

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

**10:30 A.M.  
Thursday, June 15, 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 June 8, 2017.
2. Approve Resolution No. 17-23 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of SMG Arts Property, LLC and California School Of The Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto 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
City of Santa Clarita (contact Jason Crawford or Marilyn Sourgoose) 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		

550 Bercut Drive, Suite G, Sacramento, CA 95811 • (916) 448-8252, ext. 16

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

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, June 8, 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 10:30 am.

## Roll Call

Members Present: Jason Crawford  
Mike Dozier  
Gurbax Sahota  
Mike Nuby  
Bruce Stenslie

## CALED Management/Staff

Present: Jillian Boyd  
Helen Schaubmayer

Public: Sam Balisy  
Dan Bronfman  
Chad Stacy, Dunn School  
Mike Melliore, Valley Christian Schools  
Ken Schilling, Valley Christian Schools  
Frank Thompson, Santa Barbara Student Housing

## Statement of Disclosure

Mike Nuby disclosed he would need to abstain from item number 5 on the agenda which includes Resolution No. 17-22.

## Action Items

1. Approve Minutes from the Regular Meetings on June 1, 2017.

**Motion:** Board Member Bruce Stenslie made the motion to approve minutes from the regular meeting on June 1, 2017. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

2. Approve Resolution No. 17-19 of the California Enterprise Development Authority Authorizing and Approving an Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of North County Health Project Incorporated, Providing the Terms and Conditions for Such Amendment to Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Jason Crawford made the motion to approve Resolution No. 17-19. Board Member Mike Dozier seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board the North County Health Project Incorporated is a federally funded community health clinic which began operation in 1971 providing a wide array of medical services, a large part to low income, working-poor residents. CEDA closed a deal with North County Health Project in 2016, but the property that was intended to be purchased with the proceeds fell out of escrow. The Borrower now identified and purchased a replacement site. North County Health Project Incorporated requests the Authority to make a loan in the aggregate principal amount not to exceed \$2,500,000 for financing and refinancing the cost of real property and improvements located in Ramona, California to serve as a site for a new healthcare clinic.

3. Approve Resolution No. 17-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Developing, Constructing, Installing, Improving, Equipping and Furnishing of Certain Facilities for the Benefit of Valley Christian Schools, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Bruce Stenslie made the motion to approve Resolution No. 17-20. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Gurbax mentioned to the Board and partners on the line that the revised resolution was sent out yesterday. Helen briefed the Board that Valley Christian Schools is an institution

located in San Jose which provides an education that is grounded in the Judeo-Christian values of the Bible. The School provides a comprehensive kindergarten through 12th grade curriculum with a rigorous college preparatory program and has a total enrollment of 2,740 students. Valley Christian Schools offers, members of its community (especially students) complete several community service hours each school year, such as mentoring and education programs with local at-risk elementary schools and a worldwide Missions programs. Valley Christian Schools requests the Authority to make one or more tax-exempt or taxable loans in the aggregate principal amount not to exceed \$48,500,000 for (a) refunding all the outstanding ABAG Finance Authority for Nonprofit Corporations Bonds, Series 2003 and Series 2009. Mike Melliere with Valley Christian Schools stated the final loan amount will be \$40.5 million and is scheduled to close within the next week. Sam Balisy mentioned this loan will help the borrower save on outstanding debt.

4. Approve Resolution No. 17-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for Financing, Refinancing or Reimbursing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Educational Facilities for the Benefit of Dunn School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** *Board Member Mike Dozier made the motion to approve Resolution No.17-21. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board that Dunn School was founded in 1957 and is an independent, co-educational day and boarding school for grades 6-12 located in Los Olivos, around 30 miles northwest of Santa Barbara. In fall 2016, Dunn began the school year with 246 students and is devoted to the development of well-rounded leaders and life-long learners. The School utilizes a whole student educational approach that integrates rigorous academics with an intentional focus on the characteristics of leadership. Dunn School requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$8,000,000 for the purpose of financing, refinancing or reimbursing the cost of acquiring, constructing, installing, rehabilitating, equipping and furnishing of educational facilities in Los Olivos, including, but not limited to all campus fire suppression water line, new gymnasium locker rooms, senior dorm remodel, new faculty cottages, and flood retention basin; the construction of the Cindy and Adam Bronfman Student Leadership Center, a 6,224 square foot, one story facility that will house employee offices, conference rooms, meeting spaces, a mezzanine, a student run café; and other routine capital expenditures. Chad Stacy with the Dunn School mentioned they were excited to work with CEDA and thankful for the support. Sam Balisy mentioned the public hearing is scheduled with the County of Santa Barbara on June 20, 2017 and this is a great school and project.

