

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

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

10:30 A.M.

Thursday, December 14, 2017

Teleconference Phone Information

(712) 775-7031 - Conference Code: 895081223

Call to Order and Roll Call Statement of Disclosure

Action Items

1. Approve Minutes from the Regular Meeting on November 30, 2017.
2. Approve Resolution No. 17-122 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement Changing Certain Terms and Conditions of a Loan Made for the Benefit of Guide Dogs for the Blind, Inc. and Authorizing the Execution of Certain Documents Herein Specified.
3. Approve Resolution No. 17- 123 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans For the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Installation, Renovation, Rehabilitation, Improvement and Equipping of Facilities for the Benefit of Marin Horizon School Incorporated 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 No. 17-124 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 Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping, Renovation and Expansion of Facilities for the Benefit of Sonoma Country Day School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Public Hearing (Action Items 5 through 11)

5. Approve Resolution No. 17-125 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Azusa.
6. Approve Resolution No. 17-126 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements;

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Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Claremont.

7. Approve Resolution No. 17-127 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Morro Bay.
8. Approve Resolution No. 17-128 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Mount Shasta.
9. Approve Resolution No. 17-129 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Nevada City.
10. Approve Resolution No. 17-130 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Petaluma.
11. Approve Resolution No. 17-131 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions of the City of Plymouth.
12. Review and Approval of Audit and Audit Findings.

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:

550 Bercut Drive, Suite G, Sacramento, CA 95811 • (916) 448-8252, ext. 16

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
City of Santa Clarita (contact Jason Crawford or Dana Gibson) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	Los Angeles County Economic Development Corporation (LAEDC) (contact Carrie Rogers or Linden Johnson) 444 S. Flower St., 37 th Floor Los Angeles, CA 90071
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 th Street, Room 5003 Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Polly Harris) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	

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CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING*****
CEDA BOARD OF DIRECTORS
Thursday, November 30, 2017

Teleconference Locations

California Association for Local Economic Development (contact Helen Schaubmayer) 550 Bercut Drive, Suite G Sacramento, CA 95811	City of Vista (contact Kevin Ham or Reception) 200 Civic Center Dr. Vista, CA 92084	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
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Call to Order

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

Roll Call

Members Present: Keith Boggs *
Kevin Ham
Mather Kearney
Aaron Laurel
Carrie Rogers
Gurbax Sahota
Margaret Silveira

* Joined late

CALED Management/Staff

Present: Jillian Boyd
Helen Schaubmayer

Public: Sam Balisy, Kutak Rock, LLC
Christine Padilla, Dividend Finance

Statement of Disclosure

None

Action Items

1. Approve Minutes from the Regular Meetings on November 9, 2017.

Motion: Board Member Kevin Ham made the motion to approve minutes from the Regular Meeting on November 9, 2017. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

2. Approve Resolution No. 17-109 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 Refinancing the Cost of the Acquisition, Renovation, Equipping and Furnishing of Facilities for the Benefit of American Council on Exercise and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Helen briefed the Board that the American Council on Exercise is a 501(c)(3) non-profit organization that was founded in 1985, located in San Diego, and is the leading non-profit exercise professional and health coach certification organization for the past 30 years. The American Council on Exercise offers NCCA-accredited certifications, continuing education, and access to science-based health and fitness information to provide resources for people to live active healthy lives. The American Council on Exercise requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$6,000,000 dollars for the purpose of refinancing the cost of the acquisition, renovation, equipping and furnishing improvements located in San Diego, consisting of a two-story commercial office building with approximately 18,000 square feet of space. Sam Balisey stated this project will help expand their facility for conferences.

Motion: Board Member Mather Kearney made the motion to approve Resolution No. 17-109. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

3. Approve Resolution No. 17-110 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Improvement and Equipping of Facilities for the Benefit of DesertArc and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Helen briefed the Board that DesertArc is a 501(c)(3) non-profit organization, founded in Palm Desert, in 1959 by a group of parents who wanted to expand the horizons of their developmentally disabled children's lives with educational programs and recreational services. DesertArc serves over 600 clients that are adults who are 18 and older with developmental disabilities. DesertArc, requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$4,000,000 dollars for the purpose of refinancing the acquisition of the real property and improvements located in Palm Desert. Sam Balisey stated this is a great project and cause and the borrower is needing to expand.

Motion: *Board Member Kevin Ham made the motion to approve Resolution No. 17-110. Board Member Carrie Rogers seconded the motion on the floor.*

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

4. Approve Resolution No. 17-111 Approving Associate Membership of the City of Sunnyvale in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to Said Associate Memberships.
5. Approve Resolution No. 17-112 Approving Associate Membership of the City of Ukiah in the California Enterprise Development Authority and the Execution of Associate Membership Agreements Relating to Said Associate Memberships.

Motion: *Board Member Mather Kearney made the motion to approve Resolution No. 's 17-111 – 17-112. Board Member Margaret Silveira seconded the motion on the floor.*

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

6. Approve Resolution No. 17-113 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Sunnyvale.
7. Approve Resolution No. 17-114 of the California Enterprise Development Authority Declaring Intention to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements in the City of Ukiah.

Motion: Board Member Margaret Silveira made the motion to approve Resolution No.'s 17-113 – 17-114. Board Member Kevin Ham seconded the motion on the floor.

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Board Chair, Gurbax Sahota opened and closed the Public Hearing.

Public Hearing (Action Items 8 through 14)

8. Approve Resolution No. 17-115 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Citrus Heights.
9. Approve Resolution No. 17-116 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Upland.

Discussion: Gurbax stated the Cities of Citrus Heights and Upland did not approve seismic retrofits and electric vehicle charging infrastructure.

Motion: Board Member Carrie Rogers made the motion to approve Resolution No.'s 17-115 – 17-116. Board Member Mather Kearney seconded the motion on the floor.

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

10. Approve Resolution No. 17-117 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Jackson.

11. Approve Resolution No. 17-118 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Martinez.
12. Approve Resolution No. 17-119 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of San Francisco.
13. Approve Resolution No. 17-120 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Santa Monica.
14. Approve Resolution No. 17-121 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the County of San Joaquin.

Discussion: Gurbax stated the following municipalities had approved seismic retrofits and electric vehicle charging infrastructure.

Motion: *Board Member Kevin Ham made the motion to approve Resolution No. 's 17-117 – 17-121. Board Member Aaron Laurel seconded the motion on the floor.*

The motion passed with the following roll call vote:

Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

15. Approve contributions to support economic development:
 - a. \$5,000 to the Academy memorial scholarship designated for the CALED Conference.
 - b. \$1,000 to the Council of Development Finance Agencies for the Caren S. Franzini Fellowship.

