

MEMBER CITIES

Alhambra
Apple Valley
Azusa
Baldwin Park
Barstow
Bell
Bellflower
Brea
Calaveras County Water District
Capitola
Carpinteria
Carson
Chino
Claremont
Clovis
Colton
Commerce
Compton
Covina
Downey
Duarte
El Monte
Fairfield
Fontana
Fresno
Gardena
Garden Grove
Glendale
Glendora
Hawaiian Gardens
Hawthorne
Huntington Park
Indio
Inglewood
La Habra
La Puente
Lakewood
Lancaster
Lawndale
Long Beach
Los Angeles
Lynwood
Monrovia
Montclair
Montebello
Monterey Park
Morgan Hill
Norwalk
Oceanside
Palmdale
Palm Springs
Paramount
Pico Rivera
Planada Community Services District
Pomona
Rancho Cucamonga
Rialto
Riverside
Rohnert Park
Salinas
San Bernardino
San Bernardino County
San Diego County
San Fernando
San Juan Capistrano
San Marcos
San Mateo County
Santa Clarita
Santa Rosa
Signal Hill
South Gate
Vernon
Visalia
Vista
West Covina
Whittier
Yucaipa



INDEPENDENT CITIES FINANCE AUTHORITY
Annual Meeting Of The Board Of Directors
Annual Meeting Of The Executive Committee

Wednesday, October 10, 2018
12:00 p.m.

Community Meeting Room
San Fernando City Hall
117 Macneil Street
San Fernando, CA 91340

TELECONFERENCE MEETING LOCATIONS:

Call In Information:

Call In Number: 1-712-775-7031
Participant Number: 236-977-467#

- | | |
|--|---|
| 1. Compton City Hall
City Council Office
205 South Willowbrook Avenue
Compton, CA 90220 | 2. Lynwood City Hall
City Council Office
11350 Bullis Road
Lynwood, CA 90262 |
| 3. West Valley Water District
Board Room Lobby
855 West Baseline Road
Rialto, CA 92376 | 4. Antojitos del DF
4003 East Olympic Boulevard
Los Angeles, CA 90023 |

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS RELATED TO ITEMS ON THIS AGENDA CAN BE OBTAINED FROM THE INDEPENDENT CITIES FINANCE AUTHORITY BY CALLING (877) 906-0941.

FOR YOUR INFORMATION: The Authority Board/Executive Committee will hear from the public on any item on the agenda or an item of interest to the Board/Executive Committee that is not on the Agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Authority Board. Each speaker will have an opportunity to speak on any Agenda item. You have the opportunity to address the Authority Board at the following times.

BOARD MEMBERS

OFFICERS

Sylvia Ballin, President
San Fernando
VACANT, Vice President
Lynwood
Jose Solache, Treasurer
Lynwood

DIRECTORS

Ricardo Pacheco, Baldwin Park
Emma Sharif, Compton
Marilyn Sanabria, Huntington Park
Jorge Morales, South Gate
Leticia Lopez, Vernon

Secretary/Executive Director

Debbie Smith
General Legal Counsel
Scott Campbell
Best Best & Krieger, LLP

- A. AGENDA ITEM: at the time the Authority Board considers the Agenda item or during Public Comment, and
- B. NON-AGENDA ITEMS: during Public Comment - comments will be received for a maximum 30-minute period; any additional requests will be heard following the completion of the Agenda.
- C. PUBLIC HEARINGS: at the time of the Public Hearing

I. CALL TO ORDER. *(Page 4)*

II. ROLL CALL. *(Page 4)*

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA. *(Page 4)*

IV. PUBLIC COMMENT. At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board on any item not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting. *(Pages 4-5)*

V. NEW BUSINESS.

- A. Approval Of Minutes Of The November 15, 2017 Board Of Directors Meeting. *(Pages 5 & 11-17)*
RECOMMEND APPROVAL
- B. Approval/Adoption of Resolution No. 2018-1 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority ["The Authority"] Expressing An Intent To Approve A First Supplemental Trust Indenture; Authorizing The Taking Of All Other Actions Necessary To The Consummation Of The Transactions Contemplated By This Resolution; And Related Matters.) *(Pages 5-6 & 18-33)*
RECOMMEND APPROVAL/ADOPTION
- C. Approval/Adoption Of A Budget For The 2018-19 FY And An Investment Policy For The Same Period. *(Pages 6 & 22-23)*
RECOMMEND APPROVAL/ADOPTION
- D. Approval Of Financial Accounting For The Period October 1, 2017 To August 31, 2018. *(Pages 7-9).*
RECOMMEND APPROVAL
- E. Status Report On The ICFA M Local Express Program. *(Page 9)*
RECOMMEND RECEIVE & FILE

VI. COMMENTS FROM BOARD MEMBERS. *(Pages 9-10)*

VII. MATTERS FROM STAFF. *(Page 10)*

VIII. ADJOURNMENT. *(Page 10)*

The public shall have an opportunity to comment on any items as each item is considered by the Board/Executive Committee and prior action being taken. Agenda reports are available at the Independent Cities Finance Authority office upon request by calling (877) 906-0941.

NOTICE: New items will not be considered after 2:00 pm unless the Board of Directors/Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors/Executive Committee meeting.

IN COMPLIANCE WITH THE AMERICAN DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE INDEPENDENT CITIES FINANCE AUTHORITY AT (877) 906-0941. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE INDEPENDENT CITIES FINANCE AUTHORITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

NOTE TO CITY CLERKS:

Please post this Meeting Notice just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY
ANNUAL MEETING OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE

October 10, 2017 – 12:00 p.m.

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A roll call of the following member cities will be conducted:

City of Baldwin Park

City of Compton

City of Huntington Park

City of Lynwood

City of San Fernando

City of South Gate

City of Vernon

C. RECOMMENDATION:

None.

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

IV. PUBLIC COMMENT.

A. MATERIAL ENCLOSED:

None.

AGENDA SUMMARY

October 10, 2018

Page Two

B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Agency. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC §54950 et seq.), no action or discussion may take place by the Board on any item not posted on the agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting.

C. RECOMMENDATION:

None.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE NOVEMBER 15, 2017 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: (PAGES 11-17)

Minutes of the November 15, 2017 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the November 15, 2017 Board of Directors meeting.

B. APPROVAL/ADOPTION OF RESOLUTION NO. 2018-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY [THE "AUTHORITY"] EXPRESSING AN INTENT TO APPROVE A FIRST SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.)

A. MATERIAL ENCLOSED: (PAGES 18-33)

1. Resolution No. 2018-1. (Pages 18-21)
2. Draft First Supplemental Trust Indenture. (Pages 22-33)

B. COMMENTS:

In November of 2011, ICFA issued approximately \$15 million of Qualified School Construction Bonds to facilitate the financing of the costs of acquiring, constructing, improving and furnishing a charter school at 211 South Avenue 20, Los Angeles (Alliance College-Ready Middle Academy).

