

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MEETING

*** MEETING NOTICE and AGENDA*** LOCATION LISTED BELOW

9:00 A.M. -- 10:30 A.M.
Tuesday, September 13, 2016

Call to Order and Roll Call Statement of Disclosure

Chair Report

1. History, Formation, and Structure of CEDA (Gurbax Sahota, Sam Balisy, and Dan Bronfman)
2. CEDA's Impact on CALED (Gurbax Sahota)
3. CEDA Projects (Helen Schaubmayer)
4. Financing Tools
 - a. Tax-Exempt Financing Types (Sam Balisy and Dan Bronfman)
 - b. Commercial and Residential PACE Financing Overview & Update (Figtree Financing)

Public Comment

Other Business

Adjournment

CEDA Board Members, CEDA Founders, and members of the public may access this meeting at the following location:

CALED Board of Directors Meeting
San Diego Convention Center
111 W Harbor Drive
Upper Level, Room 23 A
San Diego, CA 92101

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

**BYLAWS
OF THE
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

(adopted by the CEDA Board of Directors, July 14, 2006)

(amended by the CEDA Board of Directors, June 22, 2007)

ARTICLE I

DEFINITIONS

The definitions of terms used in these Bylaws shall be the same as those contained in the Joint Powers Agreement creating the California Enterprise Development Authority (hereinafter called the "Agreement," unless otherwise expressly provided).

ARTICLE II

OFFICES

The Authority's principal office for the transaction of business is located at 550 Bercut Drive, Suite G, Sacramento, California 95814.

ARTICLE III

LIMITATION ON AUTHORITY

The Authority's exercise of its power under the Agreement and these Bylaws shall be restricted to the extent required under Section 6509 of the Act. The City of Eureka is hereby designated pursuant to Section 6509 of the Act. This designation may be changed by a majority vote of the Board of Directors.

ARTICLE IV

MEETINGS OF THE VOTING MEMBERS

1. Regular Meetings
 - (a) Time Held

The Voting Members shall hold at least one meeting per year. The regular annual meeting of the Voting Members (the "Annual Meeting") should, if practicable, be scheduled at least one year prior to such meeting. Unless otherwise changed by a majority vote of the Voting Members at a regular meeting, the Annual Meeting shall be held at 9:00 a.m. on the First Thursday in June of each year. Should such day fall upon a legal holiday, the Annual Meeting shall be held on the next following business day.

(b) Business To Be Transacted

At each Annual Meeting, the Voting Members shall review, modify if necessary, and adopt the annual program plan or work plan of the Authority for the following Fiscal Year. Such program plan or work plan shall be submitted to the Voting Members by the Executive Director of the Authority no later than thirty (30) days prior to the Annual Meeting.

At any meetings, the Voting Members may transact any other business within their powers, and receive reports of the operations and affairs of the Authority.

(c) Notice

Written notice of each regular meeting of the Voting Members shall be delivered to each Voting Member at least seven (7) days in advance of the meeting. The notice shall specify:

- (i) The place, date and hour of the meeting.
- (ii) Those matters which are intended to be presented for action by the Voting Members.
- (iii) The general nature of any proposal for action by the Voting Members concerning a change in the Voting Members of the Authority or any other matter substantially affecting the rights and obligations of the Authority and its Members.

2. Special Meetings

A special meeting of the Voting Members may be called at any time by written notice of any Voting Member to the Board of Directors and the Voting Members, subject to the requirements for 24-hour written notice to the Voting Members and to requesting representatives of the media provided in Section 54956 of the Government Code. The notice of a special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting. A Voting Member may waive notice as provided in Section 54956 of the Government Code. Notice of the calling of any special meeting shall be posted as provided in said Section.

3. Place Of Meeting

Each regular or special meeting of the Voting Members shall be held at a place within the State of California designated by the Board of Directors, or if no such designation is made, as designated by the Executive Director.

4. Adjourned Meetings

The Voting Members may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of thirty (30) days or more, in which case notice of the adjourned meeting shall be given in the same manner as notice of the original meeting.

5. Ralph M. Brown Act

Notwithstanding anything herein to the contrary, all meetings of the Voting Members shall be held in strict compliance with the Ralph M. Brown Act (Government Code Section 54950 *et seq.*), as amended and then in effect.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

1. Regular Meetings

(a) Time Held

The Board of Directors shall hold at least one meeting per year. The regular annual meeting of the Board of Directors (the “Board of Directors Annual Meeting”) should, if practicable, be scheduled at least one year prior to such meeting. Unless otherwise changed by a majority vote of the Board of Directors at a regular meeting, the Board of Directors Annual Meeting shall be held at 2:00 p.m. on the First Thursday in June of each year. Should such day fall upon a legal holiday, the Board of Directors Annual Meeting shall be held on the next following business day.

