

RESOLUTION NO:_____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA
CONSENTING TO THE IMPLEMENTATION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY (“CSCDA”) OPEN PACE PROGRAM FOR
THE FINANCING OR REFINANCING OF THE INSTALLATION OF DISTRIBUTED
GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY
IMPROVEMENTS, WATER EFFICIENCY IMPROVEMENTS, AND ELECTRIC VEHICLE
CHARGING INFRASTRUCTURE THAT ARE PERMANENTLY FIXED TO COMMERCIAL
PROPERTY WITHIN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA
BARBARA PURSUANT TO CHAPTER 29.**

WHEREAS, the California Statewide Communities Development Authority (“CSCDA”) is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the County of Santa Barbara (the “County”); and

WHEREAS, on November 6, 2014 pursuant to Section 5898.20 of the California Streets and Highways Code, CSCDA adopted Resolution No. 14R-61, a Resolution Declaring Intention to Finance or Refinance the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency Improvements, Water Efficiency Improvements, Seismic Strengthening Improvements, Electric Vehicle Charging Infrastructure and Other Work, Infrastructure or Improvements Authorized by Law; (Attachment 1) (the “CSCDA Resolution of Intent”); and

WHEREAS, on CSCDA prepared a report pursuant to Section 5898.22 of the California Streets and Highways Code (the “CSCDA Report”) (Attachment 2); and

WHEREAS, on December 4, 2014, pursuant to Section 5898.26 of the California Streets and Highways Code, CSCDA adopted Resolution No. 14R-66, a Resolution Confirming Report Relating to the Financing or Refinancing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency Improvements, Water Efficiency Improvements, Seismic Strengthening Improvements, Electric Vehicle Charging Infrastructure and Other Work, Infrastructure or Improvements Authorized by Law and Approving, Directing and Ordering Other Related Matters (the “CSCDA Resolution Confirming Report”) (Attachment 3); and

WHEREAS, CSCDA has established and is implementing a Property Assessed Clean Energy (PACE) program, which it has designated as the CSCDA Open PACE Program (the “Program”), administered by separate program administrators (collectively with any successors, assigns, replacements or additions, the “Program Administrators”), to allow the financing or refinancing of renewable energy, energy and water efficiency improvements, electric vehicle charging infrastructure and such other improvements or other work as may be authorized by law from time to time (collectively, the “Improvements”) through the levy of voluntary contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter

29”) within counties and cities throughout the State of California that consent to the implementation of the Program within their respective territories; and

WHEREAS, the Program Administrators currently active in administering the Program are the AllianceNRG Program (CounterPointe Energy Solutions (CA) LLC), CaliforniaFirst (Renewable Funding LLC), and CleanFund Commercial PACE Capital, and CSCDA shall notify the County in advance of any additions or changes; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner or owners of each lot or parcel on which an assessment is levied at the time the assessment is levied (“Participating Property Owners”); and

WHEREAS, the County desires to allow Participating Property Owners of “Commercial Property,” defined as any real property other than residential property consisting of 4 units or less,” within its unincorporated territory to participate in the Program; and

WHEREAS, on March 13, 2018, 2017, the Board of Supervisors of the County of Santa Barbara adopted the Resolution of the Board Of Supervisors of the County Of Santa Barbara Declaring Intention to Consent to the Inclusion of Commercial Properties within the Unincorporated Territory of the County of Santa Barbara to Participate in the California Statewide Communities Development Authority (“CSCDA”) Open PACE Program;

WHEREAS, on April 3, 2018, the Board of Supervisors of the County of Santa Barbara held a public hearing where all persons present were afforded an opportunity to comment upon, object to, or present evidence with regard to the Program, the extent of the area proposed to be included within the Program, the terms and conditions of the agreement with CSCDA, or the proposed financing provisions of the Program.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. The County Board of Supervisors adopts this Resolution consenting to the implementation of the Program for the financing of Improvements that are permanently fixed to Commercial Property within the unincorporated area of the County for Participating Property Owners.

Section 2. Adoption of this Resolution shall serve as the confirmation of the CSCDA Report and authorizes CSCDA to take any and all actions within County’s unincorporated territory authorized by Chapter 29 for the Program.

Section 3. In connection with the Program, the County hereby consents to the conduct of special assessment proceedings by CSCDA pursuant to Chapter 29 on any Commercial Property within

the territory of the County and the issuance of bonds to finance or refinance Improvements; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such Commercial Property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The County shall not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Program.

Section 4. The appropriate officials and staff of the County are hereby authorized and directed to make applications for the Program available to all Participating Property Owners of Commercial Property that wish to finance or refinance Improvements; provided, that CSCDA shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the County Executive Officer of the County from time to time, are hereby designated as the contact persons for the County in connection with the Programs: Division Chief, Energy and Sustainability Initiatives.

Section 5. The appropriate officials and staff of the County are hereby authorized and directed to execute and deliver such certificates and related documents as are reasonably required by CSCDA to implement the Program.

Section 6. The Board of Supervisors hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the adoption of the Resolution is the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

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

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

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Attachment 1-CSCDA Resolution of Intent

RESOLUTION NO. 14R-61

**A RESOLUTION DECLARING INTENTION TO FINANCE OR REFINANCE THE
INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY
SOURCES, ENERGY EFFICIENCY IMPROVEMENTS, WATER EFFICIENCY
IMPROVEMENTS, SEISMIC STRENGTHENING IMPROVEMENTS, ELECTRIC
VEHICLE CHARGING INFRASTRUCTURE AND OTHER WORK,
INFRASTRUCTURE OR IMPROVEMENTS AUTHORIZED BY LAW**

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("Chapter 29") (the "Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes the Authority to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the counties (including the incorporated cities therein) listed on Schedule I (each, a "County") and the cities in Los Angeles County listed on Schedule II (each, a "City in Los Angeles County" and, collectively with the Counties, the "Covered Jurisdictions"); and

WHEREAS, the Authority wishes to declare its intention to establish the CSCDA Open PACE Program (the "Program") in each Covered Jurisdiction; and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, prior to entering into contractual assessments to finance or refinance the installation of Authorized Improvements, the Authority intends to require the following:

- (i) if the real property to be assessed is located in the unincorporated territory of a County, the County's board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A;
- (ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city's legislative body must have consented by adopting a resolution in substantially the form set forth in Exhibit A; and

(iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A;

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

Section 1. The Commission of the Authority hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy efficiency and other energy related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) Seismic strengthening improvements are necessary to address seismic safety needs throughout California.
- (e) Electric vehicle charging infrastructure is a necessary component to transitioning to increased electric vehicle usage and electric vehicles and electric vehicle charging infrastructure address the issue of global climate change and the reduction of greenhouse gas emissions.
- (f) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient and/or seismically safe and the upfront cost of installing electric vehicle charging infrastructure improvements, along with the fact that most commercial loans for these purposes are due on the sale of the property, prevent many property owners from installing Authorized Improvements.
- (g) A public purpose will be served by establishing a contractual assessment program, to be known as the CSCDA Open PACE Program, pursuant to which the Authority will finance or refinance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in each Covered Jurisdiction.

Section 2. The Commission of the Authority hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of each Covered Jurisdiction, within which the Authority and property owners within each Covered Jurisdiction may enter into contractual assessments to finance or refinance the installation of Authorized Improvements pursuant to Chapter 29; (b) it is in the public interest for the Authority to finance or refinance the installation of Authorized Improvements in each Covered Jurisdiction pursuant to Chapter 29; (c) refinancing of Authorized Improvements pursuant to Chapter 29 will result in an increased adoption of Authorized Improvements.