5. Approve Resolution No. 17-22 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Rehabilitating, Equipping and Furnishing of Student Housing Facilities for the Benefit of Santa Barbara Student Housing and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Bruce Stenslie made the motion to approve Resolution No.17-22. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Abstain
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board that the Santa Barbara Student Housing (SBSH) provides low-rent, cooperative (co-op) housing for student, staff, and faculty of the University of California at Santa Barbara. Residents are considered regardless of gender, race, social, political, or religious affiliation. SBSH was started in 1976 by a group of students at UCSB that formed a cooperative to master lease buildings, thereby lowering rates and giving members greater control over the quality of the housing. Santa Barbara Student Housing requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$6,000,000 for financing and refinancing the costs related to five student housing facilities located in the Isla Vista community of Santa Barbara County and one in Santa Barbara. Part of the refinancing is for an existing tax-exempt loan facilitated by CEDA in 2010. Helen mentioned the public hearing with the County is scheduled for June 20<sup>th</sup>. Frank Thompson stated that he is on the Board of Directors and was one of the original members that founded the Santa Barbara Student Housing in 1976, this loan will help improve properties and expand one house.

6. Approve contributions to support economic development and contribute to the Authority's Operating Reserve:
  - a. Up to \$50,000 to California Academy for Economic Development based on CEDA's actual end-of-year net income.
  - b. Up to \$250,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.
  - c. \$100,000 to the Authority's Operating Reserve.

**Motion:** Board Member Jason Crawford made the motion to approve contributions to support economic development and contribute to the Authority's Operating Reserve. Board Member Mike Dozier seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board that CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes. Contributing to CALED and the Academy will allow the organizations to provide education and networking opportunities for California's economic developers, as well as provide additional capacity for the organizations to promote the value of economic development. A contribution of \$100,000 to the operating reserve will cover one year of operating costs per the proposed 2017-18 Management Fee of \$300,000.

7. Approve FY 2017-2018 CEDA Work Program and Budget.

**Motion:** Board Member Mike Nuby made the motion to approve the FY 2017-2018 CEDA Work Program and Budget. Board Member Mike Dozier seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Helen briefed the Board that the work program includes maintaining CEDA as a compliant JPA, supporting tax-exempt bond and PACE issuances, as well as promoting CEDA.

8. Approve amended CEDA Management Agreement.

**Discussion:** Helen briefed the Board about the updates regarding the management agreement between CEDA and CALED before a motion was made. These updates include a revised management fee and CALED’s Board Chair’s name updated to Jason Crawford.

**Motion:** *Board Member Bruce Stenslie made the motion to approve the CEDA Management Agreement. Board Member Mike Nuby seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

9. Approve entering in an agreement with Kronick Moskowitz Tiedemann & Girard to provide legal services to the Authority about giving advice and counsel on general governance issues, and other matters as assigned by mutual agreement.

**Motion:** *Board Member Bruce Stenslie made the motion to approve CEDA entering the agreement with Kronick Moskowitz Tiedemann & Girard to provide legal services to the Authority about giving advice and counsel on general governance issues, and other matters as assigned by the mutual agreement. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye
Mike Nuby	Aye
Bruce Stenslie	Aye

**Discussion:** Gurbax briefed the Board this agreement with Kronick Moskowitz Tiedemann & Girard includes assistance in creating a retention and destruction policy for CEDA and documents regarding the Brown Act and how it applies to CEDA for use by the Board and staff.

**Public Comment**

**Chair Report**

Gurbax stated there will be a couple more calls before the end of the fiscal year. Helen mentioned there will be a call next week.

