



SPECIAL MEETING AGENDA

October 3, 2018 at 10:00 a.m.

**California State Association of Counties
1100 K Street, 3rd Floor, Sacramento, CA 95814**

Telephonic Locations:

257 Electric Street
Auburn, CA 95603

County of Butte
7 County Drive, Oroville, CA 95965

709 Portwalk Place
Redwood City, CA 94061

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.
____ Dan Harrison, Chair
____ Larry Combs, Vice Chair
____ Kevin O'Rourke, Treasurer
____ Tim Snellings, Secretary
____ Jordan Kaufman, Member
____ Dan Mierzwa, Member
____ Brian Moura, Member
____ Michael Cooper, Alt. Member
2. Consideration of the Minutes of the September 20, 2018 Regular Meeting.
3. Consent Calendar.
4. Public Comment.

B. ITEMS FOR CONSIDERATION

5. Closed Session: Conference with Legal Counsel – Initiation of Litigation, Government Code Section 54956.9(d)(4), One Case
6. Report, if any, from Closed Session.

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C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

7. Executive Director Update.
8. Staff Updates.
9. Adjourn.

NEXT MEETING: Thursday, October 18, 2018 at 2:00 p.m.
California State Association of Counties
1100 K Street, 1st Floor, Sacramento, CA 95814

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

CONSENT CALENDAR

1. Inducement of 353 Main Street Family Apartments, L.P. (353 Main Street Family Apartments), City of Redwood City, County of San Mateo; issue up to \$70 million in multi-family housing revenue bonds.
2. Inducement of Hallmark 2019, LP (Hallmark House Apartments), City of Redwood City, County of San Mateo; issue up to \$25 million in multi-family housing revenue bonds.
3. Consideration of legal services agreement with Allen Matkins for bankruptcy counsel services related to Verity Health.
4. Consideration of CSCDA's 2019 Meeting Calendar.

October 3, 2018



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**REGULAR MEETING OF THE
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
(CSCDA)**

California State Association of Counties
1100 K Street, 1st Floor, Sacramento, California

September 20, 2018

MINUTES

Commission chair Dan Harrison called the meeting to order at 2:02 pm.

1 Roll Call.

Commission members present: Dan Harrison.

Michael Cooper; Larry Combs; Dan Mierzwa; and Tim Snellings participated by conference telephone.

CSCDA Executive Director, Catherine Bando also participated by conference telephone.

Others present included: Perry Stottlemeyer, League of California Cities; James Hamill, Bridge Strategic Partners; Patrick Parker, McSweeny Recovery Acquisition LLC; and Matt Villalobos, Raintree Investment Corp.

Tricia Ortiz, Richards Watson & Gershon; Jon Penkower, Bridge Strategic Partners; and Patricia Eichar, Orrick Herrington & Sutcliffe, participated by conference telephone.

2 Approval of the minutes of the September 6, 2018 regular meeting.

Motion to approve by Mierzwa; second by Combs; unanimously approved by roll-call vote.

3 Approval of consent calendar. James Hamill announced that item 4 from the consent calendar will be moved to the regular items for consideration (Westgate Pasadena Apartments). This item will be considered immediately after item 9. The remaining three items of consent calendar were approved:

- a Induce Wakeland Housing and Development Corporation (Mission West Apartments), City of El Centro, County of Imperial; issue up to \$10 million in multi-family housing revenue bonds.
- b Approve reimbursement resolution for upcoming Communities Facilities District located in the City of Newport Beach.
- c Approve 2018 multi-county biennial notice for Conflict of Interest Code.

Motion to approve by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

4 Public comment.

None.

5 Approval of the following resolutions to initiate proceedings to form Community Facilities District No. 2018-02 (McSweeny Farms), City of Hemet, County of Riverside (the “CFD”).

Executive Director Bando explained that this project is for the initial steps in the formation of the McSweeny Community Facilities District located in Hemet between Diamond Valley Lake and Mt. San Jacinto, approximately 90 miles from downtown Los Angeles and 85 miles from downtown San Diego.

The CFD will be part of the McSweeny Farms 600-acre master-planned community of 1,646 single family residences and amenities developed by Raintree Partners. The CFD is expected to include two Improvement Areas composed of: IA-1 496 residential units (\$25 million); and IA-2 841 residential units (\$50 million). The financing will be brought back to the Commission for completion of the CFD and for approval of the bond issuance.