Section 3. The Authority hereby declares that it proposes to make contractual assessment financing available to property owners to finance or refinance the installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

Section 4. Contractual assessments may be entered into by property owners located within the entire geographic territory of each Covered Jurisdiction; provided, however, that the Authority shall not enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a Covered Jurisdiction unless the following shall have occurred:

- (i) if the real property to be assessed is located in the unincorporated territory of a County, the County's board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A;
- (ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city's legislative body must have consented by adopting a resolution in substantially the form set forth in Exhibit A; and
- (iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A.

For purposes of clarity, the Authority may enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a city that is located in a County if the city has adopted the requisite resolution referred to above notwithstanding the fact that the city is located in a County that has not adopted a similar resolution for the County's unincorporated territory. In addition, the Authority may enter into contractual assessments to finance or refinance the installation of Authorized Improvements with the owner of any property in a City in Los Angeles County if the City in Los Angeles County has adopted the requisite resolution referred to above notwithstanding the fact that Los Angeles County has not adopted a similar resolution for the unincorporated territory in Los Angeles County.

Section 5. Under Chapter 29, the Authority may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and the Authority may advance its own funds to finance work to be repaid through contractual assessments, and may from time to time sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. It is the intention of the Authority to issue bonds pursuant to Chapter 29 and the Improvement Bond Act of 1915 payable from contractual assessments to finance or refinance Authorized Improvements.

The Authority shall determine the creditworthiness of a property owner to participate in the financing or refinancing of Authorized Improvements based on the criteria developed by the Authority in consultation with the Program financing team.

In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 39 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by the Authority at the time of the issuance of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. The Authority may create one or more special reserve funds for all or any portion of the bonds under Part 16 of the Improvement Bond Act of 1915. The Authority will not advance available surplus funds from its treasury to cure any deficiency in any redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent the Authority from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of the Authority. The principal amount of bonds maturing or becoming subject to mandatory redemption each year need not be an amount equal to an even annual proportion of the aggregate principal of the bonds.

In connection with the issuance of bonds payable from contractual assessments, the Authority expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Pursuant to the Act, the Authority hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on December 4, 2014, at 10:00 a.m., or such later date and time selected by the Executive Director, for the purposes of allowing interested persons to object to or inquire about the proposed Program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below, or the proposed financing provisions. Following the public hearing, the Authority may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks as required by Section 5898.24(a) of Chapter 29. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. The Commission hereby directs the Executive Director of the Authority or the designee thereof (the "Executive Director") to prepare or cause to be prepared and to file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the "Contract") specifying the terms and conditions that would be agreed to by the Authority and a property owner within each Covered Jurisdiction. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of the Authority's policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

(2) Identification of the Authority officials authorized to enter into contractual assessments on behalf of the Authority.

(3) A maximum aggregate dollar amount of contractual assessments for the Program.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

(5) A brief description of criteria for determining the underwriting requirements, and safeguards that will be used to ensure that the total annual property tax and assessments on the property will not exceed 5% of the property's market value, as determined at the time of approval for the owner's contractual assessment.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by the Authority through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and the Authority.

(e) A report on the results of the consultations with each county auditor-controller described in Section 9 below concerning the additional fees, if any, that will be charged to the Authority for incorporating the proposed contractual assessments into the assessments of the

general taxes of the related county on real property, and a plan for financing the payment of those fees.

Section 8. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by the Authority, the assessments shall be collected in the same manner and at the same time as the general taxes of each county on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 9. The Authority hereby directs the Executive Director to enter into consultations with the auditor-controller for each County and Los Angeles County in order to reach agreement on what additional fees, if any, will be charged to the Authority for incorporating the proposed contractual assessments into the assessments of the general taxes of the related county on real property.

Section 10. Pursuant to Section 5898.24(c), the Authority hereby designates the Executive Director as the responsible official for annually preparing or causing to be prepared the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.


Section 11. The Executive Director shall establish or cause to be established procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 12. The Commission hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 13. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 6th day of November, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on November 6, 2014.

By: 
Authorized Signatory
California Statewide Communities
Development Authority

SCHEDULE I
LIST OF COUNTIES

| | |
|--------------|-----------------|
| Alameda | Placer |
| Alpine | Plumas |
| Amador | Riverside |
| Butte | Sacramento |
| Calaveras | San Benito |
| Colusa | San Bernardino |
| Contra Costa | San Diego |
| Del Norte | San Francisco |
| El Dorado | San Joaquin |
| Fresno | San Luis Obispo |
| Glenn | San Mateo |
| Humboldt | Santa Barbara |
| Imperial | Santa Clara |
| Inyo | Santa Cruz |
| Kern | Shasta |
| Kings | Sierra |
| Lake | Siskiyou |
| Lassen | Solano |
| Madera | Sonoma |
| Marin | Stanislaus |
| Mariposa | Sutter |
| Mendocino | Tehama |
| Merced | Trinity |
| Modoc | Tulare |
| Mono | Tuolumne |
| Monterey | Ventura |
| Napa | Yolo |
| Nevada | Yuba |
| Orange | |

SCHEDULE II

LIST OF CITIES WITHIN LOS ANGELES COUNTY

| | | |
|---------------|----------------------|-----------------------|
| Agoura Hills | Gardena | Paramount |
| Alhambra | Glendale | Pasadena |
| Arcadia | Glendora | Pico Rivera |
| Artesia | Hawaiian Gardens | Pomona |
| Avalon | Hawthorne | Rancho Palos Verdes |
| Azusa | Hermosa Beach | Redondo Beach |
| Baldwin Park | Huntington Park | Rolling Hills Estates |
| Bell | Industry | San Dimas |
| Bell Gardens | Inglewood | San Gabriel |
| Bellflower | La Mirada | San Marino |
| Beverly Hills | La Verne | Santa Clarita |
| Burbank | Lakewood | Santa Fe Springs |
| Calabasas | Lancaster | Santa Monica |
| Carson | Lomita | South Gate |
| Claremont | Long Beach | South Pasadena |
| Commerce | Los Angeles | Temple City |
| Compton | Lynwood | Torrance |
| Covina | Maywood | Vernon |
| Cudahy | Monrovia | Walnut |
| Culver City | Montebello | West Covina |
| Downey | Monterey Park | West Hollywood |
| Duarte | Norwalk | Westlake Village |
| El Monte | Palmdale | Whittier |
| El Segundo | Palos Verdes Estates | |

EXHIBIT A

**FORM OF RESOLUTION AUTHORIZING THE AUTHORITY TO CONDUCT
CONTRACTUAL ASSESSMENT PROCEEDINGS AND
LEVY CONTRACTUAL ASSESSMENTS**

RESOLUTION NO. _____

**RESOLUTION OF THE [BOARD OF SUPERVISORS/CITY COUNCIL] OF THE
[COUNTY/CITY] OF [_____] CONSENTING TO THE INCLUSION OF
PROPERTIES WITHIN THE TERRITORY OF THE [COUNTY/CITY] IN THE CSCDA
OPEN PACE PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS
FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT
PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE
TERRITORY OF THE [COUNTY/CITY]; AND AUTHORIZING RELATED ACTIONS**

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

WHEREAS, the Authority has established its CSCDA Open PACE Program (the “Program”) to allow the financing or refinancing of renewable energy, energy efficiency, water efficiency and seismic strengthening improvements, electric vehicle charging infrastructure and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the “Improvements”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter 29”) within counties and cities throughout the State of California that consent to the inclusion of properties within their respective territories in the Program and the issuance of bonds from time to time; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner or owners of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the [County/City] desires to allow the owners of property (“Participating Property Owners”) within its territory to participate in the Program and to allow the Authority to conduct assessment proceedings under Chapter 29 within its territory and to issue bonds to finance or refinance Improvements; and

WHEREAS, the territory within which assessments may be levied for the Program shall include all of the territory within the [County’s/City’s] official boundaries; and

WHEREAS, the Authority will conduct all assessment proceedings under Chapter 29 for the Program and issue any bonds issued in connection with the Program; and

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

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

Section 1. This [Board of Supervisors/City Council] hereby finds and declares that properties in the territory of the [County/City] will benefit from the availability of the Program within the territory of the [County/City] and, pursuant thereto, the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 and the issuance of bonds to finance or refinance Improvements.

