

CALIFORNIA STATE BOARD OF EQUALIZATION

**ORGANIZATIONAL CLEARANCE CERTIFICATE
FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

Imperial Valley Gateway Center, LLC
Attn: Timothy Kelley, Treasurer
P.O. Box 1344
Brawley

CA 92227-1344

*THIS CERTIFICATE NUMBER MUST BE
SUBMITTED TO A COUNTY WHEN FILING
A CLAIM FOR WELFARE OR VETERANS'
ORGANIZATION EXEMPTION*

Organizational Information:

Date of Certificate: 09/18/2015
BOE Ex. No.: 24362
Purpose: Charitable
Corporate I.D. No.: 201304510345
Fiscal Year First Qualified: 14-15

In accordance with section 254.6 of the Revenue and Taxation Code, the Board has determined that this organization meets the organizational requirements of section 214.

BOE-277-OC REV.2 (4-09)

**NOTICE TO ORGANIZATIONS
GENERAL INFORMATION REGARDING
WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

Your claim for an Organizational Clearance Certificate has been reviewed and a determination has been made that your organization meets the organizational requirements for exemption under section 214. A claim for the organizational clearance certificate will be mailed to the organization periodically to verify and update information. The claim form must be completed, signed, and filed with the Board, along with supporting documents, in order to maintain eligibility for the certificate. The Board may institute an audit or verification of the organization to determine whether the organization meets the organizational requirements of Revenue and Taxation Code section 214, as required by section 15618 of the Government Code. If you have any questions concerning the organizational requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-274-3430.

The Assessor may not approve a property tax exemption claim on any property until the claimant has been issued a valid Organizational Clearance Certificate under section 254.6. The Assessor may deny a claim for the exemption, notwithstanding that the claimant has been granted an organizational clearance certificate. Claim forms for the welfare or veterans' organization exemption for property newly acquired by an organization may be obtained from the Assessor in the county where the property is located.

Annually, claims for the welfare and veterans' organization exemptions and supplemental affidavits, if required, must be filed on or before February 15 with the application to the applicable Assessor to avoid a late filing penalty under section 270. (A separate claim must be filed for each property location.) The Assessor will review all claims to determine that the organization continues to use its property for qualifying purposes and activities, as specified in section 214. Any questions relating to section 214 requirements regarding qualifying purposes and uses of the property may be directed to the Assessor.

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT
 COUNTY-ASSESSED PROPERTIES DIVISION
 PO BOX 942879, MIC:64, Sacramento, CA 94279-0064
 Exemptions Section: 916-274-3430; Division: 916-274-3350

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION
 ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET**

DATE: 09/18/2015

Organization Name and Mailing Address:

Organization Information:

Imperial Valley Gateway Center, LLC
 Attn: Timothy Kelley, Treasurer
 P.O. Box 1344
 Brawley CA 92227-1344

BOE Ex. No.: 24362 Status: Active
 Purpose: Charitable
 Corporate I.D. No.: 201304510345
 Fiscal Year: 14-15

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

<input checked="" type="checkbox"/> BEEN MET	INCOMPLETE	NOT BEEN MET
<input type="checkbox"/> PURPOSE:	A.I.	R.N.A.
<input type="checkbox"/> Religious	A.A.I.	H.N.A.
<input type="checkbox"/> Hospital	I.D.	S.N.A.
<input type="checkbox"/> Scientific	D.C.	C.N.A.
<input checked="" type="checkbox"/> Charitable	N.T.L.	
	N.F.S.	
	N.O.S.	

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

We received your information submitted in response to our previously issued incomplete findings. Our review indicates that you now qualify. This Finding Sheet is to issue your organization an Organizational Clearance Certificate (OCC).

Additionally, you filed a claim for OCC, Form BOE 277-LLC, seeking the earliest fiscal year as 13-14. However, for purposes of the Organizational Clearance Certificate (OCC), the organization does not qualify for 13-14 since you were organized on 02/14/13, which is after the 01/01/13 lien date which corresponds to the 13-14 fiscal year. However, your organization may be eligible for exemption from the Assessor for the earlier year for purposes of Revenue and Taxation Code section 271.

