

**MEMBER CITIES**

Alhambra  
 Apple Valley  
 Azusa  
 Baldwin Park  
 Barstow  
 Bell  
 Bellflower  
 Brea  
 Capitola  
 Carpinteria  
 Carson  
 Chino  
 Claremont  
 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  
 Vista  
 West Covina  
 Whittier  
 Yucaipa

**BOARD MEMBERS**

**OFFICERS**

Mike McCormick, President  
 Vernon  
 Mario Gomez, Vice President  
 Huntington Park  
 Stephen Ajobiewe, Treasurer  
 Compton

**DIRECTORS**

Ricardo Pacheco, Baldwin Park  
 Willie Jones, Compton  
 Edwin Hernandez, Lynwood  
 Sylvia Ballin, San Fernando  
 Gil Hurtado, South Gate  
 Secretary/Executive Director  
 Debbie Smith  
 General Legal Counsel  
 Scott Campbell  
 Best Best & Krieger, LLP



**INDEPENDENT CITIES FINANCE AUTHORITY**  
 Regular Meeting Of The Board Of Directors  
 Regular Meeting Of The Executive Committee

Wednesday, February 18, 2015  
 12:00 p.m.

City of Huntington Park  
 2<sup>nd</sup> Floor Planning Conference Room  
 6550 Miles Avenue  
 Huntington Park, CA 90255

**MEETING AGENDA**

**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.

- 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. (Page 5)

**V. NEW BUSINESS.**

- A. Approval Of Minutes Of The September 24, 2014 Board of Directors Meeting. (Pages 5 & 20-28)  
*RECOMMEND APPROVAL*
- B. Status Report On An ICFA Market Rate Lease Purchase Homeownership Initiative Program And Approval of First Amendment To Memorandum Of Understanding Between Emerging Markets Group and ICFA. (Pages 6-9 & 29-31)  
*RECOMMEND APPROVAL*
- 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 San Marcos, County Of San Diego. (Pages 9-13)  
*RECOMMEND APPROVAL*
- D. Approval/Adoption Of Resolution No. 2015-1 (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 \$38,500,000 Aggregate Principal Amount Of Independent Cities Finance Authority Mobile Home Park Revenue Refunding Bonds (Palomar East Estates and Palomar West Estates) Series 2015, And Approving Certain Documents And Authorizing Certain Actions In Connection Therewith. (Pages 13-14 & 32-37)  
*RECOMMEND APPROVAL/ADOPTION*
- E. Status Report On AB 2046 (Gomez) – Joint Exercise Of Powers: Financing. (Page 15)  
*RECOMMEND RECEIVE AND FILE*
- F. Status Report On The County Of Los Angeles Becoming An Associate Member Of ICFA. (Page 15)  
*RECOMMEND RECEIVE AND FILE*
- G. Approval Of Financial Accounting For The Period September 1, 2014 to January 31, 2015. (Pages 16-17)  
*RECOMMEND APPROVAL*
- H. Update On Pending Projects/Activities. (Page 18)  
*INFORMATION ONLY*

**VI. COMMENTS FROM BOARD MEMBERS. (Page 18)**

**VII. MATTERS FROM STAFF. (Page 18)**

**VIII. ADJOURNMENT. (Page 18)**

The public shall have an opportunity to comment on any item as each item is considered by the Board/Executive Committee and prior to 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 p.m. unless the Board of Directors/ Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forward 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 in three separate locations, just as you would a City Council agenda.***

**INDEPENDENT CITIES FINANCE AUTHORITY**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**REGULAR MEETING OF THE EXECUTIVE COMMITTEE**

February 18, 2015 - 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 San Fernando |
| City of Compton         | City of South Gate   |
| City of Huntington Park | City of Vernon       |
| City of Lynwood         |                      |

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.

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 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.

C. RECOMMENDATION:

None.

**V. NEW BUSINESS.**

**A. APPROVAL OF MINUTES OF THE SEPTEMBER 24, 2014 BOARD OF DIRECTORS MEETING.**

A. MATERIAL ENCLOSED: **(PAGES 20-28)**

Minutes of the September 24, 2014 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the September 24, 2014 Board of Directors meeting.

**B. STATUS REPORT ON AN ICFA MARKET RATE LEASE PURCHASE HOMEOWNERSHIP INITIATIVE PROGRAM AND APPROVAL TO CONTINUE WITH THE DEVELOPMENT AND IMPLEMENTATION OF SAID PROGRAM.**

**A. MATERIAL ENCLOSED: (PAGES 29-31)**

First Amendment to Memorandum of Understanding between ICFA and Emerging Markets Group.

**B. COMMENTS:**

On July 15, 2014 ICFA entered into a Memorandum of Understanding with Guy Burgoon of Emerging Markets Group (EMG) which gave EMG authorization to proceed with the development of an ICFA Lease Purchase Homeownership Initiative program at a fee of \$5,000 per month for a period of six months.

Briefly, the Lease Purchase Home Ownership Program assists individuals and families in overcoming two of the major barriers to home ownership -- lack of cash and lack of good credit. The Lease Purchase Program allows a homebuyer to select and live in the home of their dreams, lock in the purchase price and the monthly payment. If a homebuyer has satisfactory credit, then the purpose of program is to provide the down payment and closing costs. However, if credit is also a problem, the program not only provides the down payment and pays the closing costs, but also assists the home purchaser to establish or even re-establish their credit reputation. At the end of the lease the homebuyer will assume the existing mortgage.

During the lease period the home is owned by ICFA or a related non-profit that will help the Lease Purchase candidate get ready to assume the ownership of their house which transfers title to Lease Purchase candidate at the end of the lease. The Lease Purchase candidate can select any home that meets their needs and that they can afford located within one of the participating ICFA cities.