Section 2. In connection with the Program, the [County/City] hereby consents to the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 on any property within the territory of the [County/City] and the issuance of bonds to finance or refinance Improvements; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The [County/City] will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Program.

Section 3. The appropriate officials and staff of the [County/City] are hereby authorized and directed to make applications for the Program available to all property owners who wish to finance or refinance Improvements; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the [_____] of the [County/City] from time to time, are hereby designated as the contact persons for the Authority in connection with the Program: _____ [specify name of position].

Section 4. The appropriate officials and staff of the [County/City] are hereby authorized and directed to execute and deliver such certificates, requisitions, agreements and related documents as are reasonably required by the Authority to implement the Program.

Section 5. The [Board of Supervisors/City Council] hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 6. This Resolution shall take effect immediately upon its adoption. The [Clerk of the Board of Supervisors/City Clerk] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority at: Secretary of the Board, California Statewide Communities Development Authority, 1400 K Street, Sacramento, CA 95814.

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

AYES: [Board/Council] Members _____

NOES: [Board/Council] Members _____

ABSENT: [Board/Council] Members _____

ABSTAIN: [Board/Council] Members _____

Attachment 2-CSCDA Report

California Statewide Communities Development Authority

Open PACE Program Report

December 4, 2014

1. Introduction

The California Statewide Communities Development Authority ("CSCDA") has established the CSCDA Open PACE Program for the benefit of its county-members (including any incorporated city within those counties) and the cities in Los Angeles County that are members of CSCDA (Los Angeles County is not currently a member of CSCDA). This CSCDA Open PACE Program Report (this "Program Report") outlines the basic design and financing structure of a property assessed clean energy ("PACE") municipal financing program called the CSCDA Open PACE Program (the "Open PACE Program" or "Program").

CSCDA anticipates that there will be multiple program administrators engaged to independently administer and provide financing under the Open PACE Program. Separate Program Handbooks will provide additional details about how the Open PACE Program will operate in respect of a particular program administrator.

1.1 California Statewide Communities Development Authority

The California Statewide Communities Development Authority ("CSCDA") is a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. CSCDA's mission is to provide local governments access to low-cost financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities.

1.2 Purpose of the Open PACE Program

CSCDA is offering the Open PACE Program on a statewide basis to encourage the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure within the existing residential and non-residential building stock. CSCDA will issue assessment-backed bonds that will allow property owners to access competitive interest rates offered by the capital markets.

With the passage of AB 32, the State of California (the "State") set ambitious goals for reducing carbon emissions and building alternative energy use. The California Public Utilities Commission has set a goal of retrofitting over 13 million residences in the State to be at least 30% more energy efficient. Many California cities and counties have also set their own greenhouse gas reduction targets. Similarly, water conservation efforts, including the promotion of water-related improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in the State.

Property owners can help to achieve greenhouse gas reductions and reduce water use and, at the same time, save money by investing in distributed generation renewable energy sources, energy efficiency, and/or water efficiency improvements. The number one barrier to achieving these goals is the large upfront cost. Utilities sell power and water to their customers as a simple pay-as-you-go service. Homes and businesses can be converted to clean energy and reduce water use quickly, but many believe that it can happen only if paying for distributed generation renewable energy sources, energy efficiency improvements and water efficiency improvements becomes simple - like paying a utility bill. The Open PACE Program can make this happen.

Many cities and counties in the State have begun screening properties in their jurisdictions for deficient wood frame construction ("Soft Story") and enacting mandatory seismic retrofit ordinances to address these problems. The Open PACE Program can provide property owners with an efficient means to finance these seismic retrofits and comply with local law.

1.3 Assessment Financing; Contractual Assessments

The Open PACE Program uses a tool that is widely used by local agencies in California to finance public benefit projects: land-secured financing. State law has long provided cities and counties with the power to issue bonds and levy assessments on the county property tax bill to finance public projects such as sewers, parks, and the undergrounding of utilities.

Chapter 29 of the Improvement Act of 1911, commencing with Section 5898.10 of the Streets & Highways Code of the State ("Chapter 29"), authorizes the levy of "contractual assessments" to finance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, and electric vehicle charging infrastructure that are permanently fixed to real property.

A "contractual assessment" is an assessment that is levied by contract, between a public agency and property owner, pursuant to Chapter 29. A draft form of assessment contract is attached to this Program Report as Exhibit A (the "Assessment Contract"). The Assessment Contract is strictly voluntary and will be executed by each participating property owner and CSCDA.

Under the Open PACE Program, a contractual assessment lien is placed on each participating property in an amount necessary to (i) finance the installation of authorized renewable energy, energy efficiency, water efficiency, seismic strengthening or electric vehicle charging infrastructure improvements over a 5-39 year period of time, depending upon the expected useful life of the financed improvements, (ii) pay for costs of issuing bonds (including funding a reserve fund, if required), and (iii) pay the costs of administering the Open PACE Program. The contractual assessment installments are collected on the property tax bill of the county in which the participating property is located. If the owner sells the property, the contractual assessment obligation remains an obligation of the property.

Under the Open PACE Program, if a property owner fails to pay the annual contractual assessment installments, CSCDA is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year.

All property owners participating in the Open PACE Program need to consult their private lenders to determine that the execution of the Assessment Contract will not violate their existing loan agreements. Property owners may wish to obtain written consent or affirmative acknowledgement of existing lenders whose consent or affirmative acknowledgement is required for further encumbrance. The Open PACE Program's consent or affirmative acknowledgement requirement, if any, will be detailed in the Program Handbooks.

The Open PACE Program is completely voluntary, and property taxes for properties that do not choose to participate are completely unaffected by the Open PACE Program. Individual contractual assessments are not affected by other properties participating in the Open PACE Program.

1.4 Purpose of This Program Report

This Program Report constitutes the report required pursuant to Section 5898.22 of Chapter 29 for the Open PACE Program. The Open PACE Program will be offered throughout the State to owners of property that is located within the boundaries of:

- a. the unincorporated territory of a county that is a member of CSCDA, and the board of supervisors of that county has adopted an authorizing resolution in compliance with applicable law;
- b. the incorporated territory of a city located within a county that is a member of CSCDA, and the legislative body of the city has adopted an authorizing resolution in compliance with applicable law; or
- c. a city in Los Angeles County, and the legislative body of the City in Los Angeles County has adopted an authorizing resolution in compliance with applicable law.

1.5 Program Administration and Underwriting

CSCDA has hired third-party administrators to administer the Open PACE Program, initially the AllianceNRGTM Program (delivered by Counterpointe Energy Solutions, Deutsche Bank and Leidos Engineering) and Renovate America, LLC. The administrators will review applications and provide marketing and customer service through a website, email, and a toll-free phone number.

