

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, August 17, 2023

Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

+16699006833,,83090950409#,,,,*866446# US (San Jose)

+13462487799,,83090950409#,,,,*866446# US (Houston)

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda

- a. Approve Minutes from August 10, 2023.

2. Approve Resolution 23-24 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 The Shining Star Foundation, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

3. Approve Resolution 23-25 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 the Acquisition, Construction, Renovation, Equipping and Furnishing of Educational Facilities for the Benefit of Pacific Autism Center for Education and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

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 Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

City of Vista
(Contact Larry Vaupel)
200 Civic Center
Vista, CA 92084

City of Corona
(Contact Jessica Gonzales)
400 S. Vicentia Avenue
Corona, CA 92882

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Rural County Representatives of
California (Contact Robert Burris)
1215 K Street, Suite 1650
Sacramento, CA 95814

City of Ontario
(Contact Jennifer Hiramoto)
303 E. B Street
Ontario, CA 91764

City of West Sacramento
(Contact Aaron Laurel or
Sandra Barcenas)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

Josh Metz
(Contact Josh Metz)
5753 Desoto Dr.
Santa Rosa, Ca 95409

Opportunity Stanislaus
(Contact Dave White)
1625 I Street
Modesto, CA 95354

This agenda can be obtained at <https://ceda.caled.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. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

TELECONFERENCE MEETING

CEDA BOARD OF DIRECTORS

Thursday, August 10, 2023

Zoom Call Location

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Teleconference Locations

California Association for Local Economic Development (Contact Michelle Stephens) 2150 River Plaza Dr., Suite 275 Sacramento, CA 95833	City of Vista (Contact Larry Vaupel) 200 Civic Center Vista, CA 92084	City of Corona (Contact Jessica Gonzales) 400 S. Vicentia Avenue Corona, CA 92882
Rural County Representatives of California (Contact Robert Burris) 1215 K Street, Suite 1650 Sacramento, CA 95814	City of West Sacramento (Contact Aaron Laurel or Sandra Barcenas) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	Opportunity Stanislaus (Contact Dave White) 1625 I Street Modesto, CA 95354
City of Ontario (Contact Jennifer Hiramoto) 303 E. B Street Ontario, CA 91764	Josh Metz (Contact Josh Metz) 5753 Desoto Dr. Santa Rosa, Ca 95409	

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:32 a.m.

Roll Call

Members Present:

Bob Burris

Jessica Gonzales (10:42 a.m.)

Gurbax Sahota

Aaron Laurel (10:34 a.m.)

Larry Vaupel

Dave White

CALED Management/ Staff Present:

Laura Cole-Rowe

Michelle Stephens

Public:

Sam Balisy

Statement of Disclosure

None

Action Items

1. Consent Agenda
 - a. Approve Minutes from July 27, 2023.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Motion: Board Member Larry Vaupel made the motion to approve the Consent Agenda. Board Member Dave White seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes
Dave White	Yes

2. Approve Resolution 23-23 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 the Linfield Foundation, Inc., Linfield Christian School, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Michelle Stephens gave the staff report. Sam Balisy commented on the project.

Motion: Board Member Dave White made the motion to approve Resolution 23-23. Board Member Bob Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris	Yes
Aaron Laurel	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes
Dave White	Yes

Public Comment

None

Chair Report

Gurbax Sahota updated the board on the PACE program termination and the Willdan services contract. Sam Balisy commented. There will be a meeting on August 17 with two projects – Pacific Autism Center for Education and The Shining Star Foundation.

Other Business

None

Adjournment

Motion: Gurbax Sahota made the motion to adjourn the meeting. Aaron Laurel seconded the motion on the floor. *Chair Gurbax Sahota adjourned the meeting at 10:44 am after the roll call vote.*

The motion passed with the following roll call vote:

Bob Burris	Yes
Jessica Gonzales	Yes
Aaron Laurel	Yes
Gurbax Sahota	Yes
Larry Vaupel	Yes
Dave White	Yes