AGENDA SUMMARY

October 10, 2018

Page Three

At this time, the existing registered owners of the Bonds plan to request certain changes to the Original Trust Indenture pursuant to a First Supplemental Indenture of Trust, which require approval by ICFA under the Original Indenture. The amendments to the Original Indenture are made to assist in the remarketing and sale of the Bonds to the Community Development Trust. Such amendments include, but are not limited to, reducing the debt service reserve fund requirement, changing the conversion date, waiving notice provisions and certain requirements in connection with the remarketing of the Bonds, converting the priority of the Subordinate Bonds to be on parity with the Senior Bonds, eliminating the optional redemption provisions for the Bonds, consenting to modifications to the Leverage Loan Documents, and appointing Robert W. Baird & Co. Incorporated and GVC Capital, LLC, as co-remarketing agents.

Various consultants will be available at the meeting to answer any questions.

C. RECOMMENDATION:

1. Approve/adopt Resolution No. 2018-1 approving the First Supplemental Indenture of Trust and various agreements and documents relating thereto;
2. Authorize President Ballin and staff to execute all necessary documents.

C. **APPROVAL/ADOPTION OF A BUDGET FOR THE 2018-19 FY AND AN INVESTMENT POLICY FOR THE SAME PERIOD.**

A. MATERIAL ENCLOSED: **(PAGES 34-38)**

1. Budget for the 2018-19 FY. (Pages 34-35)
2. Statement of Investment Policy. (Pages 36-38)

B. COMMENTS:

Staff has prepared a budget that covers one fiscal year period (2018-19). The proposed budget represents the best estimates of staff regarding future financings.

In addition, the Board should adopt the Statement of Investment Policy that has been adopted each year for many years, as required by law. It requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF), unless directed otherwise by the Board.

C. RECOMMENDATION:

1. Approve/adopt the 2018-19 FY budget.
2. Approve/adopt the Statement of Investment Policy.

AGENDA SUMMARY

October 10, 2018

Page Four

D. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD OCTOBER 1, 2017 TO AUGUST 31, 2018.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period October 1, 2107 to August 31, 2018 were as follows:

Millbrook monthly fees (3 months)	\$ 333.00
Mooney Grove (quarterly fees)	3,630.00
MASH (annual fees)	4,074.50
Westlake monthly fees (3 months)	4,322.28
Castle monthly fees (11 months)	5,706.25
Yucaipa monthly fees (11 months)	5,727.10
Augusta loan (annually)	6,012.92
Vista de Santa Barbara monthly fees (11 months)	7,727.50
Hacienda Valley monthly fees (11 months)	9,187.53
Palm Springs monthly fees (11 months)	10,097.47
Palomar East monthly fees (11 months)	12,457.49
Santa Rosa monthly fees (11 months)	12,782.00
Zions Bank quarterly fees (3 quarters)	14,074.38
Palomar West monthly fees (11 months)	18,035.00
Rancho Vallecitos monthly fees (11 months)	18,499.62
Rohnert Park monthly fees (11 months)	20,000.03
The Woods (10 months)	25,291.70
Augusta Communities (quarterly fees)	30,267.10
Pillar Ridge monthly fees (11 months)	26,252.47
Lamplighter monthly fees (11 months)	26,730.00
San Juan monthly fees (11 months)	32,857.00
US Bank (issuance fee—Millbrook/Westlake)	<u>34,660.00</u>
TOTAL RECEIPTS	\$328,725.34

AGENDA SUMMARY
October 10, 2018
Page Five

Expenditures for the period October 1, 2107 to August 31, 2018 were as follows:

City of San Fernando (Charitable contribution)	\$ 7,500.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
Logo Expressions (Board Member gifts)	1,083.60
Sylvia Ballin (Board Member stipend)	150.00
Edwin Hernandez (Board Member stipend)	150.00
Leticia Lopez (Board Member stipend)	150.00
Ricardo Pacheco (Board Member stipend)	150.00
Marilyn Sanabria (Board Member stipend)	150.00
Emma Sharif (Board Member stipend)	150.00
Jose Solache (Board Member stipend)	150.00
City of Lynwood (Board Member stipend)	101.43
Smith, Alvarez & Castillo (Staff services)	18,750.00
Del Rae Restaurant (Holiday lunch)	1,174.95
Tripepi Smith & Associates (Public relations)	1,558.25
Best Best & Krieger (Legal fees)	2,701.60
US Bank (DPA fees)	200.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
St. John the Baptist Church (Charitable contribution)	4,000.00
Best Best & Krieger (Legal fees)	8,213.57
County of Los Angeles (Lobbyist registration fees)	76.79
Smith, Alvarez & Castillo (Staff services)	18,750.00
Robert Eichel & Associates (Audit services)	3,290.00
Tripepi Smith & Associates (Public relations)	2,672.36
California Contract Cities Association (Sponsorship)	1,500.00
California Contract Cities Association (Table top display)	800.00
California Contract Cities Association (Seminar registrations)	1,200.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
Best Best & Krieger (Legal fees)	2,688.00
US Bank (DPA fees)	400.00
Logo Expressions (Promo)	1,420.36
Smith, Alvarez & Castillo (Staff services)	18,750.00
Robert Eichel & Associates (Audit services)	9,188.00
SoCal Partners In Home Ownership (Sponsorship)	1,500.00
Tripepi Smith & Associates (Public relations)	3,751.25
Logo Expressions (Promo)	1,441.89
Smith, Alvarez & Castillo (Staff services)	18,750.00
Logo Expressions (Promo)	188.17
Renaissance Hotel (Hotel for CCCA Seminar)	753.33
Smith, Alvarez & Castillo (Staff services)	18,750.00
Tripepi Smith & Associates (Public relations)	5,318.24
Best Best & Krieger (Legal fees)	8,119.17
US Bank (DPA fees)	300.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
Independent Cities Association (Seminar registrations)	1,500.00
California City Management Foundation (Sponsorship)	3,000.00

AGENDA SUMMARY

October 10, 2018

Page Six

Krisla, Inc. (Accounting services)	4,165.00
Trackdown Management (Sponsorship)	1,100.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
Tripepi Smith & Associates (Public relations)	865.49
Best Best & Krieger (Legal fees)	2,688.00
US Bank (DPA fees)	500.00
CUSIP Global Services (Fees)	97.00
Smith, Alvarez & Castillo (Staff services)	18,750.00
Vasquez & Company (Audit fees)	11,500.00
TOTAL EXPENDITURES	<u>\$303,856.35</u>

ICFA account balances as of August 31, 2018 were as follows:

Bank of America	\$ 44,784.45
LAIF	\$349,927.07

It should also be noted that ICFA has one outstanding loan to Augusta Communities in the amount of \$90,000.