Please submit a copy of this Finding Sheet to the Assessor along with a copy of your OCC.

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

Amendment to Articles of Organization of Imperial Valley Gateway Center, LLC
Exhibit A

3.D.

Other Matters to be included in Limited Liability Company Certificate of Amendment

Section 3.D., including Articles 1 through 12 of the additional provisions of the Articles of Organization of Imperial Valley Gateway Center, LLC (the "LLC"), is hereby amended in its entirety and replaced with the following additional provisions:

1. The LLC is organized and operated exclusively for charitable purposes as specified in Section 214 of the California Revenue & Taxation Code ("Section 214").
2. The LLC is and shall be operated exclusively to further the exempt charitable purposes, as specified in Section 214, of its member(s).
3. Each member of the LLC must be a qualifying organization, as specified in subsections (b)(1) or (b)(2) of Section 136 of the California Code of Regulations ("Rule 136").
4. The direct or indirect transfer of any membership interest in the LLC to any person or entity that is not a qualifying organization, as specified in subsections (b)(1) or (b)(2) of Rule 136(b), is prohibited.
5. The assets of the LLC are irrevocably dedicated to charitable purposes, as specified in Sections 214 and 214.01.
6. Upon dissolution of the LLC, the assets of the LLC shall be distributed to its sole member, Brawley Community Foundation, a California nonprofit public benefit corporation, which is organized and operated exclusively for charitable purposes, as specified in Section 214, and which has established and maintained its tax exempt status under section 501(c)(3) of the Internal Revenue Code ("Section 501(c)(3)") or under section 23701d of the Revenue & Taxation Code ("Section 23701d"). If Brawley Community Foundation no longer exists, no longer is organized and operated exclusively for charitable purposes or is not tax exempt under Section 501(c)(3) or Section 23701d, then the assets shall be distributed to an organization that is organized and operated exclusively for charitable purposes and which has established tax exempt status under Section 501(c)(3) or Section 23701(d).
7. Any amendments to the LLC's Articles of Organization or the LLC's operating agreement must be consistent with Section 214.
8. To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, the LLC is prohibited from merging with or converting into a for-profit entity.
9. Distribution of assets of the LLC to any members of the LLC who cease to be organizations described in Section 214 is prohibited.
10. No part of the net earnings of the LLC shall inure to the benefit of, or be distributable to, its manager, officers or other private persons, except that the LLC shall be

Amendment to Articles of Organization of Imperial Valley Gateway Center, LLC
Exhibit A

authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the LLC.

11. No part of the activities of the LLC shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the LLC shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

SEP 11 2015 65

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

SheppardMullin

Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626-1993
714.513.5100 main
714.513.5130 main fax
www.sheppardmullin.com

RECEIVED

SEP 23 2014

County-Assessed Properties Division
State Board of Equalization

D. Matthew Richardson
714.424.2815 direct
mrichardson@sheppardmullin.com

File Number: 27SC-161368

September 22, 2014

BOE NOTE:
Attachments
Scanned
separately.

VIA FEDERAL EXPRESS

Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
450 N Street, MIC 64
Sacramento, CA 95814

Re: Imperial Valley Gateway Center, LLC and Brawley Community Foundation

Dear Ms. Thompson:

Again, Robert Philibosian and I thank you and your colleagues for taking the time to meet with us earlier this month. This letter is in response to your and Mr. Moon's request for additional information about the Brawley Community Foundation and its wholly-owned LLC subsidiary Imperial Valley Gateway Center, LLC (collectively, the "Foundation") and the Gateway Detention Facility (the "Facility") that the Foundation owns and will operate.

Set forth below are the items for which a response was requested. Please let us know if we have left anything off the list or if there is additional information you need to review.

1. Provide a copy of the agreement between the Foundation and the City of Holtville, together with an explanation of the City's obligations, how the City is approached by agencies in need of beds, and how the City approves a contract with an agency.

