

# **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

## **REGULAR MEETING**

**\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\***

### **LOCATIONS LISTED BELOW**

**10:30 A.M.**

**Thursday, October 17, 2019**

#### **Teleconference Phone Information**

**(712) 775-7031 - Conference Code: 183724#**

### **Call to Order and Roll Call Statement of Disclosure**

#### **Action Items**

1. Consent Agenda
  - a. Approve Minutes from the Regular Meeting on September 26, 2019.
2. Approve Resolution 19-68 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$15,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert "Partnership in Academic Excellence" Foundation, Incorporated, 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.
3. Approve Resolution 19-69 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$45,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert "Partnership in Academic Excellence" Foundation, Incorporated, 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.
4. Approve 19-70 Resolution Authorizing the Issuance and Sale of California Enterprise Development Authority Variable Rate Demand Revenue Bonds (Aids Healthcare Foundation Project), Series 2019a-e, for the Purpose of Financing and Refinancing Facilities for the Benefit of AIDS Healthcare Foundation, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing The Terms and Conditions for The Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing The Execution of Certain Documents Herein Specified.

#### **Public Comment**

#### **Chair Report**

#### **PACE Report**

#### **Other Business**

#### **Adjournment**

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

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

California Association for Local  
Economic Development  
(contact Michelle Stephens)  
2150 River Plaza Dr., Suite 275  
Sacramento, CA 95833

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

County of Stanislaus  
(contact Keith Boggs or Sheryl Swartz)  
1010 10<sup>th</sup> Street  
GSA Purchasing – 5th Floor  
GSA Director's Office  
Modesto, CA 95354

Redding City Hall  
(contact Larry Vaupel or Erica Thomas)  
777 Cypress Ave.  
Redding, CA 96001

City of Lakeport  
(contact Margaret Silveira  
or Hilary Britton)  
225 Park Street  
Lakeport, CA 95453

City of West Sacramento  
(contact Aaron Laurel or  
Sandra Barcenas)  
1110 West Capitol Avenue, 3<sup>rd</sup> Floor  
West Sacramento, CA 95691

Sacramento Municipal Utility  
District  
(contact Mather Kearney)  
6301 S Street  
Sacramento, CA 95817

City of Anaheim  
(contact Jessica Gonzales or  
Amanda Wicker)  
201 S. Anaheim Blvd., Ste. 1003  
Anaheim, CA 92805

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

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES**  
**Regular Meeting**  
**\*\*\*TELECONFERENCE MEETING \*\*\***  
**CEDA BOARD OF DIRECTORS**  
**Thursday, September 26, 2019**

## Teleconference Locations

California Association for Local  
Economic Development  
(contact Helen Schaubmayer)  
2150 River Plaza Dr. Suite 275  
Sacramento, CA 95833

Redding City Hall  
(contact Larry Vaupel or Erica  
Thomas)  
777 Cypress Ave.  
Redding, CA 96001

Sacramento Municipal Utility District  
(contact Mather Kearney)  
6301 S Street  
Sacramento, CA 95817

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

City of Lakeport  
(contact Margaret Silveira or Hilary  
Britton)  
225 Park Street  
Lakeport, CA 95453

City of Anaheim  
(contact Jessica Gonzales or  
Amanda Wicker)  
201 S. Anaheim Blvd., Ste. 1003  
Anaheim, CA 92805

County of Stanislaus  
(contact Keith Boggs or Sheryl  
Swartz)  
1010 10<sup>th</sup> Street  
GSA Purchasing – 5th Floor  
GSA Director's Office  
Modesto, CA 95354

City of West Sacramento  
(contact Aaron Laurel or  
Polly Harris)  
1110 West Capitol Avenue, 3<sup>rd</sup> Floor  
West Sacramento, CA 95691

## 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  
Jessica Gonzales  
Mather Kearney  
Gurbax Sahota  
Larry Vaupel

CALED Management/  
Staff Present: Michelle Stephens  
Alphonse Wilfred

Public: Sam Balisy, Kutak Rock  
Kirk Dowdell, Dowdell Consulting Group  
Kyle Roddy, Farmers & Merchants Bank  
Todd Smith, Orange County Museum of Art  
Jeff Spinelli, Farmers & Merchants Bank

## Statement of Disclosure

None

## Action Items

1. Approve Consent Agenda.
  - a. Approve Minutes from the Regular Meeting on September 19, 2019.

**Motion:** Board Member Jessica Gonzales made the motion to approve the Consent Agenda. Board Member Jason Crawford seconded the motion on the floor.