C. RECOMMENDATION:

Approve the financial accounting for the period October 1, 2017 to August 31, 2018.

E. STATUS REPORT ON THE ICFA M LOCAL EXPRESS PROGRAM.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A verbal report will be provided at the meeting.

C. RECOMMENDATION:

None.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

AGENDA SUMMARY

October 10, 2018

Page Seven

C. RECOMMENDATION:

None.

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS REGULAR MEETING

November 15, 2017

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City of Lynwood on November 15, 2017 at 12:10 p.m. by President Sylvia Ballin.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

Sylvia Ballin, President	San Fernando
Edwin Hernandez	Lynwood
Ricardo Pacheco	Baldwin Park
Marilyn Sanabria	Huntington Park
Emma Sharif	Compton
Leticia Lopez	Vernon

Alternate Members Of The Board of Directors Present

Jose Solache	Lynwood
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The City of South Gate was not represented by a voting member.

Guests Present

Clay Hardmore	Gilmore & Bell
Pam Newcomb	Newcomb Williams Financial Group
Tammy Ofek	Wolf & Company, Inc.
George Turk	Millennium Housing
Wes Wolf	Wolf & Company, Inc.

Staff Present

Lufti Kharuf	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

IV. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

V. NEW BUSINESS.

A. APPROVAL OF THE MINUTES OF THE MARCH 23, 2017 BOARD OF DIRECTORS MEETING.

It was moved by Marilyn Sanabria, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote to approve the minutes of the March 23, 2017 Board of Directors meeting:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of South Gate

B. APPROVAL/ADOPTION OF RESOLUTION 2017-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY APPROVING A DEBT MANAGEMENT POLICY AND TAKING OTHER ACTIONS RELATED THERETO).

It was reported generally as follows:

On September 12, 2017, the Governor signed into law Senate Bill 1029 (SB 1029). SB 1029 amended Government Code 8855 requiring local governments to prepare and submit accountability reports to the California Debt and Investment Advisory Commission (CDIAC). SB 1029 also mandated local governments to adopt debt policies 30 days prior to any debt issuance after January 21, 2017.

The Authority has not previously adopted a Debt Management Policy, and is scheduled to issue bonds in the near term. Therefore, the Authority must adopt a Debt Management Policy as soon as feasible.

The Debt Management Policy contained in the agenda packet meets the requirements of Government Code 8855 as amended. This Debt Policy shall govern all debt undertaken by the Authority.

President Ballin asked if there were any questions or comments. There were none.

It was moved by Edwin Hernandez, seconded by Leticia Lopez, and unanimously carried by the following roll call vote to approve/adopt Resolution 2017-2 and to authorize President Ballin and staff to execute same:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of South Gate

C. APPROVAL OF THE REFINANCING OF TWO MANUFACTURED HOME COMMUNITIES BY ICFA, FOR MILLENNIUM HOUSING OF CALIFORNIA AND ITS AFFILIATES, COACH OF SAN DIEGO, INC. AND MILLENNIUM HOUSING CORPORATION LOCATED IN THE CITY OF FRESNO, COUNTY OF FRESNO.

Staff reported generally as follows:

The proposal is to finance the refunding of two manufactured home communities in the City of Fresno (Westlake Mobilehome Park and Millbrook Mobile Home Village), on behalf of Millennium Housing. Millennium originally purchased Westlake Park in May of 2003 and refinanced it in April of 2007, both through ICFA. Millbrook Park was purchased by Millennium in January of 2013.

George Turk of Millennium Housing provided a brief report on the park and all aspects of financing of the project. By refinancing, the cash flow of the park will substantially increase which will allow Millennium to provide additional improvements in the park.

Staff presented a report on the finance team and costs of issuance for the project. It was noted that the City of Fresno conducted a TEFRA hearing on November 9th to approve the bond financing.

President Ballin thanked Millennium Housing for bringing this financing to the Authority and asked if there were any additional questions or comments. There were none.

It was moved by Edwin Hernandez, seconded by Leticia Lopez, and unanimously carried by the following roll call vote to approve all aspects of the proposed financing for Westlake Mobilehome Park and Millbrook Mobile Home Village on behalf of Millennium Housing:

- AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
- NOES: None
- ABSTAIN: None
- ABSENT: City of South Gate

D. APPROVAL/ADOPTION OF RESOLUTION NO. 2017-3 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$24,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017A AND MOBILEHOME PARK SUBORDINATE REVENUE REFUNDING BONDS (WESTLAKE AND MILLBROOK MOBILEHOME PARKS) SERIES 2017B, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH) .

Staff reported generally as follows:

Resolution 2017-3 is the ICFA document which formally authorizes the issuance and delivery of the bonds and authorizes the execution of the bond documents. The various bond documents facilitate the funding thereof.

It was noted that ICFA will receive a fee at closing equal to 20 basis points times the principal amount of the bonds issued. ICFA will thereafter receive an annual fee equal to 10 basis points on the outstanding principal of the bonds as long as the bonds are outstanding. The bonds are not an obligation of the Authority. They are payable solely from revenues from the parks to repayment of the bonds. Generally, after issuance of the bonds, ICFA's responsibilities will be limited to reviewing reports provided by the Oversight Agent and Trustee.

President Ballin asked if there were any questions or comments. There were none.

It was moved by Emma Sharif, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote to approve/adopt Resolution 2017-3 approving the bond issuance and the various agreements and documents relating thereto and to authorize President Ballin and staff to execute all necessary documents relating thereto:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)

NOES: None

ABSTAIN: None

ABSENT: City of South Gate

E. APPROVAL/ADOPTION OF A BUDGET FOR THE 2017-18 FY.

Jose Solache, ICFA Treasurer, referred those present to the proposed budget contained in the agenda packet noting that it represents the best estimates of staff regarding future financings, and noted that a balanced budget is being presented for approval/adoption.

President Ballin asked if there were any questions or comments. There were none

It was moved by Marilyn Sanabria, seconded by Edwin Hernandez, and unanimously carried by the following roll call vote to approve/adopt the 2017-18 FY budget:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
NOES: None
ABSTAIN: None
ABSENT: City of South Gate

F. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD FEBRUARY 1, 2017 TO SEPTEMBER 30, 2017.

It was moved by Edwin Hernandez, seconded by Marilyn Sanabria, and unanimously carried by the following roll call vote to approve the financial accounting for the period February 1, 2017 to September 30, 2017:

AYES: Sylvia Ballin (San Fernando), Edwin Hernandez (Lynwood), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marilyn Sanabria (Huntington Park), Emma Sharif (Compton)
NOES: None
ABSTAIN: None
ABSENT: City of South Gate

G. STATUS REPORT ON AN ICFA POOL SECURITIZATION PROGRAM.

Staff reported generally as follows:

In March, the ICFA Board gave approval for staff to proceed with the planning and implementation of an ICFA Pool Securitization Program using Measure M and Measure R funds.