2. Program Requirements

This Program Report identifies the Open PACE Program requirements relating to the types of improvements that can be financed under the Open PACE Program, eligible properties and financing parameters.

2.1 Eligible Products

The Open PACE Program offers financing of the installation of only approved distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure improvements that will be permanently fixed to real property ("Eligible Products").

The Open PACE Program will offer financing for a number of eligible equipment types, energy efficiency measures, water efficiency/conservation improvements, solar systems, seismic strengthening improvements and other innovative, energy-saving, water saving, and energy generation custom products for residential and commercial property owners as specified in the applicable Program Handbook.

Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable. Efficiency standards will "ratchet-up" with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by the applicable program administrator.

Any solar PV system must be eligible for and participate in CSI or an equivalent utility rebate program, unless the property is not connected to the electricity grid or such utility rebate program is not available.

Property owners are responsible for installation, operation and maintenance of the Eligible Products installed as a result of their participation in the Open PACE Program. Property owners must address performance and other system-related issues directly with the contractor according to the terms of the contract between the property owner and the contractor. The Open PACE Program is a financing program only. Neither CSCDA nor its employees or agents are responsible for the Eligible Products or their performance.

2.2 Property Eligibility Criteria

In order to receive financing from the Open PACE Program, the property to be assessed and its owners must meet the following basic requirements. Details on the criteria are provided in the Program Handbooks; the criteria may be modified from time to time by the program administrators (without action by the Commission of CSCDA) in order to conform to changes in law, emerging best practices or otherwise deemed appropriate but the criteria must at all times be in compliance with applicable law.

- a. **Applicant.** Applicant(s) must be the property owner(s) of record.
- b. **Address.** The applicant's property must be located within the boundaries of a jurisdiction that has authorized the Open PACE Program to operate within its boundaries as described in Section 1.4 of this Program Report.
- c. **Involuntary Liens.** The property must not be subject to involuntary liens, judgments or defaults or judgments in excess of the amount identified in the applicable Program Handbook.
- d. **Property Taxes.** The property owners must be current on their property taxes within the time period specified in the applicable Program Handbook.
- e. **Mortgage Debt.** The mortgage debt on the property must not exceed that certain percentage of the value of the property as set forth in the applicable Program Handbook.
- f. **Annual Property Taxes.** The total annual property tax and assessments, including the contractual assessment, on the property must not exceed 5% of the property's market value, as determined at the time of approval of the Assessment Contract.
- g. **Bankruptcy.** The property owner must not have declared bankruptcy within the time period specified in the applicable Program Handbook.

2.3 Eligible Contractors

The cost of installation of Eligible Products shall be eligible to be financed under the Open PACE Program only if such installation is completed by a contractor that is registered with the Open PACE Program or by the property owner if self-installing such Eligible Products. A list of contractors that are registered with the Open PACE Program shall also be located on the Open PACE Program website. Registration of a contractor with the Open PACE Program is neither a recommendation of such contractor nor a guaranty of or acceptance of responsibility for such of such contractors by CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America or the City or County in which the property upon which the Eligible Products are installed is located, any of their

respective officers, employees nor agents and none of CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America, the City or County in which the property upon which the Eligible Products are installed is located or any of their respective officers, employees or agents have any responsibility whatsoever for the selection by a property owner of a registered contractor or the work performed by such registered contractor.

2.4 Quality Assurance

Quality assurance protocols serve to prevent improper or low-quality installation of energy and water improvements and protect against fraud and abuse in the Open PACE Program. The Open PACE Program will institute a quality assurance protocol. All quality assurance procedures are subject to review and adjustment based on applicable State and federal standards. Details on the current quality assurance procedures are outlined in the applicable Program Handbook. Despite the presence of these protocols and procedures, the responsibility for the successful operation of any products is that of the property owner and its contractor, and not of CSCDA, Deutsche Bank, Leidos Engineering, Counterpointe Energy Solutions, Renovate America or the City or County in which the property upon which the Eligible Products are installed is located, including their respective officers, agents or employees.

3. Financing of the Open PACE Program

3.1 Minimum and Maximum Financing Amounts

Maximum Financing Amount for the Open PACE Program. The maximum aggregate dollar amount of the principal component of contractual assessments to be levied under the Open PACE Program is \$41 billion, subject to increase if there is sufficient demand.

Minimum and Maximum Financing Amounts for Each Property. The minimum and maximum financing amount for a single property is defined in the Program Handbooks.

3.2 Financing Structure

CSCDA will finance the installation of Eligible Products by issuing bonds backed by the assessments created by the Open PACE Program. The proceeds from the sale of the bonds will provide capital for the Open PACE Program to finance the Eligible Products. The financing or refinancing of Eligible Products may be in the form of paying for the ownership of the Improvements or, subject to the requirements of Chapter 29, paying or prepaying for the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

3.3 Overview of Application and Financing Process

Applications from property owners for financing will be considered on a first come, first served basis. If an authorized maximum amount is exceeded, then the last property that caused the authorization amount to be exceeded will be ineligible for financing. All applications receive a time stamp in order to evidence priority.

Sample Residential Application and Financing Process

Education. Property owners visit the Open PACE Program website to learn about the Open PACE Program, financing terms and other details, and find approved contractors and products.

Application. Property owners may complete an application over the phone, mail, fax or on-line. Completed applications must include a proposed project and contractor bid. Property owners must agree to the Open PACE Program terms as part of the application.

Review and Approval. The Open PACE Program performs title search to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other Open PACE Program requirements as outlined in this Program Report and the applicable Program Handbook.

Reservation. If CSCDA approves an application, the Open PACE Program will provide a Notice to Proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and to request funding when the property has met all the applicable requirements for funding.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See “Eligible Products” and “Eligible Contractors” in the applicable Program Handbook.

Financing. Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee; however, where identified in the applicable Program Handbook, progress payments in the form of multiple disbursements may be arranged.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

Sample Non-Residential Application and Financing Process

Education. Property owners visit the Open PACE Program web site to learn about the Open PACE Program, financing terms and other details, and find approved contractors and products. Additional information will be provided to non-residential property owners to determine that they meet the eligibility requirements outlined in the applicable Program Handbook.

Application. Property owners will complete an application over the phone, mail, fax or on-line. Applications must include a proposed project and contractor bid. Property owners must agree to the Open PACE Program terms as part of the application.

Review and Approval. The Open PACE Program performs title work to confirm ownership, screens for unpaid taxes or other delinquent property-based debt, applies loan-to-value metrics, and evaluates the proposed project. CSCDA will approve an application only after confirming that the property meets the underwriting criteria and other Open PACE Program requirements as outlined in this Program Report the applicable Program Handbook.

Reservation. If CSCDA approves an application, the Open PACE Program will provide a notice to proceed to the property owner. The property owner has a specific period of time to install the Eligible Products and request funding when the property has met all the applicable requirements for funding.

Installation. A qualified contractor must complete the installation of Eligible Products on the property. See "Eligible Products" and "Eligible Contractors" in the applicable Program Handbook.

Financing. Once a project is complete, the property owner submits a Completion Certificate, a lien is placed on the property, a bond is issued, and payment is released to the payment designee; however, where identified in the applicable Program Handbook, progress payments in the form of multiple disbursements may be arranged.

Repayment. The property owner will be expected to pay the contractual assessment installments in the amounts and at the times specified in the Assessment Contract. In general, the contractual assessments will be due at the same time as property taxes.

3.4 Application; Approval or Denial

Application. All property owners interested in applying to the Open PACE Program must submit a signed application along with other application documents.

