

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

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

10:30 A.M.

Thursday, November 18, 2021

#### Zoom Call Information

<https://us02web.zoom.us/j/87111378792?pwd=OXdMY0hrbWdUMEO4dVBjSt2REo5UT09>

Meeting ID: 871 1137 8792

Passcode: 377663

One tap mobile

+16699006833,,87111378792#,,,,\*377663# US (San Jose)

+12532158782,,87111378792#,,,,\*377663# US (Tacoma)

*Pursuant to AB 361, members of the California Enterprise Development Authority and staff will participate in this meeting via a teleconference. To reduce the spread of COVID-19, members of the public are asked to participate and comment directly by logging into the Livestream*

<https://us02web.zoom.us/j/87111378792?pwd=OXdMY0hrbWdUMEO4dVBjSt2REo5UT09>

#### **Call to Order and Roll Call**

#### **Statement of Disclosure**

#### **Action Items**

1. Consent Agenda
  - a. Approve Minutes from the Regular Business Meeting on October 28, 2021.
  - b. Approve Resolution 21-45 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the County of Marin.
  - c. Approve Resolution 21-46 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Vallejo.
  - d. Approve Resolution 21-47 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, and Water Efficiency Improvements in the City of Modesto.
2. Approve Resolution 21-48 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/or Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Healthcare Facilities for the Benefit of Community Health Systems, Inc. and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution 21-49 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, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Educational Facilities for the Benefit of New Horizon Irvine Educational Foundation, New Horizon School, Irvine and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution 21-50 of the California Enterprise Development Authority Authorizing Public Meetings to be held via Teleconferencing Pursuant to Government Code Section 54953(E) and Making Findings and Determinations Regarding The Same.
5. Review and Approve Audit and Audit Findings.

#### **Public Comment**

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**Chair Report**  
**PACE Report**  
**Other Business**  
**Adjournment**

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

\*\*\*ZOOM CALL\*\*\*

### CEDA BOARD OF DIRECTORS

Thursday, October 28, 2021

#### Zoom Call Location

<https://us02web.zoom.us/j/84997651891?pwd=NWdaYjl6MklnTjZmYUc1YjNIY0dJQT09>

Meeting ID: 849 9765 1891

#### Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 a.m.

#### Roll Call

Members Present:

Robert Burris  
Christine Damko  
Jessica Gonzales  
Josh Metz (10:32 am)  
Gurbax Sahota  
Larry Vaupel

CALED Management/

Staff Present:

Laura Cole-Rowe  
Michelle Stephens

Public:

Bernhard Alvine, Kutak Rock  
Sam Balisy, Kutak Rock  
Peter Grabell, Dividend Finance  
Davis Mnatsakanyan, Kutak Rock  
Jacob Roth, Dividend Finance

#### Statement of Disclosure

#### Action Items

1. Approve Consent Agenda
  - a. Approve Minutes from the Regular Business Meeting on October 21, 2021.

**Motion:** Board Member Christine Damko made the motion to approve the Consent Agenda. Board Member Larry Vaupel seconded the motion on the floor.

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

Robert Burris  
Christine Damko  
Jessica Gonzales  
Josh Metz  
Gurbax Sahota  
Larry Vaupel

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

2. Approve Resolution 21-43 Authorizing the Issuance of the California Enterprise Development Authority Commercial Property Assessed Clean Energy (Pace-M1) Limited Obligation Improvement Bonds, Series 2021-1, Authorizing the Execution and Delivery of a Supplemental Indenture and Bond Purchase Agreement, and Authorizing the Execution and Delivery of Other Related Documents and Actions Necessary to the Delivery of Such Bonds.

**Discussion:** Michelle Stephens gave the staff report. Jacob Roth gave the background on the project which manufactures modular housing – 250 units have already been ordered with 1,000 more units expected. The company will be able to do approximately 1,200 units a year and will employ 50 people. The project includes seismic upgrades, and solar and battery backup.

**Motion:** Board Member Jessica Gonzales made the motion to approve Resolution 21-43. Board Member Robert Burris seconded the motion on the floor.

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

Robert Burris  
Christine Damko  
Jessica Gonzales  
Josh Metz  
Gurbax Sahota  
Larry Vaupel

3. Discussion of the Scheduling of Meetings of the California Enterprise Development Authority and AB 361 and Make Findings and Determinations Regarding Same.

**Discussion:** Michelle Stephens gave staff report and recapped the provisions of AB 361. Sam Balisy reported that by passing this, CEDA will not have to post the agenda at the location of each board member as CEDA is continuing to meet remotely. He also stated that the members of the public will still be able to join the meeting and give comments under public comment and/or during the item presented. It will need to be renewed/brought back to the board every 30 days.

