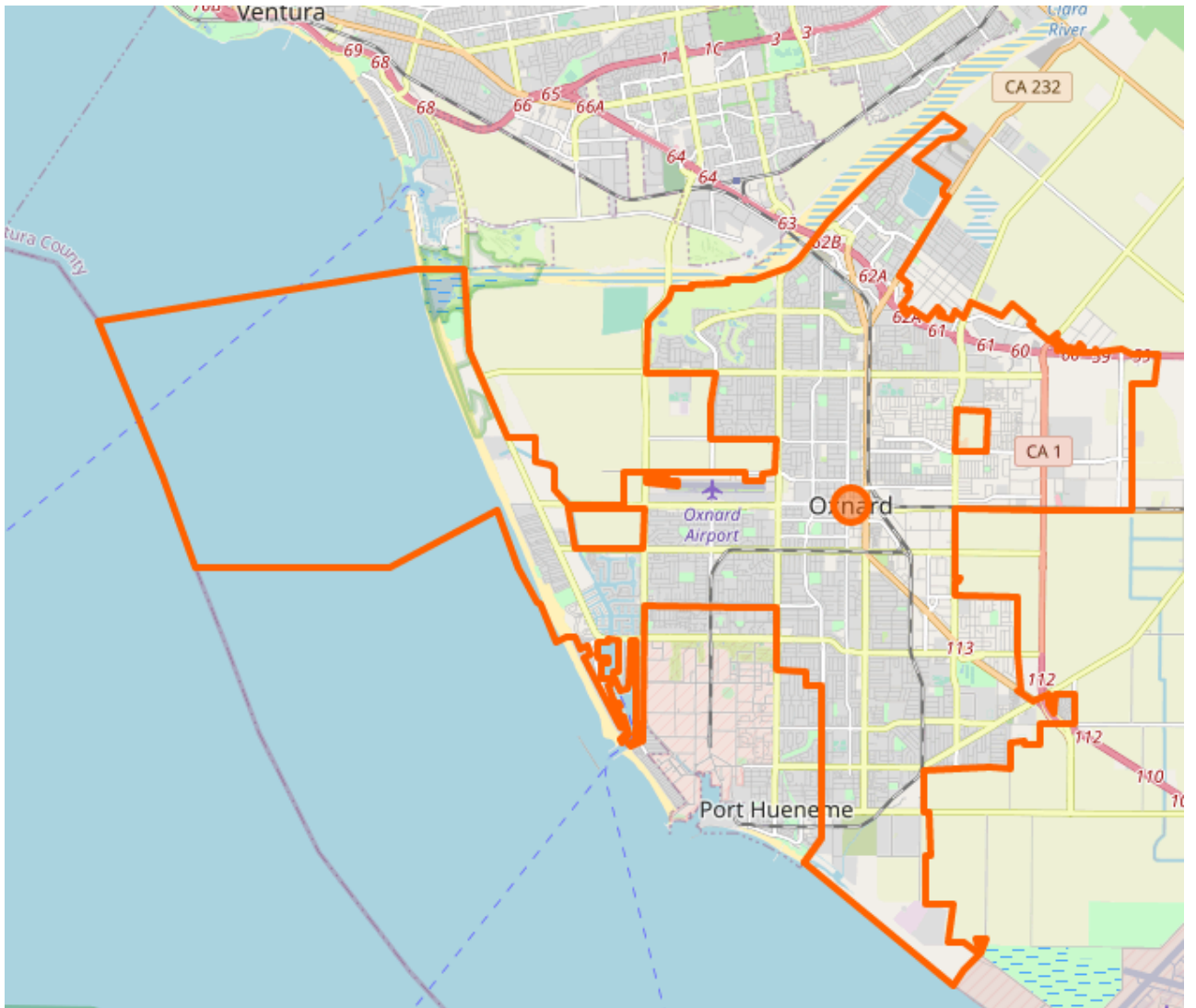
City of Victorville Boundary Map

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.