(b) Business To Be Transacted

At each Board of Directors Annual Meeting, the Board of Directors shall review, modify if necessary, and adopt the annual operating budget of the Authority, approve the audit of the Authority’s finances and review the annual work plan or program plan and, in each alternating fiscal year, shall elect officers.

At any meetings, the Board of Directors may transact any other business within its powers, and receive reports of the operations and affairs of the Authority.

(c) Notice

Written notice of each regular meeting of the Board of Directors shall be delivered to each director at least seven (7) days in advance of the meeting. The notice shall specify:

(i) The place, date and hour of the meeting.

(ii) Those matters which are intended to be presented for action by the Board of Directors.

- (iii) The general nature of any proposal for action by the Board of Directors concerning a change in the Bylaws of the Authority, a change in the membership of the Authority, or any other matter substantially affecting the rights and obligations of the Authority or its Members.

2. Special Meetings

A special meeting of the Board of Directors may be called at any time by the Chairman of the Board of Directors, or by a majority of the directors on the Board of Directors subject to the requirements for 24-hour written notice to the directors and/or alternate directors and to requesting representatives of the media provided in Section 54956 of the Government Code. The notice of a special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting. A member of the Board of Directors may waive notice as provided in Section 54956 of the Government Code. Notice of the calling of any special meeting shall be posted as provided in said Section.

3. Place Of Meeting

Each regular or special meeting of the Board of Directors shall be held at a place within the State of California designated by the Board of Directors, or if no such designation is made, as designated by the Chairman of the Board of Directors.

4. Adjourned Meetings

The Board of Directors may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be transacted.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the adjournment is for a period of thirty (30) days or more, in which case notice of the adjourned meeting shall be given in the same manner as notice of the original meeting.

5. Ralph M. Brown Act

Notwithstanding anything herein to the contrary, all meetings of the Board of Directors shall be held in strict compliance with the Ralph M. Brown Act (Government Code Section 54950 *et seq.*), as amended and then in effect.

ARTICLE VI

BOARD OF DIRECTORS AND OFFICERS

1. Board of Directors

The Agreement designates the Executive Committee of the Board of Directors of the California Association for Local Economic Development and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority.

2. Officers

The Agreement designates the President of the California Association for Local Economic Development as Chairman of the Authority. The Board of Directors of the Authority will appoint a Vice Chair, Secretary, and Treasurer from among its members. The Board may by resolution appoint assistant officers to act in place of the officers of the Authority.

3. Duties of the Chairman

The Chairman shall preside at and conduct all meetings of the Board of Directors and the Voting Members, although the Chairman will have no vote at any meeting of the Voting Members. The Chairman shall sign all contracts unless a Resolution of the Board provides otherwise.

4. Duties of the Vice Chairman

In the absence of the Chairman, the Vice Chairman shall perform all duties assigned to the Chairman by the Agreement and these Bylaws or by the Voting Members or the Board of Directors.

5. Duties of the Secretary

The Secretary shall countersign all contracts on behalf of the Authority and shall perform such other duties as may be imposed by the Board.

6. Duties of the Treasurer

The Treasurer shall serve as the treasurer, auditor, and controller of the Authority.

7. Terms of Office

The terms of office of the Chairman and Vice Chairman shall coincide with the terms of office of the President of the California Association for Local Economic Development (“CALED”) and the Chairman of the Board of Directors of CALED, respectively.

8. Removal and Vacancies

The Board of Directors may remove an officer at anytime. A vacancy in any office, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board of Directors.

9. Resignation of Officers

Other than with respect to the Chairman and the Vice Chairman or in the absence of a contrary written agreement, any officer may resign at any time by giving written notice to the Chairman. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE VII

COMMITTEES

1. Establishment of Committees

The Board of Directors may appoint any additional committees and determine the committees' structure, charge, size and membership. Committees may be established to consider any matter within the jurisdiction of the body establishing such committee. Each committee shall operate according to the policies adopted by the body establishing such committee and shall submit their reports and recommendations to the body establishing such committee. Committees shall meet on the call of their respective chairpersons, each of whom shall be a member of the Board of Directors and a member of such committee.