Staff Report

Action Requested	Approve Resolution 23-24 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 The Shining Star Foundation, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	The Shining Star Foundation dba Star Academy
Borrower Description	<p>Star Academy was founded in 1990 to provide an intensive, individualized academic program for students with learning differences, such as dyslexia, auditory processing disorder, speech and language delay, Asperger’s syndrome and other learning related challenges. Since 2008, when the school moved from its prior location in San Anselmo to a larger school building in San Rafael, Star Academy has doubled in size. The school currently serves 75-80 students annually (grades 1-12) plus hundreds of members of the community through community education events and after school programs.</p> <p>On August 8, 2013, the Authority adopted Resolution No. 13-28, approving a loan from Bank of Marin to the Authority in an amount not to exceed \$2,200,000 and a corresponding loan from the Authority to The Shining Star Foundation, in an amount not to exceed \$2,200,000.</p> <p>Star Academy has requested that the Authority refinance the original loans and provide for an additional loan in the amount of \$220,000. The outstanding principal amount of the original loans is approximately \$1,433,318.</p> <p>The proceeds of the loan have been and will be used to finance, refinance and/or reimburse the borrower for the cost of acquiring, constructing, renovating, remodeling, installing, equipping and furnishing the facilities located at 171 and 181 Carlos Drive, San Rafael, California 94903, consisting of two commercial buildings with approximately 13,691 square feet of space and the rehabilitation and equipping of the real property and improvements located at 4470 Redwood Highway, San Rafael, California 94903, including classrooms, a gymnasium, teaching kitchen and offices for specialists and pay certain costs of issuance of the obligations.</p>
Public Benefits	The tax-exempt financing will allow The Shining Star Foundation to realize savings that can be put into rehabilitating real property.
Eligibility and Policy Review	<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 Polices and Procedures</p> <ul style="list-style-type: none"> ■ The payments to be made under the bond documents are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service. ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution 23-24.

RESOLUTION NO. 23-24

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION 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 THE SHINING STAR FOUNDATION, AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT 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 financing 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 San Rafael, California (the "City") 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, on August 8, 2013, the Authority adopted Resolution No. 13-28 (the "Prior Resolution") approving a loan from Bank of Marin (the "Lender") to the Authority in an amount not to exceed \$2,200,000 and a corresponding loan from the Authority to The Shining Star Foundation, a California nonprofit public benefit corporation (the "Borrower"), in an amount not to exceed \$2,200,000; and

WHEREAS, pursuant to the Prior Resolution, the Authority entered into a Loan Agreement, dated as of August 1, 2013 (the "Original Loan Agreement"), by and among the

Lender, the Authority and the Borrower providing for a loan from the Lender to the Authority in the amount of \$2,106,000 (the “Original Authority Loan”) and a corresponding loan from the Authority to the Borrower in the amount of \$2,106,000 (the “Original Borrower Loan” and, together with the Original Issuer Loan, the “Original Loans”); and

WHEREAS, the outstanding principal amount of the Original Loans is approximately \$1,433,318 and the initial prepayment date for the Original Loans is September 1, 2023 (the “Initial Prepayment Date”); and

WHEREAS, the Borrower has requested that the Authority refinance the Original Loans and thereby extended the Initial Prepayment Date of the Original Loans and provide for an additional loan to the Borrower in the amount of \$220,000 (the “Additional Borrower Loan” and, together with the refinanced Original Borrower Loan, the “Borrower Loans”); and

WHEREAS, the Lender has agreed to extend the Initial Prepayment Date of the Original Loans and to provide a loan to the Authority in an amount not to exceed \$220,000 (the “Additional Authority Loan” and, together with the Original Authority Loan, the “Authority Loans”); and

WHEREAS, the Authority Loans and the Borrower Loans are collectively referred to as the “Loans;” and

WHEREAS, the proceeds of the Borrower Loans have been and will be used to (a) (i) finance, refinance and/or reimburse the Borrower for the cost of acquiring, constructing, renovating, remodeling, installing, equipping and furnishing the facilities located at (i) 171 and 181 Carlos Drive, San Rafael, California 94903, consisting of two commercial buildings with approximately 13,691 square feet of space and (ii) the rehabilitation and equipping of the real property and improvements located at 4470 Redwood Highway, San Rafael, California 94903, consisting of the Borrower’s main building with classrooms, a gymnasium, teaching kitchen and offices for specialists (collectively, the “Facilities”), and (b) pay certain costs of issuance of the Obligations; and

WHEREAS, there have been placed on file with the Authority prior to this meeting a proposed form of the First Amendment to Loan Agreement, by and among the Lender, the Authority and the Borrower (the “Amendment”), amending the Original Loan Agreement (the Original Loan Agreement and the Amendment are hereinafter referred to as the “Loan Agreement”); and

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the City and surrounding community through by providing an intensive, individualized academic program for students with learning differences, with a commitment to helping them achieve their full potential and lead gratifying productive lives conducted by the Borrower and, based on representations of the Borrower, the financing and 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 Authority, as follows:

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

Section 2. The Authority hereby approves of the entering into the Authority Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans have been and will be assigned to the Lender to satisfy the Authority's payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loans.

Section 3. The proposed form of the Amendment, 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 Amendment 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 Amendment.

