

North Fork Community Development Council
Agenda of Board Meeting – September 28, 2015
5:30 p.m. at the North Fork CDC Conference Room at the Mill Site

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1. Call to Order: The September 28, 2015 meeting of the CDC Board was called to order at 5:40 p.m. by the President, Dan Rosenberg. Dan Rosenberg announced Volney Dunovan’s death and had a moment of silence. Members present: Roz Thrapp, Barbara Colliander, Gayle Fain, Jean Russell, Sandy Chaille, Dan Rosenberg, Dean Osekavage. A quorum was present. Guests resent: Elissa Brown, John Reed, Mary Proper, John Haywood.
2. Additions to the Agenda: Bill from John Reed.
3. Approval of the Agenda: **Sandy Chaille moved, Roz Thrapp seconded o approve the agenda with the one addition. Motion carried.**
4. Public Comment: Elissa Brown asked if the front office can be re-decorated, taking off the tacky pictures (if not of value). The board agreed and encouraged her to do that.
5. Approval of Minutes of August 24, 2015 Regular Board Meeting: **Roz Thrapp moved, Jean Rusell seconded, to approve the minutes of the August 24th CDC Board Meeting. Motion carried.**
Approval of Minutes of September 10, 2015 Special Board Meeting: **Dean Osekawage moved, Sandy Chaille seconded, approve the minutes of the September 10th Special CDC Board Meeting. Motion carried.**
6. Treasurer’s Report: Mary Proper presented the monthly financial report through September 26, 2015. The balance in the general account is \$22,923.94. The balance in the Brownfield account is \$32,979.64. The balance in the Property Owners Associaion account is \$14,444.27. The balance in the EDA Grant account is \$22,196.26. **Roz Thrapp moved, Dean Osekavage seconded, to accept the report. Motion carried.**
7. Corresponding Secretary/Membership Report: None
8. Discussion and Action Items
 - a. Old Business
 - i. Caretaker responsibilities—update: None
 - ii. Bio-energy project/grant: Nothing new
 - iii. EDA grant/planning committee report: Nothing new. Dan announced that the Board of Supervisors is meeting tomorrow night, to approve the Preliminary Map for the Mill Site.
 - iv. Facilities maintenance: Fred is going to install a water meter in the next two weeks. The tribe has requested some dirt; we’ll find it for them. Shane has been getting water and paying for it.
 - v. Allright Recycling—update: He is continuing to clean up!
 - vi. Permits for drainage: Nothing new

- vii. Timber management plan: Tom Burdette is working on this. We need to find someone to operate the log yard.
 - viii. Forest Service payments: We do not have the money yet, though the bills have been sent.
 - ix. Toxic substances—final closure: Dan will follow up
 - x. BRLF-designation of funds to savings: **Sandy Chaille moved, Roz Thrapp seconded, to transfer \$1000 to BLRF savings. Motion carried.**
 - xi. Committee Reports:
 - 1. Real Estate—including offices for rent: One office is available for rent.
 - 2. Planning—see above: There was no meeting this month.
 - 3. History Group/CDC: No report.
- b. New Business
- i. Approve all documents for NMTC: Dan Rosenberg reported on meetings, discussions and negotiation with our legal adviser, Eugene Cowan. There was added discussion on how the New Market Tax Credit works. During a conference call with Eugene Cowan, TJ Cox and Robert Cowan, we had questions answered. **Dean Osekawage moved, Gayle Fain seconded to approve the Resolutions (see document below). Motion carried.** This document will be signed by the secretary and notarized this week.
 - ii. Discussion regarding new bookkeeper: Sadly, we need to find a bookkeeper to replace Volney Dunavan. Various names were suggested. Jean Russell will take the lead on this search.
 - iii. Bill from John Reed. This is for cleaning out the ditch. Motion not needed.
9. Organizational Reports (if time). Gayle Fayne reported for the schools. Roz Thrapp reported for the women’s Club. Roz Thrapp also announced that she is leaving the CDC and that the Women’s Club will find a replacement. Dean gave an announcement for the Boosters. Frank Verduco will be remembered at a memorial service on Saturday, October 3rd.
10. Adjournment at 7:30 p.m.