Executive Director Bando recommends approval of both resolutions:

- a Resolution approving joint community facilities agreements and declaring intention to establish the CFD and two improvement areas therein and to levy a special tax to finance the construction and acquisition of certain public capital improvements.

Motion to approve Executive Director Bando’s recommendation for this resolution by Cooper; second by Mierzwa; unanimously approved by roll-call vote.

- b Resolution to incur bonded indebtedness to finance the acquisition and construction of certain public improvements to mitigate the impacts of development within the CFD and in and for each improvement area designated therein and calling for a public hearing.

Motion to approve Executive Director Bando’s recommendation for this resolution by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

6 Approval of the following resolutions to initiate proceedings to form Statewide Community Infrastructure Program (SCIP) Assessment Districts proposed for the 2018C bond series.

Executive Director Cathy Bando explained that these resolutions are the first steps relating to ten of the twelve projects expected to be included in the SCIP 2018C pool. The resolutions being considered for approval today include the intent to finance the capital improvements, preliminary approval of the engineer’s reports, and the setting of the public hearing on November 15.

Executive Director Bando recommends approval of both resolutions.

- a Resolutions of intention to finance capital improvements and/or the payment of development impact fees, including approval of proposed boundary maps.

Motion to approve Executive Director Bando’s recommendation for this resolution by Combs; second by Cooper; unanimously approved by roll-call vote.

- b Resolutions preliminarily approving the engineer’s reports, setting the public hearing of protests for November 15, 2018, and providing for property owner ballots.

Motion to approve Executive Director Bando’s recommendation for this resolution by Snellings; second by Mierzwa; unanimously approved by roll-call vote.

7 Community Facilities District No. 2018-01 (Wagon Wheel) (“CFD No. 2018-01”).

- a Conduct second reading and adoption of “Ordinance Levying a Special Tax for Fiscal Year 2018-19 and Following Fiscal Years Solely Within and Relating to California Statewide Communities Development Authority Community Facilities District No. 2018-01 (Wagon Wheel), City of Oxnard, County of Ventura, State of California.”

Executive Director Cathy Bando explained that this is the third and final step in the formation of the Wagon Wheel CFD. The financing will not exceed \$33 million and will be brought back to the Commission for final approval of the bond issuance.

Executive Director Bando recommends the conducting of the second reading and adoption of the Ordinance.

Motion to approve Executive Director Bando’s recommendation for this resolution by Combs; second by Cooper; unanimously approved by roll-call vote.

8 Approval of a resolution authorizing the novation of a community swap agreement relating to the CSCDA Gas Supply Variable Rate Revenue Bonds, Series 2010, approving a swap policy and authorizing other matters relating thereto.

This item was pulled from today’s agenda.

9 Approval of 2019 sponsorship for Local Governance Summer Institute at Stanford (LGSI).

Executive Director Cathy Bando explained that this action was brought before the Commission on July 19, but the Commission postponed consideration until 2019 to allow sufficient time to allocate the scholarships. Previously known as the City Managers Institute, when it was sponsored by the League of California Cities, CSCDA sponsorship provides an opportunity to participate in a panel discussion during the Institute. Bando explained that the \$24,000 sponsorship would also be publicized through various social media outlets.

James Hamill shared that although CSCDA did not sponsor the Institute for 2018, he was allowed to speak on a panel at the 2018 session.

Tim Snellings inquired if there was anything similar that is geared toward counties. James Hamill replied that county personnel do participate in the Institute.

Dan Harrison asked whether the Commission would be able to select the scholarship recipients. James Hamill indicated that the Commission would be allowed to do so. Dan Harrison indicated that perhaps the Commission should establish criteria for selection.

Dan Mierzwa asked how many scholarships does the \$24,000 sponsorship buy, and how does CSCDA's participation compare to other sponsors? James Hamill indicated that there are a total of about 12 scholarship recipients and that CSCDA's sponsorship would handle about one-third of them. It is not known how CSCDA's sponsorship compares to other sponsors.

Motion to approve Executive Director Bando's recommendation for this sponsorship by Combs; second by Cooper; unanimously approved by roll-call vote.

- 10 Approval of the amendment of certain documents related to the remarketing of multifamily housing revenue bonds for Westgate Pasadena Apartments.

