

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

10:30 A.M.
Thursday, May 31, 2018
Teleconference Phone Information
(712) 775-7031 - Conference Code: 183724#

Call to Order and Roll Call
Statement of Disclosure

Action Items

1. Approve Minutes from the Regular Meeting on May 24, 2018.
2. Approve Resolution No. 18-39 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not To Exceed \$27,000,000 to Finance or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities for the Benefit of Alternative Schools, Inc., Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

Public Comment
Chair Report
PACE Report
Other Business
Adjournment

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

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| 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 Suzanne Carapella) 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 | |

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

This agenda can be obtained at www.ceda.caed.org. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 16.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
Regular Meeting
*****TELECONFERENCE MEETING *****
CEDA BOARD OF DIRECTORS
Thursday, May 24, 2018

Teleconference Locations

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|---|---|---|
| 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, Chair of the California Enterprise Development Authority, called the meeting to order at 10:31am.

Roll Call

Members Present: Gurbax Sahota
Jason Crawford
Kevin Ham
Margaret Silveira

CALED Management/Staff

Present: Helen Schaubmayer

Public: Peter Grabell, Dividend Finance
Sam Balisy, Kutak Rock, LLC
Liv Moe, Verge Center for the Arts
Matt Rosen, Pacific Premier Bank

Statement of Disclosure

Gurbax Sahota stated that she will recuse herself from voting on Action Item 2, approving Resolution No.18-33 for the Verge Center of the Arts, as she has a potential conflict of interest. As such, this item will be moved to the end of the agenda, at which point, Jason Crawford will present this action item and run this portion of the meeting.

Action Items

1. Approve Minutes from the Regular Meeting on May 17, 2018.

Motion: *Board Member Kevin Ham made the motion to approve minutes from the Regular Meeting on May 17, 2018. Board Member Margaret Silveira seconded the motion on the floor.*

The motion passed with the following roll call vote:

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| Jason Crawford | Aye |
| Kevin Ham | Aye |
| Gurbax Sahota | Aye |
| Margaret Silveira | Aye |

Public Hearing (Action Items 3 through 7)

3. Approve Resolution No. 18-34 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 Firebaugh.
4. Approve Resolution No. 18-35 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 Lathrop.
5. Approve Resolution No. 18-36 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 Livingston.
6. Approve Resolution No. 18-37 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 Milpitas.
7. Approve Resolution No. 18-38 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 Pleasanton.

Motion: Board Member Margaret Silveira made the motion to approve Resolution No. 's 18-34 through 18-38. Board Member Kevin Ham seconded the motion on the floor.

The motion passed with the following roll call vote:

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| Jason Crawford | Aye |
| Kevin Ham | Aye |
| Gurbax Sahota | Aye |
| Margaret Silveira | Aye |

Discussion: Helen stated that the Board approved the resolutions of intention for these jurisdictions on January 18th and February 15th, 2018. This is the final step to join the PACE program.

8. Approve contributions to support economic development:
 - a. \$50,000 to the California Academy for Economic Development to support its 2018-2019 Work Program.
 - b. \$100,000 to the California Association for Local Economic Development to support its 2017-2018 Work Program.

Motion: Board Member Margaret Silveira made the motion to approve contributions to support economic development. Board Member Jason Crawford seconded the motion on the floor.

The motion passed with the following roll call vote:

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|-------------------|-----|
| Jason Crawford | Aye |
| Kevin Ham | Aye |
| Gurbax Sahota | Aye |
| Margaret Silveira | Aye |

Discussion: Standing in for Treasurer, Carrie Rogers, Board Secretary Kevin Ham briefed the Board that CEDA was created with the intent to give back to economic development. As such, the CEDA Board of Directors has the authority to contribute funds deemed as surplus to organizations for economic development purposes. Contributing to CALED and the Academy will allow the organizations to provide education and networking opportunities for California's economic developers, as well as provide additional capacity for the organizations to promote the value of economic development. The CALED contribution will support its 2017-2018 Work Program and the contribution to the Academy will support its 2018-2019 Work Program.

9. Approve FY 2018-2019 CEDA Work Program and Budget.

Motion: Board Member Jason Crawford made the motion to approve the FY 2018-2019 CEDA Work Program and Budget. Board Member Margaret Silveira seconded the motion on the floor. The motion passed with the following roll call vote:

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|-------------------|-----|
| Jason Crawford | Aye |
| Kevin Ham | Aye |
| Gurbax Sahota | Aye |
| Margaret Silveira | Aye |

Discussion: Board Secretary Kevin Ham asked the Board if there were any questions related to the Work Program and Budget provided in the agenda packet. The Board did not have any questions.

