

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

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

### LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, August 1, 2019

### Teleconference Phone Information

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

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

### Action Items

1. Consent Agenda
  - a. Approve Minutes from the Regular Meeting on July 25, 2019.
2. Approve Resolution No. 19-61 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Improvement and Equipping of Certain Facilities for the Benefit of Francis Parker School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
3. Approve Resolution No. 19-62 of the California Enterprise Development Authority Making Determinations With Respect to the Financing of Facilities for the Benefit of The Garlic Company and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.

### Chair Report PACE Report Other Business Adjournment

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

California Association for Local Economic Development (contact Helen Schaubmayer) 2150 River Plaza Drive, Suite 275 Sacramento, CA 95833	Redding City Hall (contact Larry Vaupel or Erica Thomas) 777 Cypress Ave. Redding, CA 96001	Sacramento Municipal Utility District (contact Mather Kearney) 6301 S Street Sacramento, CA 95817
City of Santa Clarita (contact Jason Crawford or Stephanie Givans) 23920 Valencia Blvd., Suite 100 Santa Clarita, CA 91355	City of Lakeport (contact Margaret Silveira or Hilary Britton) 225 Park Street Lakeport, CA 95453	City of Anaheim (contact Jessica Gonzales or Amanda Wicker) 201 S. Anaheim Blvd., Ste. 1003 Anaheim, CA 92805
County of Stanislaus (contact Keith Boggs or Sheryl Swartz) 1010 10 <sup>th</sup> Street GSA Purchasing – 5th Floor GSA Director's Office Modesto, CA 95354	City of West Sacramento (contact Aaron Laurel or Sandra Barcenas) 1110 West Capitol Avenue, 3 <sup>rd</sup> Floor West Sacramento, CA 95691	

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

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

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

**MINUTES**  
**Regular Meeting**  
**\*\*\*TELECONFERENCE MEETING \*\*\***  
**CEDA BOARD OF DIRECTORS**  
**Thursday, July 25, 2019**

## Teleconference Locations

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

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

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

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

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

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

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

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

## Call to Order

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

## Roll Call

Members Present: Kevin Boggs  
Jason Crawford  
Jessica Gonzales  
Gurbax Sahota

CALED Management/  
Staff Present:

Helen Schaubmayer  
Michelle Stephens

Public: Jessica Shaham, Kutak Rock

## Statement of Disclosure

None

## Action Items

1. Approve Consent Agenda.
  - a. Approve Minutes from the Regular Meeting on July 18, 2019.

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

*The motion passed by voice vote.*

2. Approve Resolution No. 19-60 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 Educational Facilities for the Benefit of Linfield Christian School, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**Discussion:** Helen briefed the Board that Linfield Christian School, established in 1936, has serviced the city of Temecula and surrounding Riverside County communities for 44 years and the greater Los Angeles area for 37 years. As an independent college prepa school, Linfield Christian School serves 800 students in grades K through 12 and operates a growing international program with a current enrollment of 92 students. Linfield Christian School requests the Authority to facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$25,000,000 to finance and refinance costs related to its educational facilities located in Temecula.

**Motion:** *Board Member Keith Boggs made the motion to approve Resolution No. 19-60. Board Member Jason Crawford seconded the motion on the floor.*

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

Keith Boggs	Aye
Jason Crawford	Aye
Jessica Gonzales	Aye
Gurbax Sahota	Aye

**Public Comment**

**Chair Report**

Gurbax Sahota stated that there is scheduled to be another meeting for next week, August 1<sup>st</sup>.

**PACE Report**

**Other Business**

**Adjournment**

**Motion:** *Board Member Jason Crawford made the motion to adjourn the meeting. Board Member Gurbax Sahota seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:35 am by voice vote.*

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 19-61 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Improvement and Equipping of Certain Facilities for the Benefit of Francis Parker School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Francis Parker School
<b>Borrower Description</b>	<p>Francis Parker School, founded in 1912, is San Diego’s oldest and largest independent, coeducational day school serving approximately 1,300 students in junior kindergarten through grade 12. The School provides its students with an education that balances a rigorous course of college-prep academics with a robust co-curricular program and is fully-accredited by the CAIS (California Association of Independent Schools) and WASC (Western Association of Schools and Colleges).  Web Site: <a href="https://www.francisparker.org/">https://www.francisparker.org/</a></p> <p>Francis Parker School requests the Authority to make a loan in the aggregate principal amount not to exceed \$8,000,000 to refinance existing debt obligations incurred to pay the costs for the acquisition, construction, renovation, equipping and furnishing of educational facilities, including classrooms, commons, a library and similar facilities, as well as related ancillary and administrative facilities, located at 4201 Randolph Street, San Diego, California 92103, consisting of its Lower School campus, and at 6501 Linda Vista Road, San Diego, California 92111, consisting of its Middle and Upper School campus.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Francis Parker School to realize savings that can be put back into its operations.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 19-61 of the California Enterprise Development Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Refinancing the Cost of Acquisition, Construction, Improvement and Equipping of Certain Facilities for the Benefit of Francis Parker School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