A copy of the executed agreement with the City of Holtville (the "Housing Agreement") is enclosed as Exhibit A.

Pursuant to the terms of the Housing Agreement (see Section 4.02), the City of Holtville (the "City") is obligated to enter into agreements with governmental agencies ("Agency Agreements") to provide security detention housing for inmates and detainees under the jurisdiction of such agencies. Under Section 4.01 of the Housing Agreement, the Foundation is obligated to operate, manage and maintain the Facility and to perform the obligations of the City under each Agency Agreement. In other words, the City subcontracts with the Foundation to provide the actual detention facility and services required under the Agency Agreements. Approval by the City is made by the City Council; and approval by the Foundation is made by its Board of Directors.

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Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
September 22, 2014
Page 2

Under the Housing Agreement, the City and the Foundation are obligated to market the Facility to various federal, state and local agencies (with preference given to interested state and local agencies). Among other methods (including contacts among City personnel, County personnel and key personnel within the agencies themselves), requests for proposals are often solicited on detention websites that allow municipalities to post their available services. Mr. Timothy Kelley, a member of the Board of Directors of the Foundation and President and Chief Executive Officer of the Imperial Valley Economic Development Corporation ("IVEDC"), in particular, has actively made contacts with various federal, state and local agencies in marketing the Facility in his efforts to strengthen the economic conditions of north Imperial County.

As discussed in our meeting, the Foundation approached the City to work with the Foundation in connection with entering into intergovernmental agreements, even though the Facility is not located within the City's corporate area, due to the fact that California law does not allow counties to enter into such agreements. In agreeing to enter into the Housing Agreement, the City will help create economic opportunities that will benefit the City (which is near the Facility) and the entire County of Imperial.

2. Provide a redacted sample agreement between MTC and another 501(c)(3) organization (presumably, out of state) or the agreement with the Foundation, if executed.

Management & Training Corporation ("MTC"), a private correctional management firm, has an executed agreement with the Foundation called the Operations, Management, and Maintenance Agreement (the "Management Agreement") for the day-to-day management of the Facility. A copy of the Management Agreement is enclosed as Exhibit B.

Under the Management Agreement, MTC is obligated to staff the Facility, train the correctional officers, provide medical care and food and laundry service, and provide special programs such as suicide prevention, physical recreation, library programs and materials and religious programs. MTC has provided such special services pursuant to its "Success for Life" program, which includes a variety of educational, job training, and mental health and wellness programs, in approximately 23 other facilities in approximately 7 other states. In addition, MTC is obligated to assist the City and the Foundation in the marketing of the Facility to the various governmental agencies. The Management Agreement is terminable at will by either party by giving 100 days prior notice.

If you wish to see other Management Agreements MTC has entered into with other facility owner/operators, please let us know.

3. Provide an explanation of MTC's charges – how it determines how much to charge for its services.

MTC's operational charges are predicated primarily on three components: (i) the cost of labor (including retirement and fringe benefits), (ii) non-labor costs such as food, medical services and supplies, and (iii) an appropriate profit for providing the management services,

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Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
September 22, 2014
Page 3

which amount to a per diem rate per detainee. Labor costs total approximately 60% - 70% of the total charge. Attachments C through G of MTC's written proposal prepared on behalf of the City to U.S. Immigration and Customs Enforcement ("ICE") (attached hereto as Exhibit C) identify the per diem rates proposed to ICE under several scenarios depending on the minimum number of detainees ICE wanted to relocate to the Facility.

4. Provide copies of any proposals made by MTC to government agencies for filling the beds.

So far, the only written proposal prepared on behalf of the City is the proposal with ICE, which is attached hereto as Exhibit C. MTC has also met with the Los Angeles County Sheriff to discuss housing their inmates in the Facility. Additionally, MTC has met with U.S. Marshal Services and ICE staff in the San Diego area and in their Washington, D.C. headquarters. However, there have been no written proposals with these other agencies.