The status of Mr. Burgoon's efforts are as follows:

Based upon authorization found in United States Department of Housing and Urban Development (HUD) Handbook 4155.1, *Mortgage Credit Analysis for Mortgage Insurance, One to Four Family Properties*, confirmation of this same authorization by the Santa Ana, CA HUD Homeownership Center, and the identification of demand for both available properties and prospective applicants, EMG continues to work to complete and implement the proposed Initiative. Written commitments from all prospective partners who will help facilitate and maintain on-going operations will be collected by March 31, 2015, which will enable EMG to coordinate the creation and execution of agreements among parties and to initiate operations no later than June 1, 2015.

The prospective custodian, Wilmington Trust, N.A., who will facilitate and manage the flow of all program-related funds, has submitted a written proposal describing the services they have committed to provide and the related fees. Prospective credit manager, Springboard Nonprofit Consumer Credit Management, Inc., who will help process, educate, mentor, and manage prospective mortgagors, will submit by March 03, 2015 a written proposal including the services and the related fees they have verbally committed to provide. And, prospective insurance provider, Lloyd's of London, who will provide property, casualty, liability, and commercial business interruption insurance coverage, will submit by March 18, 2015 a written proposal describing the products and services, including related terms and fees, they have verbally committed to provide.

With these commitments in place/progress, EMG continues to work toward a written commitment beyond our non-disclosure/non-compete agreement with prospective mortgage lender and loan servicer, Carrington Mortgage Services, LLC (CMS), a Ginnie Mae-approved Seller/Servicer who will price, originate, securitize, and service FHA-insured loans per the proposed Initiative

to provide funding for the acquisition of properties by ICFA and the assumption of those same properties by prospective mortgagors at lease end. EMG is also pursuing a written commitment from Carrington Property Services, LLC (CPS) detailing their verbal request to service all resulting lease agreements and to manage all acquired properties.

Once agreements among parties are executed, financial and operational structures of the proposed Initiative are finalized, and program documents are ready to be executed, EMG will present the finished product to the Board for their consideration and approval. To source properties and prospective mortgagors in anticipation of approval, EMG will meet with Waypoint Real Estate Group and with Dwell Finance the week of April 20, 2015 and request to acquire as many as two hundred of the seven thousand renter-occupied properties located in the program area that they are each actively trying to sell.

All this being the case, a First Amendment to Memorandum of Understanding between ICFA and EMG is being presented to the Board for approval. The Amendment will extend the Agreement to May 31, 2015 with compensation as follows:

- During the extended term, the development fee payable to EMG will remain \$5,000 per month, provided, however, that 50% of the development fee will be accrued and paid on a contingency basis so long as EMG is successful in satisfying the milestones no later than May 31, 2015 to allow for approval of the program at a Board meeting to be held in June. The remaining 50% of the development fee (i.e., \$2,500) will be payable monthly in accordance with the terms of the MOU.
- In the event EMG is successful in satisfying the milestones no later than May 31, 2015, so as to allow for approval of the Program during the June meeting of the ICFA Board of Directors, then EMG will be entitled to payment of the contingency no later than June 30, 2015. In the event that EMG is not successful in satisfying the milestones as of May 31, 2015, then the contingency will lapse and will no longer be payable by the Authority to EMG.



Guy Burgoon of EMG and will be available at the meeting to provide an updated report and answer any questions the Board may have.

C. RECOMMENDATION:

1. Authorize Emerging Markets Group, LLC to continue to develop, structure and implement the proposed ICFA Market Rate Lease Purchase Homeownership Initiative Program; and
2. Authorize President McCormick and/or staff to enter into a First Amendment to Memorandum of Understanding between EMG and ICFA through May 31, 2015 based on the compensation terms outlined above.

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 SAN MARCOS, COUNTY OF SAN DIEGO.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

**Proposal:**

To finance the refunding of two manufactured home communities in the City of San Marcos, County of San Diego (Palomar East Estates and Palomar West Estates), which are located at 650 South Rancho Santa Fe Road and 1930 West San Marcos Boulevard, respectively, on behalf of Millennium Housing.

The combined parks house 846 spaces on 128 acres. All spaces are double wide. Millennium Housing purchased these parks in March of 2003 through California Mobilehome Park Financing Authority. Since purchasing the parks, Millennium Housing has spent a total of \$1.7 million to improve them. Both parks are senior parks and are 100% occupied. Recent home sales in these parks have ranged from \$60,000 to \$215,000.

Millennium Housing is now seeking to refinance the parks in order to obtain a lower interest rate and provide additional funds for improvements in the park.

By way of brief background, Millennium Housing of California and its affiliates have facilitated the purchase of sixteen manufactured home communities through ICFA -- two in the City of Fresno, one in the City of Salinas, one in the County of San Mateo, one in the City of Hermosa Beach, one in the City of Morgan Hill, one in the City of San Juan Capistrano; one in the City of Santa Rosa; one in the City of Capitola; two in the City of Yucaipa; one in the City of Palm Springs; two in the City of Rohnert Park; one in the City of San Marcos; and one in the City of Carpinteria:

1. Westlake Park (Fresno) contains 330 spaces and occupies 50 acres. The total ICFA bond issuance was \$16 million.
2. Millbrook Mobile Home Village (Fresno) contains 93 spaces and occupies 13 acres. The total ICFA bond issuance was \$1.4 million.
3. Lamplighter-Salinas Mobilehome Park (Salinas) contains 251 spaces on 28.7 acres. The total ICFA bond issuance was \$25+ million.
4. El Granada/Pillar Ridge (San Mateo) contains 227 spaces and occupies 22+ acres. The total ICFA bond issuance was \$32± million.
5. Marineland Mobilehome Park (Hermosa Beach) contains 60 spaces and occupies 4.2 acres. The total ICFA bond issuance was \$7,470,000.
6. Hacienda Valley Mobile Estates (Morgan Hill) contains 166 spaces and occupies 20.3 acres; the total ICFA bond issuance was \$12 million.
7. San Juan Mobile Estates (San Juan Capistrano) contains 312 spaces and occupies 38.2 acres; the total ICFA bond issuance was \$40± million.
8. Santa Rosa Leisure Mobile Home Park (Santa Rosa) contains 182 spaces and occupies 24.57 acres; the total ICFA bond issuance was \$18± million.
9. Castlevue Estates (Capitola) contains 108 spaces on 8.4 acres; the total bond issuance was \$9± million.
10. Rancho Del Sol (Yucaipa) and Grandview East contain 214 spaces on 20 acres; the total bond issuance was \$7± million.

11. Sahara Mobile Home Park (Yucaipa) contains 254 spaces on 29 acres; the total bond issuance was \$13± million.
12. Las Casitas de Sonoma Mobile Home Park (Rohnert Park) contains 128 spaces on 13.8 acres; and Rancho Feliz Mobile Home Park contains 297 units on 37.1 acres; the total bond issuance was \$23.5 million.
13. Rancho Vallecitos Mobile Home Park (San Marcos) contains 340 spaces on 49.9 acres; the total bond issuance was \$21.4 million.
14. Vista de Santa Barbara (Carpinteria) contains 124 units on 16+ acres; the total bond issuance was \$8.4 million.

Augusta Communities has purchased four separate manufactured home communities through ICFA in the cities of Montclair and Yucaipa. In total, the Augusta Communities parks financed through ICFA contain approximately 517 spaces on 68 acres, for a total bond issuance of approximately \$30 million.

The purchase by nonprofits of nearly 5,000 manufactured home community spaces will have been financed by ICFA to date.

**Financing Team:**

The financing team for this transaction is as follows:

| Participant                   | Firm                                    |
|-------------------------------|---|
| Issuer                        | Independent Cities Finance Authority    |
| Issuer's Counsel              | Best Best & Krieger LLP                 |
| Bond Counsel                  | Ballard Spahr, LLP                      |
| Underwriter                   | Newcomb Williams Financial Group        |
| Underwriter's Counsel         | By Underwriter                          |
| Oversight Agent               | Wolf & Company, Inc.                    |
| Financial Advisor             | Wolf & Company, Inc.                    |
| Trustee                       | Union Bank of California                |
| Trustee's Counsel             | Union Bank of California Legal Division |
| Borrower                      | Millenniun Housing                      |
| Borrower's General Counsel    | Charles Kane & Dye, LLP                 |
| Borrower's 501(c) (3) Counsel | Goldfarb & Lipman                       |

**Costs of Issuance:**

The costs of issuance will be covered partially by the funds from the issue that are permitted to be used for this purpose by the federal guidelines. The financing of this project is estimated generally as follows. Please note that these numbers are preliminary and are subject to change:

|   |                        |
|---|------------------------|
| <b><u>SOURCES OF FUNDS:</u></b>               |                        |
| Par Amount Of Bonds                           | \$35,540,000.00        |
| Transfers from Prior Issue Debt Service Funds | 1,337,532.00           |
| Transfers from Prior Issue DSR Funds          | 3,122,713.00           |
| Transfer from Operating Reserve               | 157,578.00             |
| Transfer from Repair and Replacement          | 502,409.00             |
| <b>TOTAL SOURCES</b>                          | <b>\$40,660,232.00</b> |
| <b><u>USES OF FUNDS:</u></b>                  |                        |
| Total Underwriter's Discount (1.250%)         | 444,250.00             |
| Costs Of Issuance                             | 186,600.00             |
| Issuer Fee                                    | 71,080.00              |
| Deposit To Debt Service Reserve Fund (DSRF)   | 2,329,077.50           |
| Deposit To Current Refunding Fund             | 36,044,218.67          |
| Repair and Replacement                        | 1,500,000.00           |
| Rental Assistance Fund                        | 80,000.00              |
| Rounding Amount                               | 5,005.83               |
| <b>TOTAL USES</b>                             | <b>\$40,660,232.00</b> |

**Issuer's Fees:**

- 20 basis points times the aggregate principal amount of the bonds at issuance
- 10 basis points times the aggregate principal in the amount of the bonds outstanding annually.

**Bond Documents:**

The ICFA resolution approving the bond documents are enumerated under Agenda Item D.

C. RECOMMENDATION:

Approve all aspects of the proposed project for Palomar East Estates and Palomar West Estates in the City of San Marcos.

D. APPROVAL/ADOPTION OF RESOLUTION NO. 2015-1 (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 \$38,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (PALOMAR EAST ESTATES AND PALOMAR WEST ESTATES) SERIES 2015, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH)

A. MATERIAL ENCLOSED: (PAGES 32-37) AND UNNUMBERED BOND DOCUMENTS DELIVERED UNDER SEPARATE COVER)

1. Resolution 2015-1 (Pages 32-37)
2. Indenture of Trust
3. Loan Agreement
4. Regulatory Agreement
5. Administration And Oversight Agreement
6. Preliminary Official Statement
7. Purchase Contract

B. COMMENTS:

DOCUMENTS:

The resolution is included in the packet; the draft bond documents were distributed via email for review.