*The motion passed by voice vote.*

2. Approve Resolution 19-66 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 the cost of Acquisition, Construction, Development, Installation, Equipping and Furnishing of certain facilities for the Benefit of Orange County Museum of Art, Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Discussion:** Michelle updated the Board on the project and for what the financing would be used. OCMA Executive Director, Todd Smith gave the Board background on how the museum has evolved over the years. Members of the financing team including Kirk Dowdell and Jeff Spinelli expressed their thanks to the Board for helping with the project. Board Member Jessica Gonzales, who works for the City of Anaheim in Orange County, let everyone know what an exciting project this was for the region.

**Motion:** *Board Member Jessica Gonzales made the motion to approve Resolution No. 19-66. Board Member Mather Kearney seconded the motion on the floor.*

*The motion passed with the following roll call vote:*

Jason Crawford	Aye
Jessica Gonzales	Aye
Mather Kearney	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

3. Approve Resolution 19-67 of the California Enterprise Development Authority Authorizing and Approving A Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans For the Purpose of Financing and Refinancing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing Facilities for the Benefit of the Carey 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 updated the Board on the project and for what the financing would be used.

**Motion:** *Board Member Jason Crawford made the motion to approve the contribution. Board Member Larry Vaupel seconded the motion on the floor.*

*The motion passed with the following roll call vote:*

Jason Crawford	Aye
Jessica Gonzales	Aye
Mather Kearney	Aye
Gurbax Sahota	Aye
Larry Vaupel	Aye

#### **Public Comment**

#### **Chair Report**

Gurbax had no report but asked Bond Counsel Sam Balisy if a meeting was needed next week. He said it would not be needed but one on October 10<sup>th</sup> would be.

#### **PACE Report**

#### **Other Business**

#### **Adjournment**

**Motion:** *Board Chair Gurbax Sahota made the motion to adjourn the meeting. Larry Vaupel seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:44 am by voice vote.*

## Staff Report

<b>Action Requested</b>	Approve Resolution 19-68 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$15,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert “Partnership in Academic Excellence” Foundation, Incorporated, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	Lewis Center (Academy for Academic Excellence)
<b>Borrower Description</b>	<p>The Academy for Academic Excellence (AAE) exists to prepare students for post-secondary success through a relevant, rigorous college-preparatory education. With courage, generosity and honor, AAE works to ensure high levels of learning and to nurture a growth mindset for all. As a collaborative community, AAE uses effective instructional practices that are STREAM-focused, research-based and data-driven. AAE engages in integrated learning experiences that promote global-mindedness, critical thinking, and a re-defined use of technology.</p> <p>AAE will use the financing to finance or refinance the costs of the acquisition, renovation, improvement, furnishing and equipping of land and charter school facilities at 17500 Mana Road, Apple Valley, California. They will also fund a debt service reserve fund for the Bonds, fund capitalized interest with respect to the Series Bonds; and pay certain expenses incurred in connection with the issuance of the Bonds.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Lewis Center (Academy for Academic Excellence) to realize savings that can be put back into its operations and purchasing real property.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 19-68 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$15,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert “Partnership in Academic Excellence” Foundation, Incorporated, Providing the Terms and Conditions for the Sale and Issuance of said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

**RESOLUTION NO. 19-68**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF TAXABLE AND/OR TAX EXEMPT REVENUE BONDS IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 TO FINANCE OR REFINANCE THE ACQUISITION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF THE HIGH DESERT “PARTNERSHIP IN ACADEMIC EXCELLENCE” FOUNDATION, INCORPORATED, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