5. Provide any draft contracts with or proposals made to ICE, LA County or any other agency.

A copy of the proposal with ICE is enclosed as Exhibit C. Although there have been discussions with Los Angeles County Sheriff, no written proposals have been circulated.

6. Provide tax-exempt bond documents showing how the funds are required to be used (i.e., that they were to be used exclusively for this purpose).

At the risk of overburdening you with paper, enclosed as Exhibit D, Exhibit E and Exhibit F, respectively, are copies of the Trust Indenture and Loan Agreement (which should help with your questions about the use of tax-exempt funds) and the Official Statement (which is the document explaining the entire transaction. We also have copies of documents from other, similar tax-exempt bond financings used to construct detention facilities (although none in California); please let us know if you would like to review any of these as well.

The recitals of the Trust Indenture will provide additional background to the tax-exempt bond financing. Exhibit B to the Trust Indenture is a form of Project Fund Requisition Certificate that the Foundation must submit in order to receive funds for construction of the Facility, and Exhibit C is a form of Operating and Maintenance Costs Fund Requisition Certificate that the Foundation and MTC must submit in order to receive funds for day-to-day operations of the Facility.

The Loan Agreement evidences the actual financing of the Facility through the loan of the tax-exempt bond funds to the Foundation. In Section 2.01(b), the "Issuer" (i.e., the Industrial Development Authority of the County of La Paz, Arizona) represents that the issuance of the bonds to assist in the financing of the Facility is in furtherance of public purposes. Article V provides the terms for the use of the loaned bond proceeds to the Foundation.

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Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
September 22, 2014
Page 4

The Official Statement fully explains the overall transaction. Starting on page 14, the sources and uses of the funds is explained, and La Paz, the City, the Foundation, the Facility and MTC are all generally discussed. Starting on page 30, the various covenants and obligations of the Foundation are discussed. It also may be helpful to review Appendix B ("Selected Corrections Data") and Appendix C ("Feasibility Analysis") to gain further understanding of the overall need for the Facility.

7. Provide an explanation of how the Foundation was first approached with the proposal to construct and operate a prison, and how La Paz got involved.

Enclosed as Exhibit G is a memorandum prepared by Mr. Kelley, providing a historical perspective on the events leading up to the tax-exempt bond financing for construction of the Facility.

8. Provide information, if any, about the expressed need or desire of this project by the Imperial County supervisors. Were there any resolutions adopted?

Enclosed as Exhibit H are the following documents from the Imperial County Board of Supervisors (the "BOS"): (i) Minute Order of the BOS, evidencing the approval by the BOS of the overall tax-exempt bond financing for construction of the Facility, (ii) TEFRA Notice Public Hearing Certificate signed by the Chairman of the BOS, (iii) the handout by the BOS for the TEFRA hearing, (iv) the County's CEQA Notice of Exemption describing the benefits of the Facility and making a finding that the Facility would enhance the established desired development character of the planning area the Facility is within and (v) a photo of several Imperial County public officials participating in the Facility's groundbreaking ceremony.

9. Provide any known requests to a state by a similarly situated 501(c)(3) for a ruling that a project like this will not jeopardize its exempt status.

We have not been able to locate any such request for a ruling.

10. Confirm that MTC has no seat on the Board of Directors of the Foundation.

This is confirmed in Exhibit G. No officer, director or employee of MTC is a member of the Board of Directors of, or is otherwise providing any services to, the Foundation. Further, under the express terms of the Management Agreement, officers and directors of MTC are expressly prohibited from becoming an employee or member of the governing body of the Foundation.

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Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
September 22, 2014
Page 5

Thank you very much again for your attention and consideration of this matter. We look forward to further discussions with you and your colleagues.