For more details, please refer first to the Preliminary Official Statement and then to the individual documents contained therein.

ICFA Payment And Responsibilities

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 obligation of Millennium Housing of California to pay these fees is set forth in the Regulatory Agreement.

The bonds are not a financial obligation of the Authority. They are payable solely from revenues from Palomar East Estates and Palomar West Estates pledged by Millennium Housing of California to repayment of the bonds. This pledge is further secured by the Deed of Trust in favor of the Bond Trustee.

Generally, after issuance of the bonds, ICFA's responsibilities will be limited to reviewing reports provided by the Oversight Agent and the Trustee.

#### **City of San Marcos Obligations**

The City of San Marcos, which is currently an associate member of ICFA, will conduct a TEFRA hearing on February 24, 2015 to approve the bond financing.

#### **Summary**

The bond documents referred to above may be modified by the President, staff and General Legal Counsel to the extent necessary to carry out the purposes expressed by the Board of Directors/Executive Committee in Resolution 2015-1 following the distribution of this packet and action by the Board of Directors/Executive Committee.

Any and all questions regarding the myriad of bond documents will be answered by the various consultants at the meeting.

#### **C. RECOMMENDATION:**

1. Approve/adopt Resolution 2015-1 approving the bond issuance and the various agreements and documents relating thereto;
2. Authorize President McCormick and staff to execute all necessary documents.

**E. STATUS REPORT ON AB 2046 (GOMEZ) - JOINT EXERCISE OF POWERS:  
FINANCING.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

AB 2046 would allow California Joint Powers Authorities to issue bonds and enter into loan agreements or refinance private projects located outside of the State of California.

A verbal report will be presented at the meeting.

C. RECOMMENDATION:

Receive and file.

**F. STATUS REPORT ON THE COUNTY OF LOS ANGELES BECOMING AN  
ASSOCIATE MEMBER OF ICFA.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

At The June Board of Directors meeting, Ken Spiker And Associates, Inc. was engaged to secure the County of Los Angeles as an associate member of ICFA.

Greg Spiker will provide a verbal report at the meeting.

C. RECOMMENDATION:

Receive and file.

**G. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD SEPTEMBER 1, 2014 TO JANUARY 31, 2015.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period September 1, 2014 to January 31, 2015 were as follows:

|   |              |
|---|--------------|
| Millbrook monthly fees (4 months)           | \$ 456.68    |
| Castle monthly fees                         | 1,648.74     |
| Yucaipa monthly fees (4 months)             | 3,188.00     |
| Palm Springs monthly fees (4 months)        | 3,863.32     |
| Santa Rosa monthly fees (4 months)          | 5,184.00     |
| Hacienda Valley monthly fees (4 months)     | 5,431.24     |
| Rancho Vallecitos monthly fees (4 months)   | 5,226.24     |
| Westlake monthly fees (4 months)            | 6,968.32     |
| Rohnert Park monthly fees (4 months)        | 8,616.28     |
| Lamplighter monthly fees (4 months)         | 10,936.00    |
| San Juan monthly fees (4 months)            | 15,436.00    |
| Vista de Santa Barbara (3 months)           | 2,107.50     |
| Alliance (quarterly fee)                    | 4,691.46     |
| Augusta Communities (quarterly fee x 2)     | 16,076.28    |
| Intercap Lending (DPA Reimbursement & fees) | 21,310.71    |
| Hacienda Valley (issuer fee)                | 20,830.00    |
| TOTAL RECEIPTS                              | \$131,970.77 |

Expenditures for the period September 1, 2014 to January 31, 2015 were as follows:

|   |             |
|---|-------------|
| Emerging Markets Group (Lease Purchase Initiative)  | \$ 5,000.00 |
| U. S. Advocacy (advocacy services)                  | 7,500.00    |
| Smith, Alvarez & Castillo (staff services)          | 18,750.00   |
| Tripepi Smith & Associates (public relations)       | 369.25      |
| University-Student Union at CSULA (LA Partners)     | 1,790.00    |
| Matthew Callahan (reimbursement-LA Partners)        | 2,800.00    |
| Remoun Said (reimbursement-LA Partners)             | 220.00      |
| Antonio Sanchez (reimbursement-LA Partners)         | 322.50      |
| W. Michael McCormick (stipend for Sept. Board mtg.) | 150.00      |
| Sylvia Ballin (stipend for June Board mtg.)         | 150.00      |
| Mario Gomez (stipend for June Board mtg.)           | 150.00      |
| Gil Hurtado (stipend for April Board Mtg.)          | 150.00      |
| Ricardo Pacheco (stipend for April Board mtg.)      | 150.00      |