Discussion: Helen briefed the Board that the \$5,000 contribution to the Academy shall be allocated to the memorial scholarship program designated for the CALED annual conference. Since each year, CEDA provides \$5,000 in scholarships to the conference; however, it will be more efficient for the Academy to distribute ten scholarships to CEDA members on CEDA's behalf. Helen stated the contribution to the Council of Financing Agencies (CFA) supports the Caren S. Franzini Fellowship which was created to build leadership positions for women in the field of development finance and to inspire them to embody Caren's spirit and professionalism.

Motion: *Board Member Margaret Silveira made the motion to approve contributions to support economic development. Board Member Carrie Rogers seconded the motion on the floor.*

The motion passed with the following roll call vote:

Keith Boggs	Abstained
Kevin Ham	Aye
Mather Kearney	Aye
Aaron Laurel	Aye
Carrie Rogers	Aye
Gurbax Sahota	Aye
Margaret Silveira	Aye

Public Comment

Chair Report

Helen stated there will be a meeting on December 14th, 2017.

PACE Report

Other Business

Adjournment

Motion: *Board Member Keith Boggs made the motion to adjourn the meeting. Board Member Margaret Silveira seconded the motion on the floor. Board Chair Gurbax Sahota adjourned the meeting at 10: 58 am by voice vote.*

Staff Report

Action Requested	Approve Resolution No. 17-122 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement Changing Certain Terms and Conditions of a Loan Made for the Benefit of Guide Dogs for the Blind, Inc. and Authorizing the Execution of Certain Documents Herein Specified.
Borrower(s)	Guide Dogs for the Blind, Inc.
Borrower Description	<p>Since 1942, Guide Dogs for the Blind, Inc. has been creating partnerships between people, dogs, and communities. The organization has been located in its present location in San Rafael since 1947. With exceptional client services and a robust network of instructors, puppy raisers, donors, and volunteers, Guide Dogs for the Blind prepares highly-qualified guide dogs to serve and empower individuals who are blind or have low vision from throughout the United States and Canada. As part of the guide dog program, future owners stay at the campus and work with the organization's expert staff in building a partnership with the guide dog. All of the services are provided to clients free of charge, including personalized training and extensive post-graduation support, plus financial assistance for veterinary care, if needed. The services are made possible through support of donors and volunteers without any government funding. Guide Dogs for the Blind completed a financing with the Authority in December 2016 for \$29,600,000 to refinance existing debt obligations and finance construction and related costs for its comprehensive puppy center at its San Rafael Campus.</p> <p>Web site: http://www.guidedogs.com/</p> <p>Guide Dogs for the Blind, Inc. requests the Authority to enter into a First Amendment to the Loan Agreement, dated as of December 1, 2016, to issue an additional tax-exempt issuer loan obligation in an amount not to exceed \$4,000,000, the proceeds of which will be used to finance their San Rafael Campus facilities.</p>
Public Benefits	This loan will assist the Borrower to finance its facilities. The facilities provide significant benefits to the residents of the County and surrounding communities by enhancing Guide Dogs for the Blind's mission of empowering lives by creating exceptional partnerships between people, dogs and communities.
Eligibility and Policy Review	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of Resolution No. 17-122 of the California Enterprise Development Authority Authorizing and Approving an Amendment to a Loan Agreement Changing Certain Terms and Conditions of a Loan Made for the Benefit of Guide Dogs for the Blind, Inc. and Authorizing the Execution of Certain Documents Herein Specified.

RESOLUTION NO. 17-122

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING AN AMENDMENT TO A LOAN AGREEMENT CHANGING CERTAIN TERMS AND CONDITIONS OF A LOAN MADE FOR THE BENEFIT OF GUIDE DOGS FOR THE BLIND, INC. AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

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

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

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

WHEREAS, the County of Marin (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, on December 8, 2016, the Authority adopted Resolution No. 16-133 approving two tax-exempt loans from First Republic Bank (the “Lender”) to the Authority in an aggregate principal amount not to exceed \$29,600,000 (collectively, the “Issuer Loan Obligations”) and loan the proceeds of the Issuer Loan Obligations (the “Borrower Loans”) to Guide Dogs for the Blind, Inc., a California nonprofit public benefit corporation (the “Borrower”), for the purpose of (1) refinancing existing debt obligations of the Borrower incurred to pay the costs for the acquisition, construction, renovation, equipping and furnishing of client dormitory and other capital facilities located at 350 Los Ranchitos Road, San Rafael, California 94903 (the “San Rafael Campus”); (2) financing the cost of construction, installation, equipping and furnishing of an approximately 26,600 square foot comprehensive puppy center at the San Rafael Campus to enhance the Borrower’s breeding, whelping, socialization and training

facilities (collectively the “Facilities”); and (3) paying certain costs of issuance in connection with such financing and refinancing (collectively, the “Project”); and

WHEREAS, pursuant to Resolution No. 16-133, the Authority, the Borrower and the Lender entered into that certain Loan Agreement, dated as of December 1, 2016 (the “Loan Agreement”), pursuant to which the Lender made the Issuer Loan Obligations to the Authority and the Authority made the Borrower Loans to the Borrower for the purpose of, among other things, undertaking the Project; and

WHEREAS, the Borrower and the Lender desire to make certain changes to the Loan Agreement, and have requested that the Authority enter into that certain First Amendment to Loan Agreement (as defined herein), to among other things, increase the aggregate principal amount of the Issuer Loan Obligations by issuing an additional tax-exempt issuer loan obligation in an amount not to exceed \$4,000,000 (the “Series C Issuer Loan Obligation”) and by lending the proceeds of the Series C Issuer Loan Obligation to the Borrower (the “Series C Borrower Loan”); and

WHEREAS, the proceeds of the Series C Borrower Loan will be used to finance the Facilities; and

WHEREAS, proposed forms of the First Amendment to Loan Agreement, by and among the Lender, the Authority and the Borrower (the “First Amendment”) and the First Amendment to Assignment Agreement, between the Authority and the Lender (the “First Amendment to Assignment Agreement”) have been placed on file with the Authority prior to this meeting; and

WHEREAS, the Facilities provide significant benefits to the residents of the County and surrounding communities by enhancing the Borrower’s mission of empowering lives by creating exceptional partnerships between people, dogs and communities and, based on representations of the Borrower, the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; 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; and

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

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority, as follows:

Section 1. The Authority finds that it is in the public interest to assist the Borrower in providing additional financing for the Facilities.

