

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY ADOPTING DEBT ISSUANCE POLICIES RELATING TO
THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY'S
REVENUE BOND PROGRAM**

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

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements for the purpose of financing industrial and commercial development projects and other public purpose projects permitted by the Act;

WHEREAS, pursuant to Section 5031(c) of the Regulations adopted by the California Debt Limit Allocation Committee (the "Committee"), the Authority is required to have in place a debt policy applicable to the category for which the Authority may submit an application to the Committee for volume cap allocation (the "CDLAC Debt Policy Requirement");

WHEREAS, pursuant to California Government Code Section 8855(i)(1), the Authority is required to certify to the California Debt and Investment Advisory Commission in connection with the filing of a report of proposed debt issuance that it has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies (the "CDIAC Debt Policy Requirement"); and

WHEREAS, the Authority desires to adopt the attached Local Debt Policy to ensure compliance with the CDLAC Debt Policy Requirement and the CDIAC Debt Policy Requirement;

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

Section 1. Adoption of Local Debt Policy. The Authority hereby adopts the California Enterprise Development Authority Local Debt Policy attached hereto as Exhibit A. The Authority reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as it may determine. The Authority also reserves the right to change the Local Debt Policy from time to time in consultation with bond counsel, without notice.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 14th day of March, 2018.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: 
Gurbax Sahota, Chair

ATTEST:

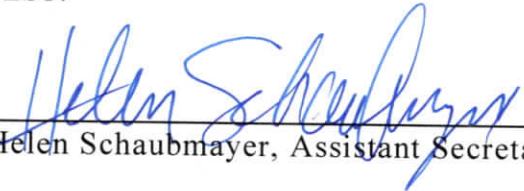
By: 
Helen Schaubmayer, Assistant Secretary

EXHIBIT A

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY LOCAL DEBT POLICY

A. DEFINITIONS

“Act” shall mean the Joint Exercise of Powers Act, being Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500.

“Agreement” shall mean Joint Exercise of Powers Agreement relating to the California Enterprise Development Authority, dated as of June 1, 2006.

“Authority” shall mean the California Enterprise Development Authority.

“Debt” shall be interpreted broadly to mean bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

“Debt Policy” shall mean this Debt Policy.

B. PURPOSES OF DEBT

The Authority will consider Debt financing for the construction, acquisition, rehabilitation, replacement, or expansion of physical assets, including real and personal property, equipment, furnishings, and improvements, and any other uses authorized by the Act and the Agreement, for the following purposes:

1. To finance small- to medium-sized manufacturers for land purchases, building construction, facility expansion, new production equipment acquisition, and solar and energy conservation retrofits.
2. To assist certain private entities in financing a project or program that produces public benefits.
3. To refinance outstanding debt in order to produce debt service savings or to restructure debt for other benefits.
4. To finance a project or program intended to provide public benefits to any local community, including its residents, businesses, or institutions, including but not limited to promoting economic development.

C. TYPES OF DEBT

1. The following types of debt are allowable under this Debt Policy:

- a. conduit revenue bonds or notes;
- b. general obligation bonds;

- c. bond or grant anticipation notes;
- d. leases, lease revenue bonds, installment sale or purchase agreements, certificates of participation and lease-purchase transactions;
- e. revenue bonds;
- f. Industrial Development Bonds;
- g. tax and revenue anticipation notes;
- h. land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment acts, including PACE financings; and
- i. any other type of debt permitted under the Agreement and authorized by law.

2. For purposes of this section, the term "bonds" may include notes, warrants, leases, installment purchase agreements, certificates of participation, financing agreements or any other evidence of an obligation to pay or repay money.

3. The Authority may from time to time find that other types of debt would be beneficial to further its purposes and may approve such debt without an amendment of this Debt Policy.

D. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM

The Authority does not have a capital improvement program because its primary purpose is to provide financing to promote economic development for California communities.

E. DEBT POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES

The Authority's goals and objectives are to provide financing programs under the Act or other applicable provisions of law to promote economic development for California communities. This Debt Policy provides flexibility for the Authority to provide financing programs for economic development opportunities in California's diverse communities.

F. INTERNAL CONTROL PROCEDURES CONCERNING USE OF PROCEEDS OF DEBT

One of the Authority's priorities in the management of debt is to assure that the proceeds of the debt will be directed to the intended use for which the debt has been issued. In furtherance of this priority, the following procedures shall apply:

- 1. A copy, which may be an electronic copy, of all debt-related records shall be retained at 550 Bercut Drive, Suite G, Sacramento, California 95811. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). Such records shall be retained while any debt of an issue is outstanding and during the three-year period following the final maturity or redemption of the bond issue or, if later, while any bonds that refund bonds

of that original issue are outstanding and for the three-year period following the final maturity or redemption date of the latest refunding bond issue.

2. Authority representatives shall retain, for the applicable period specified in the above paragraph 1 of this Debt Policy, a copy of each annual report filed with the California Debt and Investment Advisory Commission (CDIAC) pursuant to Section 8855(k) of the California Government Code concerning (1) debt authorized during the applicable reporting period (whether issued or not), (2) debt outstanding during the reporting period, and (3) the use during the reporting period of proceeds of issued debt.

3. Authority representatives shall complete, on an annual basis, the "Annual Applicant Public Benefits and Ongoing Compliance Self-Certification" online compliance reporting requirement per the California Debt Limit Allocation Committee (CDLAC).

4. In connection with the preparation of each annual report to be filed with CDIAC pursuant to Section 8855(k) of the California Government Code, representatives of the Authority shall keep a record of the original intended use for which the debt has been issued, and indicate whether the proceeds spent during the applicable one-year reporting period for such annual report comport with the intended use (at the time of original issuance or as modified pursuant to the following sentence). If a change in intended use has been authorized subsequent to the original issuance of the debt, a representative of the Authority shall indicate in the record when the change in use was authorized and whether the Authority authorized the change in intended use.

5. If the debt has been issued to finance a capital project and the project timeline or scope of project has changed in a way that all or a portion of the debt proceeds cannot be expended on the original project, the member of the Authority for whom the debt was issued shall consult with legal counsel (which may be bond counsel, if applicable, or the general counsel to the member) to determine an appropriate alternative for the expenditure of the remaining debt proceeds (including prepayment of the debt).

G. INTERPRETATION/WAIVER

This Debt Policy is intended to be interpreted in a manner consistent with the Authority's existing policies and program guidelines and shall be subject to any contrary provisions thereof. The Authority's Board of Directors may, by resolution, waive any provision of this Debt Policy, with respect to a particular debt issue.