James Hamill explained that this item relates to an indexed-based financing that CSCDA consummated in 2013. The borrower wished to convert to a variable weekly rate, which requires amendments to the indenture and loan agreement. Bond Counsel has prepared the new documents. Staff recommends approval.

Motion to approve staff recommendation to adopt resolution by Combs; second by Snellings; unanimously approved by roll-call vote.

- 11 Executive Director update.

Executive Director Bando shared that James Hamill joined Cathy for the League of California Cities' Annual Conference where they manned an Expo booth. They met many city officials, as well as League partners. Cathy felt the time was well spent.

Jon Penkower and Cathy are currently at the CSAC Finance Corporation's Fall meeting where they presented this morning. CSAC appreciates what CSCDA is doing, and there was good dialog.

Cathy wanted to remind Commissioners about upcoming closed sessions on October 4.

On the second meeting in October, CSCDA Commissioners will have a farewell luncheon for Dan Harrison to thank for his service with the Commission.

Finally, Larry Combs will be attending the California Association of County Executives meeting on October 24-26.

- 12 Staff updates.

James Hamill shared that Verity Health filed bankruptcy and it appears that they will be selling off their hospitals to other hospital systems, so it appears that some other entity will take over. So the PACE bonds that were issued for the project over in Daly City should be okay. And previous bonds issued for other facilities will likely be assumed by the potential buyer.

13 Chair Dan Harrison adjourned the meeting at 2:36 pm.

Submitted by: Perry Stottlemeyer, League of California Cities staff

*The next regular meeting of the Commission is scheduled for
Thursday, October 4, at 2:00 pm
in League of California Cities' office at 1400 K Street, 3rd Floor, Sacramento, California.*



Agenda Item No. 3

Agenda Report

DATE: October 3, 2018
TO: CSCDA COMMISSIONERS
FROM: Cathy Bando, Executive Director
PURPOSE: Consent Calendar

SUMMARY:

3. Consideration of legal services agreement with Allen Matkins for bankruptcy counsel services related to Verity Health.

The bondholders for the Seton Medical Center PACE bonds, Clean Fund and Petros PACE Finance (the "Bond Holders"), have requested bankruptcy counsel to protect its interest through the bankruptcy proceedings of Verity Health. Since CSCDA holds the assessment the engagement of Allen Matkins is with CSCDA, however the agreement requires that the Bond Holders are responsible for all legal fees associated with the engagement. CSCDA General Counsel has reviewed the engagement letter.

4. Consideration of CSCDA's 2019 Meeting Calendar.

The 2019 CSCDA calendar follows the same meeting dates as 2018 with first and third Thursdays at 2:00 pm with the exception of a couple months due to holidays. Staff has confirmed no conflicts with the League and CSAC.

RESOLUTION NO. 18H-__

**A RESOLUTION OF THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY SETTING
FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE
MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE
THE FINANCING OF VARIOUS MULTIFAMILY RENTAL
HOUSING PROJECTS AND RELATED ACTIONS**

WHEREAS, the Authority is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

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

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

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this October 3, 2018.

The undersigned, an Authorized Signatory of the California Statewide Communities Development Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on October 3, 2018.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
353 Main Street Family Apartments	City of Redwood City, County of San Mateo	125	New Construction	353 Main Street Family Apartments, L.P.	\$70,000,000
Hallmark House Apartments	City of Redwood City, County of San Mateo	72	Acquisition and Rehabilitation	Hallmark 2019, LP	\$25,000,000

Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP
Attorneys at Law
One America Plaza
600 West Broadway, 27th Floor | San Diego, CA 92101-0903
Telephone: 619.233.1155 | Facsimile: 619.233.1158
www.allenmatkins.com

Debra A. Riley
E-mail: driley@allenmatkins.com
Direct Dial: 619.235.1520 File Number: 999903-14000/SD875818.01

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California Statewide Communities
Development Authority
1100 K Street
Sacramento, California 95814
Attention: James Hamill

Re: Engagement for Legal Services

Dear Mr. Hamill:

Thank you for retaining Allen Matkins to represent California Statewide Communities Development Authority ("CSCDA") in connection with the Chapter 11 case of *In re Verity Health System of California, Inc., et al.* pending in United States Bankruptcy Court, Central District of California, Los Angeles Division. Our firm's policy, as well as provisions of the California Business & Professions Code in certain circumstances, requires that we have a written agreement with our clients setting forth the arrangements upon which we perform legal services. This letter will confirm the terms under which you have retained us for this matter and these terms will apply to any additional matters we handle on your behalf or at your direction.