Section 2. The proposed form of the First Amendment, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and,

collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of the First Amendment to Assignment Agreement, by and between among the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. 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 First Amendment to 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 may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Authorized Signatories, each acting alone, are hereby authorized and directed to execute all documents, certificates and instruments necessary or appropriate to accomplish the purposes of this Resolution, including, without limitation, a tax regulatory agreement, which they or special counsel may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 5. All actions heretofore taken by the officers and employees of the Authority with respect to the First Amendment are hereby approved, confirmed and ratified, and the officers and employees of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to effectuate the purposes of this Resolution.

Section 6. 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 7. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Series C Issuer Loan Obligation pursuant to Section 147(f) of the Code.

Section 8. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 14th day of December, 2017.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on December 14, 2017.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution No. 17-123 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Installation, Renovation, Rehabilitation, Improvement and Equipping of Facilities for the Benefit of Marin Horizon School Incorporated and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Marin Horizon School
Borrower Description	<p>The Marin Horizon School Incorporated, a 501(c)(3) was founded as a Montessori-inspired preschool in 1977 by a group of parents and faculty. By adding grades each year, the school graduated its first class in 1987 with just 3 students. Currently, the school has more than 300 students with multiple campuses located in Mill Valley. The Marin Horizon School's program has grown to incorporate other educational approaches that complement their Montessori foundation. Most classes serve multi-age groups of students that enhance the learning process for both older and younger students. The curriculum is strongly multi-cultural and interdisciplinary where Arts, Music and Drama are often integrated into cultural studies and have an important place in the program. Other programs include Physical Education, Athletics, Environmental & Outdoor Education, Service Learning, and a Student Exchange Program.</p> <p>Web site: https://www.marinhorizon.org/page</p> <p>Marin Horizon School Incorporated, a California nonprofit public benefit corporation has submitted an application requesting the Authority to make one or more loans in the aggregate principal amount not to exceed \$7,000,000 for the purpose of financing and refinancing the cost of the acquisition, construction, installation, renovation, rehabilitation, improvement and equipping of educational and administrative facilities located in Mill Valley. These facilities consist of a new two-story 4,400 square foot building which will replace portable structures and house a new library, classrooms and other educational facilities, and a new one-story 5,700 square foot building which will serve as a multi-purpose building for school community meetings, art activities, lunch room space and other uses, improvements to outdoor fields, play areas and landscaping, the Headmaster's house and other administrative property.</p>
Public Benefits	This tax-exempt financing will assist the Marin Horizon School to finance and refinance costs of the school's facilities and will result in demonstrable savings in effective interest rate.
TEFRA Hearing	A public hearing was held by the County of Marin on December 10, 2017.
Eligibility and Policy Review	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.

Recommendation	Staff recommends approval of Resolution No. 17-123 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of the Acquisition, Construction, Installation, Renovation, Rehabilitation, Improvement and Equipping of Facilities for the Benefit of Marin Horizon School Incorporated and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
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RESOLUTION NO. 17-123

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, RENOVATION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF FACILITIES FOR THE BENEFIT OF MARIN HORIZON SCHOOL INCORPORATED AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

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

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

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

WHEREAS, the County of Marin (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 Marin Horizon School Incorporated, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the “Borrower Loan”) in the aggregate principal amount not to exceed \$7,000,000 to the Borrower for the purpose of (a) financing and refinancing the cost of the acquisition, construction, installation, renovation, rehabilitation, improvement and equipping of educational and administrative facilities located at 260, 305 and 341 Montford Avenue, Mill Valley, California 94941 consisting of (i) a new two-story 4,400

square foot building which will replace portable structures and house a new library, classrooms and other educational facilities, and (ii) a new one-story 5,700 square foot building which will serve as a multi-purpose building for school community meetings, art activities, lunch room space and other uses, (iii) improvements to outdoor fields, play areas and landscaping, (iv) the Headmaster's house and (v) other administrative property (collectively, the "Facilities"); and (b) paying certain costs of issuing the Loans (as defined herein); and

WHEREAS, the Authority intends to use the proceeds of one or more taxable or tax-exempt loans from First Republic Bank, a California state-chartered banking corporation, or its successor (the "Lender"), to the Authority (collectively, the "Authority Loan"; together with the Borrower Loan, collectively, the "Loans") to make the Borrower Loan; and

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

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

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

(c) A proposed form of Assignment Agreement, relating to the leasehold interest in the real property located at 305 Montford Avenue, Mill Valley, California 94530 (the "Leasehold Assignment Agreement"); and

WHEREAS, the Facilities provide significant benefits to the residents of the County and surrounding community through the educational services provided by the Borrower, the financing and refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority, as follows:

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

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

Section 3. The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and,

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

Section 4. The proposed forms of the Assignment Agreement and the Leasehold Assignment Agreement, each by and between the Authority and the Lender, on file with the Secretary of the Authority, are hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement and the Leasehold Assignment Agreement in substantially the forms filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement and the Leasehold Assignment Agreement.

Section 5. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$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 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and

agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 8. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

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

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

PASSED AND ADOPTED this 14th day of December, 2017.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on December 14, 2017.

Helen Schaubmayer, Assistant Secretary

Staff Report

Action Requested	Approve Resolution No. 17-124 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 Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping, Renovation and Expansion of Facilities for the Benefit of Sonoma Country Day School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Sonoma Country Day School
Borrower Description	<p>The Sonoma Country Day School (SCDS), a 501(c)(3), was founded in 1983 and is located in northern Santa Rosa with 295 students and 35 full-time faculty. The Sonoma Country Day School is a fully-accredited, independent TK (transitional Kindergarten) through 8th grade college preparatory school that offers a challenging academic program rich in fine and performing arts, music, world languages, and social and emotional learning.</p> <p>Web site: https://www.scds.org/page</p> <p>Sonoma Country Day School requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$16,000,000 for the purpose of refunding the ABAG Finance Authority for Nonprofit Corporations Educational Facilities Refunding Revenue Bonds, Series 2015 (Sonoma Country Day School), the proceeds of which were used to finance or refinance the cost of the acquisition, construction, improvement, equipping, renovation and expansion of the Borrower's educational facilities on its campus located in Santa Rosa, California; and paying certain costs of issuing the Loans.</p>
Public Benefits	This tax-exempt financing will assist the Facilities provide significant benefits to the residents of the County and surrounding community through the educational services provided by the Sonoma Country Day School, the refinancing of the Facilities will result in demonstrable savings in effective interest rate.
Eligibility and Policy Review	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.

