

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

**10:30 A.M.
Thursday, September 22, 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 Meeting on September 13, 2016.
2. Approve Minutes from the Regular Meeting on September 15, 2016.
3. Approve Resolution No. 16-99 of the California Enterprise Development Authority Authorizing and Approving an Amendment to the Indenture Between the California Enterprise Development Authority and Wells Fargo Bank, National Association to Modify Certain Terms and Conditions of the Indenture and Authorizing and Approving Other Actions With Respect to Such Amendment for the Benefit of North Waterford Apartments.
4. Approve Resolution No. 16-100 of the California Enterprise Development Authority Authorizing and Approving the Issuance of California Enterprise Development Authority Tax-Exempt and Taxable Revenue Bonds (Bay Photo, Inc. Project), Series 2016A and Series 2016B in an Aggregate Principal Amount Not To Exceed \$12,000,000 for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Rehabilitation and Equipping of Certain Manufacturing Facilities for the benefit of Sammie Rae Abitbol, LLC and Bay Photo, Inc., Providing the Terms and Conditions for such Bonds and Other Matters Relating Thereto Herein Specified.

**Public Comment
Chair Report
PACE Report
Other Business
Adjournment**

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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 Sourgose)
23920 Valencia Blvd., Suite 100
Santa Clarita, CA 91355

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

Los Angeles EDC
(contact Carrie Rogers or
Linden Johnson)
444 S. Flower St., 37th Floor
Los Angeles, CA 90071

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

This agenda can be obtained at www.ceda.caed.org. 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
*** MEETING ***
CEDA BOARD OF DIRECTORS
Tuesday, September 13, 2016

Meeting Location

San Diego Convention Center
111 W Harbor Drive
Upper Level, Room 23 A
San Diego, CA 92101

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 9:07 a.m.

CEDA Board Members

Mike Dozier
Kevin Ham
Mike Nuby
Gurbax Sahota
Bruce Stenslie

CALED Management/Staff Present

Jillian Boyd
Helen Schaubmayer
Kristy Nong
Michelle Stephens

Members of the Public

Dan Bronfman	
Keith Boggs	Jim Simon*
Mike Daniel	David Spaur
Tonya Dowse	James Stout
Peter Grabell	Eric White
Tim Kelley	Larry Vaupel
Kyle Kolsky	

* Joined late

Statement of Disclosure

None

Chair Report

This CEDA meeting was in conjunction with the CALED Board of Directors' meeting.

1. History, Formation, and Structure of CEDA: Gurbax briefed the CALED and CEDA Board the history of CEDA and why CEDA was initially created. Gurbax mentioned the importance of CEDA in helping to provide financial contributions for economic development through CALED. Dan Bronfman expanded on CEDA's history and his and Sam Balisy's role in its creation.
2. CEDA's impact of CALED: Over its life, CEDA has provided contributions to CALED, the Academy, as well as conference sponsorships and scholarships—all ways that CEDA gives back to economic development.

3. CEDA Projects: Helen highlighted a few CEDA projects.
4. Financing Tools: Dan Bronfman provided information on types of organizations which are eligible for tax-exempt financing with CEDA (IDBs and 501c3 non-profits). James Stout provided a background on PACE financing and mentioned the recent merger with Dividend Solar and a brief history of Figtree Financing. Eric White gave a brief introduction about Dividend Solar and the joint marketing opportunity for both commercial and residential PACE programs under Dividend Finance.

Public Comment

Chair Report

PACE Report

Other Business

Gurbax mentioned CEDA's financial audits may be found on the CEDA website. There also was a discussion about the CIDFAC issuer fee.

Adjournment

Motion: *Board Member Kevin Ham moved to adjourn the meeting. Board Member Bruce Stenslie seconded the motion. The motion passed unanimously.*

Board Chair, Gurbax Sahota, adjourned the meeting at 10:42 am.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, September 15, 2016

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 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 10:31 am.

Roll Call

Members Present: Jason Crawford
Mike Dozier
Gurbax Sahota

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public Present: Sam Balisy

James Stout

Chet McGensy*

* joined late

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meeting on August 25, 2016.

Motion: Board Member Jason Crawford made the motion to approve minutes from the regular meeting on August 25, 2016. Board Member Gurbax Sahota seconded the motion on the floor. The motion passed with the following roll call vote:

Jason Crawford	Aye
Mike Dozier	Aye
Gurbax Sahota	Aye

2. Approve Resolution No. 16-97 Authorizing the Issuance and Sale of California Enterprise Development Authority Revenue Bonds (Laguna College of Art and Design Project), Series 2016, for the Purpose of Refinancing Facilities for the Benefit of Laguna College of Art and Design, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

Motion: Board Member Mike Dozier made the motion to approve Resolution No. 16-97. 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

Discussion: Helen briefed the Board that Laguna College of Art and Design was founded in 1961 and has grown to include five undergraduate majors and a graduate department. The College requests the Authority to issue a revenue bond in the aggregate principal amount not to exceed \$15,175,000 for the purpose of financing and refinancing the costs of acquisition, construction, restoration, improvement, renovation, equipping, and general development of property improvements which include classrooms, art studios, study areas, school administration and a parking lot. Sam Balisy stated the College will acquire a building they are currently leasing and refinance existing debt.

