

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING  
\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\*  
LOCATIONS LISTED BELOW

10:30 A.M.  
Thursday, March 16, 2017  
Teleconference Phone Information  
(712) 775-7031 - Conference Code: 895081223

## Call to Order and Roll Call Statement of Disclosure

### Action Items

1. Approve Minutes from the Regular Meeting on March 9, 2017.
2. Approve Resolution No. 17-08 of the California Enterprise Development Authority Authorizing and Approving Master Loan Agreement With First Republic Bank and Menlo School, Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans in a Total Aggregate Amount not to Exceed \$34,000,000 for the Purpose of Financing and Refinancing the Construction, Renovation, Improvement, and Equipping of Certain Educational and Related Facilities, Providing the Terms and Conditions for Such Master Loan Agreements and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution No. 17-09 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Family Care Network, Inc. Project), Series 2016, for the Purpose of Financing and Refinancing Facilities for the Benefit of Family Care Network, Inc., a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

## Public Comment Chair Report PACE Report Other Business Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Economic Development Collaborative- Ventura County (contact Bruce Stenslie or Kelly Noble) 1601 Carmen Drive, #215 Camarillo, CA 93010
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## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

City of Santa Clarita  
(contact Jason Crawford or  
Marilyn Sourgose)  
23920 Valencia Blvd., Suite  
100  
Santa Clarita, CA 91355

Fresno State  
(contact Mike Dozier or  
Reception)  
550 East Shaw Ave., Suite 230  
Fresno, CA 93710

Los Angeles County  
Economic Development  
Corporation (LAEDC)  
(contact Carrie Rogers or  
Linden Johnson)  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

Southern California Edison,  
Economic Development  
Services  
(contact Mike Nuby by phone:  
626-812-7351)  
6040-B N. Irwindale Ave.  
Irwindale, CA 91702

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

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## MINUTES

### Regular Meeting

\*\*\*TELECONFERENCE MEETING \*\*\*

### CEDA BOARD OF DIRECTORS

Thursday, March 9, 2017

#### Teleconference Locations

California Association for Local  
Economic Development  
550 Bercut Drive, Suite G  
Sacramento, CA 95811

City of Santa Clarita  
23920 Valencia Blvd., Suite 100  
Santa Clarita, CA 91355

City of Vista  
200 Civic Center Dr.  
Vista, CA 92084

Fresno State  
550 East Shaw Ave., Suite 230  
Fresno, CA 93710

Economic Development Collaborative-  
Ventura County  
1601 Carmen Drive, #215  
Camarillo, CA 93010

Los Angeles County  
Economic Development  
Corporation (LAEDC)  
444 S. Flower St., 37th Floor  
Los Angeles, CA 90071

Southern California Edison,  
Economic Development Services  
6040-B N. Irwindale Ave.  
Irwindale, CA 91702

#### Call to Order

Gurbax Sahota, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 am.

#### Roll Call

Members Present:

Kevin Ham  
Gurbax Sahota  
Carrie Rogers  
Bruce Stenslie

CALED Management/Staff

Present: Jillian Boyd  
Helen Schaubmayer

Public: Sam Balisy\*

\*Joined late

#### Statement of Disclosure

None

#### Action Items

1. Approve Minutes from the Regular Meetings on February 16, 2017.

**Motion:** Board Member Bruce Stenslie made the motion to approve minutes from the regular meetings on February 16, 2017. Board Member Kevin Ham seconded the motion on the floor. The motion passed with the following roll call vote:

Kevin Ham	Aye
Gurbax Sahota	Aye
Carrie Rogers	Aye
Bruce Stenslie	Aye

2. Approve Resolution No. 17-06 Approving Associate Membership by the City of Irvine in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.

**Motion:** Board Member Carrie Rogers made the motion to approve Resolution No.17-06. Board Member Kevin Ham seconded the motion on the floor. The motion passed with the following roll call vote:

Kevin Ham	Aye
Gurbax Sahota	Aye
Carrie Rogers	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board the City of Irvine is joining CEDA for an upcoming deal that will be on an upcoming agenda.