**PACE Report**

**Other Business**

**Adjournment**

**Motion:** *Board Member Mike Nuby made the motion to adjourn the meeting. Board member Jason Crawford seconded the motion on the floor. Board Chair Gurbax Sahota adjourned the meeting at 11:00 am by voice vote.*

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 17-23 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of SMG Arts Property, LLC and California School Of The Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	SMG Arts Property, LLC (Occupant = California School of the Arts-San Gabriel Valley)
<b>Borrower Description</b>	<p>SMG Arts Property, LLC, is the sole member of the California School of the Arts-San Gabriel Valley, a 501(c)(3) non-profit organization. California School is a charter school that will serve grades 7 through 12 in leased facilities which SMG Arts licenses from the Duarte Unified School District. In these facilities, California School will provide a rigorous college-preparatory academic program and pre-professional arts conservatory training. Currently there are more than 615 students enrolled for the upcoming school year. Once fully enrolled, California School expects to serve approximately 1,200 students. The management of California School will be provided by SMG-Arts Management, an affiliate of the Orange County School of the Arts which is one of the largest single-campus public charter schools in the country and has recently closed a financing with the Authority.</p> <p>Web site: <a href="http://sgv.csarts.net/">http://sgv.csarts.net/</a></p> <p>SMG Arts Property, LLC (the Borrower) requests the Authority to make a loan in the aggregate principal amount not to exceed \$3,000,000 for the purpose of financing the acquisition, construction, development, renovation, equipping and furnishing of educational facilities located in Duarte, California, including, but not limited to, the acquisition and installation of portable educational facilities and the rehabilitation of existing educational facilities and related facilities in addition to paying certain costs of issuance.</p>
<b>Public Benefits</b>	The low-cost financing will allow the Borrower to put the savings back into its operations.
<b>TEFRA Hearing</b>	A public hearing is scheduled to be held by the City of Duarte on June 13, 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. 17-23 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Acquiring, Constructing, Installing, Improving, Equipping and Furnishing Certain Educational Facilities for the Benefit of SMG Arts Property, LLC and California School Of The Arts-San Gabriel Valley, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.



**RESOLUTION NO. 17-23**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUIRING, CONSTRUCTING, INSTALLING, IMPROVING, EQUIPPING AND FURNISHING CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF SMG ARTS PROPERTY, LLC AND CALIFORNIA SCHOOL OF THE ARTS-SAN GABRIEL VALLEY, PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO 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 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 City of Duarte (the "City") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, in accordance with the requirements of Section 147(f) of the Code and the Act, the City Council of the City adopted, on June 13, 2017, a resolution approving the issuance of tax-exempt obligations in order to refinance the Facilities; 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 for the purposes of carrying out its purposes; and

**WHEREAS** SMG Arts Property, LLC, a California limited liability company (or any affiliate thereof or successor thereto) (the "Borrower"), the sole member of which is the California School of the Arts-San Gabriel Valley, a California nonprofit public benefit

corporation (the "School"), has submitted an application to the Authority requesting the Authority to make a loan (the "Borrower Loan") in the aggregate principal amount not to exceed \$3,000,000 to the Borrower for the purpose of financing the acquisition, construction, development, renovation, equipping and furnishing of educational facilities, which will be leased by the Borrower to the School, on property leased from the Duarte Unified School District located at 1401 Highland Avenue, Duarte, California 91010, including, but not limited to, the acquisition and installation of portable educational facilities and the rehabilitation of existing educational facilities and related facilities (the "Facilities") and paying certain costs of issuance in connection with the Loan (as defined below); and

**WHEREAS**, the Authority intends to use the proceeds of a tax-exempt and/or taxable loan from Farmers and Merchants Bank of Long Beach (the "Lender") to the Authority (the "Authority Loan" and, together with the Borrower Loan, the "Loan") to make the Borrower Loan; 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 Loan Agreement, by and among the Lender, the Authority and the Borrower (the "Loan Agreement"); and
- (b) A proposed form of Assignment Agreement, between the Authority and the Lender (the "Assignment Agreement"); and

**WHEREAS**, the Facilities provide significant benefits to the residents of the City and surrounding community through the educational and arts facilities provided by the Borrower and, based on representations of the Borrower, the financing 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 entering into the Authority Loan on a tax-exempt and/or taxable basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the 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 Loan Agreement by and among the Lender, 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 Loan 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 Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement by and between the Authority and the Lender, 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.** Subject to the conditions set forth in Section 9 below, the Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$3,000,000 in accordance with the terms of and to be secured by the 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 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 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 Facilities, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower 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 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 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 counsel to the Authority or the Lender 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.

**Section 9.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this June 15, 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 June 15, 2017.

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Helen Schaubmayer, Assistant Secretary