Recommendation	Staff Recommends Approval of Resolution No. 17-124 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 Refinancing the Cost of the Acquisition, Construction, Improvement, Equipping, Renovation and Expansion of Facilities for the Benefit of Sonoma Country Day School and/or a Related or Successor Entity; Providing the Terms and Conditions For Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
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RESOLUTION NO. 17-124

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, EQUIPPING, RENOVATION AND EXPANSION OF FACILITIES FOR THE BENEFIT OF SONOMA COUNTRY DAY SCHOOL AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

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

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

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

WHEREAS, the County of Sonoma (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 Sonoma Country Day School, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the “Borrower Loan”) in the aggregate principal amount not to exceed \$16,000,000 to the Borrower for the purpose of (a) refunding the ABAG Finance Authority for Nonprofit Corporations Educational Facilities Refunding Revenue Bonds, Series 2015 (Sonoma Country Day School), the proceeds of which were used to finance or refinance the cost of the acquisition, construction, improvement, equipping, renovation and expansion of the Borrower’s educational facilities on its campus located at 4400 Day School

Place, Santa Rosa, California 95403 (the “Facilities”); and (b) paying certain costs of issuing the Loans (as defined herein); and

WHEREAS, the Authority intends to use the proceeds of one or more taxable or tax-exempt loans from First Republic Bank, a California state-chartered banking corporation, or its successor (the “Lender”), to the Authority (collectively, the “Authority Loan”; together with the Borrower Loan, collectively, the “Loans”) to make the Borrower Loan; and

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

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

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

WHEREAS,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority, as follows:

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

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

Section 3. The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

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

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

Section 5. The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$16,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

Section 8. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

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

PASSED AND ADOPTED this 14th day of December, 2017.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

Attest:

By _____
Helen Schaubmayer, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on December 14, 2017.

Helen Schaubmayer, Assistant Secretary

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Date: December 14, 2017

To: Board of Directors

From: CALED Staff

Subject: Formation of Assessment District in connection with the FIGTREE PACE Program in the Cities of Azusa, Claremont, Morro Bay, Mount Shasta, Nevada City, Petaluma, and Plymouth and confirming related Program Report.

RECOMMENDATION

Approve Resolution No. 17-125 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Azusa.

Approve Resolution No. 17-126 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Claremont.

Approve Resolution No. 17-127 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Morro Bay.

Approve Resolution No. 17-128 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Mount Shasta.

Approve Resolution No. 17-129 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Nevada City.

Approve Resolution No. 17-130 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions in the City of Petaluma.

Approve Resolution No. 17-131 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy, Energy Efficiency, Seismic Retrofits, Electric Vehicle Charging Infrastructure, and Water Efficiency Improvements; Confirming Assessments to be Levied Within the Parameters of the Report; and Taking Certain Other Actions of the City of Plymouth.

FISCAL IMPACT

There are no fiscal impacts to the California Enterprise Development Authority from the adoption of the attached resolutions.

INTRODUCTION

On Thursday, November 2nd, 2017, the Board of Directors approved Resolutions of Intention for the Cities of Claremont, Morro Bay, Mount Shasta, Nevada City, and Plymouth.

On Thursday, November 9th, 2017, the Board of Directors approved Resolutions of Intention for the Cities of Azusa and Petaluma.

These Resolutions declared its intent to include the jurisdictions of the participating member entities in an energy and water efficiency district. The resolutions among other things, briefly described the proposed arrangements for funding the FIGTREE PACE Program and directed Dividend Finance, LLC, the Program Administrator, to prepare a report as required by AB 811. Subsequently, December 14th, 2017 was set as the date for a public hearing on the Program.

The proposed Resolutions for each public entity are the final step in a two-step process necessary for the implementation of the FIGTREE PACE Program in participating member jurisdictions.

BACKGROUND

The resolutions passed by CEDA declaring its intent also directed the program administrator to prepare and file with the CEDA board a Program report that complies with AB 811. AB 811 requires the report to provide all of the following:

1. A map showing the boundaries of the territories within which contractual assessments are proposed to be offered.
2. A draft contract specifying the terms and conditions that would be agreed upon by a property owner and the California Enterprise Development Authority.
3. A statement of CEDA policies concerning contractual assessments including all of the following:
 - a. Identification of types of facilities, distributed generation renewable energy sources, or energy efficiency improvements that may be financed through the use of contractual assessments.
 - b. Identification of the CEDA official authorized to enter into contractual assessments on behalf of the member jurisdiction.
 - c. A maximum aggregate dollar amount of contractual assessments.
 - d. 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.
 - e. Description of criteria for determining the underwriting requirements.
 - f. Safeguards that will be used to ensure that the total annual property taxes and assessments on the property will not exceed 5 percent of the property's market value.
4. A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments, including a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment; and 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.
5. A report on the results of the consultations with the County Auditor-Controller's Office of each participating member jurisdiction regarding the additional fees that will be charged to the participating property owner for incorporating the proposed contractual assessments into the assessments of general taxes of the county on real property, and a plan for financing the payment of those fees.

The program report was prepared and filed as required.

Pursuant to AB 811, CEDA provided notice of the public hearing by publishing a notice once a week for two weeks in regional publications of participating members.

CONCLUSION

Adoption of these Resolutions is the final step required by CEDA in the required assessment district proceedings. At the conclusion of adopting these Resolutions, the Program will commence accepting applications for the provision of financing for participating property owners. Once a sufficient number of property owners have entered the Program, staff will bring before the board for approval the terms of the financing of the assessment districts.

RESOLUTION 17-125

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF AZUSA

WHEREAS, on November 9, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the "City"); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Azusa;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-126

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF CLAREMONT

WHEREAS, on November 2, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the "City"); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Claremont;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-127

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF MORRO BAY

WHEREAS, on November 2, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the “City”); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Morro Bay;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-128

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF MOUNT SHASTA

WHEREAS, on November 2, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the “City”); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Mount Shasta;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-129

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF NEVADA CITY

WHEREAS, on November 2, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the "City"); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Nevada City;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-130

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF PETALUMA

WHEREAS, on November 9, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the "City"); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Petaluma;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary

RESOLUTION 17-131

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION WITH AND CONFIRMING THE REPORT REGARDING THE ESTABLISHMENT OF A CONTRACTUAL ASSESSMENT PROGRAM TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY, ENERGY EFFICIENCY, SEISMIC RETROFITS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND WATER EFFICIENCY IMPROVEMENTS; CONFIRMING ASSESSMENTS TO BE LEVIED WITHIN THE PARAMETERS OF THE REPORT; AND TAKING CERTAIN OTHER ACTIONS

CITY OF PLYMOUTH

WHEREAS, on November 2, 2017, the Board of Directors (the “Board of Directors”) of the California Enterprise Development Authority (“CEDA”), a joint powers financing agency organized and existing pursuant to the Marks Roos Local Bond Pooling Act, adopted the resolution declaring its intention to order the implementation of a contractual assessment program to finance the installation of distributed generation renewable energy, energy efficiency, seismic retrofits, electric vehicle charging infrastructure, and water efficiency improvements (the “resolution of intention”) pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “Act”); and