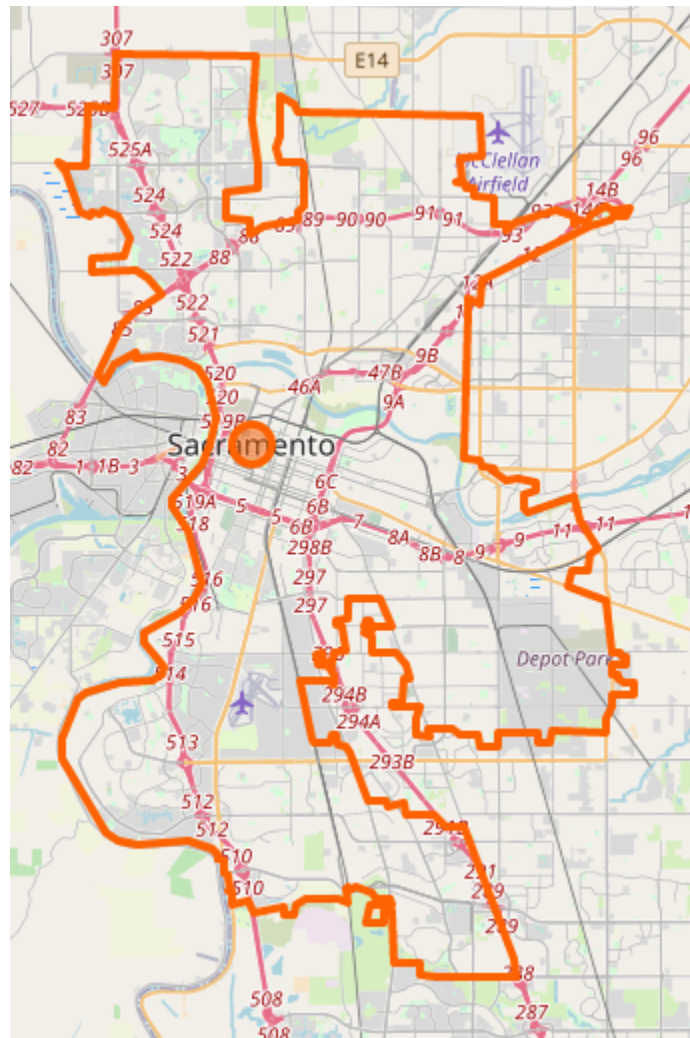
City of Oxnard Boundary Map

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.