Each Committee shall meet on the call of its chairperson, at such times and places as are designated by the chairperson. Written notice of the time and place of a Committee meeting, and of the business to be transacted, shall be delivered to each member of the Committee and to requesting representatives of the media at least twenty-four (24) hours in advance as required by Section 54966 of the Government Code, and subject to the other provisions of that Section. No other business shall be considered at the meeting. A majority of the members of a Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative votes of a majority of the members present at a meeting duly held at which a quorum is present. All Committee meetings shall be duly noticed and held in accordance with the requirements of the Ralph M. Brown Act (Government Code 54950 *et seq.*), as amended and then in effect.

ARTICLE VIII

MISCELLANEOUS

1. Execution of Contracts

The Board of Directors may authorize any officer, staff member, or agent of the Authority to execute any contract in the name of and on behalf of the Authority, and such

authorization may be general or specific in nature. Unless so authorized, no officers, staff member or agent shall have any power to bind the Authority by contract.

2. Rules of Procedure for Meetings

All meetings of the Voting Members, Board of Directors and Committees or bodies of the Authority shall be conducted in accordance with the most recent edition of *Robert's Rules Of Order*, provided that in the event of a conflict, such rules shall be superseded by the Agreement, these bylaws, and California law.

ARTICLE IX

FINANCES

1. Fiscal Year

The Fiscal Year of the Authority shall be from July 1 to June 30.

2. Budget

At least thirty (30) days prior to the Board of Directors Annual Meeting in each Fiscal Year, the Executive Director shall submit to the Board of Directors a proposed general budget for the next Fiscal Year of the Authority. The proposed general budget shall include annual membership fee and assessment schedules, if any, and a summary of revenue and expenditures, actual or projected, for the preceding, current, and next Fiscal Years. The Executive Director shall manage all expenditures, subject to control of the Board of Directors. The Board of Directors shall have power to transfer funds within the total detailed budget to meet unanticipated needs or changed situations.

ARTICLE X

AMENDMENTS

These Bylaws may be amended at any time by a majority vote of the Board of Directors. Following adoption of amendments, the Executive Director shall prepare and distribute a revision of the Bylaws to all Voting Members of the Authority and members of the Board.

ARTICLE XI

EFFECTIVE DATE

These Bylaws shall go into effect immediately upon adoption by majority vote of the Board of Directors.

ARTICLE XII

ASSOCIATE MEMBERSHIP

1. Any Local Agency within the State of California may, with the approval of the Board of Directors, become an Associate Member of the Authority by (i) executing and delivering to the Authority an Associate Membership Agreement substantially in the form attached hereto as Exhibit A and hereby made a part hereof and (ii) the filing by such Local Agency of a certified copy of the resolution of the Legislative Body of such Local Agency approving the Associate Membership Agreement and the execution and delivery thereof.

2. An Associate Member shall be entitled to participate in all programs and other undertakings of the Authority, including, without limitation, any undertakings to finance a Project and any other financing programs provided by law.

3. An Associate Member shall not be entitled to vote on any matter coming before the Voting Members or the Board, except as otherwise specified in the Agreement.

4. Upon approval by the legislative body of a Local Agency as an Associate Member, the Chairman, Vice Chairman, the Executive Director or any other officer or staff member duly authorized by the Board of Directors for such purpose shall execute and deliver the applicable Associate Membership Agreement to the Associate Member, file such executed counterpart of the Associate Membership Agreement in the official records of the Authority and add such Local Agency to Exhibit A of the Agreement as an amendment, effective upon such filing.

[End of Bylaws]

ASSOCIATE MEMBERSHIP AGREEMENT

by and between the

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

and the

CITY/COUNTY OF _____, CALIFORNIA

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this “Associate Membership Agreement”), dated as of _____, 2006, by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the “Authority”) and the CITY/COUNTY OF _____, CALIFORNIA, a municipal corporation/political subdivision, duly organized and existing under the laws of the State of California (the “City/County”);

WITNESSETH:

WHEREAS, the Cities of Selma, Lancaster and Eureka (individually, a “Member” and collectively, the “Members”), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the “Agreement”), establishing the Authority and prescribing its purposes and powers; and

WHEREAS, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

WHEREAS, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

WHEREAS, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an “Associate Member”); and

WHEREAS, the City/County desires to become an Associate Member of the Authority;

WHEREAS, City Council of the City/Board of Supervisors of the County has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

WHEREAS, the Board of Directors of the Authority has determined that the City/County should become an Associate Member of the Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Authority and the City/County do hereby agree as follows:

Section 1. Associate Member Status. The City/County is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the City/County and the Authority, the City/County shall be and remain an Associate Member of the Authority.