**Motion:** Board Member Larry Vaupel made the motion to approve Resolution 21-44. Board Member Christine Damko seconded the motion on the floor.

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

Robert Burris  
Christine Damko  
Jessica Gonzales  
Josh Metz  
Gurbax Sahota  
Larry Vaupel

### **Public Comment**

#### **Chair Report:**

Michelle Stephens reported on the upcoming meeting schedule. Gurbax reminded board members that the executive board meeting will take place immediately following the CEDA meeting on November 4.

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## **PACE Report**

Jacob Roth reported that 26 cities will need to be onboarded in the future.

## **Other Business**

### **Adjournment**

**Motion:** *Jessica Gonzales made the motion to adjourn the meeting. Robert Burris seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:42 am after the roll call vote.*

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

Robert Burris  
Christine Damko  
Jessica Gonzales  
Josh Metz  
Gurbax Sahota  
Larry Vaupel

## RESOLUTION NO. 21-45

### RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY IMPROVEMENTS, AND WATER EFFICIENCY IMPROVEMENTS IN THE COUNTY OF MARIN

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, water efficiency improvements, electric vehicle charging, seismic strengthening improvements, and wildfire suppression and safety improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the County of Marin (the “County”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the County pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the County, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the County.

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

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial

loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the County.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the County, within which CEDA and property owners within the County may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the County pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the County.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the “Bonds”) pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Financing (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded

under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the “Board”), at 2150 River Plaza Drive, Suite 275, Sacramento, CA 95833, on Thursday, December 16, 2021, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the “Contract”), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the County to all water and electric providers within the boundaries of the County has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.
- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the County.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
  - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the County Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the County, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with County Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually

preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 18th day of November, 2021.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

\_\_\_\_\_  
Michelle Stephens, Assistant Secretary

## RESOLUTION NO. 21-46

### RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY IMPROVEMENTS, AND WATER EFFICIENCY IMPROVEMENTS IN THE CITY OF VALLEJO

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, water efficiency improvements, electric vehicle charging, seismic strengthening improvements, and wildfire suppression and safety improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the City of Vallejo (the “City”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

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

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial

loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

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under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

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At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the “Contract”), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.

- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
  - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the City Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the City, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the City on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with City Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the City Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the City on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor’s parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 18th day of November, 2021.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

\_\_\_\_\_  
Michelle Stephens, Assistant Secretary

## RESOLUTION NO. 21-47

### RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY EFFICIENCY IMPROVEMENTS, AND WATER EFFICIENCY IMPROVEMENTS IN THE CITY OF MODESTO

**WHEREAS**, the California Enterprise Development Authority (“CEDA”) is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (Government Code Section 6500 et seq.) and that certain Joint Exercise of Powers Agreement (the “Agreement”) dated as of June 1, 2006, among the cities of Eureka, Lancaster and Selma; and

**WHEREAS**, CEDA is authorized under the Agreement and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) to authorize assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, water efficiency improvements, electric vehicle charging, seismic strengthening improvements, and wildfire suppression and safety improvements that are permanently fixed to real property (“Authorized Improvements”); and

**WHEREAS**, CEDA has obtained authorization from the City of Modesto (the “City”) to conduct assessment proceedings and to enter into contractual assessments to finance the installation of Authorized Improvements within the jurisdictional boundaries of the City pursuant to Chapter 29; and

**WHEREAS**, CEDA desires to declare its intention to establish a Figtree PACE program (“Figtree PACE”) in the City, pursuant to which CEDA, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the City.

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

**Section 1. Findings.** The Board of Directors hereby finds and determines the following:

- (a) The above recitals are true and correct and are incorporated herein by this reference.
- (b) Energy and water conservation efforts, including the promotion of Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the City.
- (c) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial

loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

- (d) A public purpose will be served by establishing a contractual assessment program, to be known as Figtree PACE, pursuant to which CEDA will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in the City.

**Section 2. Determination of Public Interest.** The Board of Directors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the City, within which CEDA and property owners within the City may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for CEDA to finance the installation of Authorized Improvements in the City pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** CEDA hereby declares its intention to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 8 hereof (the “Report”), as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of the City.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, CEDA may issue bonds, notes or other forms of indebtedness (the “Bonds”) pursuant to Chapter 29 that are payable by contractual assessments. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the “Improvement Bond Act of 1915”) shall apply to any indebtedness issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29. The creditworthiness of a property owner to participate in the financing of Authorized Improvements will be based on the criteria developed by Figtree Energy Financing (the “Program Administrator”) upon consultation with Figtree PACE Program underwriters or other financial representatives, CEDA general counsel and bond counsel, and as shall be approved by the Board of Directors of CEDA. In connection with indebtedness issued under the Improvement Bond Act of 1915 that is payable from contractual assessments, serial and/or term improvement bonds or other indebtedness shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date), and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by Board of Directors at the time of the issuance and sale of the indebtedness. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of CEDA to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. Neither CEDA, nor any of its members participating in the Figtree PACE Program, shall advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the indebtedness; provided, however, that this determination shall not prevent CEDA or any of its members from, in their sole discretion, so advancing funds. The Bonds may be refunded

under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding, upon the conditions specified by and upon determination of CEDA.