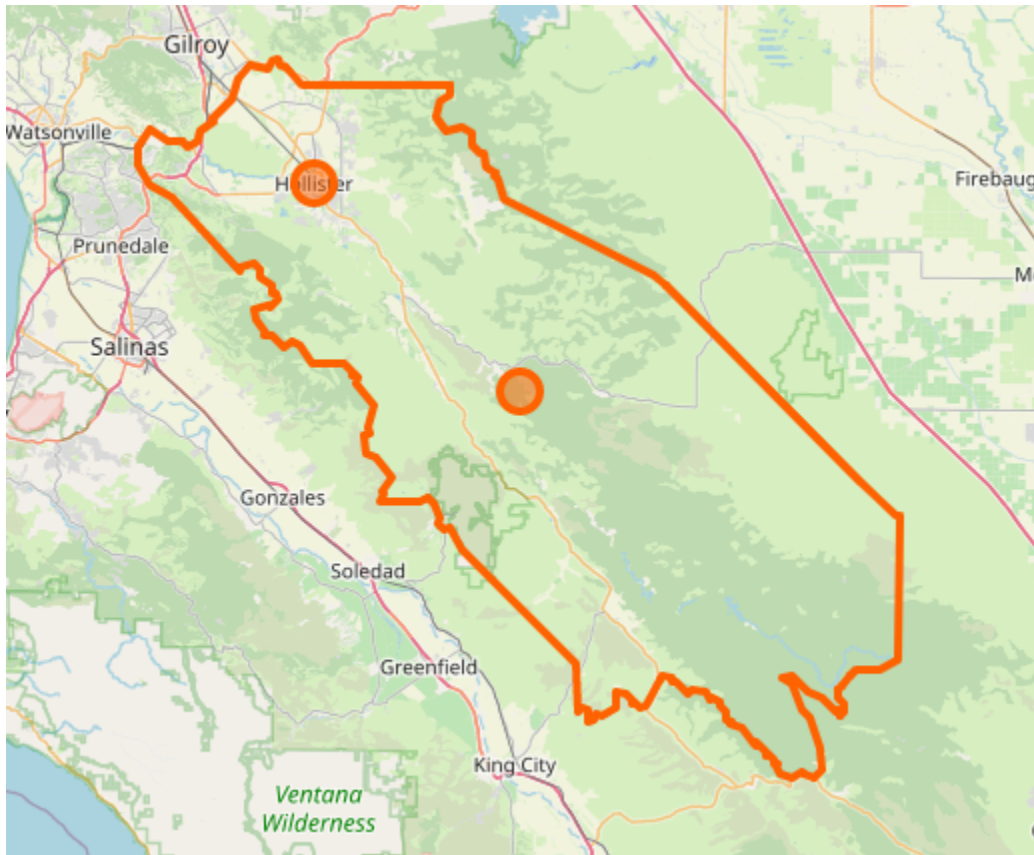
City of Sacramento Boundary Map

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.



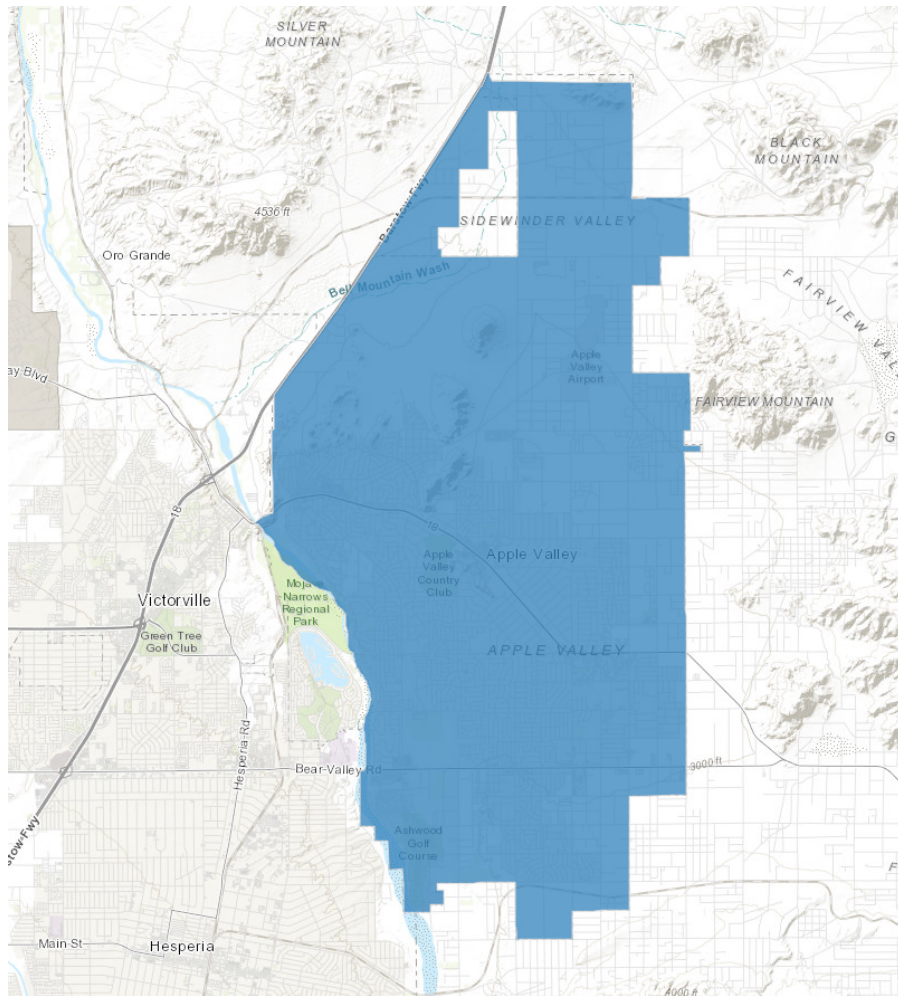
Town of Apple Valley Boundary Map

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.



