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May 30, 2018

VIA FEDERAL EXPRESS AND EMAIL

Bob Giles
PACE Funding Group, LLC
100 Coopers Court
Los Gatos, CA 95032
bob@pacefunding.com

Re: **Improper Marketing of Open PACE**

Dear Mr. Giles:

Our firm represents California Statewide Communities Development Authority (CSCDA). As you know, CSCDA operates the Open PACE program as a resource for residential and commercial property owners to finance energy efficiency, renewable energy and water conservation improvements. Open PACE promotes the important public policy of improving energy efficiency and conservation.

Over the past several months, CSCDA has received complaints from cities, which are part of CSCDA's Open PACE program, because of lead generation postcards that are being mailed to their residential property owners. The postcards are misleading in a number of ways and we understand that the cities view this as an unacceptably aggressive marketing approach. CSCDA and its Open PACE program cannot achieve its public policy goals without the support of the cities and counties in which we operate. For this reason, CSCDA's commissioners have directed CSCDA staff to prevent its Open PACE administrators, such as PACE Funding, from allowing these misleading lead generation postcards and other aggressive or deceptive marketing.

We have been informed that residents of the City of Hayward are receiving lead generation postcards in connection with PACE Funding, which misrepresent the City of Hayward's involvement with the program and make an unauthorized use of CSCDA's Open PACE logo. One such postcard can be traced back to a contractor by the name of True Renewable Energy,

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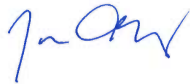
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located at 6553 Las Positas Road, Livermore, California, with a website at <https://trurenenergy.com/>. CSCDA demands that you immediately stop using misleading lead generation postcards or other aggressive or deceptive marketing and discontinue your relationship with any contractor who uses such marketing.

We remind you that PACE Funding is administering a public program on behalf of a public agency. CSCDA will not allow the continued operation of any Open PACE administrator that does not manage its services in a manner that is consistent with its role in promoting CSCDA's public policies. With this in mind, CSCDA demands that any communication by PACE Funding or for PACE Funding for participation in the Open PACE program be ethical, truthful and lawful.

We thank you in advance for your understanding and cooperation in resolving this matter.

Sincerely,



Trisha Ortiz
CSCDA Assistant General Counsel

cc: James Hamill, Managing Director
Catherine Bando, Executive Director

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