2. Approve Resolution No. 18-33 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing and Refinancing the Cost of Acquiring, Developing, Constructing, Installing, Equipping and Furnishing a Facility for the Benefit of Verge Center for the Arts and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Motion: Board Member Kevin Ham made the motion to approve Resolution No. 18-33. Board Member Margaret Silveira seconded the motion on the floor.

The motion passed with the following roll call vote:

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|-------------------|--------|
| Jason Crawford | Aye |
| Kevin Ham | Aye |
| Gurbax Sahota | Recuse |
| Margaret Silveira | Aye |

Discussion: Helen briefed the Board that the Verge Center for the Arts, founded in 2008, provides contemporary art and resources to the Sacramento region by providing a low to no cost artist workspace and educational programming. In 2010, Verge Center for the Arts moved to a considerably larger building on S Street to expand to 37 artist studios, two gallery spaces, a classroom, and a fine art printmaking facility. Verge Center for the Arts requests the Authority to make one or more loans in the aggregate principal amount not to exceed \$1,730,000 for the purpose of refinancing certain prior obligations which were used to finance the costs associated with the real property located at 625 S Street, Sacramento.

Public Comment

Chair Report

PACE Report

Other Business

Helen stated there will be a board meeting next week.

Adjournment

Motion: Board Member Margaret Silveira made the motion to adjourn the meeting. Board Member Kevin Ham seconded the motion on the floor. Board Chair, Gurbax Sahota, adjourned the meeting at 10:44 am by voice vote.

Staff Report

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| Action Requested | Approve Resolution No. 18-39 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$27,000,000 to Finance or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities for the benefit of Alternative Schools, Inc., Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified. |
| Borrower(s) | ASF 5975 Shoup, LLC, as Borrower, and Alternative Schools, Inc. d/b/a Ivy Academia Entrepreneurial Charter School, as Lessee |
| Borrower Description | <p>The Borrower is ASF 5975 Shoup, LLC, a California limited liability company whose sole member is Alternative Schools Foundation, a 501(c)(3) public benefit organization is a support organization for Ivy Academia. With this financing the Borrower intend to acquire charter school facilities and lease the facilities to Ivy Academia for school operations. Ivy Academia was founded in 2004 and serves youth in the San Fernando Valley. Ivy Academia has nearly 700 students enrolled at two campuses located in Woodland Hills and West Hills and projects the enrollment growth over 1200 students by 2022. Ivy Academia strives to provide a college preparatory education that ensures college readiness, and provides their students an alternative choice, focused on developing entrepreneurial skills for their public-school education. Ivy Academia’s innovative efforts are capitalizing on an entrepreneurial skill set and raising awareness around the need for small, high-quality public elementary, middle and high schools. In the 2016-2017 school year, Ivy Academia received a 6-year Western Association of Schools and Colleges (WASC) accreditation for their entire TK-12 academic program.</p> <p>Website: https://www.ivyacademia.com/</p> <p>Ivy Academia requests the Authority to issue and sell the Bonds in one or more series for the purpose of making one or more loans in an aggregate principal amount not to exceed TWENTY-SEVEN MILLION DOLLARS (\$27,000,000) to ASF 5975 Shoup, LLC, a California limited liability company whose sole member is Alternative Schools Foundation, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code, or a related entity, to finance or refinance the costs of the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located at 5975 Shoup Avenue, Woodland Hills, California 91367, for operation by Ivy Academia; funding a debt service reserve fund for the Bonds; paying capitalized interest on the Bonds; and paying certain Bond issuance expenses. The Borrower will lease the Facilities to the Ivy Academia pursuant to a Lease Agreement dated as of June 1, 2018.</p> |
| Public Benefits | This financing will assist Ivy Academia and the Borrower to develop public education facilities. The bonds will initially bear interest at a taxable rate, but will convert to a tax-exempt rate upon the Borrower and Ivy Academia satisfying certain conditions, including getting a conditional use permit for the facilities and completing a TEFRA hearing. |
| TEFRA Hearing | A public hearing will be scheduled with the City of Los Angeles before the bonds can be converted to tax-exempt obligations. |

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| <p>Eligibility and Policy Review</p> | <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. ■ The bonds are intended to be sold to beneficial owners represented by Hamlin Capital Management ("Hamlin"), which Hamlin as the Bondholder Representative. Hamlin requires smaller minimum denominations, \$25,000 with \$5,000 increments, while bonds are held by their investors, which is a deviation from CEDA’s Bond Issuance Policies. However, Hamlin will provide an investor letter at closing, as bondholder representative, which includes representations that each of their investors is either an accredited investor or a QIB. Any transfer of the bonds to other than a Hamlin investor will require the transfer to be in the standard minimum denominations of \$100,000 with \$5,000 increments. This is Hamlin’s standard structure for their investments and has been approved by many conduit issuers nationally. |
| <p>Recommendation</p> | <p>Staff recommends approval of Resolution No. 18-39 of the California Enterprise Development Authority Authorizing the Issuance of Taxable and/or Tax Exempt Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$27,000,000 to Finance or Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Educational Facilities for the benefit of Alternative Schools, Inc., Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.</p> |