## **RESOLUTION NO. 19-61**

### **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 A LOAN FOR THE PURPOSE OF REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN FACILITIES FOR THE BENEFIT OF FRANCIS PARKER SCHOOL, 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 loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); 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 San Diego (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**, Francis Parker School, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Authority requesting the Authority to make a loan (the "Borrower Loan") in the aggregate principal amount not to exceed \$8,000,000 to 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 educational facilities, including classrooms, commons, a library and similar facilities, as well as related ancillary and administrative facilities, located 4201 Randolph Street, San Diego, California 92103, consisting of the Borrower's Lower School campus, and at 6501 Linda Vista Road, San Diego,

California 92111 (the “Linda Vista Campus”), consisting of the Borrower’s Middle and Upper School campus, (collectively, the “Facilities”); and

**WHEREAS**, a portion of the proceeds of the Borrower Loan may also be used to pay certain costs of issuance in connection with the Borrower Loan; and

**WHEREAS**, the Authority intends to use the proceeds of a tax-exempt loan from First Republic Bank or its successor (the “Lender”), to the Authority (together, the “Authority Loan” and, together with the Borrower Loan, the “Loans”) to make the Borrower Loan; and

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

(a) A proposed form of the 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”), between the Authority and the Lender;

**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 provide significant benefits to the residents of the County and surrounding community through the educational opportunities provided by the Borrower and, based on representations of the Borrower, the refinancing of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

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

**Section 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 \$8,000,000 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 Lender to an affiliate of 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 has approved the issuance 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 August 1, 2019.

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 August 1, 2019.

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Helen Schaubmayer, Assistant Secretary

ATTACHMENT I  
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Francis Parker School, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on August 1, 2019 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$8,000,000 (the “Obligations”).

1. First Republic Bank, as private placement lender, engaged by 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): 3.6443%
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$118,794.59
  - 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: \$7,881,205.41
  - 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): \$11,853,873.99
2. The good faith estimates provided above were based on the information in Schedule I which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

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

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

## Staff Report

<b>Action Requested</b>	Approve Resolution No. 19-62 of the California Enterprise Development Authority Making Determinations With Respect to the Financing of Facilities for the Benefit of The Garlic Company and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.
<b>Borrower(s)</b>	The Garlic Company
<b>Borrower Description</b>	<p>Founded in 1980, The Garlic Company produces high quality garlic products. Over time, the company advanced from a basic packing house to a unique food manufacturing facility. The Garlic Company offers whole bulb garlic as well as in various other forms (e.g. sliced chopped, fresh/frozen pureed, etc.) and maintains its own seed program in Oregon. Each year, raw garlic bulbs are shipped to California, processed, and planted. This resolution serves as the inducement resolution for this Industrial Development Bond (IDB) project. Web Site: <a href="https://www.thegarliccompany.com/">https://www.thegarliccompany.com/</a></p> <p>The Garlic Company request the Authority’s assistance in financing and refinancing, in an amount not to exceed \$10,000,000, 1.) the construction of a cogeneration facility and a dehydration facility at 18602 Zerker Road, Bakersfield, California 93263; 2.) the rehabilitation and improvement of the borrower’s property, including but not limited to wastewater improvements; 3.) the purchase and installation of equipment and furnishings for use at the property, including a dehydrator; 4.) payment of capitalized interest; and 5.) payment of issuance costs.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow The Garlic Company to realize savings that can be put back into its operations.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution No. 19-62 of the California Enterprise Development Authority Making Determinations With Respect to the Financing of Facilities for the Benefit of The Garlic Company and/or a Related Entity and Declaring its Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness and Authorizing Related Actions.