**AGENDA SUMMARY**  
**February 18, 2015**  
**Page 14**

|  |                     |
|--|---------------------|
| Edwin Hernandez (stipend for June Board mtg.)                | 150.00              |
| Ken Spiker & Associates (L.A. County advocacy services)      | 3,000.00            |
| U.S. Advocacy (advocacy services)                            | 7,500.00            |
| County of Los Angeles (lobbyist employer registration fee)   | 75.00               |
| Smith, Alvarez & Castillo (staff services)                   | 18,750.00           |
| Robert Eichel & Associates (accountant services)             | 3,460.00            |
| Emerging Markets Group (Lease Purchase Initiative)           | 5,000.00            |
| St. John the Baptist School (charitable contrib.)            | 1,787.59            |
| South Gate Junior Athletic Association (charitable contrib.) | 7,500.00            |
| The Southeast Churches Service Center (charitable contrib.)  | 7,500.00            |
| Robert Eichel & Associates (accountant services)             | 5,175.00            |
| Logo Expressions (promo items)                               | 1,450.66            |
| Del Rae Restaurant (deposit for holiday lunch)               | 250.00              |
| Best Best & Krieger (legal services)                         | 6,144.97            |
| U.S. Advocacy (advocacy services)                            | 7,500.00            |
| Antonio Sanchez (reimbursement-LA Partners)                  | 322.50              |
| Matthew Callahan (reimbursement-LA Partners)                 | 1,790.00            |
| Emerging Markets Group (Lease Purchase Initiative)           | 5,000.00            |
| Del Rae Restaurant (balance due for holiday lunch)           | 483.14              |
| Emerging Markets Group (Lease Purchase Initiative)           | 5,000.00            |
| Tripepi Smith & Associates (public relations)                | 4,200.00            |
| Willdan (dinner sponsorship)                                 | 1,247.70            |
| Matthew Callahan (reimbursement-LA Partners)                 | 330.58              |
| Robert Eichel & Associates (accountant services)             | 5,210.00            |
| Best Best & Krieger (legal services)                         | 15,752.30           |
| University-Student Union at CSULA (LA Partners)              | 1,847.79            |
| Matthew Callahan (reimbursement-LA Partners)                 | 1,516.00            |
| <b>TOTAL EXPENDITURES</b>                                    | <b>\$155,444.98</b> |

ICFA account balances as of January 31, 2015 are as follows:

|                 |              |
|-----------------|--------------|
| Bank of America | \$ 15,458.60 |
| LAIF            | \$242,987.69 |

It should also be noted that ICFA has two outstanding loans: One to Millennium Housing in the amount of \$250,000 and another to Augusta Communities in the amount of \$90,000.

**C. RECOMMENDATION:**

Approve the financial accounting for the period September 1, 2014 to January 31, 2015.

**H. UPDATE ON PENDING PROJECTS/ACTIVITIES.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Staff will provide a verbal update on pending ICFA projects/activities.

C. RECOMMENDATION:

Information only.

**VI. COMMENTS FROM BOARD MEMBERS.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

**VII. MATTERS FROM STAFF.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

**VIII. ADJOURNMENT.**

# **ATTACHMENTS**

For The February 18, 2015  
Independent Cities Finance Authority  
Regular Board Of Directors Meeting/  
Regular Executive Committee Meeting



**III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.**

There we 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 MINUTES OF THE JUNE 25, 2014 BOARD OF DIRECTORS MEETING.**

It was moved by Sylvia Ballin, seconded by Gil Hurtado, and unanimously carried to approve the minutes of the June 25, 2014 Board of Directors meeting.

**B. STATUS REPORT ON AN ICFA MARKET RATE LEASE PURCHASE HOMEOWNERSHIP INITIATIVE PROGRAM AND APPROVAL TO CONTINUE WITH THE DEVELOPMENT AND IMPLEMENTATION OF SAID PROGRAM.**

Staff introduced Guy Burgoon of Emerging Markets Group who referred those present to material contained in the agenda packet which outlines the program and progress that has been made.

It was noted that Emerging Markets Group is 75 days ahead of schedule. It was further noted that preliminary and final approval has been obtained from the U.S. Department of Housing and Urban Development (HUD).

Briefly, the ICFA Lease Purchase program will help individuals and families overcome two of the major barriers to home ownership -- lack of cash and lack of good credit.

Put simply, the Lease Purchase Program will allow a homebuyer to select and live in the home of their dreams, lock in the purchase price and the monthly payment. If a homebuyer has satisfactory credit, then the purpose of program is to provide the down payment and closing costs. However, if credit is also a problem, the program not only provides the down payment

and pays the closing costs, but also assists the home purchaser to establish or even re-establish their credit reputation. At the end of the lease the homebuyer will assume the existing mortgage.

During the lease period the home is owned by ICFA or a related non-profit that will help the lease purchase candidate get ready to assume ownership of their house which transfers title to the lease purchase candidate at the end of the lease. The lease purchase candidate can select any home that meets their needs and that they can afford located within one of the participating ICFA cities.

Discussion ensued regarding protection for a renter who currently lives in the home and whether or not he would have first option to participate in the program. Scott Campbell, General Legal Counsel, will check into the legalities and report back at the next meeting.

There was also a discussion of the number of homes becoming available for purchase and the fact that investors would prefer to sell to owner-occupied parties in an effort to fully capitalize on recent price increases.

Scott Campbell noted that based on the Memorandum of Understanding entered into with Emerging Markets Group that the Board has the option to either authorize continued development of the program or to stop the program.

President McCormick asked if there were any further questions/comments. There were none.

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried to authorize Emerging Markets Group to continue with development of the program, to continue to provide staff with monthly reports, and to provide a progress report at the next meeting.

**C. APPROVAL OF THE REFINANCING OF A 166 MANUFACTURED HOME COMMUNITY BY ICFA FOR MILLENNIUM HOUSING OF CALIFORNIA AND ITS AFFILIATES, COACH OF SAN DIEGO, INC. AND MILLENNIUM HOUSING CORPORATION LOCATED IN THE CITY OF MORGAN HILL, COUNTY OF SANTA CLARA,**

Staff reported generally as follows:

The proposal is to finance the refunding of a manufactured home community in the City of Morgan Hill located in the County of Santa Clara (Hacienda Valley Estates), on behalf of Millennium Housing. Millennium originally financed the purchase of Hacienda Valley Estates through ICFA in November of 2004.