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

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing 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 that are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the right to issue bonds and expend the proceeds thereof and the right to acquire, sell, develop, lease or administer property; and

WHEREAS, the County of San Bernardino (the “County”) 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, The High Desert “Partnership in Academic Excellence” Foundation, Incorporated, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Code (the “Lessee”), operates the Academy for Academic Excellence (the “School”) and other California charter schools; and

WHEREAS, the Lessee has requested that the Authority issue and sell the Bonds (hereinafter defined) in one or more series for the purpose of making one or more loans to [Borrower LLC] (the “Borrower”), a California limited liability company, the sole member of which is the Lessee, for the purposes of [(i) financing or refinancing the costs of the acquisition, renovation, improvement, furnishing and equipping of land and charter school facilities to be leased to the Lessee located at 17500 Mana Road, Apple Valley, California (the “Facilities”) to be used by the School; (ii) funding a debt service reserve fund for the Bonds, (iii) funding capitalized interest with respect to the Series Bonds; and (iv) paying certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”)]; and

WHEREAS, the Borrower will lease the Facilities to the Lessee for the operation of the School pursuant to a Lease Agreement dated as of November 1, 2019 (or such other date as approved by the Authority) (the “Lease”); and

WHEREAS, pursuant to an Indenture of Trust, by and between Wilmington Trust, National Association (or such other trust company or commercial bank acceptable to the Authority), as trustee (the “Trustee”) and the Authority (the “Indenture”), the Authority will issue the California Enterprise Development Authority Charter School Revenue Bonds (Academy for Academic Excellence Project) Series 2019 (the “Bonds”) in one or more series for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Loan Agreement, by and between the Authority and the Borrower (the “Loan Agreement”), the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Contract”), among RBC Capital Markets, LLC and BB&T Capital Markets, a division of BB&T Securities, LLC, as underwriters (collectively, the “Underwriters”) with RBC Capital Markets, LLC as representative of the Underwriters, the Authority, the Lessee and the Borrower, the Bonds will be sold to the Underwriters, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project; and

WHEREAS, the Bonds will be offered for sale through a limited offering memorandum, official statement or other offering document acceptable to the Authority; and

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of the limited offering memorandum or official statement (the “Limited Offering Memorandum”) in preliminary form to be used by the Underwriters in connection with the offering and sale of the Bonds; 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 are expected to provide significant benefits to the residents of the County in providing educational and related services to residents of the County; and

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

**Section 1.** The Board hereby finds and determines that the foregoing recitals are true and correct.

**Section 2.** The Authority is hereby authorized to issue one or more series of its revenue bonds designated as the "California Enterprise Development Authority Charter School Revenue Bonds (Academy for Academic Excellence Project) Series 2019" (or such other designation as shall be acceptable to the Authority and its counsel) in an aggregate principal amount not to exceed FIFTEEN MILLION DOLLARS (\$15,000,000). The interest on the Bonds shall be tax-exempt or taxable, as determined by bond counsel. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture referenced above, with such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board of Directors of the Authority (each, an "Authorized Signatory") and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Bonds shall be executed by the manual or facsimile signature of any Authorized Signatory and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

The Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Bonds shall be made solely from loan payments made by the Borrower under the Loan Agreement and certain moneys held under the Indenture, and the Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received under the Loan Agreement.

**Section 3.** The Indenture, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Trustee, the dated date, maturity dates or dates, interest rate or rates, method of determining interest rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.



**Section 4.** The Loan Agreement, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The Purchase Contract, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Contract, in substantially said form, with such changes and insertions therein and as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The proposed preliminary form of Limited Offering Memorandum as presented at this meeting in preliminary form, is hereby approved. The Underwriters are hereby authorized to distribute the Limited Offering Memorandum in preliminary form to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form to the purchasers of the Bonds, in each case with such changes as any Authorized Signatory, with advice of counsel to Authority, deems desirable, necessary or appropriate.