Approval or Denial. Based on the eligibility requirements listed in the applicable Program Handbook, CSCDA will approve or deny a residential or non-residential application within the specific time periods identified in the applicable Program Handbook. The applicant will be notified of approval or denial via email. See "Consumer Protection" in Section 4.

3.5 Costs of Issuance and Administrative Costs

The costs of issuing bonds and administering the Open PACE Program will be financed through participant application fees, proceeds of the financing, and an administrative component of the contractual assessment installments.

Financing of Upfront Costs. In addition to financing installation of the Eligible Products, CSCDA may finance certain costs of issuance and administrative costs, including but not limited to, the following amounts, which amounts may be included in the Assessment:

- **Program-Related Fees.** These include closing fees paid from a portion of bond proceeds to CSCDA, any other entities responsible for program management and administration, and bond counsel to CSCDA, as well as any other related costs of issuance of any bond.

- **Lien Recording Fee.** This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the participating property.
- **Reserve Fund Deposit.** This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by CSCDA to finance installation of the Eligible Products on the property and other properties participating in the Open PACE Program.
- **California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee.** This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the property and other properties participating in the Open PACE Program. The fee will be paid from a portion of bond proceeds. This fee only applies to residential financing.
- **Deposit to Administrative Expense Fund for Foreclosure Expenses.** This is a one-time deposit from a portion of bond proceeds into an account that CSCDA may use to pay for the costs of foreclosing on the property and other properties participating in the Open PACE Program as a result of a delinquency in the payment of any contractual assessment installments or administrative expenses.
- **Capitalized Interest.** Each county establishes a deadline for placing contractual assessment installments and related administrative expenses on the county's tax roll each year. Depending on the date that CSCDA issues a bond to finance installation of Eligible Products on a particular property in relationship to the applicable tax roll deadline of the county in which the related participating property is located a portion of the proceeds of the bond may be used to fund the payment of one or more interest payments on the bond.

Administrative Expenses. Pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), CSCDA may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the Open PACE Program.

3.6 Amounts That Can Be Financed

Financing Cost. In order to receive funding, property owners will agree to pay annual assessment installments in an amount equal to (i) a portion of the principal amount of the contractual assessment (ii) interest on the unpaid principal amount of the contractual assessment, and (iii) ongoing administrative expenses.

1. Principal Amount. The principal amount of the contractual assessment may be composed of various costs and deposits including, but not limited to, the following items:

- Eligible Costs.** The Open PACE Program may finance the costs of installing Eligible Products, energy-efficiency or water-efficiency audit costs, and related professional services fees for engineering, project management and financing transaction structuring. All local and state rebates received for the project must be deducted from the financed amount prior to approval. The amount of the federal Investment Tax Credit (ITC) that the property may be eligible to receive does not need to be deducted from the financed amount.
- Deposit to a Debt Service Reserve Fund.** CSCDA or project investors may require property owners to finance a deposit to a debt service reserve fund; the reserve fund would be used to pay debt service on the bonds in the event of contractual assessment installment delinquencies. The amount of the deposit to a debt service reserve fund will be provided in the applicable Program Handbook.
- Deposit to CAEATFA Loss Reserve Fund.** The Open PACE Program may participate in the California Alternative Energy and Advanced Transportation Finance Authority's Loss Reserve Program that will reimburse mortgage holders on losses experienced as a result of the Open PACE Program lien on foreclosed properties. The amount of the deposit to the Loss Reserve Fund will be provided in the applicable Program Handbook.
- Deposit to Administrative Expense Fund for Foreclosure Expenses.** CSCDA may require property owners to finance a deposit to an account that will cover CSCDA's costs to initiate judicial foreclosure for properties that are delinquent on payment of their assessment contract. The amount of such deposit will be provided in the applicable Program Handbook.
- Capitalized Interest.** Because each county has established a deadline for placing the contractual assessments on its property tax bill, the principal component of the contractual assessment may also include the interest on the related bonds for one or more interest payment dates.

- f. **Costs of Issuance and Administrative Costs.** Initial administrative costs and the costs of issuing any bonds are built into the principal component of the contractual assessment. The costs to be included in the principal component are provided in the applicable Program Handbook. See Costs of Issuance of Administrative Costs in Section 3.5.

2. Interest Rate. The rate of interest on the contractual assessment will be a fixed interest rate. The rate will be fixed at the time of a completed application for each assessment contract.

3. Ongoing Program Administrative Fees. Ongoing administrative costs are reflected in the administrative component of the annual contractual assessment installments and subject to increase by CSCDA. See “Costs of Issuance and Administrative Costs” in Section 3.5.

3.7 Payment Terms

Payment of the Open PACE annual contractual assessment installments is made through the addition of a line item on the property tax bill. Payment terms range from five to 39 years, depending on the average expected useful life of the installed Eligible Product.

Contractual assessments may be prepaid in full or in part at any time and may or may not be subject to a prepayment penalty. The prepayment penalty will be identified in the Assessment Contract.

3.8 Transfer or Resale of Property

The contractual assessment obligation remains an obligation of the subject property following the sale of the subject property. Successor property owners will receive disclosure of the contractual assessment as a result of the two statutory notices recorded in the real property records: the “Notice of Assessment” and the “Payment of Contractual Assessment Required.” In addition, sellers of property are obligated by California law to disclose the contractual assessment obligations to prospective purchasers.

4. Consumer Protection

The Open PACE Program is subject to certain State and federal laws designed to protect consumers. Among other things, these laws require CSCDA to disclose information to property owners and, only during the three-day period following execution of the Assessment Contract, guarantee certain residential property owners the right to rescind the Assessment Contract without penalty (including the return of the application fee, if applicable). CSCDA will comply with all applicable State and federal laws in connection with the Open PACE Program.

5. Duration

The Open PACE Program will continue as long as there is sufficient demand and there is a positive regulatory environment.

6. Public Agency Official

CSCDA will, from time to time, authorize certain representatives to execute Assessment Contracts on its behalf; the current authorized representative is:

Name: Norman Coppinger
Title: Administrative Director
Phone: (916) 658-8277
Email: ncoppinger@cacities.org
Address: 1400 K Street, Suite 400
Sacramento, CA 95814

7. Changes to the Report

CSCDA may make changes to this Report and the other Open PACE Program documents from time to time in its absolute discretion. No such changes will affect the amounts payable by a property owner under an existing Assessment Contract.

8. Program Handbooks

CSCDA has prepared Program Handbooks to communicate the Open PACE Program details to property owners and other interested parties. The Program Handbooks will be amended from time to time to reflect the details of the Open PACE Program.