Lori Carraway of Millennium Housing provided a brief report on the park and all aspects of financing of the project. She further noted that the purpose of the refinancing is to obtain a lower interest rate thereby reducing the debt which will allow for additional surplus to be used for street improvements and replacement of infrastructure in the next ten years. There was discussion about potential savings for homeowners as a result of the refinancing.

Staff presented a report on the finance team and costs of issuance for the project. It was noted that the City of Morgan Hill conducted a TEFRA hearing on September 17<sup>th</sup> to approve the bond financing.

President McCormick 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 Gil Hurtado, seconded by Mario Gomez, and unanimously carried to approve all aspects of the proposed financing for Hacienda Valley Estates on behalf of Millennium Housing.

- D. APPROVAL/ADOPTION OF RESOLUTION NO. 2014-3(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 \$12,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (HACIENDA VALLEY ESTATES) SERIES 2014, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH)**

Staff reported generally as follows:

Resolution 2014-3 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 park 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 McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Sylvia Ballin, and unanimously carried as follows:

1. To approve/adopt Resolution 2014-3 approving the bond issuance and the various agreements and documents relating thereto; and
2. To authorize President McCormick and staff to execute all necessary documents.

**E. REORT ON THE MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE (MCDC INITIATIVE) .**

Preston Olsen and staff reported generally as follows:

On March 10, 2014 the United States Securities and Exchange Commission's (SEC) Enforcement Division, announced a new Municipalities Continuing Disclosure Initiative (MCDC), which basically permits issuers, obligated persons, and underwriters to self-report misstatements concerning prior compliance with continuing disclosure obligations in an official statement for a municipal bond issuer.



After numerous conversations with the firms of Ballard Spahr and Norton Rose Fulbright, it is their belief that "obligation person" is intended to refer to municipal obligation persons and other obligated persons who have entered into a continuing disclosure agreement pursuant to Rule 15c2-12. The term "obligated person" does not refer to a conduit issuer like ICFA unless it is a party to a continuing disclosure agreement. ICFA has not entered into any continuing disclosure agreements.

Rule 15c2-12 prohibits an underwriter from purchasing or selling municipal securities unless the obligated person has undertaken to file continuing disclosures through an Electronic Municipal Market Access (EMMA) website in the form of annual financial information and notices of certain material events. The Rule requires that any final official statement identify any failure of the obligated person to comply in all material respects with its continuing disclosure obligations in the previous five years.

Thus, the MCDC Initiative -- which is a response to the SEC's belief that many official statements have falsely represented that the obligated person was in compliance with its disclosure obligations for the preceding five years.

The MCDC Initiative allows obligated persons to self-report any misstatements through a questionnaire that would allow the SEC to understand the cause of the misstatement.

As a result of this Initiative, a thorough review is being done by underwriters who issued bonds on behalf of ICFA during the past five years to determine if there were any misstatements.

As noted previously, ICFA has not entered into any continuing disclosure agreements and, as such, has no concerns. Staff wanted the Board to be aware of this Initiative and to be advised that future Financial Advisor Agreements entered into by ICFA will require that the Financial Advisor be responsible for making sure all parties are in compliance with all reporting documents.

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

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried to receive and file this item.

**F. APPROVAL OF BYLAWS AMENDMENT RELATING TO COMPENSATION FOR ICFA BOARD MEMBERS.**

Scott Campbell and staff reported generally as follows:

At the June Board of Directors meeting, it was determined that the ICFA Bylaws be amended to allow individual Board Members compensation for attendance at Board and other approved meetings up to \$1,500 a year (up from the current limit of \$600 per year).

Since ICFA is comprised of cities and counties, it is recommended that ICFA not exceed the limitations set forth for general law cities in order to avoid unnecessary scrutiny or criticism. After a discussion of the rules that govern compensation for general law cities, it was proposed that the ICFA Bylaws be amended as follows:

**ARTICLE IX**

**COMPENSATION**

Members of the Board and alternative members of the Board who are elected officials (Council Members or members of a Board of Supervisors) are entitled to \$150.00 per Board meeting or other meeting where attendance has been approved in advance by the Executive Director, not to exceed ~~\$600~~ \$1,500.00 in any fiscal year. The compensation for meetings to a Board Members shall not exceed \$300.00 per month. Only one person for a member city can be paid for any given meeting.

It was agreed that Board Members who receive compensation for attending meetings of behalf of ICFA should provide a verbal report of said meeting at the next ICFA Board meeting.

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

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried that the proposed amendment to Section IX of the ICFA Bylaws relating to compensation for ICFA Board Members be approved.

**G. STATUS REPORT ON AB 2046 (GOMEZ) - JOINT EXERCISE OF POWERS: FINANCING.**

Staff reported generally as follows:

AB 2046 would allow California Joint Powers Authorities to issue bonds and enter into loan agreements or refinance private projects located outside of the State of California. The bill passed out of the Assembly Floor with a 60-17 vote and is currently in the Senate Suspense File. As a result, efforts will be made to reintroduce the bill when the Legislature reconvenes in December.

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried to receive and file this item.

**H. STATUS REPORT ON THE COUNTY OF LOS ANGELES BECOMING AN ASSOCIATE MEMBER OF ICFA.**

Greg Spiker noted that he is continuing to meet with representative from the County of Los Angeles in his efforts to secure the County of Los Angeles as an associate member of ICFA.

**I. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD JUNE 1, 2014 TO SEPTEMBER 1, 2014.**

It was moved by Mario Gomez, seconded by Ricardo Pacheco, and unanimously carried to approve the financial accounting for the period June 1, 2014 to September 1, 2014.

**J. UPDATE ON PENDING PROJECTS/ACTIVITIES.**

Staff provided an update on numerous projects/activities that ICFA is involved in.