Respectfully submitted by Barbara Colliander

Reminder: The next CDC meeting will be on Monday, October 26, 2015 at 5:30 pm at the North Fork CDC Conference Room at the Mill Site.

Questions for the attorney (Eugene Cowan):

- 1. From your responses to our questions you were not sure whether the entire millsite property could be at risk. This is a big concern to me (and likely to the CDC board). Can you please elaborate on a) what might cause the project to fail; and b) is there any way to protect the mill site property? It MIGHT be acceptable to the CDC to put the project parcel at risk but putting the entire 100+ acres at risk is likely NOT acceptable to us.
- 2. What happens if NFCP is not able to pay the \$1.1 million to NFCDC? Also, is there enough money in the "Flow of Funds" to cover the entire loan from Clearinghouse?

3. What other events could cause a default on the loan from Clearinghouse?
4. In your response to our earlier questions, you indicated that the income to the CDC is most likely not taxable. What if it is?

RESOLUTIONS

**RESOLUTIONS
OF THE
BOARD OF DIRECTORS
OF
NORTH FORK COMMUNITY DEVELOPMENT COUNCIL,
a California nonprofit public benefit corporation**

I hereby certify that I am the duly elected and acting Secretary of North Fork Community Development Council, a California nonprofit public benefit corporation (the "Corporation"), and that the following is a true copy of resolutions duly adopted by a quorum of the Board of Directors of the Corporation at a duly noticed meeting, and that said resolutions have not been revoked, suspended or amended in any way, and remain in full force and effect.:

WHEREAS, the Corporation currently operates pursuant to those certain Restated Articles of Incorporation, filed with the California Secretary of State on February 15, 2001, and is currently governed by those certain Bylaws of the Corporation;

WHEREAS, the Corporation currently serves as managing member of North Fork Community Power, LLC, a California limited liability company (the "QALICB");

WHEREAS, the QALICB intends to obtain a leasehold interest in certain real property located in North Fork, California, consisting of 108.98 acres (the "Property") from the Corporation for the development and operation of a biomass plant and all other activities related thereto (the "Project");

WHEREAS, the Corporation wishes to enter into, and cause the QALICB to enter into, a transaction subsidized in part by federal New Markets Tax Credits (as such a term is defined in Section 45D of the Internal Revenue Code) which transaction includes the acquisition by the QALICB of a leasehold interest in the Property, and the development and operation of the Project, among other things (the "Transaction");

WHEREAS, in connection with the Transaction, the Corporation wishes enter into a lease with the QALICB (the "Master Lease") for the purpose of the QALICB acquiring a long term leasehold interest in the Property and the right to develop the Project thereon, in consideration for lease payments as set forth therein, and enter into and execute such documents, agreements, certificates, and other instruments as may be deemed necessary, appropriate or advisable in order to consummate the Master Lease (collectively, the "Master Lease Documents");

WHEREAS, in connection with the Transaction, the Corporation will obtain a loan from Clearinghouse Community Development Financial Institution, a California corporation ("Upper Tier Lender") in the approximate principal amount of \$4,034,400 (the "Upper Tier Loan"), as more fully

set forth in the documents evidencing, securing and governing the Upper Tier Loan, including without limitation, a Loan and Security Agreement, Secured Promissory Note, Collateral Assignment of Leverage Loan Documents, and such other documents, contracts, agreements, instruments, and certificates as may be required by Upper Tier Lender (collectively, the “Upper Tier Loan Documents”);

WHEREAS, in connection with the Transaction, the Corporation will use the proceeds of the Upper Tier Loan to make leverage loans to Chase NMTC North Fork Bioenergy Investment Fund, LLC, a Delaware limited liability company (the “Investment Fund”) in the aggregate, approximate principal amount of \$4,034,400 (the “Leverage Loan”), as more fully set forth in the documents evidencing, securing and governing the Leverage Loan, including without limitation, a Fund Loan Agreement, a Fund Pledge Agreement, a Fund Promissory Note (collectively, the “Leverage Loan Documents”);