Section 2. Restrictions and Rights of Associate Members. The City/County shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the City/County shall have any right to become an officer or director of the Authority.

Section 3. Effect of Prior Authority Actions. The City/County hereby agrees to be subject to and bound by the A. Agreement and B. Bylaws of the Authority.

Section 4. No Obligations of Associate Members. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the City/County.

Section 5. Execution of the Agreement. Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the City/County in all programs and other undertakings of the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

By: _____
Gurbax Sahota, Chair of the
Board of Directors

Attest:

Michelle Stephens, Assistant Secretary

CITY/COUNTY OF _____, CALIFORNIA

By: _____
Name: _____
Title: _____

Attest:

Name: _____,
City Clerk/Clerk of the Board of Supervisors

CEDA Contributions

<i>Fiscal Year</i>	<i>Management Fee</i>	<i>Contribution to CALED</i>	<i>Conference Sponsorship</i>	<i>Contribution to CAED</i>	<i>Conference Scholarship</i>	<i>Other</i>
2006-2007	57,500	20,000				
2007-2008	65,000	38,600	10,000			
2008-2009	141,700					
2009-2010	114,300	13,300				1,000
2010-2011	156,000	150,000	25,000	50,000		
2011-2012	100,000				3,500	
2012-2013	137,000				5,000	
2013-2014	157,800	50,000	10,000		5,000	
2014-2015	168,000		10,000		4,500	
2015-2016	168,000	55,000	10,000	12,500	3,700	1,000

CEDA Project Examples—Fiscal Years 2008 through 2015

FY 2008—Sconza Candy Company

Founded in 1939, Sconza Candy Company manufactures and packages high-quality candy, nut, and fruit products in Oakdale, CA.

Purpose

Financing the acquisition of three buildings located on approximately 70 acres of land in Oakdale, CA, and to renovate and equip the buildings for use as facilities for the manufacture of candy products.

Financing Provided

\$10.0 million in tax-exempt industrial development bonds & \$3.3 million in taxable industrial development bonds

Impact

The expansion of Sconza's facilities allowed the company to hire additional full-time employees, as well as short-term employees to complete the renovation and equipment of the new buildings.

FY 2009—JBR, Inc. & Rogers Family Real Estate

JBR, Inc. is the largest gourmet coffee roaster in the San Francisco Bay Area, and one of the nation's few remaining family-owned coffee roasters. JBR's brands include San Francisco Bay Coffee, The Organic Coffee Co., Fairwinds Coffee, Audubon Coffee, Pleasant Hill Farms, and East India Coffee & Tea. Rogers Family Real Estate will finance this project and lease it to JBR.

Purpose

Financing the cost of acquiring, renovating, and equipping an approximately 216,000 square foot manufacturing facility in Lincoln, CA.

Financing Provided

\$10.0 million in tax-exempt industrial development bonds & \$5.0 million taxable industrial development bonds

Impact

This project enabled JBR to expand their services and hire additional full-time manufacturing employees.

FY 2010—[The Thacher School](#)

The Thacher School is an independent, coeducational, college preparatory boarding school and day school serving approximately 250 students in grades 9-12. The School utilizes carefully calibrated academic and extracurricular challenges to develop the full potential of students and push the boundaries of their capabilities.

Purpose

Refunding outstanding bonds used to finance the construction, rehabilitation, and equipping educational facilities including a fitness center, an athletic practice field, a health center, student dorms and faculty residences.

Financing Provided

\$40.0 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

The refunding of the School's existing bonds reduces their interest costs and overall debt payments. Further stabilized cash flow and potentially higher net income enables the School to expand their services and finance potential future projects.

FY 2011—[Asian Art Museum of San Francisco](#)

The Asian Art Museum Foundation (AAMF) is a non-profit public benefit corporation that is responsible for the financial aspects of the Asian Art Museum's operation. The AAMF provides significant fundraising efforts for the Museum, which holds one of the most comprehensive collections of Asian art in the world.

Purpose

Refunding AAMF's outstanding debt.

Financing Provided

\$98.4 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

The refunding of AAMF's current debt reduces AAMF's interest costs, reducing overall payments and stabilizing cash flow, possibly leading to higher net income which could allow AAMF to expand their programs.