After providing a brief background, staff noted that the Metro Board approved the Master Guidelines for allocation of Measure M funds at the end of June, but have not yet approved the bonding guidelines. ICFA has obtained interest from several cities to participate in a pool to assist them in obtaining funding for street projects. Staff will continue to approach cities in anticipation of the bonding guidelines being approved by the Metro Board.

Several Board members indicated that this is a great opportunity for cities to complete any transportation related projects.

President Ballin asked if there were any further questions or comments. There were none.

VI. COMMENTS FROM BOARD MEMBERS.

President Ballin wished everyone a Happy Thanksgiving and thanked them for attending the Board meeting. In addition, she indicated she was looking forward to seeing everyone again at the ICFA annual holiday luncheon on November 29th.

VII. MATTERS FROM STAFF.

There were no comments from staff.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:28 p.m.

Respectfully submitted,

/s/
Deborah J. Smith
Executive Director

RESOLUTION NO. 2018-1

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY (THE "AUTHORITY") EXPRESSING AN INTENT TO APPROVE A FIRST SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Independent Cities Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), is authorized to issue bonds pursuant to Chapter 5 of Division 7 of the Government Code of the State of California (the "Act") for any public purpose for which it was created and to enter into a loan agreement with, or deliver or cause to be executed and delivered certificates of participation in a lease or installment sale agreement with, any public or private entity including, to finance or refinance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of charter school facilities (including by reimbursing expenditures made or refinancing indebtedness incurred for such purposes) within the jurisdiction of the Authority; and

WHEREAS, on February 17, 2009, the President of the United States of America signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 (2009) ("ARRA"), which amended the Internal Revenue Code of 1986, as amended (the "Code") by adding Section 54F thereof, authorizing the issuance of qualified school construction bonds ("Qualified School Construction Bonds"), as tax credit bonds, by a state or local government within the jurisdiction of which a school is located; and

WHEREAS, Qualified School Construction Bonds may be used to finance the construction, rehabilitation, or repair of a public school facilities or for the acquisition of land on which such facilities are to be constructed ("Qualified Costs"); and

WHEREAS, the Authority has previously issued its \$9,844,675 Charter School Revenue Bonds (Alliance Broadway School Project) Series 2011A (Taxable Qualified School Construction Bonds - Direct Subsidy) (the "Senior Bonds") and its \$5,168,000 Subordinate Charter School Revenue Bonds (Alliance Broadway School Project) Series 2011B (Taxable Qualified School Construction Bonds – Direct Subsidy) (the "Subordinate Bonds" and together with the Senior Bonds, the "Series 2011 Bonds") pursuant to and secured by the Trust Indenture dated November 1, 2011 between the Authority and the Zions Bancorporation, National Association (formerly known as ZB, National Association DBA Zions Bank), as trustee thereunder (the "Original Trust Indenture"); and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Original Trust Indenture; and

WHEREAS, the Series 2011 Bonds were issued by the Authority and loaned to 1918 Broadway Charter Financing LLC (the "Borrower"), a limited liability company organized for nonprofit purposes under the laws of the State, pursuant to a Loan Agreement dated as of November 1, 2011 between the Authority and Borrower (the "Loan Agreement") for the public purpose of (i) facilitating the financing of the costs of acquiring, constructing, improving and furnishing charter school facilities and the related site located at 211 S. Avenue 20, Los Angeles, California (the "Series 2011 Facilities") for lease to the Lessees, (ii) paying capitalized interest during construction, and (iii) paying certain issuance expenses (collectively, the "Series 2011 Project"); and

WHEREAS, in order to facilitate amending provisions of the Original Trust Indenture, at the anticipated direction of 100% of the Registered Owners of the Series 2011 Bonds in accordance with Sections 10.02 and 10.03 of the Original Trust Indenture, including, but not limited to, reducing the debt service reserve fund requirement, changing the Conversion Date (as defined in the Original Trust Indenture), waiving notice provisions and certain requirements in connection with the remarketing of the Series 2011 Bonds, converting the priority of the Subordinate Bonds to be on a parity with the Senior Bonds, eliminating the optional redemption provisions for the Series 2011 Bonds, and appointing Robert W. Baird & Co. Incorporated and GVC Capital, LLC, as co-remarketing agents, it has been deemed appropriate and necessary that the Authority express its intention to approve a supplement to the Original Trust Indenture and prescribe and establish conditions and other appropriate matters with respect to such amendment;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. The above recitals, and each of them, are true and correct.

SECTION 2. The Authority declares its intent to enter into a First Supplemental Trust Indenture (the "First Supplemental Trust Indenture") between the Authority and the Trustee, supplementing the Original Trust Indenture, the form of which has been presented to the Board of Directors/Executive Committee of the Authority, with such changes therein as are not inconsistent herewith, including any additional changes requested or consented to by 100% of the Registered Owners of the Bonds in furtherance of the remarketing thereof.

SECTION 3. All actions previously taken (not inconsistent with the provisions of this resolution) by the Authority and by the officers of the Authority directed toward the Series 2011 Bonds are hereby ratified and approved.

SECTION 4. The President, Vice President, members of the Board of Directors/Executive Committee, Executive Director, Secretary, Treasurer, Authority Counsel, and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions upon consultation with the Authority's financial consultant, and including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the execution of the First Supplemental Trust Indenture or to otherwise effectuate the purposes of this Resolution, and serve a public purpose, providing educational facilities and opportunities for California students.

SECTION 5. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

SECTION 6. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE
AUTHORITY THIS 10th DAY OF OCTOBER, 2018.

President

Executive Director

I, Deborah Smith, Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the ____ day of October, 2018, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith,
Executive Director of the
Independent Cities Finance Authority

FIRST SUPPLEMENTAL TRUST INDENTURE

between

INDEPENDENT CITIES FINANCE AUTHORITY,

as Issuer

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,

as Trustee

Relating to:

\$9,844,675

Independent Cities Finance Authority

Charter School Revenue Bonds

(Alliance Broadway School Project),

Series 2011A

(Taxable Qualified School Construction Bonds - Direct Subsidy)

and

\$5,168,000

Independent Cities Finance Authority

Subordinate Charter School Revenue Bonds

(Alliance Broadway School Project),

Series 2011B

(Taxable Qualified School Construction Bonds - Direct Subsidy)

Dated as of November 1, 2018

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

Section 1.1	Definitions	25
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ARTICLE II AMENDMENTS