WHEREAS, Chapter 29 authorizes CEDA to enter into contractual assessments to finance the installation of Authorized Improvements in the City of San Francisco (the “City”); and

WHEREAS, the Resolution of Intention directed Dividend Finance, LLC (the “Program Administrator”) to prepare and file with the Board of Directors a report (the “Report”) in accordance with Section 5898.22 of the Act and the Program Administrator has filed said Report with the Board of Directors; and

WHEREAS, the Resolution of Intention set the time and place for a hearing on the proposed Figtree Property Assessed Clean Energy Program (“PACE Program”) described in the Report; and

WHEREAS, the Resolution of Intention described the proposed arrangements for funding which may include bonds, notes or other forms of indebtedness. Indebtedness issued pursuant to the Act will be repaid by voluntary contractual assessments; and

WHEREAS, on December 14, 2017, following notice duly given in accordance with law, the Board of Directors held a full and fair public hearing on the Report, and matters relating thereto, at which interested persons were afforded the opportunity to comment upon, object to, or present evidence with regard to the proposed Figtree PACE Program or any of its particulars, including the extent of the area proposed to be included within PACE Program, the terms and conditions of the draft contract with landowners (as further described herein, the “Assessment Contract”) assessment, and the proposed financing provisions; and

WHEREAS, the Report sets forth each of the items required to be contained therein pursuant to Section 5898.22 of the Act; and

WHEREAS, the Board of Directors, having considered all oral and written testimony, desires to confirm the Report and proceed with the establishment of the Figtree PACE Program in the City of Plymouth;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The recitals set forth hereinabove are true and correct in all respects.

Section 2. The Board of Directors finds and determines that all actions required to be taken and all conditions required to be satisfied prior to action by the Board of Directors pursuant to law, including the Act, have been taken and satisfied.

Section 3. The Board of Directors hereby confirms the Report and approves the formation of the contractual assessment program in connection with the PACE Program. The Board of Directors also confirms the levy of assessments for the financed amount of the improvements and approves a cost recovery annual administrative assessment to be added to the annual levy within the parameters of the Report. The Board of Directors directs the establishment of the PACE Program and the implementation thereof as provided in the Report and in accordance with the applicable law.

Section 4. The Program Administrator is directed to cause to be recorded in the office of the County Recorder in which a participating property resides, concurrently with the instrument creating the voluntary contractual assessment, a document entitled "Payment of Contractual Assessment Required" pursuant to Section 5898.24(d) of the Act. The County Recorder shall only be responsible for examining such document and determining that it contains the information required by Section 5898.24(d)(2)(A), (E) and (F) of the Act and for indexing the document under the names of the persons and entities identified in Section 5898.24(d)(2)(A) and (E) of the Act. The County Recorder shall not examine any other information contained in such document.

Section 5. The Board of Directors hereby designates the Program Administrator as the office responsible for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment and directs the Program Administrator to establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment; provided that neither the Program Administrator nor the Board of Directors shall be liable if any estimate of future voluntary contractual assessment liability is inaccurate or for any failure of any seller to request notice pursuant to the Act or to provide the notice to a buyer.

Section 6. The Program Administrator is hereby authorized and directed to do all acts and things which may be required of him by this Resolution, or which may be necessary or desirable in carrying out the PACE Program as described in the Report, and all matters incidental

thereto, including without limitation, to make clarifying changes to the Report; after consulting with Counsel, to modify the draft application and the draft Assessment Contract set forth in the Report; and to modify the schedule of eligible improvements attached to the Report as deemed necessary or desirable.

Section 7. This Resolution shall be effective upon its adoption by the Board of Directors.

The foregoing Resolution was on the 14th day of December 2017, adopted by the Board of Directors of the California Enterprise Development Authority.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Helen Schaubmayer, Assistant Secretary



**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016**

**JAMES MARTA & COMPANY LLP
701 HOWE AVENUE, E3
SACRAMENTO, CA**

**(916) 993-9494
(916) 993-9489 FAX**

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

JUNE 30, 2017

BOARD OF DIRECTORS

Gurbax Sahota	Chair
Kevin Ham	Vice Chair
Bruce Stenslie	Treasurer
Carrie Rogers	Secretary
Jason Crawford	Member
Mike Dozier	Member
Mike Nuby	Member

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Enterprise Development Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying statement of net position of California Enterprise Development Authority (the Authority) as of June 30, 2017 and 2016 and the related statement of revenues, expenses and changes in net position, statement of cash flows, statement of fiduciary cash receipts and disbursements and related notes to the financial statements for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America and cash basis for the fiduciary activities as described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of California Enterprise Development Authority as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America as well as the fiduciary cash receipts and disbursements in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

As further described in Note 1 to the financial statements, the fiduciary activities related to the residential PACE program are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

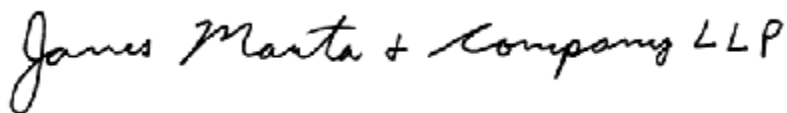
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of California Enterprise Development Authority's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California Enterprise Development Authority internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017 AND 2016

Overview

This section of the California Enterprise Development Authority (CEDA) annual financial report presents management's discussion and analysis of its financial performance during the fiscal year that ended on June 30, 2017. It is being provided for the purpose of enhancing the information in the financial audit and should be reviewed in concert with that report.

CEDA is a joint powers authority created in 2006. The Authority has a governing Board of seven members who comprise the Executive Committee of the California Association for Local Economic Development (CALED) and the President/CEO of CALED. Public agency members of CEDA join to facilitate the issuance of private activity bonds for the purpose of economic and community development.

Guiding Principles for Budget Development

CEDA prepares a budget using the following principles to align its financial resources with its mission and organizational priorities:

- CEDA's financial and administrative activities are governed by means of a Management Agreement with CALED.
- Programs and services are funded within the limits of fee revenue derived from bond issuance.
- Two reserve funds (operating budget and legal) are budgeted and shown in the adopted budget. At the end of the year, excess funds may be committed to the reserves.

Financial Highlights

In 2016-17, CEDA issued 33 bonds for a total of \$617,760,129. This is much higher than in 2015-16 which saw a total dollar amount of authorized bonds at \$113,606,718 and 14 deals closed. Fee Revenues were strong this year and higher than the previous year with \$977,491 in 2016-17 versus \$312,691 in 2015-16 due to over twice the number of deals closed, higher issuance fees (from larger-sized deals), increased total annual fee revenue as a result of more deals approved and outstanding, as well as PACE assessments and the PACE management fee.