FY 2012—[Atascadero Christian Home](#)

Atascadero Christian Home (ACH) is a nonprofit corporation that offers two levels of care for the elderly in San Luis Obispo County, including independent and assisted living and skilled nursing care.

Purpose

Increasing ACH's initial bond issuance amount to \$4,250,000 due to higher than expected project costs. This financing will also provide ACH with additional funds for capital improvements to both of their facilities.

Financing Provided

\$4.5 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

Many of the residents at Atascadero Christian Home are recipients of Medicare and have limited resources otherwise. This financing preserves critical cash flow and allows Atascadero Christian Home to maintain high standards of care for seniors at its facilities.

FY 2013—[La Clínica de la Raza](#)

La Clínica de la Raza began as a single storefront operation in Oakland in 1971 and has since grown into a sophisticated provider of primary health care with 30 sites spread across Alameda, Contra Costa, and Solano Counties. La Clínica is one of the largest community health centers in the state of California, serving over 74,000 patients in 2011. La Clínica delivers health care services in a culturally and linguistically appropriate manner to most effectively address the needs of the diverse populations it serves.

Purpose

Establishing a longer financing commitment and reduce the overall interest rate paid to continue providing the quality health care to which La Clínica is committed.

Financing Provided

\$15.0 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

This refinancing enabled La Clínica to further their mission statement of improving the quality of life of the diverse communities they serve by providing culturally appropriate, high quality, and accessible health care for all.

FY 2014—[St. Paul's Episcopal Home](#)

St. Paul's Episcopal Home, Inc. provides elder care services and accommodations, including outpatient healthcare services, independent and assisted living facilities, and skilled nursing facilities in the greater San Diego County area.

Purpose

Refinance \$8.6 million in existing debt; finance the acquisition, design, construction, equipping, and furnishing of a new elder care facility consisting of approximately 154 assisted living and memory care units; and finance the rehabilitation and improvement of existing property.

Financing Provided

\$50.0 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

This financing was estimated to create approximately 113 full-time equivalent jobs and infuse \$3.3 million in salaries into the local economy and the new facility is responsive to the identified need for such services in San Diego County.

FY 2015—[FSA / Aspire Community Housing](#)

Family Service Association Community Housing Development Organization d/b/a Aspire Community Housing Organization (ACH) was formed in 2008 with the purpose to develop affordable housing to create stable and vibrant communities for families, seniors and individuals with special needs who lack the economic resources to obtain quality affordable housing on their own.

Purpose

The bond financing allowed for the new construction of a 37-unit senior apartment complex in the City of Riverside consisting of 19 two-bedroom and 18 one-bedroom units. A minimum of 20 percent of the units are designated as affordable for low to moderate income qualifying tenants.

Financing Provided

\$4.3 million in tax-exempt 501(c)(3) nonprofit bonds

Impact

The Grandvilla's Senior Apartment Project is located in downtown Riverside. The area has experienced a significant redevelopment and this project will create 35 construction jobs and seven permanent jobs. This project will also provide 37 additional housing units in a community that requires over 1,500 to meet its senior housing needs.

CEDA Approved Transactions

Company/Project Name	Date Issued	Principal Amount	Issue Type
Inland Valley Recovery Services	8/18/16	\$5,524,990	501(c)3
Orange County School of the Arts	7/22/16	\$22,000,000	501(c)3
The Legacy Fund	7/22/16	\$33,000,000	501(c)3
Sonoma Humane Society	7/19/16	\$2,900,000	501(c)3
Orangewood Real Property, LLC (Samueli Academy)	7/1/16	\$12,660,000	501(c)3
North Hills Baptist Church	4/14/16	\$2,370,000	501(c)3
PACE 2016-2	4/8/16	\$1,112,879	PACE
Horizon Christian Fellowship Rancho Santa Fe	3/23/16	\$11,700,000	501(c)3
Frank-Lin Distillers	3/17/16	\$22,048,000	RZFB
Summerfield Waldorf School and Farm	3/17/16	\$3,000,000	501(c)3
North County Health Services	2/25/16	\$6,360,000	501(c)3
PACE 2016-1	2/05/16	\$1,096,149	PACE
Mission Economic Development Agency (MEDA)	12/03/15	\$6,450,000	501(c)3
Neighborhood Healthcare	10/30/15	\$1,928,000	501(c)3
PACE 2015-3	10/07/15	\$1,279,190	PACE
Native American Health Center	10/07/15	\$8,062,500	501(c)3
St. Augustine's School of San Diego	10/01/15	\$23,500,000	501(c)3
The Athenian School	08/26/15	\$16,400,000	501(c)3
Live Oak School	07/01/15	\$8,300,000	501(c)3
The Urban School of San Francisco	06/19/15	\$23,000,000	501(c)3
Family Service Association d/b/a Aspire Community Housing Organization	06/01/15	\$4,300,000	501(c)3
PACE 2015-2	05/15/15	\$3,500,000	PACE
KJH Properties/J. Harris	05/14/15	\$6,500,000	IDB
Gordon Brush Manufacturing Co.	04/16/15	\$10,000,000	IDB
PACE 2015-1	04/09/15	\$1,040,580	PACE
Spooner's Woodworking	04/01/15	\$6,200,000	IDB
Hindu Community & Cultural Center	03/26/15	\$4,630,000	501(c)3
Esalen Institute	12/23/14	\$10,000,000	501(c)3
Casa de las Campanas	12/05/14	\$20,000,000	501(c)3