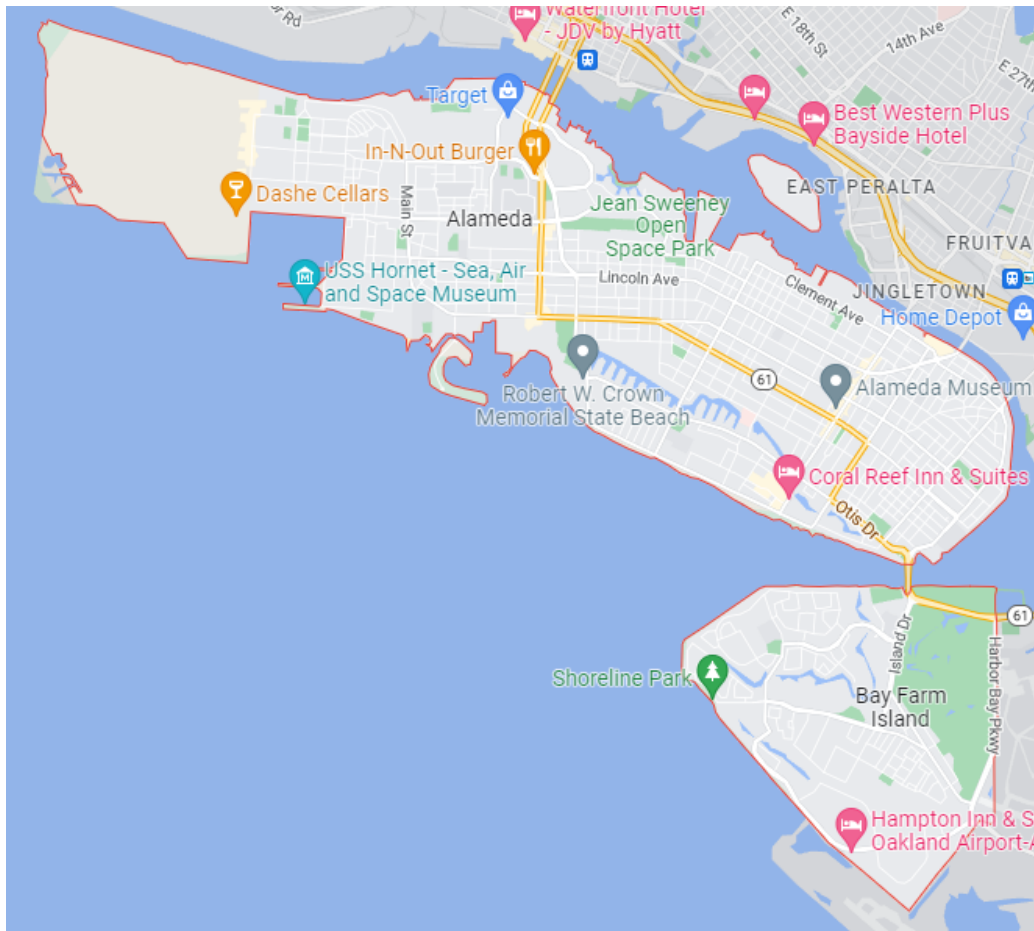
Town of Apple Valley Boundary Map

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.