RESOLUTION NO. 18-39

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF TAXABLE AND/OR TAX EXEMPT REVENUE BONDS IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 TO FINANCE OR REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF EDUCATIONAL FACILITIES FOR THE BENEFIT OF ALTERNATIVE SCHOOLS, INC., PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

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

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

WHEREAS, pursuant to the provisions of the Act, the public agencies that are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the right to issue bonds and expend the proceeds thereof and the right to acquire, sell, develop, lease or administer property; and

WHEREAS, the City of Los Angeles, California (the "City") is an associate member of the Authority and is authorized to acquire and dispose of property, both real and person; 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, Alternative Schools, Inc., d/b/a Ivy Academia Entrepreneurial Charter School a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code (the "Lessee"), operates one or more charter schools in California (collectively, the "School"); and

WHEREAS, the Lessee has requested that the Authority issue and sell the Bonds (hereinafter defined) in one or more series for the purpose of making one or more loans to ASF

5975 Shoup, LLC (the “Borrower”), a California limited liability company whose sole member is Alternative Schools Foundation, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code and a support organization to the Lessee, to finance or refinance the costs of (a) the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located at 5975 Shoup Avenue, Woodland Hills, California 91367 (the “Facilities”), for operation by the Lessee of the School; (b) funding a debt service reserve fund for the Bonds; (c) paying capitalized interest on the Bonds; and (d) paying certain Bond issuance expenses (collectively, the “Project”); and

WHEREAS, the Borrower will lease the Facilities to the Lessee pursuant to a Lease Agreement dated as of June 1, 2018 (or such other date as approved by the Authority) (the “Lease”); and

WHEREAS, pursuant to an Indenture of Trust, between UMB Bank, National Association (or such other trust company or commercial bank acceptable to the Authority), as trustee (the “Trustee”) and the Authority (the “Indenture”), the Authority will issue the California Enterprise Development Authority Charter School Lease Revenue Bonds (Ivy Academia Project) Series 2018 (the “Bonds”) for the purpose, among others, of financing the Project;

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

WHEREAS, pursuant to a Bond Purchase Agreement, to be dated the date of sale of the Bonds (the “Purchase Contract”), among D.A. Davidson & Co., as underwriter (the “Underwriter”), the Authority, the Lessee and the Borrower, the Bonds will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project;

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

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Purchase Contract;
- (4) A proposed form of the limited offering memorandum (the “Limited Offering Memorandum”) in preliminary form to be used by the Underwriter in connection with the offering and sale of the Bonds;

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

WHEREAS, the Facilities are expected to provide significant benefits to the residents of the City in providing educational and related services to residents of the City; and

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

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

Section 2. The Authority is hereby authorized to issue one or more series of its revenue bonds designated as the "California Enterprise Development Authority Charter School Lease Revenue Bonds (Ivy Academia Project) Series 2018" (or such other designation as shall be acceptable to the Authority and its counsel) in an aggregate principal amount not to exceed TWENTY-SEVEN MILLION DOLLARS (\$27,000,000). The interest on the Bonds will initially be includable in gross income for federal income tax purposes but is expected to convert to being excluded from gross income for federal income tax purposes in accordance with the terms of the Indenture. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture referenced above, with such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board of Directors of the Authority (each, an "Authorized Signatory") and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Bonds shall be executed by the manual or facsimile signature of any Authorized Signatory and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

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

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

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

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

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

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

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

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

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

Section 11. Notwithstanding anything to the contrary in this Resolution, the Bonds may not convert so that interest thereon is excluded from gross income for federal income tax purposes until the City has held the requisite hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986 and the other requirements to such conversion set forth in the Indenture have been satisfied.

Section 12. The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

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

PASSED AND ADOPTED this 31st day of May, 2018.

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 May 31, 2018.

Helen Schaubmayer, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, ASF 5975 Shoup, LLC (the “Borrower”), a California limited liability company whose sole member is Alternative Schools Foundation, a California nonprofit public benefit corporation and an entity described in Section 501(c)(3) of the Internal Revenue Code and a support organization to the Lessee, has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on May 31, 2018 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$27,000,000 (the “Obligations”).

1. Urban Futures, Inc., as financial advisor to the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows:
 - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 7.20%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$1,201,125.
 - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$20,000,000.
 - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$30,070,713.81.
2. The good faith estimates provided above were presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

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

interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

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