The increased management fee paid to CALED (\$200,000), that was approved by the CEDA board in 2016-17, increased from the \$168,000 that was approved in 2015-16. On June 23, 2016, the Board adopted the action to cap the legal reserve to \$300,000 and adopted a policy that the operating reserve would match the Management Fee. Reserves are currently fully funded.

The success of CEDA's conduit-bond issuances is best seen in the contributions made to economic development. CEDA was formed in 2006 with the specific mission of supporting economic development in California. CEDA's contributions help economic developers attend training events and further support economic development. Due to CEDA's strong year in revenues, additional contributions to economic development were approved by the CEDA Board on June 8, 2017 to be directed to CALED and the California Academy for Economic Development, combined totaling \$300,000, bringing CEDA's total contribution to economic development at \$341,143.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017 AND 2016

At the end of June 2017, net position was \$1,033,872 compared to \$674,548 in June 2016, which is further evidence of CEDA's success and increased viability in 2017.

Condensed Statement of Net Position

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 1,039,693	\$ 677,920	\$ 683,538
Current Liabilities	<u>5,821</u>	<u>3,372</u>	<u>32,734</u>
Net Position, unrestricted	<u>\$ 1,033,872</u>	<u>\$ 674,548</u>	<u>\$ 650,804</u>

Condensed Statement of Activities

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues	\$ 977,648	\$ 312,835	\$ 263,260
Expenses	<u>618,324</u>	<u>289,091</u>	<u>224,812</u>
Change in Net Position	<u>\$ 359,324</u>	<u>\$ 23,744</u>	<u>\$ 38,448</u>

Economic Factors Affecting the Future

Primary sources of revenue are derived from application, issuance, annual fees and PACE management fees. Primary expenditures are the Management Agreement with CALED, various direct expenses (such as travel), and contributions of excess funds to CALED for economic development purposes.

The Authority had a very successful year due to an improved economy enabling organizations to consider expansion of their operations, key partnerships that are promoting the Authority within their sphere of influence thus bringing more projects to the Issuer. It is expected that this shall continue in the coming year, but external forces, such as legislation and economic trends, and their impact to the Private Activity Bond market must continue to be monitored. Of primary concern is the House Tax Reform proposal, presented in November 2017, which includes the elimination of Private Activity Bonds. Should this pass, CEDA would directly be impacted and could no longer issue tax-exempt bonds.

Non-Profit 501(c)(3) bonds continued to drive CEDA's growth this past year and likely will continue to make up the majority of issuances in the coming fiscal year. These deals are a combination of new projects and refinances.

Two industrial development bonds (IDBs) were issued in the 2016-17 fiscal year, compared to none being issued in the 2015-16 fiscal year. CEDA continues to market this financing tool which supports growth in the statewide manufacturing industry.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017 AND 2016

The California PACE program has expanded to include residential PACE starting in early 2017 and is anticipated to become a notable component of CEDA's bond portfolio in the coming years. Bonding of residential PACE projects will not begin until fiscal year 2017-18, but there was activity on the commercial PACE side this fiscal year. In 2016-17, CEDA issued approximately \$2.3 million in commercial PACE bonds, lower in comparison to \$3.5 million in 2015-16.

BASIC FINANCIAL STATEMENTS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF NET POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,015,051	\$ 623,689
Accounts receivable	23,875	3,000
Prepaid expenses	<u>767</u>	<u>51,231</u>
Total assets	<u>1,039,693</u>	<u>677,920</u>
LIABILITIES		
Current Liabilities		
Due to affiliated entity	3,321	3,372
Unearned revenue	<u>2,500</u>	<u>-</u>
Total liabilities	<u>5,821</u>	<u>3,372</u>
NET POSITION		
Unrestricted	<u>\$ 1,033,872</u>	<u>\$ 674,548</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Fee revenues	\$ 977,491	\$ 312,691
Total operating revenues	<u>977,491</u>	<u>312,691</u>
OPERATING EXPENSES		
Management fees	200,000	168,000
Contribution to economic development	322,500	13,500
Contribution to CALED	18,643	68,719
Direct program expenses	<u>77,181</u>	<u>38,872</u>
Total operating expenses	<u>618,324</u>	<u>289,091</u>
Operating income	359,167	23,600
NONOPERATING REVENUES		
Investment income	<u>157</u>	<u>144</u>
Change in net position	359,324	23,744
Net position, July 1	<u>674,548</u>	<u>650,804</u>
Net position, June 30	<u><u>\$ 1,033,872</u></u>	<u><u>\$ 674,548</u></u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash receipts from fees charged	\$ 959,116	\$ 309,691
Cash receipts (payments) from deposits held	-	(28,000)
Cash paid for management fees and economic development	(541,194)	(251,581)
Cash paid for direct program expenses	<u>(26,717)</u>	<u>(40,836)</u>
Net cash provided (used) by operating activities	<u>391,205</u>	<u>(10,726)</u>
Cash flows from investing activities:		
Interest income received	<u>157</u>	<u>144</u>
Increase (decrease) in cash	391,362	(10,582)
Beginning cash and cash equivalents	<u>623,689</u>	<u>634,271</u>
Ending cash and cash equivalents	<u><u>\$ 1,015,051</u></u>	<u><u>\$ 623,689</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 359,167	\$ 23,600
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts receivable	(20,875)	(3,000)
Prepaid expenses	50,464	(1,964)
Increase (decrease) in:		
Due to affiliated entities	(51)	(1,362)
Unearned revenues	2,500	-
Performance deposits	<u>-</u>	<u>(28,000)</u>
Net cash provided by operating activities	<u><u>\$ 391,205</u></u>	<u><u>\$ (10,726)</u></u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENT OF FIDUCIARY CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

Residential PACE Program Activity		
	<u>2017</u>	<u>2016</u>
Cash Receipts		
PACE funding	\$ 291,477	\$ -
Reimbursed expenses	\$ 15,379	
Prefund deposit	<u>2,500</u>	<u>-</u>
Total additions	<u>309,356</u>	<u>-</u>
 Cash Disbursements		
Project expenses	279,660	-
Bank fees	<u>15,379</u>	<u>-</u>
Total deductions	<u>295,039</u>	<u>-</u>
 Change in net position	14,317	-
 Cash - beginning	<u>-</u>	<u>-</u>
 Cash - ending	<u><u>\$ 14,317</u></u>	<u><u>\$ -</u></u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

California Enterprise Development Authority (the "Authority") is a joint powers agency formed on June 1, 2006 pursuant to the provisions of Title I, Division 7, Chapter 5, Article I of the Government Code of the State of California. The purpose of the Authority is to assist the members, for-profit and non-profit organizations located within the jurisdictions of the members in financing industrial and commercial development projects and other public purpose projects.

