

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

10:30 A.M.  
Thursday, June 23, 2016  
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 16, 2016.
2. Approve a cap of \$300,000 to the Authority's Legal Reserve Account, to be reviewed annually.
3. Adopt a policy that the Authority will maintain an Operating Reserve equivalent to the Management Fee, to be reviewed annually.
4. Approve a contribution of \$27,272 to the Authority's Legal Reserve and \$30,000 to the Authority's Operating Reserve.
5. Approve contributions to support economic development:
  - a. Up to \$25,000 to California Academy for Economic Development based on CEDA's actual end-of-year net income.
  - b. Up to \$120,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.
6. Approve FY 2016-2017 CEDA Work Program and Budget.
7. Approve amended CEDA Management Agreement.

### Public Comment

### Chair 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 Gurbax Sahota  
or 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 Sorgose)  
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 EDC  
(contact Carrie Rogers or  
Linden Johnson)  
444 S. Flower St., 37<sup>th</sup> Floor  
Los Angeles, CA 90071

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

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, June 16, 2016

#### Teleconference Locations

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

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

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

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

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

Los Angeles EDC  
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 Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 am.

#### Roll Call

Members Present: Jason Crawford  
Kevin Ham  
Gurbax Sahota  
Carrie Rogers (called in at 10:35 am)

#### CALED Management/Staff

Present: Helen Schaubmayer

Public Present: Sam Balisy, Kutak Rock LLP  
Dan Bronfman, Growth Capital Associates, Inc.  
Karen Brown, Sonoma Humane Society  
Shannon Tracey, Sonoma Humane Society

#### Statement of Disclosure

None

**Action Items**

1. Approve Minutes from the Regular Meeting on June 2, 2016.

**Motion:** Board Member Kevin Ham made the motion to approve minutes from the regular meeting on June 2, 2016. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Kevin Ham	Aye
Gurbax Sahota	Aye

2. Re-Approve Resolution 16-68 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 Orange County School of the Arts, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Kevin Ham made the motion to re-approve Resolution 16-68. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Kevin Ham	Aye
Gurbax Sahota	Aye

**Discussion:** Gurbax stated that this resolution was put up for approval again as a posting issue occurred on the June 2, 2016 meeting. Further detail on the project and organization is provided in the staff report within the full agenda packet.

3. Re-Approve Resolution 16-69 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 The Legacy Fund, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** Board Member Jason Crawford made the motion to re-approve Resolution 16-69. Board Member Kevin Ham seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Kevin Ham	Aye
Gurbax Sahota	Aye

**Discussion:** Gurbax stated that this resolution was put up for approval again as a posting issue occurred on the June 2, 2016 meeting. Further detail on the project and organization is provided in the staff report within the full agenda packet.

4. Approve Resolution 16-71 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 Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Animal Care Facilities for the Benefit of the Sonoma Humane Society, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Motion:** *Board Member Kevin Ham made the motion to approve Resolution 16-71. Board Member Carrie Rogers seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Kevin Ham	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

**Discussion:** Helen briefed the Board that the Sonoma Humane Society (SHS) is a non-profit organization incorporated in 1931. It provides sheltering and adoption services and community programs in its local community. The organization has two locations in Sonoma County—one in Santa Rosa which is the primary Center for Animals and a second in Healdsburg. In addition to animal sheltering and adoptions, SHS offers many other programs such as a low cost spay/neuter clinic, public training services, public veterinary hospital (third largest in Sonoma County). Sonoma Humane Society requests the Authority to make a loan in the aggregate principal amount not to exceed \$3,000,000 to finance and refinance the cost of acquisition, construction, installation, rehabilitation, equipping and furnishing of a 33,000 square foot animal care facility located in Santa Rosa and an approximate 7,500 square foot animal care facility in Healdsburg. Dan Bronfman stated that this is a refinancing of a deal we did a number of years ago. Sam Balisy stated that it is a great organization and a wonderful facility.

5. Approve Resolution 16-72 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2016-3, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.

**Motion:** *Board Member Jason Crawford made the motion to approve Resolution 16-72. Board Member Kevin Ham seconded the motion on the floor. The motion passed with the following roll call vote:*

Jason Crawford	Aye
Kevin Ham	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

**Discussion:** Helen stated to the Board the series of bonds are not to exceed the amount of \$4,000,000 for which the proceeds will be used to make property-assessed energy efficiency improvements to parcels within the PACE district. The full project list is provided in the staff report.