Section 2.1	Amendment to Section 1.01 of the Original Trust Indenture	26
Section 2.2	Waiving Section 5.11(a) of the Original Trust Indenture.....	3
Section 2.3	Amendment Regarding Senior and Subordinate Status of the Series 2011 Bonds	6
Section 2.4	Amendment to Section 5.1(b) of the Original Trust Indenture	27

ARTICLE III

CO-REMARKETING AGENTS

ARTICLE IV

MISCELLANEOUS

Section 4.1	First Supplemental Trust Indenture a Supplemental Indenture; Confirmation of Original Trust Indenture	7
Section 4.2	Conflicts between Original Trust Indenture and this First Supplemental Trust Indenture	7
Section 4.3	Parties Interested Herein.....	7
Section 4.4	Titles, Headings, Etc.....	7
Section 4.5	Severability	7
Section 4.6	Third Party Beneficiaries	7
Section 4.7	Governing Law	8
Section 4.8	Execution in Counterparts	8
Section 4.9	Limitation of Liability of Officials of Authority	8
Section 4.10	No Personal Liability of Officials of the Authority or the Trustee	9

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of November 1, 2018 (this “First Supplemental Trust Indenture”), is between INDEPENDENT CITIES FINANCE AUTHORITY (the “Authority”) a joint powers authority organized and existing under the laws of the State of California (the “State”) and ZIONS BANCORPORATION, NATIONAL ASSOCIATION (FORMERLY KNOWN AS ZB, NATIONAL ASSOCIATION DBA ZIONS BANK, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), with a principal corporate trust office located in Boise, Idaho and authorized under such laws to accept and execute trusts of the character herein set out. Capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Original Trust Indenture, defined below.

WITNESSETH:

WHEREAS, the Authority has been formed under a joint exercise of powers agreement (the “JPA Agreement”) entered into by certain California cities, counties and special districts (the “Members”) for the purpose of exercising the powers common to the Members and additional powers granted to the Authority by Chapter 5 of Division 7 of the Government Code of the State of California (the “Act”) and under the Act, the Authority is authorized to issue bonds that are in the public interest for the purpose of making a loan to an organization for use by such organization to finance or refinance the construction, expansion, remodeling, renovation, furnishing, equipping, and acquisition of charter school facilities (including by reimbursing expenditures made or refinancing indebtedness incurred for such purposes) that benefit the members or associate members of the Authority; and

WHEREAS, the Authority has previously issued its \$9,844,675 Charter School Revenue Bonds (Alliance Broadway School Project) Series 2011A (Taxable Qualified School Construction Bonds - Direct Subsidy) (the “Senior Bonds”) and its \$5,168,000 Subordinate Charter School Revenue Bonds (Alliance Broadway School Project) Series 2011B (Taxable Qualified School Construction Bonds – Direct Subsidy) (the “Subordinate Bonds” and together with the Senior Bonds, the “Series 2011 Bonds”) pursuant to and secured by the Trust Indenture dated November 1, 2011 between the Authority and the Trustee (the “Original Trust Indenture”); and

WHEREAS, the Series 2011 Bonds were issued by the Authority and loaned to 1918 Broadway Charter Financing LLC (the “Borrower”), a limited liability company organized for nonprofit purposes under the laws of the State, pursuant to a Loan Agreement dated as of November 1, 2011 between the Authority and Borrower (the “Loan Agreement”) for the purpose of (i) facilitating the financing of the costs of acquiring, constructing, improving and furnishing charter school facilities and the related site located at 211 S. Avenue 20, Los Angeles, California (the “Series 2011 Facilities”) for lease to the Lessees, (ii) paying capitalized interest during construction, and (iii) paying certain issuance expenses (collectively, the “Series 2011 Project”); and

WHEREAS, the Borrower loaned the proceeds of the Series 2011 Bonds (the “Leverage Loan”) received from the Authority to Alliance Broadway Investment Fund, LLC (the “Investment Fund”); and

WHEREAS, the Investment Fund used the proceeds received from the Borrower, in addition to other funds, to make one or more equity investments in GLA Sub-CDE XI, LLC, New Markets Investment 65, LLC and LIIF Sub-CDE XV, LLC (collectively, the “CDEs”); and

WHEREAS, the CDEs used the proceeds of the equity investment to make one or more loans (the “Project Loan”) to 1918 Broadway Charter Facilities LLC, a California limited liability company (the “Lessor”), to finance the acquisition and construction of the Series 2011 Facilities; and

WHEREAS, pursuant to the Leases, the Lessor, as owner of the Series 2011 Facilities, leases the Series 2011 Facilities to Alliance College-Ready Academy High School No. 14, a California non-profit public benefit corporation and Alliance College-Ready Middle Academy No. 5, a California non-profit public benefit corporation (collectively, the “Lessees”), each of which Lessees is authorized to do business as a charter school in the State pursuant to Title 2, Division 4, Part 26.8 of the California Education Code, Charter Schools Act of 1992, as amended (the “Charter School Law”); and

WHEREAS, the Original Trust Indenture provides that the Series 2011 Bonds shall either be optionally redeemed or subject to mandatory tender on the Conversion Date and that notice shall be given for mandatory tender for purchase of the Series 2011 Bonds; and

WHEREAS, 100% of the Registered Owners of the Series 2011 Bonds have requested the Authority and the Trustee enter into this First Supplemental Indenture, to, among other things, reduce the Debt Service Reserve Fund Requirement (Annual) and the uses therefor, change the Conversion Date, waive notice provisions and certain requirements in connection with the remarketing of the Series 2011 Bonds, convert the priority of the Subordinate Bonds to be on a parity with the Senior Bonds, eliminate the optional redemption provisions for the Series 2011 Bonds, and appoint Robert W. Baird & Co. Incorporated and GVC Capital, LLC, as co-remarketing agents; and

WHEREAS, the Authority desires to enter into this First Supplemental Trust Indenture at the direction of 100% of the Registered Owners of the Series 2011 Bonds, in accordance with the terms of the Original Indenture.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless otherwise required by the context, all capitalized terms used in this First Supplemental Trust Indenture and not defined herein shall have the meanings assigned to them in the Original Trust Indenture.

ARTICLE II

AMENDMENTS

Section 2.1 Amendment to Section 1.01 of the Original Trust Indenture.

(a) Section 1.01 of the Original Trust Indenture (*Definitions*) is hereby amended by adding the following definitions thereto:

“First Supplemental Trust Indenture” means this First Supplemental Trust Indenture dated November 1, 2018 between the Issuer and the Trustee.

“Original Trust Indenture” means the Trust Indenture dated November 1, 2011 between the Issuer and the Trustee.

(b) Section 1.01 of the Original Trust Indenture (*Definitions*) is hereby amended by amending and restating the following term(s):

“Conversion Date” means [November 9], 2018, which is the date on which the Initial Interest Rates on the Bonds are adjusted to Term Interest Rates pursuant to Section 1.3 hereof to the extent such Bonds are not subject to redemption pursuant to Section 5.1(a) of the Original Trust Indenture.