**Section 7.** The Bonds, when executed as provided in Section 2, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

**Section 8.** Any Authorized Signatory and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any tax agreement and/or tax certificate, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Authority has approved in this Resolution; provided that no such documents or certificates shall create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds or otherwise securing the Bonds under the financing documents described and authorized herein.

**Section 9.** All actions heretofore taken by the Authorized Signatories and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

**Section 10.** Any Authorized Signatory, acting alone, is hereby authorized to execute and deliver future amendments to the documents authorized to be executed and delivered pursuant to this Resolution (“Authorized Documents”), without further action of the Authority, for the purpose of (i) adding to the covenants and agreements of the Borrower or of the provider of any credit enhancement or liquidity facility; (ii) assigning or pledging additional security for any of the Bonds which security shall be provided by the Borrower; (iii) curing any ambiguity, inconsistency or omission or supplementing any defective provisions of the Authorized Documents; (iv) permitting the qualification of the Indenture or any supplemental indenture under the Trust Indenture Act of 1939 or any similar federal statutes hereafter in effect; (v) providing for any additional procedures, covenants or agreements necessary to convert the Bonds to tax-exempt obligations and to then maintain the tax-exempt status of interest on the Bonds; (vi) modifying or eliminating the book-entry registration system for the Bonds, if any; or (vii) providing for the appointment of a co-trustee/bondowner representative or the succession of a new trustee/bondowner representative authorized pursuant to the terms of the Indenture; provided such amendments are (1) made pursuant to a written request of the Borrower, (2) made pursuant to the terms of such documents, (3) are consistent with such documents, (4) do not require the consent of the holders of the Bonds and (5) do not provide for any additional duties or costs with respect to the Authority for which the Borrower does not agree in advance to reimburse or indemnify the Authority therefor.

**Section 11.** Notwithstanding anything to the contrary in this Resolution, the Bonds may not be issued until the County has held the requisite hearing pursuant to Section 147(f) of the Code.

**Section 12.** 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 13.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17<sup>th</sup> day of October, 2019.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Aaron Laurel, Vice 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 October 17, 2019.

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Michelle Stephens, Assistant Secretary

## Attachment I

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, [Borrower LLC] (the “Borrower”), a California limited liability company whose sole member is The High Desert “Partnership in Academic Excellence” Foundation, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code and a support organization to the Lessee, 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 October 17, 2019 (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 \$15,000,000 (the “Obligations”).

1. Urban Futures, Inc., as financial advisor to 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): 5.13%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$425,000.
  - 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: \$10,000,000.
  - 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): \$23,853,366.
2. The good faith estimates provided above were 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

<b>Action Requested</b>	Approve Resolution 19-69 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$45,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert “Partnership in Academic Excellence” Foundation, Incorporated, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	Lewis Center (Norton Science and Language Academy)
<b>Borrower Description</b>	<p>Norton Science and Language Academy (NSLA) is a California Public Charter School, authorized by the San Bernardino County Office of Education. It was established in August 2008 as the Norton Space and Aeronautics Academy and opened with grades K-2. NSLA is a Dual Immersion Program School which supports NSLA charter educational goals including teaching science every day starting in Kindergarten. NSLA’s goal is for all students to be able to speak, read, and write in English and Spanish in all academic areas after continued attendance in the program for five years.</p> <p>The mission of the NSLA is to ensure learning for a diverse and often underserved population of students who will be college and career ready as a result of our safe and rigorous bilingual, biliterate, and multicultural education.</p> <p>NSLA will use the funding to finance or refinance the costs of the acquisition, renovation, improvement, furnishing and equipping of land and charter school facilities at 195 S. Allen Street, San Bernardino, California. They will also fund a debt service reserve fund for the Bonds, fund capitalized interest with respect to the Series Bonds; and pay certain expenses incurred in connection with the issuance of the Bonds.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Lewis Center (Norton Science and Language Academy) to realize savings that can be put back into its operations and purchasing real property.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 19-69 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$45,000,000 to Finance or Refinance the Acquisition, Improvement, Renovation, Furnishing and Equipping of Educational Facilities for the Benefit of the High Desert “Partnership in Academic Excellence” Foundation, Incorporated, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