Sincerely yours,


D. Matthew Richardson
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:432780715.1
Enclosures

cc: Richard Moon, Esquire (w/encl.)
Joel Angeles (w/encl.)
Neil Shah (w/encl.)
Robert Philibosian, Esquire

SheppardMullin

Sheppard Mullin Richter & Hampton LLP
333 South Hope Street, 43rd Floor
Los Angeles, CA 90071-1422
213.620.1780 main
213.620.1398 main fax
www.sheppardmullin.com

RECEIVED

SEP 09 2014

September 4, 2014

**County-Assessed Properties Division
State Board of Equalization**

Robert H. Philibosian
213.617.5420 direct
rphilibosian@sheppardmullin.com

File Number: 27SC-161368

VIA EMAIL AND U.S. MAIL

Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
450 N Street, MIC 64
Sacramento, CA 95814

Re: Imperial Valley Gateway Center, LLC and Brawley Community Foundation

Dear Ms. Thompson:

Matthew Richardson and I thank you and your colleagues very much for meeting with us last Thursday to discuss this matter. We appreciate the time and thought you have devoted to the issues involved.

I am enclosing the White Paper we prepared on the policy benefits of granting a property tax exemption for the Gateway Detention Facility together with copies of tax records from other counties outside of California for your information.

We are gathering the additional documents and information that you requested and we expect that we will be able to send those items to you later next week.

Thank you very much again for your attention and consideration of this matter. We look forward to further discussions with you and your colleagues.

Sincerely yours,



Robert H. Philibosian
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:431800860.1
Enclosures

SheppardMullin

Lisa Thompson
September 4, 2014
Page 2

cc: Richard Moon, Esquire
Joel Angeles
Neil Shah
Matthew Richardson, Esquire



LARAMIE COUNTY ASSESSOR

BRENDA ARNOLD

January 28, 2010

Southeast Wyoming Juvenile Service
C/O Municipal Capital Markets Group, Inc
Attn: Michael Harling
4851 LBJ Freeway, Suite 200
Dallas, TX 75244

Re: Exemption Request
PC# 1 3938 0002 0000.0 RW# 10472

We have reviewed your exemption request of January 22, 2010 In accordance with W.S. 39-11-105 (a)(xxxv), the exemption is approved for the 2010 assessment year and forward for the property listed as Frontier Tracts: Tract B, located at 3304 I 80 Service Rd.

Please advise this office if the use or ownership of the property changes.

Cordially yours,



Janet Knox
Laramie County Chief Deputy Assessor

White Paper
Policy Benefits of Granting Property Tax Exemption for
Gateway Detention Facility

* **Jobs** --196 FTE jobs, of which 165 are correctional staff and management and 31 are medical staff.

* **Payroll** -- \$13 million annual payroll. Correctional Officers average \$66,000 a year. Contrast this with recent demographic statistics for the region. In 2011, the Imperial County per capita income was \$16,238, compared to \$29,634 for the state. This places the Imperial County at 57 in per-capita income among all 58 California counties.

* **Indirect Economic Effect** (multiplier effect)-- Typically, 5 to 10 times payroll (\$65 million to \$130 million a year)

Examples of local indirect effects

- * Most of the \$2.3 million in facility vehicles were purchased locally in the County
- * Most of the furniture was purchased locally in the County
- * \$300,000 - \$400,000 in the food budget is set aside to buy locally grown food
- * \$100,000 set aside in budget for medical supply purchases
- * \$50,000 - \$60,000 set aside in budget for custodial supplies

* **Rehabilitation Programs** – The Foundation contracted with Management & Training Corporation (“MTC”) to operate the prison. MTC performs vocational and educational training, including GED and the Mexican-equivalent of GED for all detainees, regardless of their status through its ‘Success For Life’ program. It also provides mental health services. These rehabilitation programs are as much about keeping the prisoners out of trouble while they are in prison as it is providing them skills for life outside of prison.

* **Facility Expansion** – The current facility is built to accommodate about 780 prisoners/detainees. The Foundation and its agents are exploring agreements with the County of Los Angeles and other public agencies to expand the facility to accommodate another 1,000 beds on the second half of the property. To keep this economic development moving forward in the second poorest County in the California, the Foundation needs to know whether the state will honor the property tax exemption and will treat the Foundation like hospitals and other non-profits that reduce the burdens on government.