1. Attorneys' Fees and Costs.

Our fees will be based on our hourly time charges. The time charges will be for all time actually expended. The hourly rates assigned to attorneys and paralegals vary according to the expertise and level of experience of the person involved. These rates currently range from \$255 to \$1,125 per hour. My present billing rate is \$695 per hour. We generally review our hourly rates annually and, if appropriate, adjust them effective July 1, to reflect increases in seniority, experience and other relevant factors. We generally do not send any notices of such changes in hourly rates.

We will bill you for our professional services and costs monthly and our statements are due upon presentation. We understand that CSCDA is entitled to recover our fees and costs in connection with the annual levy of special assessments against property owned by Seton Medical Center pursuant to Section 3(c) of the (i) Agreement to Pay Assessment and Finance Improvements, dated May 11, 2017, under the CSCDA CaliforniaFirst Program by and between CSCDA and Seton Medical Center, and (ii) Agreement to Pay Assessment and Finance Improvements, dated May 18, 2017, under the CSCDA CaliforniaFirst Program by and between CSCDA and Seton Medical

Center. The first fiscal year in which CSCDA can levy to recover our fees and costs is fiscal year July 1, 2019 to June 30, 2020, unless sooner as a result of prepayment of the assessments by Seton Medical Center or its successor. Consequently, until such time as CSCDA can levy and collect assessments for our fees and costs and as a result therefrom have funds of its own to pay our fees and costs in connection with this representation, Petros PACE Finance, LLC, agent for the owners of the CSCDA CaliforniaFirst Limited Obligation Improvement Bonds, Series 2017-NR2 ("Petros Partners"), and Beach Point Capital Management LP, on behalf of certain funds and accounts that it manages or advises ("Beach Point"), hereby agree to promptly pay our statements. CSCDA will be responsible to reimburse Petros Partners and Beach Point from the collection of future assessment paid by Seton Medical Center or its successor. For this matter, any fees, in the aggregate, that exceed \$50,000 will require a written amendment to this agreement before being incurred.

You understand that it is impossible to determine in advance the amount of fees and costs needed to complete this matter. In addition to charges for legal services, you will also be responsible to reimburse us for costs and expenses incurred, such as filing fees, charges for transcripts, depositions, long distance telephone, computerized legal research, messenger fees, copying costs, and the like. These items are charged at our standard rates in effect at the time the expense is incurred. In certain cases, we will ask you to pay these expenses directly.

Whenever appropriate and consistent with the proper representation of our clients, we use paralegals, investigators, junior attorneys and staff members in order to minimize the impact of the hourly rates of more senior attorneys. We believe the utilization of junior attorneys, paralegals or staff members, in consultation with and under supervision of more experienced attorneys in the firm as appropriate, enables us to maintain economically and efficiently the high quality of our legal representation, while permitting us both to avoid sacrificing the quality of our work for lower fees and to avoid assigning senior attorneys to tasks which can be performed proficiently by junior attorneys, paralegals or staff members.

In certain circumstances, a court may order payment of costs or attorneys' fees by one party to the other. If any such fees or costs are paid to us, they will be credited against the amount you owe us, but you will remain liable for any unpaid portion of our bills. If the court awards fees or costs against you in favor of the opposing party, you will be responsible for payment of that amount separately from and in addition to any amounts due us. In matters resulting in a judgment, settlement or other payments in your favor, we shall have a lien thereon to the extent of any unpaid fees or costs.

Our firm has always operated on the basis that we will deliver the best possible legal services in a timely fashion and at a reasonable price; in return, we request that upon receipt of our statements, you review the statements at that time to determine if you have any questions or comments regarding them. If so, please call us. If not, we expect that you will make payment to us

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promptly. Furthermore, we reserve and you agree that we have the right to withdraw as your counsel if you fail to pay our statements and other bills in a timely manner.