3. Approve Resolution No. 17-07 Authorizing The Execution Of A First Amendment To Master Loan Agreement, Among First Republic Bank, California Enterprise Development Authority And The Athenian School And Approving Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Kevin Ham made the motion to approve Resolution No.17-07. Board Member Bruce Stenslie seconded the motion on the floor. The motion passed with the following roll call vote:

Kevin Ham	Aye
Gurbax Sahota	Aye
Carrie Rogers	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board that The Athenian School is an independent school in Danville that serves 162 students in its Middle School and 316 students in its Upper School in the Bay Area. Helen mentioned this amendment to the agreement requests to extend the period which funds in the Project Fund may be withdrawn. Sam Balisy stated this is very common with projects such as this.

**Public Comment**

**Chair Report**

Gurbax briefed the CEDA Board on an upcoming bill through Assemblywoman Quirk-Silva. Gurbax and Helen briefed about the FPPC Form 700 filing. Staff will follow up with board members on the FPPC filing.

**PACE Report**

**Other Business**

Helen mentioned there will be a CEDA meeting next week. Sam Balisy stated there will continue to be steady activity for CEDA.

**Adjournment**

**Motion:** *Board Member Bruce Stenslie made the motion to adjourn the meeting. Board Member Kevin Ham seconded the motion on the floor. Board Chair Gurbax Sahota adjourned the meeting at 10:42 am by voice vote.*

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-08 of the California Enterprise Development Authority Authorizing and Approving Master Loan Agreement With First Republic Bank and Menlo School, Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans in a Total Aggregate Amount not to Exceed \$34,000,000 for the Purpose of Financing and Refinancing the Construction, Renovation, Improvement, and Equipping of Certain Educational and Related Facilities, Providing the Terms and Conditions for Such Master Loan Agreements and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Menlo School
<b>Borrower Description</b>	<p>Menlo School is an independent, coeducational, college preparatory school for students in grades six through twelve with an enrollment of nearly 800 students. Established in 1915, the School is accredited by the Western Association of Schools and Colleges (WASC) and is a member of the National and California Associations of Independent Schools. The institution is dedicated to providing a challenging academic curriculum complemented by outstanding creative arts and athletic programs. To help in attracting talented students of varied socioeconomic backgrounds, Menlo School makes financial aid a priority--just this year, the School awarded \$5.7 million in need-based financial aid to 22 percent of the student body.</p> <p>Web site: <a href="https://www.menloschool.org/">https://www.menloschool.org/</a></p> <p>Menlo School requests the Authority to make a loan in the aggregate principal amount not to exceed \$34,000,000 to finance and refinance the construction, renovation, improvement and equipping of certain educational facilities located or to be located at 50 Valparaiso Avenue, Atherton, California 94027; to refinance the acquisition of the real property and improvements located at 97 Leon Way in the Town (the Borrower's Head of School residence); and to pay various transaction costs and other related costs.</p>
<b>Public Benefits</b>	The financing will provide the Borrower with low-cost financing to fund their projects, allowing them to devote the savings to their institution's operations. Additionally, the project will allow Menlo School to retain all 311 campus jobs and add another 10 new jobs.
<b>TEFRA Hearing</b>	A public hearing is scheduled to be completed by the Town of Atherton on March 15, 2017.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 17-08 of the California Enterprise Development Authority Authorizing and Approving Master Loan Agreement With First Republic Bank and Menlo School, Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans in a Total Aggregate Amount not to Exceed \$34,000,000 for the Purpose of Financing and Refinancing the Construction, Renovation, Improvement, and Equipping of Certain Educational and Related Facilities, Providing the Terms and Conditions for Such Master Loan Agreements and Other Matters Relating Thereto Herein Specified.