The Authority issues conduit debt for the express purpose of providing capital financing for a specific third party that is not part of the Authority's financial reporting entity. Although the conduit debt obligations may bear the name of California Enterprise Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or a loan with the third party on whose behalf they are issued.

Property Assessed Clean Energy (PACE) Program

During fiscal year 2016/17, CEDA implemented a residential property assessed clean energy (PACE) program in addition to commercial PACE already in its portfolio. PACE is a mechanism for financing energy efficiency and renewable energy improvements on properties. Under Assembly Bill 811, California property owners in special assessment districts may enter into voluntary contractual assessments against their properties, to finance a range of authorized energy and water efficiency products and improvements.

In partnership with Dividend Finance/Figtree Financing, CEDA offers PACE funding to property owners to amortize payments for eligible improvements for up to 20 years with long term, low interest rate loans and no money down, repaid as a line-item on the property owner's annual property tax bill. On behalf of Dividend Finance/Figtree Financing's clients, CEDA issues multi-jurisdictional bonds that generate private capital for PACE commercial property improvement projects and bonds to take out loans to finance residential property projects.

CEDA has contracted with Dividend Finance/Figtree Financing to provide program administration for the PACE program for both commercial and residential components. The current agreement calls for Dividend Finance/Figtree Financing to pay CEDA an annual fee of \$75,000 to reimburse the Authority for administrative and overhead costs.

Since these funds are controlled by a third party and not by CEDA, the Authority has elected to use the cash basis of accounting as described in Note 1.B.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

B. BASIS OF ACCOUNTING

The Authority is accounted for as an enterprise fund and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority include application, issuance and annual fees. Operating expenses of the Authority include the cost of providing the services, administrative expenses and management fees. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

Fiduciary Funds – Cash Basis

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority uses a fiduciary fund to account for the proceeds and expense associated with its Property Assessed Clean Energy (PACE) program. The fund activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's general operations. The fiduciary fund financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

C. CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

D. INCOME TAXES

The Authority is a tax-exempt corporation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2017 and 2016 consisted of the following:

	Governmental Activities		Fiduciary Activities	
	2017	2016	2017	2016
Cash in banks	<u>\$ 1,015,051</u>	<u>\$ 623,689</u>	<u>\$ 14,317</u>	<u>\$ -</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Cash and cash equivalents include deposits with financial institutions. As of June 30, 2017 and 2016, the Authority's balances per the bank of \$1,015,051 and \$682,952, respectively, are entirely insured or collateralized. Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts, by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by governmental units.

3. PERFORMANCE DEPOSIT

Any organization applying for Industrial Development Bonds is required to submit a performance deposit to the Authority equal to 0.5% of the amount of the Qualified Private Activity Bond Allocation being requested, not to exceed \$100,000. Upon issuance of the Bonds, the state notifies the Authority who returns the performance deposit to the applicant. As of June 30, 2017 and 2016, the Authority was holding \$0 and \$0, respectively, in performance deposits.

4. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2017 through November 30, 2017, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

5. RELATED PARTY TRANSACTIONS

The Joint Powers Agreement has designated California Association for Local Economic Development (CALED), a California nonprofit corporation, as the administrator and executor of the agreement. The agreement also designates the Executive Committee of the Board of Directors of CALED and the President of CALED as the Board of Directors of the Authority.

For the years ended June 30, 2017 and 2016, the Authority entered into a management agreement with CALED, an affiliated entity, for an annual fee of \$200,000 and \$168,000, respectively. CALED provides administrative oversight, office space and other related expenses and services under the management agreement.

As of June 30, 2017 and 2016, there was a balance due to CALED in the amount of \$3,321 and \$3,372, respectively, which represents expenses paid by CALED on behalf of the Authority.

6. CONDUIT DEBT OBLIGATIONS

The Authority has issued Industrial Development Bonds to provide financial assistance to organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the organization served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2017, the Authority had the following number of Conduit Bonds authorized, related authorized bond issue amount, related aggregate principal balance due as of June 30 and related fees charged:

Fiscal Year Ended June 30:	Number of Bonds Authorized	Dollar Amount of Bonds Authorized	Outstanding Principal Balance	Issuance Fees
2017	33	\$ 617,760,129	\$ 617,760,129	\$ 817,942
2016	14	\$ 113,606,718	108,011,990	\$ 199,665
2015	17	114,130,080	104,090,525	169,157
2014	16	209,824,479	127,388,007	208,162
2013	10	203,300,000	146,268,286	196,625
2012	4	70,650,000	47,750,543	65,625
2011	32	522,247,271	250,382,130	762,170
2010	7	82,184,455	30,945,137	147,886
2009	5	37,000,000	26,960,000	70,000
2008	13	188,192,839	80,321,143	292,715
2007	3	40,065,000	-	65,525
Totals	121	\$ 1,581,200,842	\$ 1,539,877,890	\$2,177,530



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
California Enterprise Development Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of California Enterprise Development Authority (the "Authority"), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

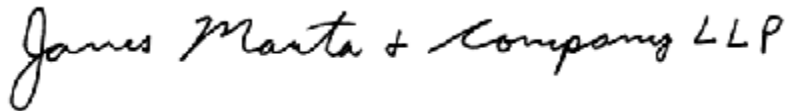
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Enterprise Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 30, 2017



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
California Enterprise Development Authority
Sacramento, California

We have audited the financial statements of the California Enterprise Development Authority (CEDA) for the years ended June 30, 2017 and 2016 and have issued our report thereon dated November 30, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated February 6, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of CEDA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted the majority of our audit consistent with the planned scope and timing we previously communicated to you. A change in the scope of the audit occurred as a result of the new Property Assessed Clean Energy (PACE) program implemented by the Authority and administered by a third party. This program and the related sources and uses of funds are reported as a fiduciary fund of the Authority.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CEDA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We are not aware of any significant estimates in the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the California Enterprise Development Authority's financial statements relate to the conduit debt obligations in Note 6 to the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We are not aware of any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We are not aware of any material misstatements as a result of our audit procedures. However, we did make audit adjustments identified by management as noted in attachment 1.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to California Enterprise Development Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 30, 2017.