* **Local Precedent for Property Tax Exemption for Non-Profits/Detention Centers** --
Examples of other property-tax exempt facilities in Imperial County include the following:

- * Pioneer Memorial Hospital Public Facilities Corporation (APNs 048330002000, 048381003000, & 048382001000)
- * California Department of Corrections (APNs 051020027000 & 051020028000)
- * American National Red Cross (APN 053101002000)
- * El Centro Regional Medical Center (APN 053501012000)

* **Other States’ Precedent for Property Tax-exemption for Non-Profits Owning Detention Centers** – In addition to the common use of property tax exemptions by non-profit hospitals and

the legal precedents cited in our correspondence, other states, such as Wyoming and Colorado, honor the property tax exemption for non-profits that own and contract to operate prison facilities. Among them are the following:

* Phoenix Center Services, LLC is a Colorado 501(c)(3) nonprofit corporation that owns Adult Community Corrections Project with tax-exempt property status. *See* attached Adams County Colorado Treasurer Account No. R0077678, Exempt Property Profile dated January 1, 2013.

* Southeast Wyoming Juvenile Services, LLC is a Wyoming 501 (c)(3) nonprofit corporation that owns Juvenile Correctional Facility Project on Tract B, at 3304 I 80 Service Rd. with tax-exempt property status. *See* attached Laramie County Assessor Exemption Approval PC# 1 3938 0002 0000.0, RW # 10472 dated January 28, 2010.

Adams County Exempt Property Profile

Account Summary

Parcel Number: 0172130000090

Account Number: R0077678

Owners Name and Address:

PHOENIX CENTER SERVICES LLC

4851 LYNDON B JOHNSON FWY FL 8TH
DALLAS TX 75244-6044

Property Address:

8031 I-76
CO

Legal Description

SECT,TWN,RNG:30-2-67 DESC: PT OF S2 SW4 SE4 OF SEC 30 DESC AS FOLS BEG AT SW COR OF SD SE4 TH A 89D 41M 42S E 585/29 FT TO PT ON NWLY ROW LN OF I-76 FT TH N 45D 26M 49S E ALG SD ROW 42/84 FT TO TRUE POB TH N 52D 26M 29S W 258/31 FT TH N 37D 33M 31S E 232/68 FT TH S 89D 39M 36S E 348/72 FT TO PT ON SD NWLY LN OF I-76 FT TH S 37D 33M 31S W ALG SD ROW 303/72 FT TH CONT ALG SD ROW S 45D 26M 49S W 141/24 FT TO TRUE POB 2/1245A

Subdivision Plat

N/A

Account Summary

Account Numbers	Date Added	Tax District	Mill Levy
R0077678	On or Before 01/01/1996	215	89.228

Note: Values are as of Jan 1, 2013. Data is updated daily. Above data was updated as of: 08/26/14

Legal Disclaimer: Although every reasonable effort has been made to ensure the accuracy of the public information data and graphic representations, Adams County cannot be responsible for consequences resulting from any omissions or errors contained herein. Adams County assumes no liability whatsoever associated with the use or misuse of this data

**Adams County Assessor
Sales Summary**

Parcel Number: 0172130000090

Account Number: R0077678

Owners Name and Address:

PHOENIX CENTER SERVICES LLC

4851 LYNDON B JOHNSON FWY FL 8TH
DALLAS TX 75244-6044

Property Address:

8031 I-76
CO

Sales Summary

Sale Date	Sale Price	Deed Type	Reception Number	Book	Page	Grantor	Grantee	Doc. Fee	Doc. Date
05/20/1999	\$865,000.00	SWD	C0552528	5781	729-731	ADAMS COMMUNITY CORRECTIONS	SOUTHERN CORRECTIONS SYSTEMS I	\$86.5	06/08/1999
05/11/2009	\$0	QC	09000034539	2009		SOUTHERN CORRECTIONS SYSTEMS INC	CRS MANAGEMENT COMPANY LLC	\$0	05/14/2009
11/04/2010	\$13,000,000.00	WD	10000076691	2010		CRS MANAGEMENT COMPANY LLC	PHOENIX CENTER SERVICES LLC	\$1300	11/05/2010