**VI. COMMENTS FROM BOARD MEMBERS.**

There were no comments from Board Members.

**VII. COMMENTS FROM STAFF.**

There were no comments from staff.

**VIII. ADJOURNMENT.**

There being no further business to be discussed, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
Deborah J. Smith  
Executive Director

**FIRST AMENDMENT  
TO  
MEMORANDUM OF UNDERSTANDING**  
(Market Rate Lease Purchase Homeownership Initiative Program)

This FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into as of January 1, 2015, by and between the Independent Cities Finance Authority (“Authority”), a California joint powers authority, and the Emerging Markets Group, LLC (“EMG”), a limited liability company. Authority and EMG are referred to herein individually as a “Party” and collectively as the “Parties.”

Recitals

- A. Authority and EMG are parties to that certain MOU dated July 15, 2014, pursuant to which EMG is developing a Program to allow qualified applicants to obtain lease purchase loans to reside in the home of their choice during a predetermined lease period of up to 36 months while establishing or improving their finances and their credit reputation in order to become qualified to own the home being leased and upon becoming qualified, Program applicants may elect to assume the outstanding balance of the mortgage loan that was originated at the beginning of the lease period to acquire the home.
- B. The Board of Directors has made the determination to move forward with the development of the Program pursuant to Section 5(a) of the MOU and EMG is in the process of attempting to satisfy the Program critical milestones set forth in Section 5(a)(i) through 5(a)(iv) of the MOU (“Milestones”).
- C. Authority and EMG have agreed to extend the term of the MOU on the terms and conditions set forth herein to provide additional time for EMG to satisfy the Milestones so that the Program can be approved by the Authority.

**NOW, THEREFORE**, the Parties hereto agree as follows:

- 1. Term. The Term of the MOU shall be extended to May 31, 2015.
- 2. Reports. During the extended Term, EMG will continue to provide the Authority with written monthly status reports no later than the 10th of each month describing the status of EMG’s efforts during the prior month with respect to achieving the Milestones. Such reports shall provide reasonable detail on the amount of time spent, any meetings with critical parties, expectations for responses or approvals from critical parties and other Program relevant information. Such monthly reports will also identify if there has been any significant change in the proposed structure or financing for the Program as compared to the Proposal.

3. Compensation.

(a) During the extended Term, the Development Fee payable to EMG will remain Five Thousand Dollars (\$5,000.00) per month, provided, however, that fifty percent (50%) of the Development Fee will be accrued and paid on a contingency basis in accordance with the satisfaction of the criteria set forth in Section 3(b) below ("Contingency"). The remaining fifty percent (50%) of the Development Fee (i.e., \$2,500.00) will be payable monthly in accordance with the terms of the MOU.

(b) In the event that EMG is successful in satisfying the Milestones no later than May 31, 2015, so as to allow for approval of the Program during the June meeting of the Board of Directors of Authority, then EMG will be entitled to payment of the Contingency no later than June 30, 2015. In the event that EMG is not successful in satisfying the Milestones as of May 31, 2015, then the Contingency will lapse and will no longer be payable by the Authority to EMG.

4. Letters of Commitment. Notwithstanding the extension of the term to May 31, 2015, EMG will use its best efforts to have letters of commitment from all parties necessary to move the Program forward no later than March 31, 2015.

5. Effect of Amendment. Except as expressly set forth in this First Amendment, the MOU shall remain in full force and effect.

*[signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first set forth above.

EMERGING MARKETS GROUP LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

INDEPENDENT CITIES FINANCE AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

AUTHORITY GENERAL COUNSEL

By: \_\_\_\_\_  
Scott Campbell, Partner  
Best Best & Krieger LLP

## RESOLUTION NO. 2015-1

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 \$38,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (PALOMAR ESTATES EAST AND WEST) SERIES 2015, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH.

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 8 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to finance the acquisition of mobile home parks by nonprofit organizations within the jurisdiction of the Authority; and

WHEREAS, the California Mobilehome Park Financing Authority previously issued its Mobile Home Park Revenue Bonds (Palomar Estates East And West Mobilehome Park) Series 2003A and its Mobile Home Park Subordinate Revenue Bonds (Palomar Estates East And West Mobilehome Park) Series 2003B (together, the "Prior Bonds") and loaned the proceeds of the Prior Bonds to Millennium Housing Corporation, a California nonprofit public benefit corporation (the "Borrower"), in order to provide financing with respect to the acquisition and improvement of the Palomar Estates East and Palomar Estates West (together, the "Project") located at 650 South Rancho Santa Fe Road and 1930 West San Marcos Boulevard, respectively, in the city of San Marcos, California (the "City"); and

WHEREAS, the City is an associate member of the Authority; and

WHEREAS, the Borrower has requested that the Authority issue and sell one or more series of its revenue refunding bonds for the purpose of refunding the Prior Bonds and financing certain improvements to the Project; and

WHEREAS, the Borrower is qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the operation of the Project by the Borrower will further its purpose to encourage, preserve, rehabilitate, develop, operate, and maintain decent, safe, sanitary and affordable housing for low income and disadvantaged persons in the State of California; and

WHEREAS, the operation of the Project by the Borrower will lessen the governmental burden of the City by preserving affordable housing within the City; and

WHEREAS, pursuant to the Act, the Authority proposes to issue its Mobile Home Park Revenue Refunding Bonds (Palomar Estates East And West) Series 2015 (the "Bonds") in an aggregate amount not to exceed \$38,500,000 and to loan the proceeds of such Bonds to the Borrower in order to refund the Prior Bonds, to finance certain improvements to the Project and to pay certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, there has been presented to the Board of Directors/Executive Committee at this meeting proposed forms of an Indenture of Trust, a Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, an Administration and Oversight Agreement, a Preliminary Official Statement and a