3. Approve Resolution No. 16-98 Authorizing and Approving an Assignment of the Program Administration Agreement in Connection with the California Enterprise Development Authority Property Assessed Clean Energy Program, and Authorizing and Directing the Execution of Related Documents and Approving Related Documents and Actions.

Motion: Board Member Mike Dozier made the motion to approve Resolution No. 16-98. 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

Discussion: Helen briefed the Board that Figtree Financing's recent merger with Dividend Solar under Dividend Finance, LLC it was necessary to obtain approval of the full assignment of PACE Program Administration Agreement to Dividend Finance LLC and all its affiliated entities. James Stout stated this updated agreement does not change the working relationship between CEDA and Figtree Financing. Chet McGensy briefed the Board about his role at Dividend Solar.

Public Comment
Chair Report
PACE Report

Other Business

Helen stated that the next board meeting is scheduled for September 22, 2016.

Adjournment

Motion: *Board Member Jason Crawford moved to adjourn the meeting. Board Member Mike Dozier seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Gurbax Sahota, adjourned the meeting at 10:40 am.

Staff Report

Action Requested	Approve Resolution No. 16-99 of the California Enterprise Development Authority Authorizing and Approving an Amendment to the Indenture Between the California Enterprise Development Authority and Wells Fargo Bank, National Association to Modify Certain Terms and Conditions of the Indenture and Authorizing and Approving Other Actions With Respect to Such Amendment for the Benefit of North Waterford Apartments.
Borrower(s)	North Waterford Apartments, a California Limited Partnership
Borrower Description	<p>In 2011, North Waterford Apartments completed financing with CEDA on its Series 2011A and 2011B Bonds for the purpose of financing and refinancing the costs of the acquisition, construction, installation, equipping and improving of a multifamily residential complex in Grand Terrace, California. The property consists of 556 units and is commonly known as The Highlands Apartment Homes.</p> <p>This resolution approves the Borrower’s request of the Authority to enter into a First Supplement to Indenture of Trust to amend the Original Indenture. This First Supplement will modify the Initial Conversion Date, extending it from October 1, 2016 to December 31, 2016.</p>
Public Benefits	The Borrower provides an affordable multi-family housing for low-income tenants in the City of Grand Terrace.
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; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Approve Resolution No. 16-99 of the California Enterprise Development Authority Authorizing and Approving an Amendment to the Indenture Between the California Enterprise Development Authority and Wells Fargo Bank, National Association to Modify Certain Terms and Conditions of the Indenture and Authorizing and Approving Other Actions With Respect to Such Amendment for the Benefit of North Waterford Apartments.

RESOLUTION NO. 16-99

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO THE INDENTURE BETWEEN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND WELLS FARGO BANK, NATIONAL ASSOCIATION TO MODIFY CERTAIN TERMS AND CONDITIONS OF THE INDENTURE AND AUTHORIZING AND APPROVING OTHER ACTIONS WITH RESPECT TO SUCH AMENDMENT FOR THE BENEFIT OF NORTH WATERFORD APARTMENTS

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 to enter into loan agreements in order to promote economic development and to 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; and

WHEREAS, on September 14, 2011, the Authority adopted Resolution No. 11-13 (the "2011 Resolution") approving the issuance of its Tax-Exempt Multi-Family Refunding Revenue Bonds (North Waterford Apartments Project), Series 2011A in an aggregate principal amount not to exceed \$24,500,000 (the "Series 2011A Bonds") and its Taxable Multi-Family Revenue Bonds (North Waterford Apartments Project), Series 2011B in an aggregate principal amount not to exceed \$11,500,000 (the "Series 2011B Bonds" and, together with the Series 2011A Bonds, the "Bonds"), for the benefit of North Waterford Apartments, a California Limited Partnership (the "Borrower") for the purpose of financing and refinancing of the costs of the acquisition, construction, installation, equipping and improving of a multifamily residential complex and paying certain costs of issuance in connection with the Bonds (the "Project"); and

WHEREAS, pursuant to the 2011 Resolution, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") entered into an Indenture of Trust, dated as of September 1, 2011, (the "Original Indenture"), providing for the issuance of the Bonds; and

WHEREAS, the Authority, the Trustee and the Borrower entered into a Financing Agreement, dated as of September 1, 2011, pursuant to which the Authority loaned the proceeds of the Bonds to the Borrower for the Project; and