**RESOLUTION NO. 19-69**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF TAXABLE AND/OR TAX EXEMPT REVENUE BONDS IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000 TO FINANCE OR REFINANCE THE ACQUISITION, IMPROVEMENT, RENOVATION, FURNISHING AND EQUIPPING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF THE HIGH DESERT “PARTNERSHIP IN ACADEMIC EXCELLENCE” FOUNDATION, INCORPORATED, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

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

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing 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 that are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the right to issue bonds and expend the proceeds thereof and the right to acquire, sell, develop, lease or administer property; and

WHEREAS, the County of San Bernardino (the “County”) 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, The High Desert “Partnership in Academic Excellence” Foundation, Incorporated, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Code (the “Lessee”), operates the Norton Science and Language Academy (the “School”) and other California charter schools; and



WHEREAS, the Lessee has requested that the Authority issue and sell the Bonds (hereinafter defined) in one or more series for the purpose of making one or more loans to [Borrower LLC] (the “Borrower”), a California limited liability company, the sole member of which is the Lessee, for the purposes of [(i) financing or refinancing the costs of the acquisition, renovation, improvement, furnishing and equipping of land and charter school facilities to be leased to the Lessee located at 195 S. Allen Street, San Bernardino, California (the “Facilities”) to be used by the School; (ii) funding a debt service reserve fund for the Bonds, (iii) funding capitalized interest with respect to the Series Bonds; and (iv) paying certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”)]; and

WHEREAS, the Borrower will lease the Facilities to the Lessee for the operation of the School pursuant to a Lease Agreement dated as of November 1, 2019 (or such other date as approved by the Authority) (the “Lease”); and

WHEREAS, pursuant to an Indenture of Trust, by and between Wilmington Trust, National Association (or such other trust company or commercial bank acceptable to the Authority), as trustee (the “Trustee”) and the Authority (the “Indenture”), the Authority will issue the California Enterprise Development Authority Charter School Revenue Bonds (Norton Science and Language Academy Project) Series 2019 (the “Bonds”) in one or more series for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Loan Agreement, by and between the Authority and the Borrower (the “Loan Agreement”), the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Contract”), among RBC Capital Markets, LLC and BB&T Capital Markets, a division of BB&T Securities, LLC, as underwriters (collectively, the “Underwriters”) with RBC Capital Markets, LLC as representative of the Underwriters, the Authority, the Lessee and the Borrower, the Bonds will be sold to the Underwriters, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project; and

WHEREAS, the Bonds will be offered for sale through a limited offering memorandum, official statement or other offering document acceptable to the Authority; and

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of the limited offering memorandum or official statement (the “Limited Offering Memorandum”) in preliminary form to be used by the Underwriters in connection with the offering and sale of the Bonds; 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 are expected to provide significant benefits to the residents of the County in providing educational and related services to residents of the County; and

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

**Section 1.** The Board hereby finds and determines that the foregoing recitals are true and correct.

**Section 2.** The Authority is hereby authorized to issue one or more series of its revenue bonds designated as the "California Enterprise Development Authority Charter School Revenue Bonds (Norton Science and Language Academy Project) Series 2019" (or such other designation as shall be acceptable to the Authority and its counsel) in an aggregate principal amount not to exceed FORTY-FIVE MILLION DOLLARS (\$45,000,000). The interest on the Bonds shall be tax-exempt or taxable, as determined by bond counsel. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture referenced above, with such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board of Directors of the Authority (each, an "Authorized Signatory") and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Bonds shall be executed by the manual or facsimile signature of any Authorized Signatory and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

The Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Bonds shall be made solely from loan payments made by the Borrower under the Loan Agreement and certain moneys held under the Indenture, and the Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received under the Loan Agreement.