6. Approve Resolution 16-73 Approving Associate Membership of the City of Sausalito in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to said Associate Membership.

**Motion:** Board Member Carrie Rogers made the motion to approve Resolution 16-73. Board Member Kevin Ham seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Kevin Ham	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

**Discussion:** Board Chair Gurbax Sahota opened the floor for questions regarding membership for this jurisdiction; there were none.

7. Approve Resolution 16-74 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Camarillo.
8. Approve Resolution 16-75 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Sausalito.
9. Approve Resolution 16-76 and Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Suisun City.

**Motion:** Board Member Kevin Ham made the motion to approve Resolutions 16-74 through 16-76. Board Member Jason Crawford seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Kevin Ham	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye

**Discussion:** Board Chair Gurbax Sahota opened the floor for questions regarding ROIs for these jurisdictions; there were none.

### **Public Comment**

### **Chair Report**

Gurbax stated that the CEDA business call will be on June 23<sup>rd</sup> and another meeting will likely be schedule on June 30<sup>th</sup> for a project and PACE Residential documents.

### **PACE Report**

### **Other Business**

### **Adjournment**

### **Motion:**

Board Chair, Gurbax Sahota, adjourned the meeting at 10:48 am.

## Staff Report

<b>Action Requested</b>	Approve a cap of \$300,000 to the Authority's Legal Reserve Account, to be reviewed annually.
<b>Staff Discussion</b>	The Authority has a legal reserve, as recommended by our Bond Council and Auditor, and approved by the Board of Directors to ensure adequate funds in the event the Authority is faced with a future lawsuit. In Fiscal Year 12-13, the CEDA Board approved making contributions at \$3,125 per transaction to the legal reserve every year. This action would replace the policy of contributing to the reserve at per transaction rate and cap the reserve to an amount deemed to be a responsible level. This cap amount will be reviewed on an annual basis.
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4 which authorizes the establishment of a budget to meet future Administrative Expenses.
<b>Recommendation</b>	Staff recommends the approval of a cap of \$300,000 to the Authority's Legal Reserve Account, to be reviewed annually.

## Staff Report

<b>Action Requested</b>	Adopt a policy that the Authority will maintain an Operating Reserve equivalent to the Management Fee, to be reviewed annually.
<b>Staff Discussion</b>	Although it is not prescribed by law, an operating reserve is needed in the event future income is insufficient to meet ongoing operations and ensures future continuity of the program. The market is uneven and there is never a guarantee of deal flow to cover CEDA's costs of administering the program and its various compliance requirements. In order to ensure that operating costs can be covered during an unstable period, it would be prudent to set the reserve amount to equal the Management Fee as specified in the Management Agreement.
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4 which authorizes the establishment of a budget to meet future Administrative Expenses.
<b>Recommendation</b>	Staff recommends the approval to adopt a policy that the Authority will maintain an Operating Reserve equivalent to the Management Fee, to be reviewed annually.

## Staff Report

<b>Action Requested</b>	Approve a contribution of \$27,272 to the Authority's Legal Reserve and \$30,000 to the Authority's Operating Reserve.
<b>Staff Discussion</b>	<p>Although it is not prescribed by law, maintaining sufficient reserves for both operating costs and any potential legal costs ensures the continuity of the program. A contribution of \$27,272 to the legal reserve will bring the total to \$300,000. A contribution of \$30,000 to the operating reserve will sufficiently cover one year of operating costs per the proposed 2016-2017 Management Fee.</p> <p>Based on the estimated end-of-year actuals, CEDA has sufficient funds to make this contribution.</p>
<b>Eligibility and Policy Review</b>	CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4 which authorizes the establishment of a budget to meet future Administrative Expenses.
<b>Recommendation</b>	Staff recommends the approval of a contribution of \$27,272 to the Authority's Legal Reserve and \$30,000 to the Authority's Operating Reserve.