Southern CA Public Radio	12/01/14	\$4,479,500	501(c)3
PACE 2014-2	11/18/14	\$1,000,000	PACE
YMCA of Central Bay Area	11/03/14	\$10,000,000	501(c)3
German International School of Silicon Valley	10/22/14	\$3,500,000	501(c)3
Pacific Ridge School	08/06/14	\$1,250,000	501(c)3
North County Health Project	07/26/14	\$3,000,000	501(c)3
North Peninsula Jewish Campus	06/30/14	\$15,000,000	501(c)3
San Diego Foundation	06/26/14	\$13,500,000	501(c)3
Neighborhood Health Care	06/19/14	\$2,600,000	501(c)3
Justin-Siena High School Amendment	06/10/14	\$750,000	501(c)3
PACE 2014-1	04/17/14	\$365,000	PACE
Loma Linda University Medical Center-Murrieta	03/20/14	\$7,000,000	501(c)3
San Diego Blood Bank	12/19/13	\$10,000,000	501(c)3
Marin Country Day School	12/19/13	\$26,000,000	501(c)3
St. Paul's Episcopal Home, Inc	12/19/13	\$50,000,000	501(c)3
Hamlin School	11/18/13	\$21,000,000	501(c)3
PACE Series 2013B	10/22/13	\$700,000	PACE
Santa Fe Christian Schools	09/19/13	\$11,200,000	501(c)3
Star Academy	08/29/13	\$2,200,000	501(c)3
Pacific Ridge School	08/28/13	\$25,200,000	501(c)3
St. Matthew's Day School	07/17/13	\$12,000,000	501(c)3
PACE Series 2013A	07/10/13	\$811,300	PACE
Gillespie School	07/09/13	\$8,000,000	501(c)3
Justin-Siena High School	06/28/13	\$4,500,000	501(c)3
First Assembly of God of Fremont	06/27/13	\$17,600,000	501(c)3
Progress Foundation	06/17/13	\$8,500,000	501(c)3
Francis Parker School	05/09/13	\$47,000,000	501(c)3
Oshman Family Jewish Community Center	03/13/13	\$50,000,000	501(c)3
La Clinica de La Raza	03/06/13	\$15,000,000	501(c)3
SE-Davis	12/17/12	\$13,700,000	Housing
Live Oak School	10/01/12	\$6,000,000	501(c)3
Schools of the Sacred Heart	09/25/12	\$24,000,000	501(c)3
Music Academy of the West	09/13/12	\$15,500,000	501(c)3
Atascadero Christian Home	04/26/12	\$3,800,000	501(c)3
SPCA of Monterey County	01/04/12	\$1,000,000	501(c)3