**Section 3.** The Indenture, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Trustee, the dated date, maturity dates or dates, interest rate or rates, method of determining interest rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 4.** The Loan Agreement, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement, in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The Purchase Contract, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Purchase Contract, in substantially said form, with such changes and insertions therein and as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The proposed preliminary form of Limited Offering Memorandum as presented at this meeting in preliminary form, is hereby approved. The Underwriters are hereby authorized to distribute the Limited Offering Memorandum in preliminary form to persons who may be interested in the purchase of the Bonds and to deliver the Limited Offering Memorandum in final form to the purchasers of the Bonds, in each case with such changes as any Authorized Signatory, with advice of counsel to Authority, deems desirable, necessary or appropriate.

**Section 7.** The Bonds, when executed as provided in Section 2, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority which any Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

**Section 8.** Any Authorized Signatory and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any tax agreement and/or tax certificate, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Authority has approved in this Resolution; provided that no such documents or certificates shall create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds or otherwise securing the Bonds under the financing documents described and authorized herein.

**Section 9.** All actions heretofore taken by the Authorized Signatories and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

**Section 10.** Any Authorized Signatory, acting alone, is hereby authorized to execute and deliver future amendments to the documents authorized to be executed and delivered pursuant to this Resolution (“Authorized Documents”), without further action of the Authority, for the purpose of (i) adding to the covenants and agreements of the Borrower or of the provider of any credit enhancement or liquidity facility; (ii) assigning or pledging additional security for any of the Bonds which security shall be provided by the Borrower; (iii) curing any ambiguity, inconsistency or omission or supplementing any defective provisions of the Authorized Documents; (iv) permitting the qualification of the Indenture or any supplemental indenture under the Trust Indenture Act of 1939 or any similar federal statutes hereafter in effect; (v) providing for any additional procedures, covenants or agreements necessary to convert the Bonds to tax-exempt obligations and to then maintain the tax-exempt status of interest on the Bonds; (vi) modifying or eliminating the book-entry registration system for the Bonds, if any; or (vii) providing for the appointment of a co-trustee/bondowner representative or the succession of a new trustee/bondowner representative authorized pursuant to the terms of the Indenture; provided such amendments are (1) made pursuant to a written request of the Borrower, (2) made pursuant to the terms of such documents, (3) are consistent with such documents, (4) do not require the consent of the holders of the Bonds and (5) do not provide for any additional duties or costs with respect to the Authority for which the Borrower does not agree in advance to reimburse or indemnify the Authority therefor.

**Section 11.** Notwithstanding anything to the contrary in this Resolution, the Bonds may not be issued until the County has held the requisite hearing pursuant to Section 147(f) of the Code.

**Section 12.** 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 13.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17<sup>th</sup> day of October, 2019.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Aaron Laurel, Vice 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 October 17, 2019.

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Michelle Stephens, Assistant Secretary

## Attachment I

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, [Borrower LLC] (the “Borrower”), a California limited liability company whose sole member is The High Desert “Partnership in Academic Excellence” Foundation, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code and a support organization to the Lessee, 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 October 17, 2019 (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 \$45,000,000 (the “Obligations”).

1. Urban Futures, Inc., as financial advisor to 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): 5.25%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$695,000.
  - 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: \$35,000,000.
  - 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): \$84,394,358.
2. The good faith estimates provided above were 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