## Staff Report

<p><b>Action Requested</b></p>	<p>Approve contributions to support economic development:</p> <ul style="list-style-type: none"> <li>a. Up to \$25,000 to California Academy for Economic Development based on CEDA’s actual end-of-year net income.</li> <li>b. Up to \$120,000 to the California Association for Local Economic Development based on CEDA’s actual end-of-year net income.</li> </ul>
<p><b>Staff Discussion</b></p>	<p>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.</p> <p>The California Academy for Economic Development (CAED or Academy) is a center devoted to Economic Development training, education, and research. Some components of the Academy’s mission are to educate economic development professionals and officials, conduct supportive research, and provide new business information and resources to local economic development professionals.</p> <p>CALED is the premier statewide professional economic development organization dedicated to advancing its members’ ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.</p> <p>We believe contributing to the Academy and CALED 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.</p> <p>Based on the estimated end-of-year actuals, CEDA has sufficient funds to make this contribution; however, the Chair and the Treasurer will make the final determination on contribution amounts based on the actual net income to ensure that even after making this contribution, CEDA will still have an adequate checking balance, a one-year operating reserve, and a fully funded legal reserve.</p>
<p><b>Eligibility and Policy Review</b></p>	<p>CEDA staff has reviewed the bylaws and Joint Powers Agreement. The request is part of Article VI; Section 6.4, which permits moneys held by the Authority and deemed surplus may be allocated as directed by the Board for economic development purposes.</p>
<p><b>Recommendation</b></p>	<p>Staff recommends to approve contributions to support economic development:</p> <ul style="list-style-type: none"> <li>a. Up to \$25,000 to California Academy for Economic</li> </ul>

	<p>Development based on CEDA's actual end-of-year net income.</p> <p>b. Up to \$120,000 to the California Association for Local Economic Development based on CEDA's actual end-of-year net income.</p>
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## **CEDA 2016-2017 WORK PROGRAM**

### **Maintaining CEDA as a compliant JPA**

1. Complete state reporting requirement
2. Update website per state and federal compliance requirements (e.g. posting agendas, minutes, transactions, etc.)
3. FPPC filings (Form 700 for in/out-of office and annual posts)
4. Complete annual audit (including completing required support documentation, calculations, and checks)
5. Admin support (e.g. as noted below, plus prepare, circulate, & post agenda public notice; reply to public questions; etc.)
6. Complete IDB and housing projects annual compliance duties
7. Create and practice a record retention and destruction policy

### **Support tax-exempt bond issuances and creation of PACE districts and issuances**

1. Provide admin support for board & meetings (e.g. schedule meetings, take minutes, prepare and present staff reports, etc.)
2. Provide admin support for issuances and PACE districts & projects (e.g. sign, notarize, & mail documents; maintain files, etc.)
3. Invoicing for application, issuance, and annual fees
4. Formalize and document CEDA and Figtree PACE process flow with Residential as it is introduced
5. Provide admin support for and tracking of PACE Residential program
6. Follow up on bond transaction leads
7. Participate in bond issuance financial team meetings and calls
8. Stay involved in legislation or potential structural changes at the state-level which may impact CEDA's financing tool programs:
  - Promote a more effective facilitation of IDB allocation via a streamlined application and approval process with assessment of fair fees
  - Attend monthly CIDFAC board meetings
9. Communicate, solicit, and coordinate with local jurisdictions regarding bond issuances & membership in CEDA

### **Promote CEDA and its financing opportunities**

1. Create a LinkedIn page for CEDA:
  - Research requirements to create a page and items to include
  - Create the LinkedIn page and announce page via CALED alerts and CA ED Journal; invite relevant partners to join
  - Post one news item every two weeks
2. Promote CEDA's programs, completed issuances, and other news announcements via:
  - CA ED Journal articles and alerts to CALED Membership— when deals close and/or quarterly
  - Written articles posted on the CEDA website—when deals close and/or monthly
  - Notices sent out via social media (e.g. CEDA LinkedIn page, CALED Twitter and LinkedIn group accounts, etc.)—every two weeks
3. Target CALED membership for promotion of CEDA's financing tool through direct one-to-one contact
  - Reach out to members to inform them when projects are financed through CEDA in their jurisdictions
4. Maintain relationship with key issuance partners
5. Build upon past partnerships
  - Reach out to members on "interested parties" listing for previous deals (e.g. financial analysts, bank representatives, counsel, etc.)
  - Follow up with borrowers on status of their project construction and/or upgraded facilities for success story write-ups
6. Expand audience base to market CEDA's programs (e.g. local businesses, industry associations, etc.)
  - Attend related conferences/events for networking opportunities, subscribe to newsletters and follow-up with possible contacts
7. Promote CEDA's 10-year anniversary:
  - Tie anniversary news with LinkedIn launch
  - Produce a 10-year report
  - Sponsor a celebration event at the CALED annual conference
8. Participate in a building move, if approved, and update marketing materials as necessary