**RESOLUTION NO. 17-08**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING MASTER LOAN AGREEMENT WITH FIRST REPUBLIC BANK AND MENLO SCHOOL, PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$34,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE CONSTRUCTION, RENOVATION, IMPROVEMENT, AND EQUIPPING OF CERTAIN EDUCATIONAL AND RELATED FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH MASTER LOAN AGREEMENTS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise Development Authority (the “Authority”) was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the Town of Atherton (the “Town”) is an associate member of the Authority; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds or other evidences of indebtedness, rather than certificates of participation, and enter into a loan agreement; and

**WHEREAS**, Menlo School (the “Borrower”) wishes to: (i) finance and refinance the construction, renovation, improvement and equipping of certain educational facilities located or to be located at 50 Valparaiso Avenue, Atherton, California 94027 and owned and operated by the Borrower and used for educational purposes, (ii) refinance the acquisition of the real property and improvements located at 97 Leon Way in the Town, adjacent to the Campus and owned by the Borrower, which constitute the Borrower’s Head of School residence, and (iii) pay various transaction costs and other related costs (collectively, the “Project”); and

**WHEREAS**, there has been filed with the Secretary of the Authority proposed forms of a (i) Master Loan Agreement (collectively, the “Master Loan Agreement”), by and among First Republic Bank, as lender (the “Lender”), the Authority and the Borrower, and (ii) Assignment Agreement (collectively, the “Assignment Agreement”) between the Authority and the Lender; and

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from the Lender to the Authority (collectively, the “Authority Loan”) in a total amount not to exceed \$34,000,000 to make one or more loans of equal amount to the Borrower (collectively, the “Borrower Loan”); and

**WHEREAS**, in accordance with the requirements of Section 147(f) of the Code, the City Council of the Town is expected to adopt a resolution approving the Authority Loan, in order to finance and refinance the Project (the “City Council Approval”); and

**WHEREAS**, the Borrower is expected to provide significant benefits to the residents of the Town and surrounding communities and will also create and retain employment opportunities for residents of the Town and surrounding communities over the long term; and

**WHEREAS**, the financing and refinancing for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; and

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the California Enterprise Development Authority (the “Board”), as follows:

**Section 1.** Subject to the receipt by the Authority of the City Council Approval, the Board hereby finds and determines that the foregoing recitals are true and correct. The Board finds that it is in the public interest to assist the Borrower in financing and refinancing the Project.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Master Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Master Loan Agreement by and among the Authority, the Lender and the Borrower, on file with the Secretary of the Authority, is hereby approved in substantially the forms presented to and considered at the meeting of the Board. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially the forms filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may

require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Master Loan Agreement.

**Section 4.** The proposed forms of the Assignment Agreement executed by the Borrower in favor of the Lender and the Authority, on file with the Secretary of the Authority, is hereby approved. Each of the Authorized Signatories, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the forms filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** Subject to the receipt by the Authority of the City Council Approval, the Authority approves the Authority Loan on a tax-exempt basis and the making of the Borrower Loan to the Borrower in a total amount not to exceed \$34,000,000 in accordance with the terms of and to be secured by the Master Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Master Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Master Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any assignment by Lender to an affiliate of Lender or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chair or the Vice Chair or any designee of either of them without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this March 16, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

By: \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on March 16, 2017.

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Helen Schaubmayer  
Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-09 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Family Care Network, Inc. Project), Series 2016, for the Purpose of Financing and Refinancing Facilities for the Benefit of Family Care Network, Inc., a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	Family Care Network, Inc.
<b>Borrower Description</b>	<p>The Family Care Network is a private, non-profit children and families services provider established in 1987 with the sole purpose of creating family-based treatment programs as an alternative to group home or institutional care for children and youth. In its 25+ year history, the agency has grown to serve over 1,400 people annually in San Luis Obispo and Santa Barbara Counties through 17 distinct programs designed to strengthen and preserve families and individuals. In 2005, the agency was formally accredited through the California Alliance of Child and Family Services, being recognized for having met the highest industry standards of excellence as a foster family agency, family-based services, and mental health services provider. Web site: <a href="http://www.fcni.org/">http://www.fcni.org/</a></p> <p>The Family Care Network requests the Authority to make a loan in the aggregate principal amount not to exceed \$4,200,000 to finance and refinance: 1.) the cost of acquisition, construction, installation, renovation, rehabilitation, improvement and equipping of two commercial buildings containing approximately 27,532 square feet in San Luis Obispo, 2.) for the acquisition, construction, installation, renovation, rehabilitation, improvement and equipping of a six-unit residential apartment building located in Grover Beach, and 3.) paying certain costs of issuance in connection with the Bonds.</p>
<b>Public Benefits</b>	The Family Care Network serves foster and high-needs children, youth and families and, along with its partners, are dedicated to improve their quality of life through assistance, care and guidance. This financing will lower its debt service, enabling them to put more money into their important programs.
<b>TEFRA Hearing</b>	A public hearing is scheduled to be completed by the County of San Luis Obispo on March 21, 2017.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 17-09 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Family Care Network, Inc. Project), Series 2016, for the Purpose of Financing and Refinancing Facilities for the Benefit of Family Care Network, Inc., a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