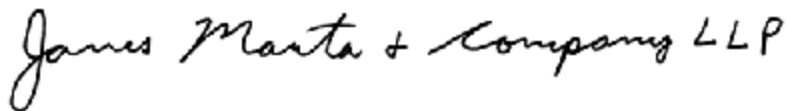
Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with California Enterprise Development Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the use of the Board of Directors and management of California Enterprise Development Authority and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 30, 2017

Attachment 1

Account	Description	W/P Ref	Debit	Credit	Indicative of Fraud?
Adjusting Journal Entries JE # 1					
To correct beginning equity balance for amounts posted to prior year in error.					
4000	Operating Revenue:Fee Revenues:Annual Fee	6110	2,500.00		
6020	Operating Expenses:Direct Expenses:Bank Fees		64.00		
7000	Operating Expenses:Direct Expenses:Office Expense		35.00		
3000	Retained Earnings			2,599.00	
Total			2,599.00	2,599.00	
Adjusting Journal Entries JE # 2					
To record issuance fee for Santa Barabara Student Housing Cooperative.					
1100	Accounts Receivable	7601 Row 5	14,625.00		
4040	Operating Revenue:Fee Revenues:Issuance Fees:Issuance Fee-Nonprofit			14,625.00	
Total			14,625.00	14,625.00	
Adjusting Journal Entries JE # 4					
To record PACE management agreement fee for June 2017.					
1100	Accounts Receivable	9310	6,250.00		
4085	PACE Program Management Fees			6,250.00	
Total			6,250.00	6,250.00	
Adjusting Journal Entries JE # 5					
to adjust for application fee posted to Five Star bank account in error					
4010	Operating Revenue:Fee Revenues:Application Fees	4112	1,500.00		
1010	Public Funds MMA			1,500.00	
Total			1,500.00	1,500.00	



MANAGEMENT REPRESENTATION LETTER

November 30, 2017

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the Statement of Financial Position, Statement of Activities, Statement of Cash Flows and statement of fiduciary cash receipts and disbursements of California Enterprise Development Authority (CEDA) as of June 30, 2017 and 2016 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of California Enterprise Development Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 30, 2017:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 6, 2017, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- All cash activity has been properly reflected in the fiduciary fund.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

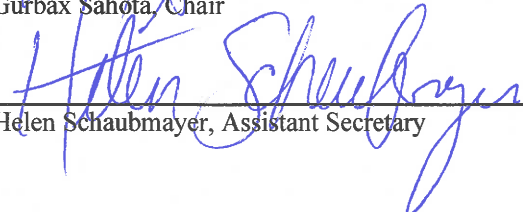
Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- California Enterprise Development Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which California Enterprise Development Authority is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- California Enterprise Development Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



 Gurbax Sahota, Chair



 Helen Schaubmayer, Assistant Secretary



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

To the Board of Directors
California Enterprise Development Authority
Sacramento, California

We have recently completed the audit of the financial statements of California Enterprise Development Authority (the "Authority") and have issued our report thereon dated November 30, 2017. In planning and performing our audit of your financial statements for year ended June 30, 2017, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we are following up on items noted in the June 30, 2016 audit. This letter does not affect our report dated November 30, 2017 on the financial statements of the Authority.

Current Year Recommendations

2017-1 – Accounts Receivable

There was one issuance fee for \$14,625 for bonds issued in June 2017 that was not recorded until August 2017. We posted adjustment to accrue receivable in 2016/17.

Management Response:

Although this financing closed in June, we did not receive the payment until August and the bookkeeper did not realize the wire transfer was for 16-17. We are instituting a new policy whereby project invoices will be created in Quickbooks for the day of closing to insure payments will be credited to the correct fiscal year.

2017-2 – Bank Reconciliations

There was an outstanding deposit of \$1,500 in the Five Star Bank reconciliation since November 2016. This was an application fee that was actually deposited into the Wells Fargo Checking account.

Management Response:

This is the first time we have had this issue. The independent contractor we use as a bookkeeper made an error in recording the deposit into the wrong CEDA account and did not notice it when she did the bank reconciliation. Moving forward, we will institute a process where one of the CALED staff review the reconciliations to identify and correct these situations.

2017-3 – Contributions to Economic Development

The board budgets expenditures for contributions to economic development and typically approves additional amounts at a later date. The minutes should be clear that these are additional amounts over and above the amount previously budgeted.

Management Response:

We will make the recommended update to our processes and clearly state that the additional amounts are in addition to the previously budgeted contributions.

2017-4 – Advisory Fees

During the year \$30,000 of advisory fees related to two bond financings were paid, but were not included in the budget. While these fees aren't common, the board should consider budgeting an amount for this each year or these fees should be separately approved when they occur.

Management Response:

An advisory fee line item will be included and approved in the budget going forward.

2017-5 – Outstanding Receivables

There was \$3,000 of outstanding receivables for annual fees from 5 different agencies that originated in the 2015/16 fiscal year. Management should investigate these receivables and determine if they are collectible or should be written off in the current year.

Management Response:

We have a process for following up on annual fees that are past due. We were in communication with several of these and they were slow in responding. We have already instituted a new invoicing process to gather information on bond pre-payments and contact updates to avoid have outstanding receivables so late in the fiscal year. These receivables were investigated, several had already pre-paid or the contact had changed. These will be corrected in QuickBooks.

2017-6 – PACE Management Fee

The PACE management fee due to CEDA for June 2017 for \$6,250 was not accrued in the year-end financial statements. In addition, the May fee was recorded as dividend income. The invoices are currently prepared in a separate document. These should be invoiced in the QuickBooks accounting system to ensure they are recorded in the proper period.

Management Response:

Going forward, all payments toward the PACE Management Fee will be placed in the PACE Management Fees line item for the period they are received.

Prior Year Recommendations

2016-1 – Accounts Receivable

There were two receivables outstanding totaling \$3,000 that have been outstanding since last year. One is for \$500 invoiced in July 2015 and the other for \$2,500 invoiced in August 2015. Management should investigate these receivables to determine the collectability. All receivables should be monitored on a timely basis and accounts outstanding over 60 days should be reported to the board for further direction.

Status –In process

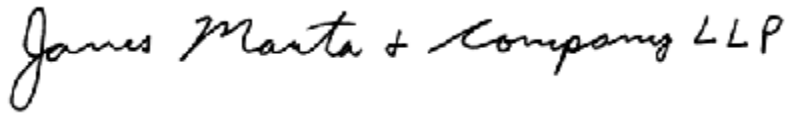
2016-2 – Bank Signers

The bank account of the Authority currently only has one authorized signer. While limiting the number of authorized bank signers is a good internal control practice, we feel it would be prudent to add a second authorized signer in the event the current signer is unable or unavailable to sign checks or handle other bank account matters.

Status –Implemented

We believe that the implementation of this recommendation will provide the Authority with a stronger system of internal accounting control while also making its operations more efficient.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
November 30, 2017