2. Advance Fee.

In addition to your agreement, along with Petros Partners and Beach Point, to pay our statements for professional fees and costs upon presentation, Petros Partners and Beach Point also agree to deposit in the firm's general trust account the aggregate amount of \$15,000 which represents an advance on professional fees and costs that will be incurred on CSCDA's behalf ("Advance Fee"). In addition, if the circumstances warrant, the firm may require that each of you supplement the Advance Fee through further deposits during the course of the engagement in accordance with the procedures set forth herein. By executing this Agreement, you, Petros Partners and Beach Point agree to the following provisions regarding the use and application of the Advance Fee.

Enhancement of the Advance Fee:

Circumstances during the course of the representation with respect to any matter can change the needs for the quantum of professional representation that may be required to properly represent you. The firm reserves the right to request that you augment the Advance Fee with additional reasonable deposit(s) as warranted and determined by the firm. The firm shall provide written and/or electronic notice to you of any request to augment your Advance Fee and you agree to comply with the firm's request to augment the Advance Fee. Any such additional deposit shall be credited to your Advance Fee account held in the firm's general trust account. In the event you do not augment the Advance Fee as requested within 10 days of delivery of the notice requesting such augmentation, the firm shall be entitled to withdraw from the representation in accordance with the provisions of Paragraph 8.

Distribution of the Advance Fee from general trust account:

(1) In the event that your account is not paid in full within 30 days of delivery of the firm's monthly statement, and you have not objected to the fees and costs set forth in that statement, then you agree that the firm shall be entitled to apply sufficient funds from the Advance Fee held in the firm's general trust account to pay the outstanding statement in full without further notice or consent by you. In such circumstance, the firm shall be entitled to ask you to deposit a new Advance Fee in the firm's general trust account in such sum as the firm reasonably believes is necessary to protect its interest to receive payment for contemplated professional services and costs ("Supplemental Advance Fee") and you agree to comply with the firm's request. Your deposited Supplemental Advance Fee shall be placed into your Advance Fee account held in the firm's general trust account. In the event you do not remit the Supplemental Advance Fee within 10 days of written or electronic notice to you by the firm to make such deposit, the firm shall be entitled to withdraw from the representation in accordance with the provisions of Paragraph 8.

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(2) At the conclusion of the matter for which the Advance Fee was required, the firm shall apply such balance remaining in your Advance Fee account to payment of any professional fees and costs that are outstanding 15 days after delivery of a final statement to you, provided that you have not objected to such statement. The firm shall apply all of the funds held in your Advance Fee account to payment of its final statement and you agree to promptly pay the firm any deficiency remaining. If there are funds remaining in your Advance Fee account following payment of the firm's final statement for the matter, the firm shall promptly return to you all remaining deposited Advance Fee funds held in the firm's general trust account.

The State Bar of California mandates that all interest accruing from funds held in the firm's general trust account be paid to the State Bar to fund its programs.

3. Conflicts of Interest.

We cannot, without appropriate consents, represent any party if there is a conflict of interest with any of our other clients. In order to avoid conflicts of interest among our clients, we maintain an index of relevant names. In connection with this matter, we have searched our index for the following names: California Statewide Communities Development Authority; Petros PACE Finance, LLC; Petros PACE Finance Trust AO1; CleanFund Commercial PACE Capital, Inc.; Beach Point Capital Management LP; CleanFund Titling Trust; De Paul Ventures San Jose Dialysis, LLC; De Paul Ventures, LLC; O'Connor Hospital; O'Connor Hospital Foundation; Saint Louise Regional Hospital; Saint Louise Regional Hospital Foundation; Seton Medical Center Foundation; Seton Medical Center; St. Francis Medical Center; St. Francis Medical Center Foundation; St. Vincent de Paul Ethics Corporation; St. Vincent Dialysis Center; St. Vincent Medical Center; St. Vincent Medical Center Foundation; Verity Business Services; Verity Holdings, LLC; Verity Medical Foundation. We have not discovered any conflict which requires further action before undertaking our representation. Please advise us, at or before the time you return the signed copy of this letter, if you know of any other individuals or entities which may be involved in this matter. In addition, please inform us at once if you learn in the future of other persons or entities who may be involved so we can make a conflict of interest search with respect to them.