# California Enterprise Development Authority (CEDA)

## Profit and Loss Budget vs. Actual (July 2015 through June 2016) and Proposed Budget 2016-2017

	Jul '15 - Jun '16			Jul '16 - Jun '17
	Actual	Budget	Estimated 06.30.16	Proposed Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Non Operating Revenue</b>				
<b>Interest</b>	121.95	100.00	121.95	100.00
<b>Operating Revenue</b>				
<b>Fee Revenues</b>				
<b>PACE Assessment Fees</b>				
September Assessment Fees	1,477.16		1,477.16	2,896.61
March Assessment Fees	2,048.33		2,048.33	3,384.91
<b>Total PACE Assessment Fees</b>	3,525.49	1,500.00	3,525.49	6,281.52
<b>General Fee</b>	1,500.00		1,500.00	
<b>Issuance Fees</b>				
Issuance Fee-PACE	8,720.55	5,000.00	10,595.55	10,000.00
Issuance Fee-RZFB	25,000.00		25,000.00	
Issuance Fee-Nonprofit	165,945.00		275,858.00	
Issuance Fees - Other	0.00	150,000.00	0.00	200,000.00
<b>Total Issuance Fees</b>	199,665.55	155,000.00	311,453.55	210,000.00
<b>Annual Fee</b>	81,500.00	84,500.00	84,500.00	88,000.00
<b>Application Fees</b>	21,000.00	12,000.00	21,000.00	18,000.00
<b>Total Fee Revenues</b>	307,191.04	253,000.00	421,979.04	322,281.52
<b>Total Income</b>	307,312.99	253,100.00	422,100.99	322,381.52
<b>Expense</b>				
<b>Operating Expenses</b>				
<b>Contribution to Econ Dev</b>				
CALED Mission Support	10,000.00		10,000.00	45,000.00
Scholarship	2,229.27		2,229.27	5,000.00
Contribution to Econ Dev - Other	1,000.00	10,000.00	1,000.00	15,000.00
<b>Total Contribution to Econ Dev</b>	13,229.27	10,000.00	13,229.27	65,000.00
<b>Direct Expenses</b>				
Equipment Purchase	-37.98		-37.98	
Bank Fees	390.00	225.00	390.00	400.00
Meal & Entertainment	343.02	750.00	343.02	750.00
Office Expense	5,579.27	4,500.00	6,000.00	6,000.00
Computers/Maintenance	2,993.27	1,000.00	4,000.00	3,000.00
Staff Training	1,104.49	2,500.00	1,104.49	4,000.00
Accounting	1,749.50	2,500.00	2,000.00	2,500.00
Audit	8,400.00	9,000.00	8,400.00	9,000.00
Contract Services	6,527.66	6,000.00	6,527.66	2,500.00
Printing/Marketing	2,834.18	2,000.00	2,834.18	6,000.00
Travel	2,722.97	8,000.00	2,722.97	6,000.00
Insurance	2,692.76	2,000.00	2,692.76	3,000.00
<b>Total Direct Expenses</b>	35,299.14	38,475.00	36,977.10	43,150.00
<b>Management Fees</b>	168,000.00	168,000.00	168,000.00	200,000.00
<b>Total Operating Expenses</b>	216,528.41	216,475.00	218,206.37	308,150.00
<b>Total Expense</b>	216,528.41	216,475.00	218,206.37	308,150.00
<b>Net Ordinary Income</b>	90,784.58	36,625.00	203,894.62	14,231.52
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
Legal Reserve set aside	0.00	20,000.00	0.00	0.00
<b>Total Other Expense</b>	0.00	20,000.00	0.00	0.00
<b>Net Other Income</b>	0.00	-20,000.00	0.00	0.00
<b>Net Income</b>	<b>90,784.58</b>	<b>16,625.00</b>	<b>203,894.62</b>	<b>14,231.52</b>

**Note:** When PACE Residential is launched under the MOU with Figtree Financing, we will request reimbursement for specific staff expenses.

Amended Management Agreement July 1, 2016

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**MANAGEMENT AGREEMENT**

THIS AGREEMENT is made this 1st day of July 2016 by and between the California Enterprise Development Authority (CEDA), a California Joint Powers Authority, and the California Association for Local Economic Development (CALED), a California nonprofit corporation.