North Waterford Apartments	09/15/11	\$36,000,000	Housing
Pacific Ridge School	07/28/11	\$15,000,000	501(c)3
Trademark Plastics, Inc	05/17/11	\$4,170,000	IDB
Stevenson School	03/10/11	\$15,300,000	501(c)3
Asian Art Museum of San Francisco	02/11/11	\$98,400,000	501(c)3
AACI	12/30/10	\$6,000,000	501(c)3
Music Concourse Community Partnership	12/30/10	\$30,000,000	501(c)3
Pacific Ridge School	12/30/10	\$20,000,000	501(c)3
Regional Properties	12/30/10	\$37,500,000	RZFB
Sun Power	12/30/10	\$30,000,000	RZFB
TRCF Redondo Holdings	12/30/10	\$45,000,000	RZFB
Troy CSL Lighting	12/30/10	\$11,325,000	RZFB
San Francisco School	12/29/10	\$5,000,000	501(c)3
Reutlinger Home for Jewish Parents	12/28/10	\$10,005,000	501(c)3
SPCA Expansion	12/23/10	\$5,000,000	501(c)3
Quattro-Del Norte	12/23/10	\$9,600,000	RZFB
Santa Barbara Student Housing Co-Op	12/15/10	\$3,250,000	501(c)3
North County Health Services	12/09/10	\$4,500,000	501(c)3
Santa Fe Christian School	11/19/10	\$9,378,000	501(c)3
Marymount School	11/19/10	\$2,000,000	501(c)3
Laguna Blanca	11/17/10	\$5,000,000	501(c)3
Katherine Delmar Burke School	11/17/10	\$10,300,000	501(c)3
Horizon Christian Prep School	11/04/10	\$10,000,000	501(c)3
GreenHunter Mesquite Lake, LLC	09/29/10	\$40,000,000	RZFB
Lutheran High School of Orange County	09/29/10	\$18,500,000	501(c)3
Brandeis Hillel	09/26/10	\$11,500,000	501(c)3
Vista Community Clinic	09/02/10	\$4,200,000	501(c)3
Urban School of San Francisco	09/01/10	\$8,036,000	501(c)3
MCF Property Holdings, Inc.	08/20/10	\$5,300,000	501(c)3
Old Globe Theater	08/12/10	\$3,800,000	501(c)3
Seven Hills School	08/10/10	\$8,300,000	501(c)3
National Center for International Schools	08/02/10	\$22,000,000	501(c)3
Pacific Autism Center for Education	07/23/10	\$4,795,000	501(c)3
Frank-Lin Distillers	07/15/10	\$22,000,000	RZFB
The Gillespie School	06/29/10	\$5,000,000	501(c)3
Loma Linda Equipment	06/16/10	\$4,016,964	501(c)3

San Diego Christian Foundation, Inc.	03/31/10	\$5,828,005	501(c)3
Orange County ARC	03/10/10	\$3,024,486	501(c)3
The Thacher School	01/01/10	\$35,515,000	501(c)3
Chandler School	12/17/09	\$9,800,000	501(c)3
Valley Healthcare	07/15/09	\$10,500,000	501(c)3
Pocino Foods, LLC	11/18/08	\$7,665,000	IDB
Ramar International Corporation	11/13/08	\$8,220,000	IDB
Olive Lane Industrial Park	11/13/08	\$3,000,000	IDB
JBR/Rogers Family Co.	09/10/08	\$10,000,000	IDB
Loma Linda Campus Improvements	07/01/08	\$5,000,000	501(c)3
Sconza Candy Co.	06/09/08	\$10,000,000	IDB
Humane Society	04/30/08	\$16,000,000	501(c)3
Loma Linda Behavioral Medical Center	06/18/08	\$17,464,558	501(c)3
EVAPCO	06/03/08	\$6,000,000	IDB
Loma Linda Beaumont-Tax Exempt	11/29/07	\$28,809,966	501(c)3
Loma Linda Beaumont-Taxable	11/29/07	\$11,723,314	501(c)3
Le Chef Bakery	11/14/07	\$7,300,000	IDB
Loma Linda Sun City	09/28/07	\$3,195,000	501(c)3
Loma Linda Colton	09/28/07	\$4,200,000	501(c)3
Anheuser Busch	09/18/07	\$9,700,000	Sewage Facilities Bond
Tri Tool, Inc.	09/12/07	\$10,000,000	IDB
Alvarado Street Bakery	09/12/07	\$8,500,000	IDB
Beckman Research Co.	07/11/07	\$50,000,000	501(c)3
Community Hospice	11/15/06	\$5,200,000	501(c)3
Samaritan Village	11/09/06	\$28,850,000	501(c)3
Inland Valley	10/03/06	\$6,015,000	501(c)3

FIGTREE PACE

Program Report

Revised: August 4, 2016

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I. INTRODUCTION

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

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

AUTHORITY FOR THE PROGRAM

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

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

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

A. Parties Identified in this Report

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

1. Issuing Agency

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

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

2. Program Administrator

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

3. Bond Administrator

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

B. Participating Agencies Included in this Program Report

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

C. Background

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

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

D. Program Administration

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

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

E. Funding Plans

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

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

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

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

F. Geographic Parameters

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

G. Adoption of Program by Municipalities

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

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

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

H. Authorized Improvements

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

I. Changes to Report

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

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

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

II. COMMERCIAL PACE PROGRAM

A. Eligible Commercial Property Owners and Property Classifications

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

ELIGIBLE COMMERCIAL PROPERTY OWNERS

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

The underwriting criteria for qualifying Program participants include:

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

ELIGIBLE COMMERCIAL PROPERTY CLASSIFICATIONS

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

B. Eligible Improvements

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

- Authorized Improvements must be permanently fixed to the Property.