Purchase Contract among the Authority, the Borrower and Newcomb Williams Financial Group securities offered through Stinson Securities, LLC (the “Underwriter”) pursuant to which the Bonds will be purchased by the Underwriter for sale to the public; and

WHEREAS, as required by Section 147(f) of the Code, the City Council of the City will conduct a duly noticed public hearing with respect to the proposed issuance of the Bonds and financing of the Project by the Authority on February 24, 2015, such notice being published in a newspaper of general circulation in the City, and as the applicable elected representatives of the City, the City Council will approve the issuance of the Bonds prior to the issuance thereof by the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds exist or will exist, have happened or will happen and have been or will be performed in due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purposes, in the manner and upon the terms herein provided.

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

SECTION 2. Appointment of Trustee. MUFG Union Bank, N.A. is hereby appointed as the initial trustee (the “Trustee”) under the Indenture of Trust (the “Indenture”) relating to the Bonds, with the duties and powers of such Trustee as are set forth in the Indenture.

SECTION 3. Indenture. The Indenture authorizing the issuance of the Bonds, between the Authority and the Trustee, in the form presented at this meeting, is hereby approved and the President, Vice President or Executive Director (each, an “Authorized Officer”), each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 4. Form of Bonds. The form of the Bonds, as set forth in the Indenture, is hereby approved and the President or Vice President and the Secretary are hereby authorized and directed to execute by manual or facsimile signature, for and in the name and on behalf of the Authority, the Bonds in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority, in either temporary and/or definitive form in the aggregate principal amounts and all in accordance with the terms and provisions of the Indenture.

SECTION 5. Loan Agreement. The Loan Agreement (the “Loan Agreement”) by and among the Authority, the Trustee and the Borrower, whereby the proceeds of the Bonds are to be loaned to the Borrower for the purposes set forth therein, in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are 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 hereby approved together with such additions or changes as the officer executing the same, upon consultation with

the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 6. Regulatory Agreement. The Regulatory Agreement and Declaration of Restrictive Covenants by and among the Authority, the Trustee and the Borrower with respect to the Project (the “Regulatory Agreement”) in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement in substantially the form hereby approved together with such additions or changes therein as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 7. Official Statement. The Preliminary Official Statement (the “Preliminary Official Statement”) in the form presented at this meeting, is hereby approved for use in connection with the marketing of the Bonds. The Executive Director is hereby authorized and directed to make changes to the form of the Preliminary Official Statement hereby approved, upon consultation with the Authority counsel or bond counsel, as necessary or desirable to reflect the terms of the financing and the documents with respect thereto.

The Preliminary Official Statement may be brought into the form of a final Official Statement which shall contain such changes or modifications thereto as may be deemed necessary or desirable by the Executive Director, upon consultation with the Authority counsel or bond counsel. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the final Official Statement. The Authorized Officers, each acting alone, are authorized and directed, on behalf of the Authority, to certify the Preliminary Official Statement as “deemed final” for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”), and to certify the Official Statement as “final” pursuant to Rule 15c2-12.

SECTION 8. Purchase Contract. The Purchase Contract among the Authority, the Borrower and the Underwriter, in the form presented at this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute the Purchase Contract in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the Authority; provided that the principal amount, the net interest cost, the maturity date and the Underwriter’s discount for the Bonds do not exceed the following: (i) Maximum Principal Amount: \$38,500,000; (ii) Net Interest Cost: 4.75%; (iii) Maturity Date: September 15, 2036; and (iv) Underwriter’s Discount or Fee: 1.25%.

SECTION 9. Administration and Oversight Agreement. The Administration and Oversight Agreement (the “Administration Agreement”) in the form presented at this meeting, by and among the Authority, the Borrower, and Wolf & Company, Inc. (or such other entity as the Executive Director shall select) as Oversight Agent, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Administration Agreement in substantially the form hereby approved, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. Designation of Professionals. The law firm of Ballard Spahr LLP is hereby designated as bond counsel and disclosure counsel to the Authority with respect to the Bonds. Newcomb Williams Financial Group securities offered through Stinson Securities, LLC is hereby designated as

underwriter for the Bonds. Wolf & Company, Inc. is hereby designated as financial advisor to the Authority with respect to the Bonds.

SECTION 11. Ratification of Prior Acts. 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 issuance and sale of the Bonds are hereby ratified and approved.

SECTION 12. Other Acts. 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, including without limitation, obtaining bond insurance and a rating for the Bonds, if either is deemed to be advisable upon consultation with the Authority's financial consultant and the Underwriter, 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 issuance and sale of the Bonds or to otherwise effectuate the purposes of this Resolution.

SECTION 13. Limited Obligations. The Bonds, together with interest thereon, shall be limited obligations of the Authority, giving rise to no pecuniary liability of the Authority, any member of the Authority, the State of California or any political subdivision thereof, nor any charge against its general credit, and shall be payable solely from the Indenture trust estate. The Bonds shall not constitute an indebtedness or loan of the credit of the Authority, any member of the Authority or the State of California or any political subdivision thereof within the meaning of any constitutional or statutory provisions.

SECTION 14. Severability. 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 15. Effective Date. 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 18TH DAY OF FEBRUARY, 2015.

---

President

---

Secretary/Executive Director

I, Deborah Smith, Secretary and 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 18th day of February, 2015, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Deborah Smith, Secretary and Executive Director of the  
Independent Cities Finance Authority