“Remarketing Agent” means Robert W. Baird & Co. Incorporated and its successors and assigns, and GVC Capital, LLC, and its successors and assigns, unless another remarketing agent shall be duly appointed in accordance with this Indenture.

“Debt Service Reserve Fund Requirement (Annual)” means, with respect to the Series 2011 Bonds, an annual amount equal to \$471,033 from the period commencing on the Conversion Date of the Series 2011 Bonds through the maturity date therefor.

Section 2.2 Amendment of Section 2.16 of the Original Trust Indenture. Section 2.2 of the Original Indenture is hereby amended and restated as follows:

Section 2.16. Interest Rates.

(a) Initial Interest Rate. The Initial Interest Rate of the Senior Bonds shall be 8.00%. The Initial Interest Rate with respect to \$3,000,000 aggregate principal amount of the Subordinate Bonds shall be 6.00% and the Initial Interest Rate with respect to the remaining \$2,168,000 aggregate principal amount of the Subordinate Bonds shall be 7.00%. The Initial Interest Rates as set forth above shall be in effect, in each case, from the Closing Date of the Series 2011 Bonds until the Conversion Date. Thereafter, the Senior and Subordinate Bonds shall bear interest at a Term Interest Rate in accordance with the provisions of subsection (b) below, unless the Borrower directs such Bonds be redeemed in whole pursuant to Section 5.1(a) hereof on the Conversion Date.

(b) Term Interest Rate on and after Conversion Date. The Initial Interest Rate of the Series 2011 Bonds on and after the Conversion Date shall be ____% per annum.

Section 2.1 Amendment to Section 5.1(b) of the Original Trust Indenture. All references to the optional redemption of the Series 2011 Bonds pursuant to Section 5.1(b) of the Original Trust Indenture are hereby eliminated and the Series 2011 Bonds shall not be subject to optional redemption prior to maturity.

Section 2.2 Amendment of Section 5.11 of the Original Trust Indenture. Section 5.11 of the Original Indenture is hereby amended and restated as follows:

Section 5.11. Purchase and Remarketing of BondsNotice of Bonds Delivered for Purchase. Whenever the Bonds are Book-Entry Bonds, all references in this 0 to the Tender Agent shall instead mean the Trustee, as the context may require. The Authority and the Trustee agree that the Remarketing Date is the same date as the Conversion Date.

(b) Remarketing of Bonds; Notice of Interest Rates.

(i) The Remarketing Agent has determined the rate of interest to be borne by the Series 2011 Bonds to be __% per annum as of the Conversion Date and thereafter.

(c) Delivery of Remarketed Bonds.

(i) The remarketed Bonds shall be delivered to The Community Development Trust, LP at the address specified thereby following CDT's acquisition thereof by purchasing directly from the Registered Owners on or before the Conversion Date.

(d) Delivery of Proceeds of Sale. No proceeds are expected to be delivered by the Remarketing Agent to the Trustee.

(e) Conditions. If, not less than one Business Day preceding the Remarketing Date:

(i) the Remarketing Agent shall have notified the Trustee and the Tender Agent pursuant to Section 5.11(b) of the remarketing of the Bonds and that the proceeds from the remarketing or other funds equal to the amount needed to purchase the remarketed Bonds on the Remarketing Date are expected to be available to the Trustee or the Tender Agent, as applicable, on the Remarketing Date in an amount equal to the principal amount of the Outstanding Bonds;

(ii) the Trustee is hereby directed to transfer funds from the Debt Service Reserve Fund in the amount of \$_____ to pay estimated

remarketing expenses, which expenses shall be in the amounts as presented by the Remarketing Agent to the Trustee.

(iii) The Trustee is hereby directed to transfer funds from the Debt Service Reserve Fund in the amount of \$_____ to the Bond Interest Fund.

(iv) The Trustee is hereby directed to there shall be deposited with the Trustee \$726,841 to be applied toward the redemption of a portion of the Subordinate Bonds;

(v) The Trustee is hereby directed to disburse funds from the Debt Service Reserve Fund in the amount of \$_____ to be applied toward the redemption of a portion of the Subordinate Bonds;

(vi) The Trustee is hereby directed to redeem \$_____ of the Subordinate Bonds on the Conversion Date, notice for which is hereby waived;

(vii) Following the transfers set forth in subsection (i), (ii) and (v) above, the amount remaining in the Debt Service Reserve Fund shall be \$_____;

(viii) On or prior to the Conversion Date the Trustee shall have received an interest in the Project Loan and Credit Agreement sufficient, along with the Direct Payments, to provide for payments on the Outstanding Bonds;

(ix) The Trustee shall have received, as necessary, a duly executed copy of this Supplemental Indenture;

(x) The Trustee shall have received an opinion of Bond Counsel to the effect that the remarketing of the Bonds will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds or the status of the Bonds as Qualified School Construction Bonds, as applicable,

then the Trustee shall immediately give notice to the Remarketing Agent, the Tender Agent, the Authority and the Borrower that 9a) all conditions precedent to the remarketing of the Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the Remarketing Date. Following the Trustee's notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement.

(f) Unclaimed Moneys. The Tender Agent shall, at the end of the fifth Business Day after the Remarketing Date, transfer all remaining funds representing Undelivered Bonds pursuant to the provisions of 0 to

The Trustee for deposit by the Trustee into a segregated account for the Bonds to be designated the “Unclaimed Moneys Account.” The Trustee shall hold funds on deposit in the Unclaimed Moneys Account in trust uninvested for the payment of the Purchase Price thereof to the former Owners of such Bonds as required by the provisions of 0. Upon receipt by the Tender Agent of an Undelivered Bond, the Tender Agent shall request funds from the Trustee for the Purchase Price of such Bond and shall pay such Purchase Price to the party entitled to such payment as soon as practicable. Any such moneys so held in trust by the Tender Agent shall be held uninvested until paid to the person entitled thereto or paid to the Trustee as provided herein.

(g) Establishment of Accounts. The Trustee or the Tender Agent, as applicable, may establish such accounts with respect to moneys received from the purchase of Bonds as it deems necessary in order to carry out the provisions of this Section.

(h) Failed Remarketing. If, not less than one (1) Business Day preceding a Remarketing Date, any condition set forth in Section 5.11(e) has not been satisfied, then, (a) the Remarketing Agent shall not sell any of the Bonds on the Remarketing Date, (b) the Trustee shall, not less than one (1) Business Day preceding the Remarketing Date, give notice of that fact to the Authority, the Tender Agent, the Remarketing Agent, and Borrower, (c) the Bonds shall bear interest at a Term Interest Rate, provided, however, that such Term Interest Rate shall be the same interest rate as the interest rate on the Bonds as was in effect immediately prior to such Remarketing Date, and provided further that the duration of the corresponding Term Interest Rate Period shall be six months, and (d) the Owners of the Series 2011 shall retain the Bonds which Bonds shall be subject to mandatory tender as set forth in Section 5.10 hereof on the first day of the next succeeding Term Interest Rate Period.