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

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

For further examples of Authorized Improvements, *see Exhibit C*.

C. Eligible Costs

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

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

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

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

D. Administrative Costs

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

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

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

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

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

E. Application Process

Step 1: Apply and Get Approved for Financing

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

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

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

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

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

Step 2: Define the Scope of Work and Budget

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

Step 3: Lender Consent

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

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

Lender consent to Prior Assessment Lien:

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

Lender failure to respond to the Lender Consent:

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

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

Step 4: Execute Assessment Documents

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

Step 5: Notice to Proceed

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

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

Step 6: Project Completion and Inspection

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

Step 7: Contractor Payment

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

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

III. PROGRAM PLAN FOR COMMERCIAL PACE FINANCING

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

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

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

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

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

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

IV. RESIDENTIAL PACE PROGRAM (HOMEOWNER PACE)

A. Eligible Property Owners and Property Classifications

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

The underwriting criteria for qualifying Program participants include:

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

of the property, and less than ten percent (10%) of the remaining value of the property above seven hundred thousand dollars (\$700,000).

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

B. Eligible Improvements

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

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

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

For further examples of eligible measures, *see Exhibit C*.

C. Eligible Costs

Eligible costs of Authorized Improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, materials, labor, legal fees, appraisal fees, drafting, engineering, application fees, permit fees, processing fees, energy audit, and inspection charges. Remodeling, repair, and/or new construction costs do not qualify for funding except to the extent such construction is required for installation of a qualifying Improvement. Such equipment may include solar leases where such 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, as each transaction is between the Property Owner and the Eligible Contractor. Neither the Program Administrator nor the Authority nor a Participating Agency makes representations of the quality of work provided by an Eligible Contractor. Property Owners must protect their own interests and obtain the best price, service, and warranties. The role of Participating Agencies is limited to authorizing a financing district. The Property Owner is fully responsible for his or her purchase, service and performance expectations, and warranties.

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

D. Administrative Costs

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

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

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

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

E. Application Process

Step 1: Apply and Get Approved for Financing

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

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

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

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

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

Step 2: Define the Scope of Work and Budget

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

Step 3: Execute Assessment Documents

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

Step 4: Notice to Proceed

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

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

Step 5: Project Completion and Inspection

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

Step 6: Contractor Payment

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

V. PROGRAM PLAN FOR HOMEOWNER PACE FINANCING

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

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

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

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

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

VI. PROGRAM REQUIREMENTS FOR PARTICIPATING CONTRACTORS

A. Eligible Contractors

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

Eligibility requirements include:

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

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

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

VII. APPEALS

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

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

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

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

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

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

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

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

VIII. PROGRAM AND FUNDING DISCLOSURES

A. Funding Amount and Terms – Commercial Properties

1. Minimum Assessment Funding Amount

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

2. Maximum Assessment Funding Amount

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

The interest rate shall be based on market conditions.

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

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

3. Funding Term

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

B. Funding Amount and Terms – Residential Properties

1. Minimum Assessment Funding Amount

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

2. Maximum Assessment Funding Amount

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

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

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

3. Funding Term

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

C. Maximum Portfolio

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

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

D. Priority of Funding

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

E. Accelerated Foreclosure

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

F. Prepayment

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

G. Assessment Interest Rate

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

IX. EXHIBITS

Maps

Draft Assessment Contract

Authorized Improvements

Applications for Financing

EXHIBIT A

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

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

EXHIBIT B
Draft Assessment Contract

EXHIBIT C
Authorized Improvements

FIGTREE PACE

Eligible Energy & Water Efficiency Measures (the “Improvements”)

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

Energy Efficiency Equipment / Measures

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

Pool Equipment

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

Solar Equipment / Renewable Energy Generation

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

Solar electricity generating equipment includes:

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

Other electricity generating equipment includes:

- Small wind turbines
- Fuel Cells

Water Conservation Measures

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

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

ENERGY STAR

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

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

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

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

Electrical Vehicle Charging Infrastructure

- Vehicle charging station equipment

Seismic Improvements

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

EXHIBIT D
Applications for Funding