## RESOLUTION NO. 19-62

### **A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF FACILITIES FOR THE BENEFIT OF THE GARLIC COMPANY AND/OR A RELATED ENTITY AND DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS AND AUTHORIZING RELATED ACTIONS**

WHEREAS, pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, (commencing with Section 6500) (the “Act”), the Cities of Selma, Lancaster and Eureka, have entered into a Joint Powers Agreement, dated as of June 1, 2006 (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 in order to promote economic development, including specifically bonds issued for the purposes contained in the California Industrial Development Financing Act (constituting Title 10 of the California Government Code) (the “Financing Act”) pursuant to Section 6547.7 of the Act; and

WHEREAS, The Garlic Storage Company, LLC, a California limited liability company, The Garlic Company, a partnership, The Shafter Garlic Company, a partnership, and/or a related or successor entity (collectively, the “Borrower”) are duly qualified to do business in the State of California (the “State”), and, under their respective organizational documents, the Borrower is authorized to undertake the acquisition, construction, rehabilitation, equipping, furnishing and financing of buildings and facilities; and

WHEREAS, the Borrower has requested the Authority’s assistance in financing and refinancing, through the use of tax-exempt and/or taxable obligations (the “Obligations”), (1) the construction of a cogeneration facility and a dehydration facility on real property owned by the Borrower located at 18602 Zerker Road, Bakersfield, California 93263 (the “Property”), (2) the rehabilitation and improvement of the Property, including but not limited to wastewater treatment improvements thereto; (3) the purchasing and installing of equipment and furnishings for use at the Property, including but not limited to a dehydrator and optical eye; (4) payment of capitalized interest with respect to the Obligations, and (5) payment of certain costs of issuance in connection with the Obligations (collectively, the “Project”); and

WHEREAS, the Borrower expects to pay certain expenditures (the “Reimbursable Expenditures”) in connection with the Project prior to the issuance by the Authority of the Obligations for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, subject to the satisfaction of the conditions to the issuance of the Obligations set forth in this Resolution, the Authority reasonably expects that Obligations in an

aggregate amount not expected to exceed \$20,000,000 will be issued to finance the costs of the Project and that certain of the proceeds of the Obligations will be used to reimburse the Reimbursable Expenditures;

**NOW, THEREFORE**, the Board of Directors of the California Enterprise Development Authority does resolve as follows:

**Section 1.** This Resolution is adopted for purposes of establishing compliance with the Act and the Financing Act. This Resolution does not bind the Authority to make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

**Section 2.** Based on the representations of the Borrower, the Board of Directors of the Authority hereby finds and determines:

a. That the use of the Project for manufacturing purposes is in accord with Section 91503 of the Financing Act;

b. That the use of the Project is likely to produce employment benefits by securing or increasing the number of employees of the Borrower and any other direct users of the Project or the compensation for such employment;

c. That the issuance of the Obligations by the Authority in the amount sufficient to finance all or a portion of the cost of the Project is likely to be a substantial factor in the accrual of each of such public benefits from the use of the Project; and

d. That the proposed financing of the Project is otherwise in accord with the purposes and requirements of the Financing Act.

**Section 3.** The Board of Directors of the Authority hereby declares its reasonable official intent to use proceeds of the Obligations to finance the costs of the Project and to reimburse the Borrower for the Reimbursable Expenditures.

**Section 4.** In no event shall the Obligations constitute a pledge of the faith and credit of the State or any political corporation, subdivision or agency of the State, including the members of the Authority, and neither the State nor any political corporation, subdivision or agency of the State, including the members of the Authority, shall be liable to make any appropriation for the repayment of the Obligations. The Obligations shall constitute a special, limited obligation of the Authority payable solely from the revenues or other sources provided for in a loan agreement and proceedings to be provided for hereafter.

**Section 5.** The issuance of the Obligations is subject to the following conditions: (a) the Authority and the Borrower shall have first agreed to mutually acceptable terms for the Obligations and mutually acceptable terms and conditions of the loan agreement or other financing agreement, tax regulatory agreement and other related documents for the issuance of the Obligations, (b) all requisite governmental approvals shall have first been obtained, and (c) a resolution approving the financing documents to which the Authority will be a party shall have been adopted by the Board of Directors of the Authority.



**Section 6.** The Chair of the Board of Directors of the Authority is hereby requested and authorized to file such information with the California Debt Limit Allocation Committee (the “Committee”) as may be required for the Authority to receive volume cap allocation from the Committee for the Obligations.

**Section 7.** All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the financing of the Project are hereby ratified and confirmed. The officers and their designees, employees and agents of the Authority are hereby authorized to take any and all actions in connection with the financing of the Project and as may be necessary and consistent with the purposes of this Resolution.

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

PASSED, APPROVED AND ADOPTED by the Board of Directors of the California Enterprise Development Authority at its meeting thereof held August 1, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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 August 1, 2019.

By \_\_\_\_\_  
Helen Schaubmayer, Assistant Secretary