<b>Action Requested</b>	Approve 19-70 Resolution Authorizing the Issuance and Sale of California Enterprise Development Authority Variable Rate Demand Revenue Bonds (AIDS Healthcare Foundation Project), Series 2019a-f, for the Purpose of Financing and Refinancing Facilities for The Benefit of AIDS Healthcare Foundation, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing The Terms and Conditions for The Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing The Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	AIDS Healthcare Foundation
<b>Borrower Description</b>	<p>The AIDS Healthcare Foundation (AHF) is a global nonprofit organization providing cutting edge medicine and advocacy to over 1,000,000 people in 43 countries. AHF is currently the largest provider of HIV/AIDS medical care in the U.S. AHF funds its mission to rid the world of AIDS through a network of pharmacies, thrift stores, healthcare contracts and other strategic partnerships. Generating new, innovative ways of treatment, prevention and advocacy has been the hallmark of AHF's success. AHF is currently leading a mass testing initiative to identify and treat the 25 million people who are unaware they are infected.</p> <p>By advocating big goals – such as having 1 billion people tested each year – AHF hopes to eliminate older, more time-consuming methods. Since 1987, AHF has cared for thousands of people living with HIV and AIDS worldwide. As AHF creates and implements new programs in communities across the U.S. and abroad, it expands delivery of healthcare and influence over policy with the aim of saving more lives.</p> <p>AIDS Healthcare Foundation (AHF) has requested \$100,000,000 to finance improvements development projects at 6520 W. Sunset Boulevard, Los Angeles, CA; 4905 Hollywood Boulevard, Los Angeles, CA; and 6343 Rosemead Boulevard, San Gabriel, CA.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow AIDS Healthcare Foundation (AHF) to realize savings that can be put back into its operations and purchasing real property.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of 19-70 Resolution Authorizing the Issuance and Sale of California Enterprise Development Authority Variable Rate Demand Revenue Bonds (AIDS Healthcare Foundation Project), Series 2019a-f, for the Purpose of Financing and Refinancing Facilities for The Benefit of AIDS Healthcare Foundation, a California Nonprofit Public Benefit Corporation, and/or a Related or Successor Entity; Providing The Terms and Conditions for The Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing The Execution of Certain Documents Herein Specified.

**RESOLUTION NO. 19-70**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS (AIDS HEALTHCARE FOUNDATION PROJECT), SERIES 2019A-F, FOR THE PURPOSE OF FINANCING AND REFINANCING FACILITIES FOR THE BENEFIT OF AIDS HEALTHCARE FOUNDATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

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

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or to enter into loan agreements in order to promote economic development; and

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

**WHEREAS**, the City of Los Angeles (together, the “City”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

**WHEREAS**, AIDS Healthcare Foundation, a California nonprofit public benefit corporation (the “Borrower”) has requested that the Authority issue its Variable Rate Demand Revenue Bonds (AIDS Healthcare Foundation Project), Series 2019, in an aggregate principal amount not to exceed \$100,000,000 (the “Bonds”) for the benefit of the Borrower pursuant to the Act (a) to finance or refinance, as applicable, the costs of acquisition, designing, renovating, constructing, installing, improving, equipping and furnishing (i) an approximately 60,979 square foot residential rental facility consisting of approximately 204 low and very low income units, and related and ancillary facilities, located at 501 S. Los Angeles Street, Los Angeles, California 90013, (ii) an approximately 9,300 square foot, two story administrative and medical office building, and related and ancillary facilities, located at 6520 W. Sunset Boulevard, Los Angeles, California 90028, and (iii) an approximately 36,000 square foot one story building consisting of administrative offices and a pharmacy, and related and ancillary facilities, located at 4905 Hollywood Boulevard, Los Angeles, California 90027 (collectively, the “Facilities”); (b) to

reimburse the Borrower for certain previously incurred costs and expenses related to the Facilities; (c) to provide one or more debt service reserve funds for the benefit of all or a portion of the Bonds, if deemed necessary or desirable; (d) to pay a portion of the interest to accrue on the Bonds, if deemed necessary or desirable; (e) to pay certain working capital expenditures, if deemed necessary or desirable; and (f) to pay certain costs of issuance of the Bonds (the “Project”); and

**WHEREAS**, the Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and placed with Wells Fargo Bank, National Association and CN Financing, Inc. (the “Purchasers”); and

**WHEREAS**, the Authority will loan the proceeds of the Bonds to the Borrower and the Borrower will agree to repay the loan pursuant to a Loan Agreement (the “Loan Agreement”) by and between the Authority and the Borrower; and

**WHEREAS**, there have been filed with the Secretary of the Authority the following documents:

- (a) the proposed form of the Indenture of Trust, including the form of the Bonds as Exhibit A thereto, pursuant to which the Bonds will be issued and secured; and
- (b) the proposed form of the Loan Agreement pursuant to which the Borrower will agree to repay the loan;

**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 Purchasers; and

**WHEREAS**, the Facilities are expected to provide significant benefits to the residents of the City and surrounding communities by providing health care services, low-income housing and employment opportunities for residents of the City and surrounding communities over the long term; and

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

**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 the Project.

**Section 2.**

(a) The Authority hereby authorizes and approves (i) the issuance of the Bonds on a tax-exempt and/or taxable basis pursuant to and in accordance with the provisions of the Loan Agreement and the Indenture, in an aggregate principal amount not to exceed \$100,000,000, (ii) the sale of the Bonds to the Purchasers, and (iii) the loan of the proceeds thereof to the Borrower pursuant to the provisions of the Loan Agreement.