WHEREAS, in connection with the Transaction, the Investment Fund will use the proceeds of the Leverage Loan, together with an equity contribution from Chase Community Equity, LLC, a Delaware limited liability company (“CCE”), to make qualified equity investments in the approximate, aggregate amount of \$6,000,000 in Central Valley NMTC Sub VII, LLC, a California limited liability company (the “Sub-CDE”), a portion of which was prefunded on September 30, 2014, and which Sub-CDE will use to make certain loans to the QALICB in the approximate, aggregate principal amount of \$5,820,000 (collectively, the “QLICI Loan”), as more fully set forth in the documents evidencing, securing and governing the QLICI Loan, including without limitation, a Loan Agreement, Promissory Note (Loan A), Promissory Note (Loan B), and Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, and Non-Disturbance and Attornment Agreement (collectively, the “QLICI Loan Documents”);

WHEREAS, in connection with the making of the QLICI Loan, the QALICB shall be required to enter into that certain QALICB Indemnification Agreement for the benefit of JPMorgan Chase Bank, N.A., a national banking association, (the “Guaranty”) providing for indemnification for disallowed New Markets Tax Credits in certain events;

WHEREAS, it has been determined in the best interests of the Corporation to enter into and execute such documents, agreements, certificates, and other instruments as may be deemed necessary, appropriate or advisable by any officer of the Corporation, including but not limited to the Documents (defined below), in order to cause the Approved Transactions (defined below).

NOW, THEREFORE, BE IT RESOLVED, that the Corporation is duly authorized, empowered and directed, in its own capacity and in its capacity as managing member of the QALICB, to enter into the transactions contemplated herein, including, without limitation, (a) the lease of Property to the QALICB for purposes of developing the Project, (b) obtaining the Upper Tier Loan, (c) making the Leverage Loan, (d) causing the QALICB to obtain the QLICI Loan, and (e) causing the QALICB to enter into the Guaranty, and (the foregoing transactions are hereinafter collectively referred to as the “Approved Transactions”).

RESOLVED FURTHER, that the Corporation is duly authorized, empowered and directed, in its own capacity and in its capacity as managing member of the QALICB, to execute and deliver all documents required in connection with the Approved Transactions including without

limitation (a) the Master Lease Documents, (b) the Upper Tier Loan Documents, (c) the Leverage Loan Documents, (d) the QLICI Loan Documents, (e) the Guaranty, and (f) any and all other documents deemed necessary or convenient by the Corporation to facilitate the Approved Transactions (collectively, the “Documents”).

RESOLVED FURTHER, that any officer of the Corporation, including, without limitation, Daniel Rosenberg, as President, be, and each of them hereby is, authorized, empowered and directed, on behalf of the Corporation for its own account and as managing member of the QALICB, to take such actions set forth above, including, but not limited to, execution of the Documents, and take such further actions, and to execute such additional documents and instruments, as the person taking such actions or executing such documents or instruments, may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such officer on any document or instrument, including but not limited to, the Documents, or the performance of any such actions, shall be conclusive evidence of such officer's authority to take such actions or execute such document or instrument on behalf of the Corporation for its own account and as managing member of the QALICB;

RESOLVED FURTHER, that any and all acts heretofore taken by any officer of the Corporation in connection with the matters authorized by the foregoing resolutions or in connection with the transaction described herein are hereby ratified, confirmed, adopted and approved by the Corporation;

RESOLVED FURTHER, that the execution of any and all documents and instruments related to the purposes and intent of the foregoing resolutions shall be conclusive evidence of the approval thereof by the Corporation; and

RESOLVED FURTHER, that any third party receiving a duly executed copy or an electronic copy (e.g. via email or facsimile) of the foregoing resolutions may rely on the foregoing resolutions, unless and until revoked by the Corporation, and that the revocation of the foregoing resolutions shall be ineffective as to such third party unless and until actual notice or knowledge of such revocation shall have been received by such third party.

[remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned Secretary of the Corporation has executed and delivered this certification of Resolutions of the Board of Directors of the Corporation as of September ____, 2015.

Barbara Colliander, Secretary

After the meeting, the Resolution was signed by the secretary and forwarded to the Attorney