Section 2.3 Amendment Regarding Senior And Subordinate Status of the Series 2011 Bonds. Notwithstanding anything to the contrary in the Original Trust Indenture, the Subordinate Bonds shall be and hereby are in parity with the Senior Bonds. The Subordinate Bonds shall not be subordinated in priority, right and time of payment and shall be on parity with the Senior Bonds with respect to (x) amounts due and payable on the Senior Bonds, (y) amounts due and payable from the Revenue Fund pursuant to Section 3.22, subparagraphs FIRST and SECOND and (z) amounts due and payable pursuant to Section 8.5(a), subparagraphs FIRST and SECOND and Section 8.5(b), subparagraph first of the Original Trust Indenture. Payment of the principal of, and interest on, Subordinate Bonds shall be made by the Trustee only from funds, if available, held in the Revenue Fund pursuant to Section 3.22, subparagraphs THIRD and FOURTH or otherwise available pursuant to Section 8.5(a), subparagraphs THIRD and FOURTH or Section 8.5(b), subparagraph second of the Original Trust Indenture.

ARTICE III

CO-REMARKETING AGENTS

The Authority appoints Robert W. Baird & Co. Incorporated and GVC Capital, LLC, as the co-Remarketing Agents for the Series 2011 Bonds and hereby waives the requirements set forth in subsection 5.12(f) of the Original Indenture.

ARTICLE IV

MISCELLANEOUS

Section 4.1 First Supplemental Trust Indenture a Supplemental Indenture; Confirmation of Original Trust Indenture. This First Supplemental Trust Indenture is a Supplemental Indenture within the meaning of the Original Trust Indenture, and is executed and delivered pursuant to and in accordance and conformity with Sections 10.2 and 10.3 of the Original Trust Indenture. The Original Trust Indenture is in all respects ratified and confirmed, subject to the amendments provided herein, and the Original Trust Indenture and this First Supplemental Trust Indenture shall be read, taken and construed as one and the same instrument so that, except as expressly supplemented or amended by this First Supplemental Trust Indenture, all of the rights, remedies, terms, conditions, covenants and agreements of the Original Trust Indenture shall remain in full force and effect.

Section 4.2 Conflicts between Original Trust Indenture and this First Supplemental Trust Indenture. In the event of any conflict between any provision of this Trust and the Original Trust Indenture, this First Supplemental Trust Indenture shall control.

Section 4.3 Parties Interested Herein. With the exception of rights herein expressly conferred on the Borrower, nothing in this First Supplemental Trust Indenture expressed or implied is intended or shall be construed to confer upon or to give to, any Person other than the Authority, the Trustee and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this First Supplemental Trust Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this First Supplemental Trust Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Registered Owners of the Bonds.

Section 4.4 Titles, Headings, Etc. The titles and headings of the articles, sections, and subsections of this First Supplemental Trust Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 4.5 Severability. In the event any provision of this First Supplemental Trust Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 4.6 Third Party Beneficiaries. Each of the Authority Indemnified Parties (other than the Authority) shall be considered to be intended third party beneficiaries of this First Supplemental Trust Indenture. Nothing in this First Supplemental Trust Indenture shall confer any right upon any Person other than the parties hereto and the specifically designated third party beneficiaries of this First Supplemental Trust Indenture.

Section 4.7 Governing Law. This First Supplemental Trust Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Authority. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this First Supplemental Trust Indenture against the Authority shall be brought and maintained in the Superior Court of California of the County of Los Angeles or the United States District Court for the Central District of California.

Section 4.8 Execution in Counterparts. This First Supplemental Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.9 Limitation of Liability of Officials of Authority. Anything in this First Supplemental Trust Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Authority by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Authority.

Subject to the provisions of the following paragraph, no recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority contained in this First Supplemental Trust Indenture, any other Authority Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Authority contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any of the Authority Indemnified Parties, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any of the Authority Indemnified Parties, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Authority with the Borrower or the Trustee, or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each of the Authority Indemnified Parties, by the execution of the Bonds, this First Supplemental Trust Indenture, and the other Authority Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this First Supplemental Trust Indenture, and the other Authority Documents, is expressly waived and released.

No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Authority in connection with the Project or the issuance, sale, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Authority or a charge against its general credit, or shall obligate the Authority financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Bonds and their application as provided in this First Supplemental Trust Indenture. No failure of the Authority to comply with any term, covenant, or agreement contained in the Bonds, this First Supplemental Trust Indenture or the Agreement, or in any document executed by the Authority in connection with

the Project or the issuance and sale of the Bonds, shall subject the Authority to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent the same can be paid or recovered from the revenues pledged for the payment of the Bonds or other revenues derived under the Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Authority for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Authority, except as may be payable from the revenues pledged under this First Supplemental Trust Indenture for the payment of the Bonds or other revenue derived under the Agreement. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Authority, or the breach thereof, shall constitute an indebtedness of the Authority within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the Authority's general credit. In making the agreements, provisions, and covenants set forth in this First Supplemental Trust Indenture, the Authority has not obligated itself, except with respect to the application of the revenues pledged in this First Supplemental Trust Indenture for the payment of the Bonds or other revenues derived under the Agreement.

Except during the continuance of an Event of Default, the Borrower shall have the duty to direct the Trustee to invest or reinvest all money held for the credit of funds established by this First Supplemental Trust Indenture in accordance with Article VI of this First Supplemental Trust Indenture.

Section 4.10 No Personal Liability of Officials of the Authority or the Trustee. No covenant or agreement contained in the Bonds or in this First Supplemental Trust Indenture shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Authority in his or her individual capacity or any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(Remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the Authority and the Trustee have caused this First Supplemental Trust Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

INDEPENDENT CITIES FINANCE
AUTHORITY, as Authority

By: _____
President

ATTEST:

By: _____
Executive Director

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____

[Signature Page to First Supplemental Trust Indenture]