CEDA hereby authorizes the Program Administrator, upon consultation with CEDA general counsel, bond counsel and the Figtree PACE underwriter, to commence preparation of documents and take necessary steps to prepare for the issuance of bonds, notes or other forms of indebtedness as authorized by Chapter 29.

In connection with the issuance of bonds payable from contractual assessments, CEDA expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, CEDA hereby orders that a public hearing be held before CEDA Board (the “Board”), at 2150 River Plaza Drive, Suite 275, Sacramento, CA 95833, on Thursday, December 16, 2021, at 10:30 AM, for the purposes of allowing interested persons to object to, or inquire about, the proposed Figtree PACE Program. The public hearing may be continued from time to time as determined by the Board for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 hereof shall be summarized, and the Board shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program, the extent of the area proposed to be included within the boundaries of the assessment district, the terms and conditions of the draft assessment contract described in Section 8 hereof (the “Contract”), or the proposed financing provisions. Following the public hearing, CEDA may adopt a resolution confirming the Report (the “Resolution Confirming Report”) or may direct the Report’s modification in any respect, or may abandon the proceedings.

The Board hereby orders the publication of a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Notice to Water and Electric Providers.** Pursuant to Section 5898.24 of the Streets & Highways Code, written notice of the proposed contractual assessment program within the City to all water and electric providers within the boundaries of the City has been provided.

**Section 8. Report.** The Board hereby directs the Program Administrator to prepare the Report and file said Report with the Board at or before the time of the public hearing described in Section 6 hereof containing all of the following:

- a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 hereof.

- b) A draft contractual assessment contract (the “Contract”) specifying the terms and conditions of the agreement between CEDA and a property owner within the City.
- c) A statement of CEDA’s policies concerning contractual assessments including all of the following:
  - (1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.
  - (2) Identification of the CEDA official authorized to enter into contractual assessments on behalf of CEDA.
  - (3) A maximum aggregate dollar amount of contractual assessments.
  - (4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.
- d) A plan for raising a capital amount required to pay for work performed in connection with contractual assessments. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan (i) shall include a statement of, or method for determining, the interest rate and time period during which contracting property owners would pay any assessment, (ii) shall provide for any reserve fund or funds, and (iii) shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and CEDA.
- e) A report on the results of the discussions with the City Auditor-Controller described in Section 10 hereof, concerning the additional fees, if any, that will be charged to CEDA for inclusion of the proposed contractual assessments on the general property tax roll of the City, and a plan for financing the payment of those fees.

**Section 9. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by CEDA, the assessments shall be collected in the same manner and at the same time as the general taxes of the City on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 10. Consultations with City Auditor-Controller.** CEDA hereby directs the Program Administrator to enter into discussions with the City Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to CEDA for incorporating the proposed contractual assessments into the assessments of the general taxes of the City on real property.

**Section 11. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), CEDA hereby designates the Program Administrator as the responsible party for annually preparing the current roll of assessment obligations by assessor’s parcel number on property subject to a voluntary contractual assessment.

**Section 12. Procedures for Responding to Inquiries.** The Program Administrator shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** this 18th day of November, 2021.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Gurbax Sahota, Chair

ATTEST:

\_\_\_\_\_  
Michelle Stephens, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution 21-48 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/or Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Healthcare Facilities for the Benefit of Community Health Systems, Inc. and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Community Health Systems, Inc.
<b>Borrower Description</b>	<p>Community Health Systems, Inc. (CHSI) is a Federally Qualified Health Center (FQHC) operating six community health centers in the tri-county area of: San Bernardino, Riverside, and San Diego. CHSI focuses on providing high quality and compassionate medical, dental, women’s health, behavioral health, and vision care services to those who are under-served, uninsured, or under-insured.</p> <p>CHSI improves and strengthens the health of their diverse communities by providing compassionate and comprehensive health services.</p> <p>The proceeds, not to exceed \$7,000,000, will be used to finance or refinance the cost of the acquisition, construction, design, renovation, improvement, equipping, installation, and furnishing of the Borrower's commercial medical office buildings located at (i) 1328 South Mission Road, Fallbrook, and (ii) 18601 Valley Boulevard, Bloomington.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Community Health Systems, Inc. to realize savings that can be put into rehabilitating 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; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 21-48 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/or Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Healthcare Facilities for the Benefit of Community Health Systems, Inc. and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## RESOLUTION NO. 21-48