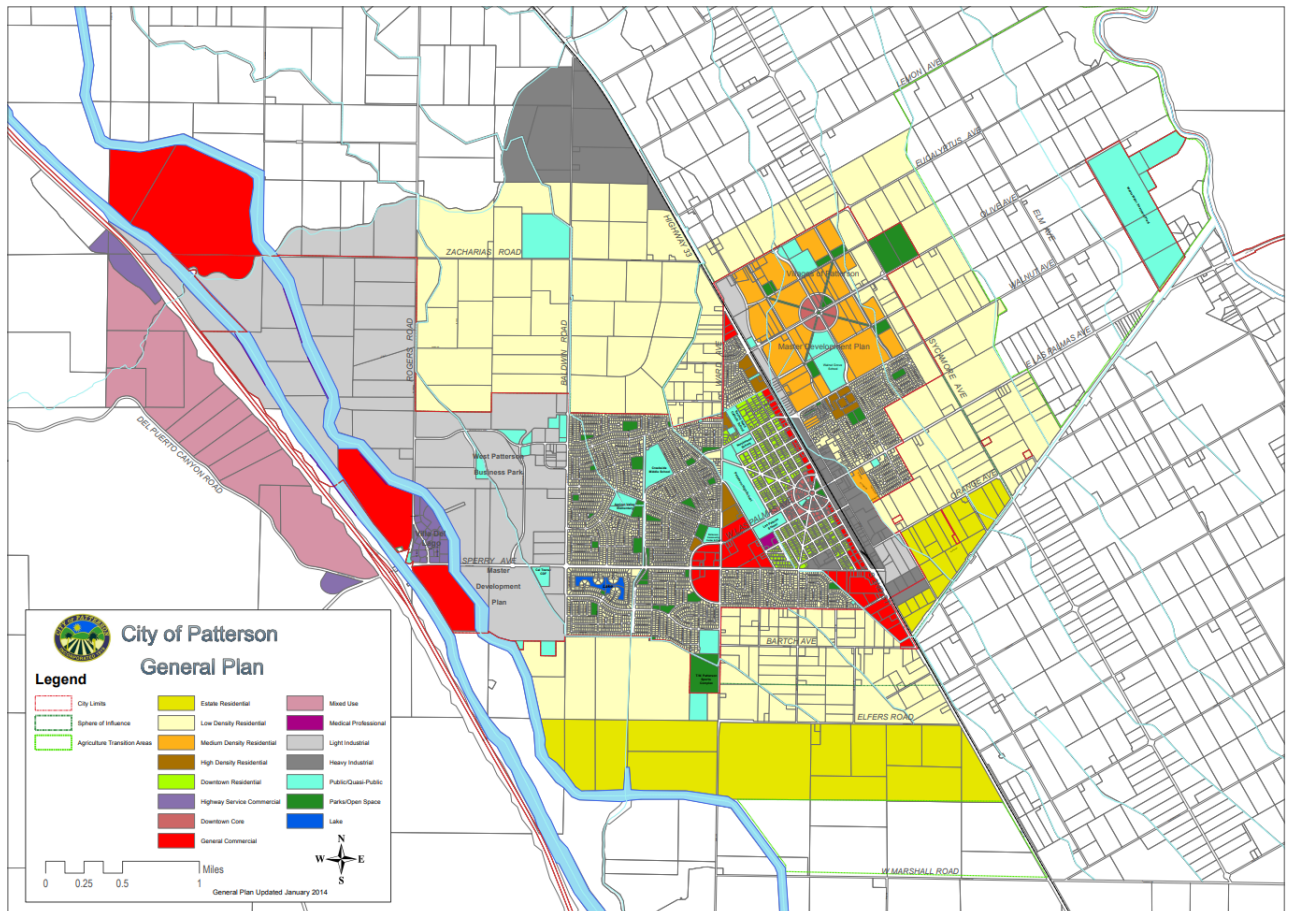
City of Alameda Boundary Map

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.



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 XIII D 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

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

[Program Administrator]

To Borrower: _____

14. Attorneys' Fees and Costs

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

15. No Waiver

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

16. Governing Law

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

17. Amendment of Contract

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

18. Authority May Assign: Role of the Authority

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

19. Borrower Assignment Prohibited

In no event shall Borrower assign or transfer any portion of this Contract or Borrower's rights or

obligations under the Contract without the prior express written consent of Authority, which consent may be granted or withheld in the reasonable discretion of the Authority. Sale, transfer, or rental of the Property is not an assignment or transfer of this Contract.

20. Notice to Subsequent Purchasers

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

21. Relationship of Borrower and Authority

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

22. General

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

23. Counterparts

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

[SIGNATURES ON FOLLOWING PAGE]

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

CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY,
a joint powers authority

By
Name
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

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:	_____

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 _____%

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
- 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.

EXHIBIT D: Sample Application for Funding

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.