9. Schedules and Exhibits

Schedule I: List of County-Members

Schedule II: List of City-Members Within Los Angeles County

Exhibit A: Form of Assessment Contract

Exhibit B: Open PACE Program Boundary Maps

SCHEDULE I
LIST OF COUNTIES

| | |
|--------------|-----------------|
| Alameda | Placer |
| Alpine | Plumas |
| Amador | Riverside |
| Butte | Sacramento |
| Calaveras | San Benito |
| Colusa | San Bernardino |
| Contra Costa | San Diego |
| Del Norte | San Francisco |
| El Dorado | San Joaquin |
| Fresno | San Luis Obispo |
| Glenn | San Mateo |
| Humboldt | Santa Barbara |
| Imperial | Santa Clara |
| Inyo | Santa Cruz |
| Kern | Shasta |
| Kings | Sierra |
| Lake | Siskiyou |
| Lassen | Solano |
| Madera | Sonoma |
| Marin | Stanislaus |
| Mariposa | Sutter |
| Mendocino | Tehama |
| Merced | Trinity |
| Modoc | Tulare |
| Mono | Tuolumne |
| Monterey | Ventura |
| Napa | Yolo |
| Nevada | Yuba |
| Orange | |

SCHEDULE II

LIST OF CITIES WITHIN LOS ANGELES COUNTY

| | | |
|---------------|----------------------|-----------------------|
| Agoura Hills | Gardena | Paramount |
| Alhambra | Glendale | Pasadena |
| Arcadia | Glendora | Pico Rivera |
| Artesia | Hawaiian Gardens | Pomona |
| Avalon | Hawthorne | Rancho Palos Verdes |
| Azusa | Hermosa Beach | Redondo Beach |
| Baldwin Park | Huntington Park | Rolling Hills Estates |
| Bell | Industry | San Dimas |
| Bell Gardens | Inglewood | San Gabriel |
| Bellflower | La Mirada | San Marino |
| Beverly Hills | La Verne | Santa Clarita |
| Burbank | Lakewood | Santa Fe Springs |
| Calabasas | Lancaster | Santa Monica |
| Carson | Lomita | South Gate |
| Claremont | Long Beach | South Pasadena |
| Commerce | Los Angeles | Temple City |
| Compton | Lynwood | Torrance |
| Covina | Maywood | Vernon |
| Cudahy | Monrovia | Walnut |
| Culver City | Montebello | West Covina |
| Downey | Monterey Park | West Hollywood |
| Duarte | Norwalk | Westlake Village |
| El Monte | Palmdale | Whittier |
| El Segundo | Palos Verdes Estates | |

EXHIBIT A
FORM OF ASSESSMENT CONTRACT
[ATTACHED]

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
OPEN PACE PROGRAM
ASSESSMENT CONTRACT**

This Assessment Contract (this "Contract") is made and entered into as of this ____ day of ____, 20__, by and between the California Statewide Communities Development Authority (the "Authority"), and the record owner(s), _____ (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CSCDA Open PACE Program (the "Program") to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (the "Authorized Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the City or County identified in Exhibit A (the "Participating Entity"); and

WHEREAS, the Authority has appointed _____, as a program administrator (together with any successors or assigns, the "Program Administrator") for the Program as it pertains to this Contract; and

WHEREAS, the Property is located in the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction (the "Participating Property Owners") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance or refinance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance or refinance the installation of the Authorized Improvements described in Exhibit A (the "Improvements") and the Authority would agree to provide financing, all on the terms set forth in this Contract;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Contract for the purpose of financing or refinancing the installation of the Improvements identified on Exhibit A.

Section 2. The Property. This Contract relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Contract on behalf of the Property Owner.

Section 3. Contract to Pay Assessment; Prepayment; Non-Completion Assessment

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the assessment set forth on Exhibit B (the "Assessment"). The Authority will not provide financing in an amount in excess of the Assessment. Interest will accrue on the Assessment at the interest rate set forth on Exhibit B beginning on the date on which the Authority issues bonds to finance or refinance the installation of the Improvements. Except as otherwise set forth in this Contract, the Assessment will be paid in the installments set forth in Exhibit B.

(b) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Assessment in order to pay for the costs of collecting the Assessment, the annual administration of the Assessment, the annual administration of bonds secured by the Assessment and other administrative costs (the "Annual Assessment Administrative Fee").

(c) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least \$[2,500], at any time upon the payment of (a) the amount of any delinquent installments of principal or interest on the Assessment, together with penalties accrued to the date of prepayment, plus (b) the whole or, subject to the minimum amount set forth in this subsection, a portion of the unpaid non-delinquent principal of the Assessment (the "Assessment Prepayment Amount"), plus (c) interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made, plus (d) an amount equal to the redemption premium, if any, necessary to redeem the principal amount of bonds corresponding to the amount of the Assessment Prepayment Amount, plus (e) a reasonable fee, if charged by the Authority or Program Administrator, for the cost of administering the prepayment and the redemption of bonds.

(d) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind in the event that the Improvements fail to perform in any way or for any reason, the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment, the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, and the Annual Assessment Administrative Fee shall constitute a lien against the Property until they are paid and shall be collected and, as set forth in Chapter 29, such lien shall be coequal to and independent of the lien for general taxes.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have such delinquent installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges

that, if bonds are sold to finance the Improvements, the Authority may pledge and assign this Contract and the related Assessment and lien as security for the bonds and obligate itself, through a covenant with the owners of such bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment installments under circumstances specified in such covenant.

Section 5. Financing or Refinancing of the Improvements.

(a) Contract to Finance or Refinance Improvements. The Authority hereby agrees to use the Assessment, together with the Annual Assessment Administrative Fee, to finance or refinance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing or refinancing established by the Authority. Such financing or refinancing may be in the form of paying for the ownership of the Improvements or, subject to the requirements of Chapter 29, paying or prepaying for the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

(b) Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance or refinance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its sole discretion that the Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance or refinance installation of the Improvements is lower than the interest rate specified in Exhibit B or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B. The Authority's determination shall be final and conclusive.

Section 6. Term: Contract Runs with the Land: Subdivision.

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable Law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Contract.

Section 9. Waivers, Acknowledgment and Contract. Because this Contract reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D of the California Constitution

or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated, maintained or perform as expected.

The Property Owner hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Property Owner with the financing or refinancing of the installation of the Improvements, and that the Authority and the Participating Entity has no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

[Remainder of Page Intentionally Left Blank]

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

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

BY INITIALING BELOW, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Property Owner 1 Initials:

Property Owner 2 Initials:

Property Owner 3 Initials:

Property Owner 4 Initials:

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Contract.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 10 shall survive the termination of this Contract.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority or its assignees.

Section 13. Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Contract may be modified only by the written agreement of the Authority and the Property Owner.

Section 15. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The Authority intends to delegate certain of its functions under this Contract to the Program Administrator and may pledge and assign this Contract to a trustee as security for the bonds issued to finance or refinance the Improvements. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 17. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 19. Governing Law; Venue. This Contract shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Contract shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento; provided, however, that actions to foreclose delinquent installments of the Assessment will be filed and maintained in the Superior Court of California in the County identified in Exhibit A.

Section 20. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 21. Monitoring and Recording of Telephone Calls. The Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the Program recorded.

Section 22. Electronic Signatures.

(a) The parties hereto acknowledge and agree that this Contract may be executed by one or more electronic means (hereinafter referred to as "Electronic Signatures"). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Contract by such party to all other parties to or relying on this Contract. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Contract as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Contract as: (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Contract and (iii) constituting this Contract an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Contract, each party hereto hereby accepts the terms of, and intends and does sign, this Contract by its Electronic Signature hereto.

Section 23. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and the Authority includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions of the Authority that Property Owner may have regarding such Contract Documents.

b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in [Appendix B] to the Program Handbook (as defined in Exhibit B to this Contract, the "Program Handbook").

c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Program Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owners Acknowledgments and Disclosures contained in the (a) Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Program Handbook

Owner(s) must execute and return this Contract to the Authority at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by the Authority not later than _____. If the Property Owner(s) fail to return the signed Assessment Contract to the Authority by the indicated date, the Program reserves the right to require the Property Owner(s) to enter into a new Contract. All signatures of the Owner(s) must be notarized by a duly licensed notary unless all Owner(s) have previously successfully completed the identity verification process approved by the Authority.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date.