4. No Guarantees.

During the course of our representation, we will endeavor to keep you fully advised as to the status and progress of this matter, including our view of your rights and potential liabilities or exposure, and our recommendations as to an appropriate course of action in view of the facts, circumstances and issues involved. Upon your request, we will also endeavor to provide you with an estimate of the future costs and fees you should anticipate incurring through the various stages of this matter. An estimate is not a fixed fee and does not constitute a commitment by Allen Matkins to

perform our professional services for that amount. You will be responsible for the actual fees and costs incurred on the basis described in this Agreement.

We will send copies of all material documents generated in connection with our representation, and I ask that you call me at any time should you wish to discuss the matter, our invoices or bills, or any other aspect of this representation. If for some reason I am unavailable, another attorney in this office will generally be available and familiar with the matter sufficiently to consult with you as desired.

We must emphasize that our firm has not made and cannot make any representations or guarantees regarding the successful outcome of any representation, involving litigation or otherwise, or the actual amount of any fees or costs you will incur. For example, costs, expenses and results are often controlled by external factors beyond our control.

5. Arbitration.

CLIENT AGREES TO ARBITRATION ON THE FOLLOWING TERMS:

Any dispute or claim arising out of or relating to this Agreement involving our relationship, our charges, or our services (including but not limited to disputes or claims regarding our charges, professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud, or violation of any statute or Rules of Professional Conduct), SHALL BE RESOLVED BY SUBMISSION TO FINAL AND BINDING ARBITRATION IN THE COUNTY OF SACRAMENTO BEFORE A CALIFORNIA RETIRED JUDGE OR JUSTICE, PURSUANT TO THE STANDARD ARBITRATION RULES OF ADR SERVICES, INC. AND THE ARBITRATION SHALL BE ADMINISTERED BY ADR SERVICES, INC. BY AGREEING TO ARBITRATE, YOU WAIVE ANY RIGHT TO HAVE A COURT OR OTHER JURY TRIAL. In the event that client does not timely agree to the selection of an arbitrator pursuant to the ADR Services, Inc. rules, then client irrevocably appoints and authorizes ADR Services, Inc. to appoint an arbitrator on behalf of client.

You irrevocably and unconditionally consent to personal jurisdiction in California and venue in the County referenced above, including, without limitation, petitions to compel arbitration and to enforce an arbitration award concerning a dispute between the parties or relating to this agreement.

The arbitration, and all aspects thereof (arguments, testimony, evidence, the decision, etc.) shall be confidential, except when used in the course of a judicial proceeding (e.g., to confirm, vacate or modify the award or regulatory proceeding, as may be requested by a governmental entity or as otherwise may be required by law).

Judgment on the arbitrator's award shall be final and binding, and may be entered in any competent court. By agreement to arbitrate, client and firm acknowledge that an appeal or challenge of an arbitrator's award is not available to either party.

Under California law, you have the right, if you desire, to request arbitration of any fee dispute before an arbitrator or panel of arbitrators selected by a local bar association or the State Bar ("Bar Arbitration") and you may request a trial *de novo* if dissatisfied with the result of the Bar Arbitration. If you do request a Bar Arbitration, the law precludes prosecuting any affirmative claim of malpractice or professional misconduct as part of that proceeding. Evidence is limited to facts relevant to the fees or costs in dispute. The Bar Arbitrators may not award any affirmative relief in the form of damages, offset or otherwise on account of any claim for malpractice or misconduct. By signing this engagement letter, you agree that if a Bar Arbitration is conducted, that the Bar Arbitration decision or any subsequent trial *de novo* in accordance with the Bar Arbitration statute shall determine only the issue of the amount of fees and costs properly chargeable to you. You further agree that any trial *de novo* following a Bar Arbitration shall be conducted pursuant to the binding arbitration requirements as set forth herein. Your election to pursue a Bar Arbitration shall have no effect on the provisions set forth herein which require binding arbitration of any claims for affirmative relief based on alleged professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud or violation of any statute. Any such claims shall be solely determined in a binding arbitration proceeding without regard to the result of any Bar Arbitration or trial *de novo* thereafter.

This agreement to arbitrate shall survive the termination of our representation of client.

6. Client Representation by Allen Matkins.

For purposes of this engagement, Allen Matkins is only representing California Statewide Communities Development Authority. We are not representing any of your affiliates, subsidiaries, parent companies, joint ventures, officers, directors, partners, principals, investors, or employees; nor are we representing Petros Partners or Beach Point, unless otherwise agreed to by Allen Matkins in writing. Accordingly, Allen Matkins may be adverse to these related parties or their legal interests, unless precluded by reason of the Rules of Professional Conduct.