**RESOLUTION NO. 17-09**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE BONDS (FAMILY CARE NETWORK, INC. PROJECT), SERIES 2016, FOR THE PURPOSE OF FINANCING AND REFINANCING FACILITIES FOR THE BENEFIT OF FAMILY CARE NETWORK, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

**WHEREAS**, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into Financing Agreement to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the County of San Luis Obispo is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

**WHEREAS**, Family Care Network, Inc., a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make issue its Revenue Bonds (Family Care Network, Inc. Project), Series 2016 (the "Bonds") in the aggregate principal amount not to exceed \$4,200,000, and to lend the proceeds thereof to the Borrower (the "Loan") for the purposes of (a) financing and refinancing the cost of (i) acquisition, construction, installation, renovation, rehabilitation, improvement and equipping of two commercial buildings containing approximately 27,532 square feet and located at 1255 Kendall Road, San Luis Obispo, California 93401; and (ii) acquisition, construction,

installation, renovation, rehabilitation, improvement and equipping of a six-unit residential apartment building located at 875 Longbranch Avenue, Grover Beach, California 93433 (the “Facilities”), and (ii) paying certain costs of issuance in connection with the Bonds; and

**WHEREAS**, the Bonds will be purchased by Wells Fargo Bank, National Association (the “Purchaser”) pursuant to a Financing Agreement, by and among the Purchaser, the Authority and the Borrower (the “Financing Agreement”); and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

- (a) A proposed form of the Financing Agreement; and
- (b) A proposed form of Assignment Agreement, between the Authority and the Purchaser (the “Assignment Agreement”); and

**WHEREAS**, the Facilities provide significant benefits to the residents of the County of San Luis Obispo and surrounding community through the services provided by the Borrower and, based on representations of the Borrower, the refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the California Enterprise Development Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in refinancing the Facilities.

**Section 2.** The Authority hereby approves of the issuance of one or more series of the Bonds on a tax-exempt basis in the principal amount not to exceed \$4,200,000, the purchase of the Bonds by the Purchaser pursuant to the Financing Agreement and making the Loan to the Borrower pursuant to the terms and provisions of the Financing Agreement. The Authority understands that the payments under the Loan will be assigned to the Purchaser to satisfy the Authority’s payments under the Bonds. The payments to be made by the Authority to the Purchaser under the Bonds will be satisfied solely from payments made by the Borrower to the Purchaser (as assignee of Authority) under the Loan.

**Section 3.** The proposed form of the Financing Agreement by and among the Purchaser, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Financing Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Financing Agreement.

**Section 4.** The proposed form of the Assignment Agreement by and between the Authority and the Purchaser, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Financing Agreement. The Bonds, when so executed, shall be delivered to the Purchaser in accordance with the Financing Agreement upon payment of the purchase price thereof.

**Section 6.** Repayment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Authority from the Loan pursuant to the Financing Agreement, and the Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Bonds shall bear interest at the rate or rates set forth in the Financing Agreement.

**Section 7.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Purchaser and the making of the Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by Purchaser to an affiliate of Purchaser, accredited investor or qualified institutional buyer or any prepayment of the Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 8.** All actions heretofore taken by the officials and agents of the Authority with respect to the Bonds and the Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Purchaser's counsel may deem necessary or advisable in order to consummate the Loan and the Bonds and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 9.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 10.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County of San Luis Obispo has held the requisite hearing and the Board of Supervisors of the County of San Luis Obispo has approved the issuance of the Bonds pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

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

PASSED AND ADOPTED this 16<sup>th</sup> day of March, 2017.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on March 16, 2017.

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Helen Schaubmayer, Assistant Secretary