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

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

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

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

TRUE	FALSE	
<input type="checkbox"/>	<input type="checkbox"/>	The current mortgage balance does not exceed the total value of the property. <i>(Use value as found on property tax bill or as determined by an Appraisal Institute MAI designated appraiser within the past 90 days)</i>
<input type="checkbox"/>	<input type="checkbox"/>	Mortgage payments on the property are current and have not been delinquent in the 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"/> Solar panels (photovoltaic) | <input type="checkbox"/> Low energy light fixtures and controls |
| <input type="checkbox"/> Solar panels (thermal hot water) | <input type="checkbox"/> HVAC (heating/air conditioning) |
| <input type="checkbox"/> Low flow water fixtures and toilets | <input type="checkbox"/> Seismic structural improvements |
| <input type="checkbox"/> Low flow irrigation systems and controls | <input type="checkbox"/> High-efficiency windows |
| <input type="checkbox"/> Insulation and/or weatherization | <input type="checkbox"/> High-efficiency pool pumps |
| <input type="checkbox"/> Efficient roof | <input type="checkbox"/> Fuel cells |
| <input type="checkbox"/> Skylights | <input type="checkbox"/> Electric vehicle plug-in (solar sourced) |
| <input type="checkbox"/> Wind power | <input type="checkbox"/> Other |

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?

Owner 1 Name	Tax ID Number or last 4 digits of SSN
Owner 2 Name	Tax ID Number or last 4 digits of SSN
Owner 3 Name	Tax ID Number or last 4 digits of SSN
Owner 4 Name	Tax ID Number or last 4 digits of SSN

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

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

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

Name of Lending Institution or Lender

Contact Name

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email

Phone Number

Account Number

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Account Balance

As of (Date of Balance)

Lender 2

Name of Lending Institution or Lender

Contact Name

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email

Phone Number

Account Number

<input type="text"/>	<input type="text"/>
----------------------	----------------------

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.

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

7. Disclosures Regarding Interest Rates, Fees and Qualifications

Interest Rates and Terms Disclosures	
Interest Rate	The interest rate is market-based and determined at the time of financing.
Minimum Financing	\$100,000
Maximum Financing	Not to exceed 20% of the total property value.
Payments	Payment is due semi-annually at the same time as property taxes. Assessment installments are payable to the tax collector of the county in which the property is situated.
Terms	Assessments are available in 5, 10, 15, 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.
Rebates and Incentives	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.
No Personal Guarantee	CEDA PACE Program assessments are secured by real property and require no personal guarantee.
Capitalized Interest	Any interest accruing from the time of fund allocation to the next applicable debt service payment will be capitalized (added to the assessment). The Program Administrator will notify the property owner of the estimated amount of capitalized interest before the property owner executes a Financing Agreement.
Fees	
Processing Fee	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.
Annual Administrative Fee	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.
Cost of Issuance	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.
Progress Payment Fee (Incurred by Contractor)	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.
Expenses & Expense Deposit	
Third Party Report Costs	Certain third-party reports and legal review may be required as a condition of closing PACE financing, including appraisal, title, legal, environmental 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.
Expense Deposit	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.
Prepayment and Re-amortization	
Prepayment Premium	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.
Re-amortization	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.
Qualifications	
Legal Owner	Applicant must be the property owner of record.
Current on Taxes	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.
Current on Mortgage (if applicable)	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.
No Bankruptcy	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.
Value-to-Liens No Greater than 90%	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).
Lender Acknowledgement	If the property is encumbered by a mortgage, deed of trust or other financing instrument, written lender acknowledgment of the PACE lien is required. See “Section 6: Disclosures Regarding Assessment Financing” of this Application for more information.

Acknowledgement

I/We acknowledge that I/we have received the Disclosures Regarding Rates, Fees, and Other Information and agree to the terms. I/we also understand that [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.

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

<i>Name (Print)</i>	<i>Name (Print)</i>	<i>Name (Print)</i>	<i>Name (Print)</i>

<i>Date</i>	<i>Date</i>	<i>Date</i>	<i>Date</i>

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.

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

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:

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