The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:

_____, Signature

Date: _____
Month/Day/Year

Identity Verification Code:

Owner 2:

_____, Signature

Date: _____
Month/Day/Year

Identity Verification Code:

Authority: Authorized Signatory:

Name (Please Print)

Signature

Date of Execution by Authority

EXHIBIT A

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

Description of Property:

Property Owner(s) Name(s):

Property Address:

APN:

Participating Entity:

County:

Description of Improvements:

The Improvements include the following:

Notice Information:

[Open PACE Program Notice Information]

[Property Owner Notice Information]

EXHIBIT B

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

List of Contract Documents:

The Contract shall consist of the following documents:

- This Contract and the exhibits hereto;
- The Application;
- The Completion Certificate;
- The Assessment Cost and Payment Summary;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required;
- The Program Handbook (____ Program), Version ____, dated ____; and
- The Program website located at _____.

Disbursement:

The Maximum Disbursement Amount is \$_____.

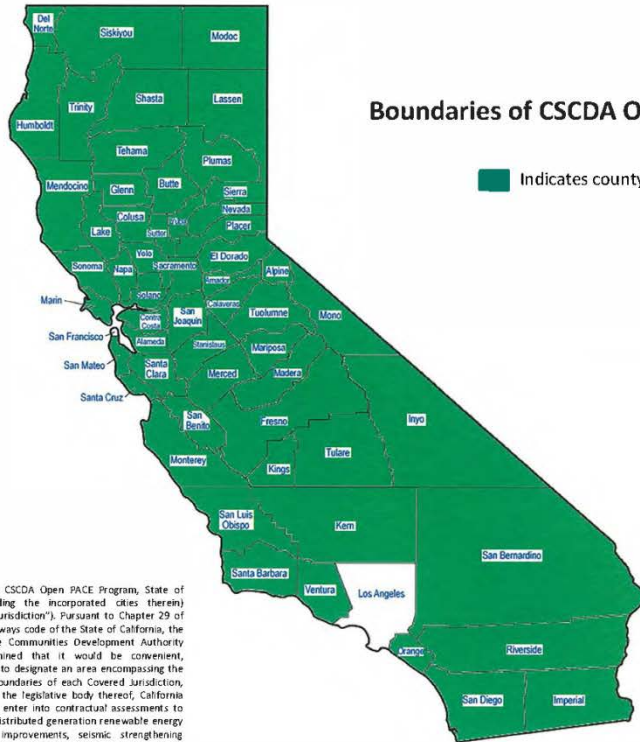
The Estimated Disbursement Date(s) will be no later than _____, which date(s) are used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

1. The Authority disburses the Maximum Disbursement Amount.
2. Interest totaling a maximum of \$_____ will accumulate until your first Payment. That amount will be added to the Maximum Disbursement Amount.
3. The Authority disburses [the Maximum Disbursement Amount] [\$_____] on [each of] the Estimated Disbursement Date(s).
4. The Assessment Interest Rate is ____%.
5. The Annual Percentage Rate (APR) of your assessment is ____%. APR is the Effective Cost of Credit in consumer loans and real estate loans expressed as a percentage interest rate. The annual percentage rate is the interest rate the borrower actually pays, including fees required in order to participate in the Program.
6. The total administrative fees, recording fees and other fees and costs added to your assessment is \$_____.

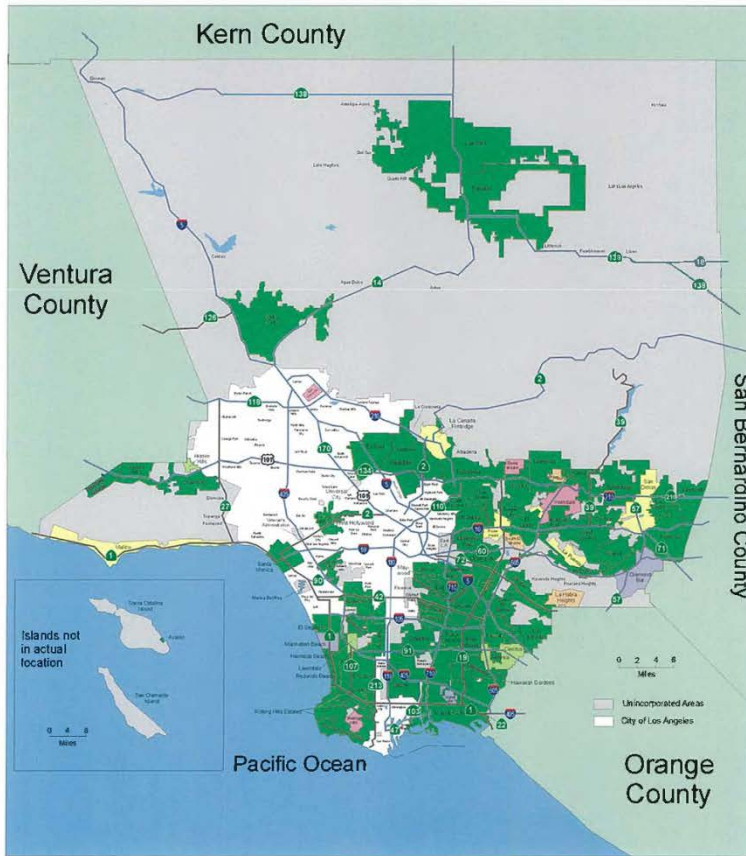
EXHIBIT B
OPEN PACE PROGRAM BOUNDARY MAPS
[ATTACHED]



Boundaries of CSCDA Open PACE Program

Indicates county members of CSCDA

This map shows the boundaries of the CSCDA Open PACE Program, State of California, within the counties (including the incorporated cities therein) highlighted in green (each, a "Covered Jurisdiction"). Pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways code of the State of California, the Commission of the California Statewide Communities Development Authority ("California Communities") has determined that it would be convenient, advantageous, and in the public interest to designate an area encompassing the entire geographic territory within the boundaries of each Covered Jurisdiction, within which, subject to the consent of the legislative body thereof, California Communities and property owners may enter into contractual assessments to finance or refinance the installation of distributed generation renewable energy sources, energy or water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure that are permanently fixed to real property.



Boundaries of CSCDA Open PACE Program

This map shows the boundaries of the CSCDA Open PACE Program, State of California, within the cities colored in green herein (each, a "Covered Jurisdiction"). Pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, the Commission of the California Statewide Communities Development Authority ("California Communities") has determined that it would be convenient, advantageous, and in the public interest to designate an area encompassing the entire geographic territory within the boundaries of each Covered Jurisdiction, within which, subject to the consent of the legislative body thereof, California Communities and property owners may enter into contractual assessments to finance or refinance the installation of distributed generation renewable energy sources, energy or water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure that are permanently fixed to real property.