**INDEPENDENT CITIES FINANCE AUTHORITY
2018-19 FY BUDGET**

PURPOSE	2017-18 ESTIMATED	2017-18 ACTUAL	2018-19 ESTIMATED
<u>RECEIPTS</u>			
Manufactured home community financings and other financings (at issuance)	\$ 50,000	\$ 34,700	\$75,000
Manufactured home community financings and other financings (annual fees)	360,000	320,000	320,000
Interest	7,000	7,000	7,700
MASH Program	4,000	5,000	5,300
TOTAL RECEIPTS	\$421,000	\$366,700	\$408,000
<u>EXPENDITURES</u>			
Board Member Stipends & Expenses	\$ 5,000	\$ 2,500	\$ 4,000
Staff Services	225,000	225,000	225,000
Legal Services	60,000	41,500	45,000
Audit Services	35,000	25,000	20,000
Administrative/Miscellaneous	-	7,500	10,000
Community Outreach Program	52,500	32,000	37,500
Public Relations/Marketing	25,000	25,000	30,000
Sponsorships/Conferences	10,000	12,000	15,000
ICFA Educational Seminars	10,000	-0-	10,000
CalHome Mortgage Assistance	1,200	1,700	2,000
MASH Program	-0-	-0-	-0-
Program Reserves	12,600	-0-	9,500.00
TOTAL EXPENDITURES	\$421,000	\$372,200	\$408,000
BALANCE	-0-	(\$ 5,500)	-0-

**INDEPENDENT CITIES FINANCE AUTHORITY
BUDGET NOTES
2018-19 FY**

RECEIPTS:	
Manufactured home community financings and other financings in California (at issuance)	Estimated \$37,500,000 of financings; ICFA receives 20 basis points at issuance
Manufactured home community financings and other financings in California (annual fees)	ICFA receives 10-12 basis points on outstanding balance annually
Interest	ICFA receives interest on monies in LAIF, as well as loan to Augusta Communities
MASH Program	ICFA receives \$250+ counterparty fee per mobile home park
EXPENDITURES:	
Board Member Stipends	Elected Board Members receive \$150 per meeting
Staff Services	Executive Director receives \$225,000
Legal Fees	General Legal Counsel – Monthly retainer plus special work
Audit Services	Auditor/Accountant fees
Administrative/Miscellaneous	Insurance and miscellaneous expenses
Community Outreach Program	\$7,500 per eligible Board Member
Public Relations/Marketing	ICFA newsletters/email blasts, marketing efforts, website maintenance, assistance with seminars, etc.
Sponsorships/Conferences	Sponsorship fees and attendance at conferences
Educational Seminars	Educational conference(s) and webinars throughout the year
CalHome Mortgage Assistance	Administrative/oversight fees
MASH Program	Expenses related to MASH Program
Program Development/Reserves	Program reserves

AVAILABLE REVENUE:

ICFA will enter the 2018-19 FY with assets of approximately \$410,000 net. It should be noted that ICFA loaned Augusta Communities \$90,000 in 2013.

INDEPENDENT CITIES FINANCE AUTHORITY

STATEMENT OF INVESTMENT POLICY

PURPOSE

This statement is intended to provide guidelines for the prudent management of the Independent Cities Finance Authority (ICFA) funds, and outline the policies and procedures for optimum efficiency of the Authority's investment program. The ultimate goal is to enhance the financial position of the Authority while protecting the safety of its funds.

OBJECTIVE

In accordance with California Government Code Section 53600.5, the primary objective of ICFA's investment program shall be to safeguard its principal. The secondary objective shall be to meet its liquidity needs. The third objective shall be to maximize the rate of return while safeguarding principal and maintaining the liquidity needs of ICFA.

PRUDENT PERSON STANDARD

ICFA's investments are governed by the prudent investor standard, as set forth in Section 53600.3 of the California Government Code, and restated below:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

INVESTMENT PROGRAM

- A. Investment of funds is governed by California Government Code Section 53600 et seq., a copy of which is attached to this policy as Exhibit A. Non-bond proceeds may be invested in the State of California's Local Agency Investment Fund (LAIF).
- B. Investment of bond proceeds is governed by the bond document, which supersedes the California Government Code in the case of bond proceeds. Bond proceeds shall be held by a trustee bank.
- C. The ultimate responsibility for the investment of ICFA's funds shall reside with the Board of Directors. The Executive Director is designated as the staff member responsible for the day-to-day investment of ICFA funds, provided the Board may retain professional investment advisers pursuant to Section D below.

- D. The Board of Directors may allocate its funds to professional investment advisers in a manner consistent with ICFA's objectives. Such advisers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940 and shall enter into a written agreement for this service with ICFA.
- E. Investment securities and cash shall be held in a bank custody account in the name of ICFA.
- F. All investments shall be made as "delivery vs. payment" transactions.
- G. All funds under the care and control of ICFA shall be invested in a local bank and the State of California Local Agency Investment Fund (LAIF) until such time as the Board of Directors or Executive Committee authorizes investment in other vehicles.

INVESTMENT STRATEGY

- A. To the extent possible, ICFA's investments shall be structured to attain a duration approximately equal to the duration of ICFA's liabilities, and to provide sufficient liquidity from maturing investments to meet ICFA's operating cash flow requirements.
- B. With the assistance of its investment adviser (if applicable) and other consultants, ICFA will select a segment of the fixed income market (an "index") with a duration approximately equal to the duration of ICFA's liabilities as its benchmark.
 - 1. The performance objective of the portfolio is to achieve a return over a market cycle equal to or better than the return on the benchmark.
 - 2. The duration of the fund shall be maintained within a range of $\pm 20\%$ of the duration of its benchmark index.
- C. Funds that are paid to ICFA for paying administrative expenses shall be invested by the Executive Director in a bank or in the State of California Local Agency Investment Fund (LAIF).

DIVERSIFICATION REQUIREMENTS

- A. ICFA is subject to all the diversification requirements described in California Government Code, Section 53600 et seq.
- B. With the exception of securities issued by the U.S. government and its agencies, no more than 5% of the portfolio may be invested in securities of any one issuer.
- C. No individual holding shall constitute more than 5% of the total debt outstanding of any issuer.

REPORTING AND REVIEWS

- A. In accordance with the reporting requirements of the California Government Code, the Executive Director will provide a quarterly report to the Board of Directors providing the following information:
 - 1. Breakdown of all securities, investments and moneys held by ICFA by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.
 - 2. A description of all the local agency's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
 - 3. A statement of compliance with investment policy and a statement denoting the ability of ICFA to meet its expenditures for the next six months.
- B. The investment adviser (if applicable) shall ensure a duplicate confirmation is provided to ICFA by the securities broker.
- C. The investment adviser (if applicable) shall provide the ICFA Executive Director with a copy of its order memorandum on the date of each investment transaction.
- D. The Treasurer of ICFA shall receive copies of all monthly reports furnished by the investment manager (if applicable) and by the trustee.
- E. Portfolio reviews:
 - 1. The investment adviser (if applicable) shall meet at least annually with the Board of Directors to review account activity, economic conditions and investment performance.
 - 2. The investment adviser (if applicable) shall be available to meet quarterly with ICFA's Executive Director and Treasurer.

ANNUAL SUBMISSION OF INVESTMENT POLICY

The ICFA Executive Director shall render a statement of investment policy to the Board of Directors every two years. The Board shall consider the policy, with any changes, in a public meeting.