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IN CONSIDERATION of the mutual covenants, agreements and conditions contained in this Agreement, CEDA hereby engages CALED as an independent contractor to conduct the management and operations of CEDA and to provide specified services pursuant to the duties outlined in this Agreement, and CALED hereby accepts the engagement on the terms and conditions outlined in this Agreement.

1. SERVICES

- (a) CALED shall manage the day-to-day operations of CEDA, subject to the control and direction of the CEDA Board of Directors (the "CEDA Board"). These management services shall be provided through or under the supervision of the CALED President and CEO. The management services covered by this Agreement (the "Services") are set forth more fully in **Appendix A** to this Agreement.
- (b) The business affairs of CEDA are governed by the executed Joint Powers Agreement dated June 6, 2006, and CEDA Bylaws.
- (c) The principal location of the Services shall be CALED's offices in Sacramento, California. However, as part of the services, CALED shall provide for CEDA a separate identity at said location, including its own phone line, building signage, and mail delivery.

2. STAFFING

- (a) All staff for the Services shall be provided by CALED and shall include positions as assigned by the CEDA Board and CALED will report on the full range of CEDA activities directly to the Board no less than quarterly.
- (b) Additional staffing shall be provided from the pool of CALED staff as needed for clerical, accounting, computer, and other administrative or professional services.

3. TERM

- (a) The term of this Agreement shall commence on July 1, 2016 (the "Commencement Date") and shall continue unless amended by both parties. The above notwithstanding, either party shall have the absolute right to terminate this Agreement, with or without cause, by providing the other party with two hundred and forty (240 days) prior written notice.

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4. COMPENSATION OF CALED

- (a) CEDA shall pay to CALED an annual Management Fee of \$200,000 effective on the Commencement Date through the term of this Agreement subject to the provisions

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## Amended Management Agreement July 1, 2016

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of the following paragraphs. The Management Fee includes the professional management services provided by CALED professional and support staff on an as-needed basis, as well as the costs of office space, telephone line charges, furniture and fixtures, office machines, and utilities. The expense items covered by the Management Fee are set forth more fully in **Appendix B** hereto. One-quarter of this annualized fee will be due each quarter commencing on the Commencement Date and shall be paid within thirty days of invoicing.

- (b) All other out-of-pocket expenses, such as stationery, outsourced printing, staff travel, mass mailing postage, and contracted professional services incurred in the administration of the affairs of CEDA will be billed at cost. These expenses will be identified in an annual budget prepared by CALED and presented to the CEDA Board of Directors for approval. These expenses will be monitored and reported quarterly to the CEDA Board Treasurer. CEDA will pay 25% of anticipated costs on the Commencement Date.
- (c) For oversight, monitoring and organizational services incurred in the establishment of CEDA prior to the Commencement Date, CEDA has paid CALED a fee of \$50,000.
- (d) If there are significant changes in revenue or services prior to the end of any fiscal year, CEDA and CALED may amend the terms of this agreement by mutual agreement.
- (e) Quarterly financial statements will be prepared and provided to the CEDA Board President and Treasurer and others as designated. The accounts and records of CEDA will be audited by an independent certified public accountant with expertise in Joint Powers Authorities, reporting directly to the CEDA Board of Directors. The independent audit must occur every year, in accordance with California statute governing Joint Powers Authorities and as directed by the CEDA Board of Directors.
5. TERMINATION
- (a) Default. Each party has the right to terminate this Agreement if the other party breaches or is in default of any obligation hereunder which default is incapable of cure or which, being capable of cure, has not been cured within ninety (90) days after receipt of notice of such default (or such additional cure period as the non-defaulting party may authorize).
6. RIGHTS UPON TERMINATION
- (a) In the event CEDA, during the term of this Agreement, terminates or cancels this Agreement, then CEDA shall promptly upon such termination pay to CALED any and all fees or other amounts then owed to CALED by CEDA under this Agreement as of the effective date of such termination.