WHEREAS, all of the Bonds were sold to Wells Fargo Bank, National Association (the "Bank") and the Bank is the sole holder of the Bonds; and

WHEREAS, the Borrower has requested that the Authority enter into a First Supplement to Indenture of Trust (the “First Supplement”) to amend the Original Indenture by modifying the Initial Conversion Date (as defined in the Original Indenture); and

WHEREAS, pursuant to Section 8.02 of the Original Indenture, the Original Indenture may be amended or supplemented by the Authority and the Trustee with the written consent of the Holders (as defined in the Original Indenture) of a majority in aggregate principal amount of the Bonds Outstanding (as defined in the Original Indenture); and

WHEREAS, the Authority has determined to approve and authorize the execution of the First Supplement and to take and authorize certain other actions in connection with the foregoing;

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 by approving the First Supplement.

Section 2. Subject to the receipt of the written consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding, an approving opinion of Kutak Rock LLP and the written consent of the Borrower, the proposed form of the First Supplement, between the Authority and the Trustee, 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 First Supplement 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 the Bond Counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Authorized Signatories, each acting alone, are hereby authorized and directed to execute all documents, certificates and instruments necessary or appropriate to accomplish the purposes of this Resolution which they or Bond Counsel to the Authority may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 4. All actions heretofore taken by the officers and employees of the Authority with respect to the First Supplement are hereby approved, confirmed and ratified, and the officers and employees of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to effectuate the purposes of this Resolution.

Section 5. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 22nd day of September, 2016.

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 September 22, 2016.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution No. 16-100 of the California Enterprise Development Authority Authorizing and Approving the Issuance of California Enterprise Development Authority Tax-Exempt and Taxable Revenue Bonds (Bay Photo, Inc. Project), Series 2016A and Series 2016B in an Aggregate Principal Amount not to Exceed \$12,000,000 for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Rehabilitation and Equipping of Certain Manufacturing Facilities for the Benefit of Sammie Rae Abitbol, LLC and Bay Photo, Inc., Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower	Sammie Rae Abitbol, Llc and Bay Photo, Inc.
Borrower Description	<p>Bay Photo, founded in 1976, is a professional quality photographic printing and finishing laboratory, primarily serving professional photographers that specialize in wedding, portrait, sport, school, and landscape photography. The company provides a variety of products to the photographic community, including digital prints and proofs, large format prints, mounting and framing, canvas prints, ThinWrap prints, MetalPrints, albums, boxes and cases, cards and holiday products. Bay Photo continues to change and adapt with the photo industry. When digital technology gained popularity among professional photographers, Bay Photo was the first lab to implement the ROES online ordering system, which is now a standard for pro labs. Web site: https://www.bayphoto.com/</p> <p>Bay Photo requests the Authority financing in an aggregate amount not expected to exceed \$12,000,000 to refinance the California Infrastructure and Economic Development Bank's Series 2011 Variable Rate Demand Bonds and to provide funds for new capital expenditures. The proceeds will be used to refinance the cost of acquisition, construction, restoration, improvement, renovation, equipping and general development of the real property and improvements located at 900, 915 and 920 Disc Drive, Scotts Valley, California 95066, consisting of three parcels of land totaling approximately 17 acres, with three buildings (the "Scotts Valley Property"). The proceeds also will fund construction of related improvements and the acquisition and installation of equipment at the Scotts Valley Property.</p>
Public Benefits	The tax-exempt direct purchase will enable Bay Photo to generate savings on the Series 2011 Bonds and save on the interest rate for new expenditures. The savings generated will enable Bay Photo to retain 300 jobs and generate up to 20 new jobs over the course of the next two years.
TEFRA Hearing	The City of Scotts Valley held a public hearing and approved the issuance of the bonds on August 17, 2016.
Eligibility and Policy Review	<p>The project has been reviewed by CEDA staff. 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 bond documents; ■ The payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to make payments on the bonds; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 16-100 of the California Enterprise Development Authority Authorizing and Approving the Issuance of California Enterprise Development Authority Tax-Exempt and Taxable Revenue Bonds (Bay Photo, Inc. Project), Series 2016A and Series 2016B in an Aggregate Principal Amount not to Exceed \$12,000,000 for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Rehabilitation and Equipping of Certain Manufacturing Facilities for the Benefit of Sammie Rae Abitbol, LLC and Bay Photo, Inc., Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 16-100