Attachment 3-CSCDA Resolution Confirming the Report

RESOLUTION NO. 14R-66

**A RESOLUTION CONFIRMING REPORT RELATING TO THE FINANCING OR
REFINANCING OF THE INSTALLATION OF DISTRIBUTED GENERATION
RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY IMPROVEMENTS,
WATER EFFICIENCY IMPROVEMENTS, SEISMIC STRENGTHENING
IMPROVEMENTS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND
OTHER WORK, INFRASTRUCTURE OR IMPROVEMENTS AUTHORIZED BY LAW
AND APPROVING, DIRECTING AND ORDERING OTHER RELATED MATTERS**

Open PACE Program

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”) and a joint exercise of powers agreement entered into by a number of California cities, counties and special districts in accordance with the Act to authorize assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“Chapter 29”) (the “Authorized Improvements”); and

WHEREAS, Chapter 29 authorizes the Authority to enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the counties (including the incorporated cities therein) listed on Schedule I (each, a “County”) and the cities in Los Angeles County listed on Schedule II (each, a “City in Los Angeles County” and, collectively with the Counties, the “Covered Jurisdictions”); and

WHEREAS, on November 6, 2014, pursuant to Resolution No. 14R-61 (the “Resolution of Intention”), the Commission of the Authority declared its intention to establish the CSCDA Open PACE Program (the “Program”) in the Covered Jurisdictions; and

WHEREAS, pursuant to the Program and Chapter 29 and subject to certain conditions set forth below, the Authority will enter into contractual assessments to finance or refinance the installation of Authorized Improvements in the Covered Jurisdictions; and

WHEREAS, prior to entering into contractual assessments to finance or refinance the installation of Authorized Improvements, the Authority will require the following:

- (i) if the real property to be assessed is located in the unincorporated territory of a County, the County’s board of supervisors must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention;
- (ii) if the real property to be assessed is located in the incorporated territory of a city within a County, the city’s legislative body must have consented by adopting a

resolution in substantially the form set forth in Exhibit A to the Resolution of Intention;
and

(iii) if the real property to be assessed is located in a City in Los Angeles County, the legislative body of the City in Los Angeles County must have consented by adopting a resolution in substantially the form set forth in Exhibit A to the Resolution of Intention; and

WHEREAS, the Resolution of Intention directed the Executive Director of the Authority or the designee thereof (the "Executive Director") to prepare or cause to be prepared and to file with the Commission a report (the "Report") addressing all of the matters set forth in Sections 5898.22 and 5898.23 of Chapter 29, including a draft contract (the "Contract") between the Authority and property owners participating in the Program providing for payment of contractual assessments; and

WHEREAS, the Report is on file with the Secretary of the Commission and contains all the matters required by Sections 5898.22 and 5898.23 of Chapter 29; and

WHEREAS, the Resolution of Intention ordered a public hearing to be held on this date for the purposes of allowing interested persons to object to or inquire about the proposed Program or any of its particulars; and

WHEREAS, as required by Section 5898.24(a) of Chapter 29 and the Resolution of Intention, the Authority caused publication of a notice of public hearing for the purpose of allowing interested persons to object to or inquire about the proposed Program or any of its particulars; and

WHEREAS, on this date, the Commission of the Authority held a noticed public hearing as required by Chapter 29 at which the Report was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed Program, the extent of the area proposed to be included within the Program, the terms and conditions of the draft Contract attached as an exhibit to the Report, and the proposed financing provisions; and

WHEREAS, as required by Section 5898.24(b) of Chapter 29, the Authority caused written notice of the proposed Program to be provided to all water or electric providers within the boundaries of the Covered Jurisdictions not less than 60 days prior to this date;

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

Section 1. The above recitals are true and correct and the Commission so finds and determines.

Section 2. The provisions of the Resolution of Intention are hereby incorporated in this Resolution by this reference.

Section 3. The Report and the component parts thereof, including each exhibit to the Report, is hereby approved and confirmed. The Executive Director is hereby authorized to make such changes to the matters addressed by the Report, including but not limited to the description of Authorized Improvements, draft Contract and plan for financing or refinancing the installation of the Authorized Improvements, as the Executive Director determines are appropriate in connection with implementation of the Program within the boundaries of each Covered Jurisdiction.

Section 4. The Authority hereby establishes the Program within the boundaries of each Covered Jurisdiction and orders its implementation consistent with the provisions of the Report and this Resolution.

Section 5. The Authority hereby approves the form of Contract attached to the Report, with such additions thereto and changes therein as any Authorized Signatory of the Authority (as designated from time to time by separate resolution of the Commission), in consultation with counsel to the Authority, deems necessary, desirable or appropriate, the execution of which by an Authorized Signatory shall be conclusive evidence of the approval of any such additions and changes. Any Authorized Signatory is hereby authorized and directed to execute Contracts with property owners in order to provide for the levy of contractual assessments to finance or refinance the installation of Authorized Improvements. The Authority hereby authorizes the performance by the Authority of its obligations under such Contracts.

Section 6. California Communities hereby orders that the Authorized Improvements identified in the Contracts be made and confirms the contractual assessments to finance or refinance the installation of the Authorized Improvements to be levied by the Contracts.

Section 7. In connection with execution of a Contract with a property owner participating in the Program, the Secretary of the Authority or the designee thereof (the "Secretary") is hereby directed to cause to be recorded in the office of the County Recorder for each Covered Jurisdiction the various notices and other documents required by Chapter 29 and other applicable laws.

Section 8. The Executive Director is hereby authorized and directed to prepare the auditor's record for the Program and transmit the auditor's record to the County Auditor for each Covered Jurisdiction.

Section 9. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution and the Report are hereby approved, confirmed and ratified, and the proper officers of the Authority, including any Authorized Signatory, are hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents that they, or any of them, may deem necessary or advisable in order to consummate the matters contemplated by this Resolution and the Report.

Section 10. The Commission hereby finds that adoption of this Resolution is not a “project” under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

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

PASSED AND ADOPTED by the California Statewide Communities Development Authority this 4th day of December, 2014.

I, the undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of the Authority at a duly called meeting of the Commission of the Authority held in accordance with law on December 4, 2014.

By: 
Authorized Signatory
California Statewide Communities
Development Authority

SCHEDULE I

LIST OF COUNTIES

| | |
|--------------|-----------------|
| Alameda | Placer |
| Alpine | Plumas |
| Amador | Riverside |
| Butte | Sacramento |
| Calaveras | San Benito |
| Colusa | San Bernardino |
| Contra Costa | San Diego |
| Del Norte | San Francisco |
| El Dorado | San Joaquin |
| Fresno | San Luis Obispo |
| Glenn | San Mateo |
| Humboldt | Santa Barbara |
| Imperial | Santa Clara |
| Inyo | Santa Cruz |
| Kern | Shasta |
| Kings | Sierra |
| Lake | Siskiyou |
| Lassen | Solano |
| Madera | Sonoma |
| Marin | Stanislaus |
| Mariposa | Sutter |
| Mendocino | Tehama |
| Merced | Trinity |
| Modoc | Tulare |
| Mono | Tuolumne |
| Monterey | Ventura |
| Napa | Yolo |
| Nevada | Yuba |
| Orange | |

SCHEDULE II

LIST OF CITIES WITHIN LOS ANGELES COUNTY

| | | |
|---------------|----------------------|-----------------------|
| Agoura Hills | Gardena | Paramount |
| Alhambra | Glendale | Pasadena |
| Arcadia | Glendora | Pico Rivera |
| Artesia | Hawaiian Gardens | Pomona |
| Avalon | Hawthorne | Rancho Palos Verdes |
| Azusa | Hermosa Beach | Redondo Beach |
| Baldwin Park | Huntington Park | Rolling Hills Estates |
| Bell | Industry | San Dimas |
| Bell Gardens | Inglewood | San Gabriel |
| Bellflower | La Mirada | San Marino |
| Beverly Hills | La Verne | Santa Clarita |
| Burbank | Lakewood | Santa Fe Springs |
| Calabasas | Lancaster | Santa Monica |
| Carson | Lomita | South Gate |
| Claremont | Long Beach | South Pasadena |
| Commerce | Los Angeles | Temple City |
| Compton | Lynwood | Torrance |
| Covina | Maywood | Vernon |
| Cudahy | Monrovia | Walnut |
| Culver City | Montebello | West Covina |
| Downey | Monterey Park | West Hollywood |
| Duarte | Norwalk | Westlake Village |
| El Monte | Palmdale | Whittier |
| El Segundo | Palos Verdes Estates | |