Deleted: are set forth more fully in **Appendix C** of this Agreement and

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**Amended Management Agreement July 1, 2016**

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7. **GENERAL PROVISIONS**

- (a) Applicable Law. This Agreement shall be deemed a contract made under the laws of the State of California, and together with the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California.
- (b) In performing the services specified by the agreement, CALED shall act as an independent contractor and shall have control of the work and manner in which it is performed. CALED shall be responsible for providing legally mandated benefits to CALED employees including, but not limited to workers compensation insurance and to comply with state and federal tax withholding regulations. CALED will have the obligation to exercise prudent care in its management and handling of the funds generated from CEDA's operations.
- (c) Entire Agreement. This Agreement, including **Appendices A and B** and any referenced attachments hereto, constitutes the entire Agreement between CEDA and CALED on this subject matter.
- (d) Non-Assumption of Liabilities. Except as set forth herein, neither party shall by entering in and performing this Agreement, become liable for any of the existing or future obligations, liabilities, or debts of the other. In any event, the liability of each party with respect to each other is limited to its own assets and shall not extend to the assets of the party's individual Directors or Members.
- (e) If any provision of this Agreement is judged unlawful by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.
- (f) All notices, demands, or other written communications to be given under this Agreement shall be deemed to have been fully given when made in writing and addressed to the respective parties as signed below.

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IN WITNESS WHEREOF, the parties hereto have executed the Agreement the day and year first written above.

CALIFORNIA ASSOCIATION FOR  
LOCAL ECONOMIC DEVELOPMENT  
550 Bercut Drive Suite G  
Sacramento, CA 95811

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY  
550 Bercut Drive Suite G  
Sacramento, CA 95811

Kevin Ham, Chair, Board of  
Directors

Gurbax Sahota, Chair, Board of  
Directors

Deleted: Bruce Stenslie  
Deleted:

**APPENDIX A**

**MANAGEMENT SERVICES TO BE PROVIDED**

1. Development and implementation of annual work program and budget for consideration by CEDA Board.
2. Preparation for and attendance at CEDA Board meetings including bond issuance approvals, meeting minutes, reports and budget submissions as necessary.
3. Preparation of regular (no less than quarterly) programmatic financial reports to the CEDA Board, to include forecasts of financial status.
4. Assisting the Treasurer in financial management of bank accounts, including Signature or co-signature on checks within limits set by the CEDA Board.
5. Coordination with any CEDA Board Committees and Advisory Groups.
6. Planning, marketing, and managing workshops to advance CEDA's mission.
7. Promoting local government membership in the CEDA Joint Powers Authority.
8. Promoting local economic development finance interests with federal and state government, and other institutions.
9. Writing, editing, and publishing informational and marketing copy to be inserted in CALED's regular Economic Development Journal and ED ALERTS.
10. Tracking and monitoring of administrative and legislative actions at the federal and state level affecting the mission of CEDA, particularly tax-exempt conduit revenue bonds.
11. Preparations of grant applications and funding requests to third parties.
12. Manage CEDA's Property Assessed Clean Energy (PACE) program. Including coordinating meetings and document signings, promoting the program, attending meetings, and fielding requests for information as appropriate.
13. Representing CEDA's interest at the State and Federal level through participation in the Council of Development Finance Agencies and the California Financing Roundtable.
14. Exploring and developing other economic development financing tools CEDA can offer and implement in support of economic development in California.

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**Amended Management Agreement July 1, 2016**

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**APPENDIX B  
EXPENSE ITEMS INCLUDED IN MANAGEMENT FEE**

1. Salary and other direct reimbursement for the staff, including retirement contribution, Employer's FICA taxes, Workers compensation and disability insurance, federal and state unemployment taxes, group life health insurance, and all other usual personnel expenses.
2. Oversight and services of CALED professional and support staff on an as-needed basis.
3. Rent, office furniture and fixtures, and utilities for office space for staff, and use of mail room, reception areas, conference room and supply storage. 20% of CALED Budget amount.
4. Office equipment such as use of copiers, computer hardware, file and storage cabinets. 20% of CALED Budget amount.
5. Office supplies. 10% of CALED Budget amount.
6. Monthly telephone charges for standard business services (fax, email, internet) and long distance calls. 25% of CALED Budget amount.
7. Postage incurred in the daily course of business, excluding mass mailings directly attributable to CEDA. 25% of CALED Budget amount.
8. Estimated cost of moving to a new location in Fiscal Year 2016-2017.

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\* All out-of-pocket expenses to be billed at cost under the process outlined in this management agreement.

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**Amended Management Agreement July 1, 2016**

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**APPENDIX C**  
**OUT-OF-POCKET EXPENSES TO BE BILLED AT COST**

Stationery and Outsourced Printing

CEDA Staff travel

Postage for mass mailings

Outsourced services such as legal, financial, and accounting services.