Section 4. The Authority approves the Authority Loans, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loans to the Borrower in an amount not to exceed \$2,000,000 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 Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loans shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 5. 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 Loans 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 the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loans, 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 6. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loans and the Borrower Loans 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 Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loans and the Authority Loans 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 7. 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 8. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the City has held the requisite hearing and the City Council of the City has approved the making of the Authority Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED this 17th day of August, 2023.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, 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 August 17, 2023.

Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, The Shining Star Foundation, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on August 17, 2023 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$2,000,000 (the “Obligations”).

1. Bank of Marin, as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 5.20106%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$30,000.00.
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$2,000,000.00.
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$3,958,664.48.
2. The good faith estimates provided above were based on information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Staff Report

Action Requested	Approve Resolution 23-25 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 the Acquisition, Construction, Renovation, Equipping and Furnishing of Educational Facilities for the Benefit of Pacific Autism Center for Education and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Pacific Autism Center for Education
Borrower Description	<p>Pacific Autism Center for Education (PACE) was founded in 1989 by a group of concerned parents, community members, and educators as a private, nonprofit 501 (C) (3) organization to meet the critical need of providing education and care for children and adults with autism/developmental disabilities and their families. Prior to this time, many of our students had been placed in inappropriate classroom settings and many of our residential clients were housed in unsuitable state hospitals and development centers. Without the support of an encouraging, attentive environment, the ability to develop the skills necessary for achieving integration into the community was doubtful.</p> <p>PACE provides ongoing services for people diagnosed with autism and related developmental disabilities. Services include early intervention, education, vocational and employment services and group housing. PACE currently serves over 60 students in our preschool and a K-12 school, houses 36 children and adults in our residential program, and provides behavioral services for Bay Area families.</p> <p>PACE has submitted an application to the Authority requesting the Authority to make one or more loans for the purpose of financing, refinancing and/or reimbursing the Borrower for the cost of the acquisition, construction, renovation, equipping and furnishing of the real property and improvements located at 824 San Aleso Avenue, Sunnyvale, California 94085, consisting of an educational facility containing approximately 25,544 square feet of space on approximately 1.55 acres of land with approximately 65 parking spaces and paying certain financing costs, costs of issuance and certain interest in connection with such financing or refinancing.</p>
Public Benefits	The tax-exempt financing will allow Pacific Autism Center for Education to realize savings that can be put into rehabilitating real property.
Eligibility and Policy Review	<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"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution 23-25.

RESOLUTION NO. 23-25

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 ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF PACIFIC AUTISM CENTER FOR EDUCATION AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT 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;

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 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");

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;

WHEREAS, the County of Santa Clara (the "County") is a member of the Authority and is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

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;

WHEREAS, Pacific Autism Center for Education (the "Borrower"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the "Borrower Loan") in the aggregate principal amount not to exceed \$10,000,000 to the Borrower for the purpose of (a) financing, refinancing and/or reimbursing the Borrower for

the cost of the acquisition, construction, renovation, equipping and furnishing of the real property and improvements located at 824 San Aleso Avenue, Sunnyvale, California 94085, consisting of an educational facility containing approximately 25,544 square feet of space on approximately 1.55 acres of land with approximately 65 parking spaces (the “Facilities”), and (b) paying certain financing costs, costs of issuance and certain interest in connection with such financing or refinancing;

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt loans from First Republic Bank, as a private placement lender, or a related or successor entity (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan;

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

(a) A proposed form of Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority, and the Borrower; and

(b) A proposed form of Assignment Agreement (the “Assignment Agreement”), by and between the Authority and the Lender;

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the Authority Loan, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on good faith estimates by the Lender; and

WHEREAS, the Facilities provide significant benefits to the residents of the County and surrounding community through the educational services and care provided by the Borrower to children and adults with autism and developmental disabilities 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 Authority, as follows:

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

Section 2. The Authority hereby approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, 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 the 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. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$10,000,000 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 of California 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 the Lender to an affiliate of the 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 the Authority's counsel or the Lender's 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.

Section 9. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County of Santa Clara has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17th day of August 2023.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Michelle Stephens, 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 August 17, 2023.

Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Pacific Autism Center for Education, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on August 17, 2023 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$10,000,000 (the “Obligations”).

1. First Republic Bank, as a private placement lender engaged by the Borrower, provided the Borrower with the required good faith estimates relating to the Obligations as follows, based on a representation by the Borrower concerning an estimated par amount of \$10,000,000 for the Obligations:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 5.24213%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$200,000.00 (which includes, among other fees, the conduit issuer fee).
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$9,800,000.00.
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$17,666,595.70.
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.