7. Consent to Electronic Communications.

In order to maximize efficiency in this matter, we intend to use state of the art communications devices to the fullest extent possible (*e.g.*, E-Mail, document transfer by computer, cellular telephones, and facsimile transfers). The use of such devices under current technology may place your confidences and privileges at risk. However, we believe the effectiveness involved in use of these devices outweighs the risk of accidental disclosure. By signing this letter, you acknowledge your consent to the use of these devices.

8. Termination of Services/Withdrawal from Representation.

The attorney-client relationship is one of mutual trust and confidence. If you have any questions at all about the provisions of this engagement letter, we invite your inquiries. We encourage our clients to inquire about any matter relating to our engagement agreements or monthly statements which may be in any way unclear or appear unsatisfactory. If you do not meet your obligation of timely payments or deposits under this engagement letter, we reserve the right to withdraw from your representation on that basis alone, subject to any required judicial, administrative, or other approvals. In any case where Allen Matkins' billing for legal fees and costs is outstanding for greater than 45 days, Allen Matkins may exercise this right to withdraw from representing you, terminate all legal services to you, and seek any required approvals. We further reserve the right to withdraw our representation in circumstances where a conflict of interest arises and is not waived by a necessary party or is not waivable.

This agreement is also subject to termination by either party upon reasonable notice for any reason. If there were to be such a termination, however, you would remain liable for all unpaid charges for services provided and expenses advanced or incurred.

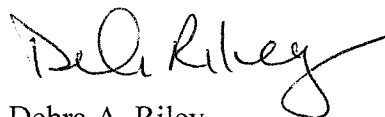
9. Confirmation of Agreement.

Please confirm CDCSA's agreement to the terms of this engagement letter by signing the enclosed copy of the letter and returning it to us.

Petros Partners and Beach Point please confirm your agreement with respect to paragraphs 1, 2 and 5 of this engagement letter by signing the enclosed copy of this letter and each of you returning it to us with a check or checks in the aggregate in the amount of \$15,000, representing the Advance Fee discussed above.

We very much appreciate the opportunity of working with you.

Very truly yours,



Debra A. Riley

DAR:bp

cc: Petros PACE Finance, LLC
Beach Point Capital Management LP

Allen Matkins Leck Gamble Mallory & Natsis LLP
Attorneys at Law

California Statewide Communities Development Authority
September 18, 2018

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APPROVED, ACCEPTED AND AGREED TO
this ___ day of September, 2018.

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Its: _____

APPROVED, ACCEPTED AND AGREED TO
this ___ day of September, 2018.

PETROS PACE FINANCE, LLC

By: _____
Its: _____

APPROVED, ACCEPTED AND AGREED TO
this ___ day of September, 2018.

BEACH POINT CAPITAL MANAGEMENT LP

By: _____
Its: _____



2019 Regular Meeting Calendar

All Regular Meetings of the Authority will begin at 2:00 PM. The primary location for the first meeting of each month is the League of California Cities, located at 1400 K Street, 3rd Floor, Sacramento, CA 95814. The primary location for the second meeting of each month is the California State Association of Counties, located at 1100 K Street, Sacramento, CA 95814.

JANUARY						
S	M	T	W	T	F	S
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27	28	29	30	31		

FEBRUARY						
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MARCH						
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31						

APRIL						
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28	29	30				

MAY						
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JUNE						
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JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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29	30	31				

Regular CSCDA Board Meetings highlighted Yellow

January 10th
January 24th
February 7th
February 21st
March 7th
March 21st
April 4th
April 18th
May 2nd
May 16th
June 6th
June 20th

July 11th
July 25th
August 8th
August 22nd
September 5th
September 19th
October 3rd
October 17th
November 7th
November 21st
December 5th
December 19th

Federal Holidays highlighted Red

January 1st – New Year’s Day
January 21st – M.L. King, Jr. Day
February 18th – Presidents Day
May 27th – Memorial Day
July 4th – Independence Day
September 2nd – Labor Day
October 14th – Columbus Day
November 11th – Veterans Day (Observed)
November 28th – Thanksgiving
December 25th – Christmas Day