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TAX-EXEMPT AND TAXABLE REVENUE BONDS (BAY PHOTO, INC. PROJECT), SERIES 2016A AND SERIES 2016B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, REHABILITATION AND EQUIPPING OF CERTAIN MANUFACTURING FACILITIES FOR THE BENEFIT OF SAMMIE RAE ABITBOL, LLC AND BAY PHOTO, INC., 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, in order to promote economic development, including specifically bonds issued for the purposes contained in the California Industrial Development Financing Act (constituting Title 10 of the California Government Code) (the “Financing Act”) pursuant to Section 6547.7 of the Act; 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 Scotts Valley (the “City”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, Sammie Rae Abitbol, LLC and Bay Photo, Inc. and/or a related or successor entity (hereinafter referred to as, the “Borrower”), have submitted an application to the Authority requesting the Authority to issue one or more series of tax-exempt and/or taxable bonds in the aggregate principal amount not to exceed Twelve Million Dollars (\$12,000,000) (the “Bonds”), and lend the proceeds of the Bonds to Borrower (the “Borrower Loan”) to (i) refinance the outstanding California Infrastructure and Economic Development Bank Tax-Exempt and/or Taxable Variable Rate Demand Industrial Development Revenue Bonds (Bay Photo, Inc. Project), Series 2011A and B, the proceeds of which were used by the Borrower to

finance and refinance the cost of the acquisition, construction, restoration, improvement, renovation, equipping and general development of the real property and improvements located at 900, 915 and 920 Disc Drive, Scotts Valley, California 95066, consisting of three parcels of land totaling approximately 17 acres, with three buildings and related improvements totaling approximately 140,000 square feet (the “Scotts Valley Property”), (ii) the construction of improvements to the Scotts Valley Property and the acquisition and installation of equipment at the Scotts Valley Property (collectively, the “Project”); and (iii) pay certain financing costs and costs of issuance in connection with the Bonds.

WHEREAS, the Project constitutes “Facilities” within the meaning of the Financing Act and the Borrower is a “Company” within the meaning of the Financing Act; and

WHEREAS, the Authority applied for, and the California Industrial Development Financing Advisory Commission (“CIDFAC”) granted to the Authority, an amount of State Ceiling (as defined in the Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds) in the amount of \$1,225,000 to be allocated to the issuance of bonds by the Authority for the Borrower (the “Allocation”); and

WHEREAS, CIDFAC has made all necessary findings and determinations and given all necessary approvals as required by the Financing Act preliminary to the adoption of this Resolution; and

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

(a) A proposed form of the Financing Agreement, by and among Wells Fargo Bank, National Association (the “Purchaser”), the Authority and the Borrower (the “Financing Agreement”); and

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

WHEREAS, in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, the City Council of the City adopted, on August 17, 2016, a resolution approving the issuance of the Bonds in order to finance the Project located in the City;

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 financing and refinancing the Project.

Section 2. The Authority hereby approves of the issuance of the California Enterprise Development Authority Tax-Exempt Revenue Bonds (Bay Photo, Inc. Project), Series 2016A (the “Series 2016A Bonds”) on a tax-exempt basis and in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) and using the proceeds thereof to make the Borrower

Loan pursuant to the terms and provisions of the Financing Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Purchaser.

Section 3. The Authority hereby approves of the issuance of the California Enterprise Development Authority Taxable Revenue Bonds (Bay Photo, Inc. Project), Series 2016B (the “Series 2016B Bonds”) on a taxable basis and in an aggregate principal amount not to exceed Two Million Dollars (\$2,000,000) and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Financing Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Purchaser.

Section 4. The proposed form of the Financing Agreement by and among the Purchaser, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Financing Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Financing Agreement.

Section 5. The proposed form of the Assignment Agreement by and between the Authority and the Purchaser, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

Section 6. The Authority hereby allocates the Allocation to the portion of the Series 2016A Bonds which constitute a new money issue in the amount of \$1,225,000. The amount of Allocation in excess of the amount of new money Series 2016A Bonds issued and sold pursuant to Section 2 hereof, if any, shall automatically revert to CIDFAC. The Secretary of the Authority is authorized and directed to file or cause to be filed on the Authority's behalf, within the time period required by CIDFAC, the required notice to CIDFAC. Upon receipt of notification from CIDFAC, the Secretary is authorized to release to the Borrower the performance deposit held by the Authority in the amount prescribed by CIDFAC.

Section 7. The Authority approves the issuance of the Series 2016A Bonds on a tax-exempt basis 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 Financing Agreement. The Authority approves the issuance of the Series 2016B Bonds on a taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$2,000,000 in accordance with the terms of and to be secured by the Financing Agreement. Repayment of the

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

Section 8. 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 making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any assignment by Purchaser to an affiliate of Purchaser, 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 9. All actions heretofore taken by the officials and agents of the Authority with respect to the Bonds 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 Purchaser's counsel may deem necessary or advisable in order to consummate the issuance of the Bonds and the Borrower 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 10. 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 11. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this September 22, 2016.

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 September 22, 2016.

Helen Schaubmayer, Assistant Secretary