(b) The Bonds and the interest thereon shall be special, limited Bonds of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Bonds shall be made solely from loan payments made by the Borrower under the Loan Agreement and certain moneys held under the Indenture, and the Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received under the Loan Agreement.

**Section 3.** The proposed form of the Loan Agreement relating to the Bonds, between 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 the Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4.** The proposed form of the Indenture relating to the Bonds, between the Authority and the Trustee, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee the Indenture 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 Authority Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dates, maturity dates, interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 5.** The Bonds shall be executed by the manual or facsimile signature of the Chair or the Vice Chair of the Board of Directors of the Authority and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

**Section 6.** The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Purchasers, in accordance with written

instructions executed on behalf of the Authority by any Authorized Signatory, which instructions said Authorized Signatory is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Purchasers in accordance with the Purchase Contract, upon payment of the purchase price thereof.

**Section 7.** Each Authorized Signatory and other appropriate officers and agents of the Authority is each hereby authorized and directed to take any and all actions necessary or appropriate, not inconsistent with the terms of this Resolution and of the Indenture to effect the execution, authentication and delivery of the Bonds to the Purchasers, including, without limitation: giving the written order of the Authority for the authentication and delivery of the Bonds by the Trustee, furnishing of a tax regulatory agreement or certificate and other appropriate certificates, closing documents and other documents contemplated by this Resolution, the Indenture and the Loan Agreement. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the documents and certificates contemplated by this Resolution.

**Section 8.** All approvals, assignments, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, including, without limitation, any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, or any redemption, purchase or defeasance of the Bonds, may be given or taken by any Authorized Signatory, without further authorization by the Board of Directors of the Authority, and each Authorized Signatory is hereby authorized and directed to give any such approval, consent, direction, notice, order or request and to take any such action which such Authorized Signatory, with the advice of bond counsel and legal counsel to the Authority, may deem necessary or desirable to further the purposes of this Resolution.

**Section 9.** All actions of the officers, directors, employees and agents of the Authority in conformity with the purpose and intent of this Resolution and in furtherance of the issuance and sale of the Bonds, as contemplated by this Resolution and the documents referred to herein, whether heretofore or hereafter taken, shall be and are hereby ratified, confirmed and approved.

**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.** 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 has approved the issuance of the Bonds pursuant to Section 147(f) of the Code.

**Section 12.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17<sup>th</sup> day of October, 2019.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Aaron Laurel, Vice 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 October 17, 2019.

By: \_\_\_\_\_  
Michelle Stephens, Assistant Secretary

ATTACHMENT I  
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE BONDS

Pursuant to California Government Code Section 5852.1, AIDS Healthcare 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 October 17, 2019 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue bonds in the aggregate principal amount not to exceed \$100,000,000 (the “Bonds”).

1. Wells Fargo Bank, National Association and CN Financing, Inc., as private placement lenders (the “Purchasers”), engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Bonds as follows:
  - A. The true interest cost of the Bonds, 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 Bonds (to the nearest ten-thousandth of one percent): 2.778%
  - B. The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties: \$450,000 (which includes fees payable to the Purchasers)
  - C. The amount of proceeds received by the public body for sale of the Bonds less the finance charge of the Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$99,550,000 (not including finance charges not paid with proceeds of the Bonds)
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bonds plus the finance charge of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): \$132,455,147.24.
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 Bonds 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 Bonds.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds 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 Bonds and the actual amortization of the Bonds will depend on market interest rates at the time of the issuance of the Bonds. 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.