### **RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, EQUIPPING AND FURNISHING OF HEALTHCARE FACILITIES FOR THE BENEFIT OF COMMUNITY HEALTH SYSTEMS, INC. AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

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

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

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

**WHEREAS**, the County of San Diego and the County of San Bernardino (the "Counties") are each an associate member of the Authority and are authorized to acquire and dispose of property, both real and personal;

**WHEREAS**, Community Health Systems, Inc., a California nonprofit public benefit corporation, and/or a related or successor entity ( the "Borrower"), has submitted an application to the Authority requesting the Authority to make one or more tax-exempt and/or taxable loans in the aggregate principal amount not to exceed \$7,000,000, and lend the proceeds thereof to the Borrower (collectively, the "Borrower Loan") to (a) finance or refinance the cost of the acquisition, construction, design, renovation, improvement, equipping, installation, and furnishing of the Borrower's commercial medical office buildings located at (i) 1328 South Mission Road, Fallbrook, California 92028 and (ii) 18601 Valley Boulevard, Bloomington, California 92316, and (b) pay costs of issuance and related costs in connection with the issuance of the Loans (collectively, the "Project");

**WHEREAS**, the Facilities provide significant benefits to the residents of the Counties of San Diego and San Bernardino through the healthcare services provided by the Borrower to individuals and families residing in these counties, and based on representations of the Borrower, the refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from CN Financing, Inc., a California corporation, or a related or successor entity (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan;

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

(a) A proposed form of the Loan Agreement, by and among CN Financing, Inc. (the “Purchaser”), the Authority, and the Borrower (the “Loan Agreement”);

(b) A proposed form of the Assignment Agreement (Fallbrook Property) (the “Fallbrook Assignment Agreement”), by and between the Authority and the Lender relating to the financing of the real property located at 1328 South Mission Road, Fallbrook, California 92028; and

(c) A proposed form of the Assignment Agreement (Bloomington Property) (the “Bloomington Assignment Agreement”), by and between the Authority and the Lender relating to the financing of the real property located at 18601 Valley Boulevard, Bloomington, California 92316; and

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

**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 entering into the Authority Loan in an aggregate principal amount not to exceed \$7,000,000, the interest with respect to which will be excluded from gross income for federal income tax purposes, and use the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, are hereby authorized and directed, for

and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Fallbrook Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Fallbrook 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 Fallbrook Assignment Agreement.

**Section 5.** The proposed form of the Bloomington Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bloomington 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 Bloomington Assignment Agreement.

**Section 6.** The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$7,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 7.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to

take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 8.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 9.** 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 10.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County of San Diego and the County of San Bernardino have held the requisite public hearings and the respective Boards of Supervisors of each such County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

**Section 11.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 18<sup>th</sup> of November 2021.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

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

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 18, 2021.

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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, Community Health Systems, Inc., 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 November 18, 2021 (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 \$7,000,000 (the “Obligations”).

1. CN Financing, Inc. as private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows (as further detailed in Schedule A attached hereto):
  - 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): 3.10624%.
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$168,990.00
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$5,401,010.00
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$6,863,684.31
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 21-49 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, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Educational Facilities for the Benefit of New Horizon Irvine Educational Foundation, New Horizon School, Irvine and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	New Horizon Irvine Educational Foundation, New Horizon School, Irvine
<b>Borrower Description</b>	<p>New Horizon offers exemplary academics and community programs in a progressive Islamic environment and fosters a positive American Muslim identity by preparing students with the knowledge to succeed, confidence to lead, and compassion to serve in an ever-changing world. It all started with a grassroots effort led by individuals who wanted to bring the principles and ideology of the Islamic Center of Southern California to Orange County in 1998. Since opening its doors in 2001, New Horizon continues to look ahead to the needs of the community and pushes the school’s mission and vision in the right direction.</p> <p>New Horizon aims to be recognized nationally as the model independent Islamic school integrating Quranic principles with cutting-edge technology and creativity to make meaningful contributions to the broader community.</p> <p>The proceeds, not to exceed \$10,000,000, will be used for financing, refinancing and/or reimbursing the Borrower for the costs of acquiring, constructing, improving, and equipping certain educational facilities located at 10 Marconi, Irvine.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow New Horizon Irvine Educational Foundation, New Horizon School, Irvine to realize savings that can be put into rehabilitating 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; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 21-49 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, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Improvement, Equipping and Furnishing of Educational Facilities for the Benefit of New Horizon Irvine Educational Foundation, New Horizon School, Irvine and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.