Note: Values are as of Jan 1, 2013. Data is updated daily. Above data was updated as of: 08/26/14

Legal Disclaimer: Although every reasonable effort has been made to ensure the accuracy of the public information data and graphic representations, Adams County cannot be responsible for consequences resulting from any omissions or errors contained herein. Adams County assumes no liability whatsoever associated with the use or misuse of this data

**Adams County Assessor
Valuation Summary**

Parcel Number: 0172130000090

Account Number: R0077678

Owners Name and Address:

PHOENIX CENTER SERVICES LLC

4851 LYNDON B JOHNSON FWY FL 8TH
DALLAS TX 75244-6044

Property Address:

8031 I-76
CO

Land Valuation Summary

Land Type	Unit of Measure	Number of Units	Fire District	School District	Vacant/Improved	Actual Value	Assessed Value
Exempt	Acres	2.1200	FIRE DISTRICT 4 SOUTH ADAMS	School District 14-Commerce City	I	\$161,595.00	\$12,860.00
Land Subtotal:						\$161,595.00	\$12,860.00

Buildings Valuation Summary

Building Number	Property Type	Actual Value	Assessed Value
1	Commercial		
Improvements Subtotal:		\$2,319,270.00	\$184,610.00

Total Property Value

\$2,480,865.00 \$197,470.00

Note: Values are as of Jan 1, 2013. Data is updated daily. Above data was updated as of: 08/26/14

Legal Disclaimer: Although every reasonable effort has been made to ensure the accuracy of the public information data and graphic representations, Adams County cannot be responsible for consequences resulting from any omissions or errors contained herein. Adams County assumes no liability whatsoever associated with the use or misuse of this data

**Adams County Assessor
Building Summary**

Parcel Number: 0172130000090

Account Number: R0077678

Owners Name and Address:

PHOENIX CENTER SERVICES LLC

4851 LYNDON B JOHNSON FWY FL 8TH
DALLAS TX 75244-6044

Property Address:

8031 I-76
CO

Building Number: 1

Individual Built As Detail

Built As:	Dormitory Residence Halls	Year Built:	1988
Building Type:	Commercial	Construction Type:	
Built As SQ Ft:	27760	Number of Rooms:	0
Number of Baths:	0.00	Number of Bedrooms:	0
Attached Garage SQ Ft:	0	Detached Garage Square Ft:	0
Basement SQ Ft:	0	Finished Basement SQ Ft:	0

Note: Values are as of Jan 1, 2013. Data is updated daily. Above data was updated as of: 08/26/14

Legal Disclaimer: Although every reasonable effort has been made to ensure the accuracy of the public information data and graphic representations, Adams County cannot be responsible for consequences resulting from any omissions or errors contained herein. Adams County assumes no liability whatsoever associated with the use or misuse of this data

**Adams County Treasurer
Tax Summary**

Owners Name and Address:

PHOENIX CENTER SERVICES LLC

4851 LYNDON B JOHNSON FWY FL 8TH
DALLAS TX 75244-6044

Property Address:

8031 I-76
CO

Please note: Please use the following link to access the Treasurer's Tax payment system.

Click [here](#) to go to Treasurer tax payment page.

Note:

Legal Disclaimer: Although every reasonable effort has been made to ensure the accuracy of the public information data and graphic representations, Adams County cannot be responsible for consequences resulting from any omissions or errors contained herein. Adams County assumes no liability whatsoever associated with the use or misuse of this data

Enterprise Zone

Enterprise Zone	EZ Name
88	AMENDMENT ENTERPRISE ZONE 2

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AUG 05 2014
County-Assessed Properties Division
State Board of Equalization

Sheppard Mullin Richter & Hampton LLP
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File Number: 27SC-161368

August 4, 2014

VIA FEDERAL EXPRESS

Lisa Thompson, Manager
County-Assessed Properties Division
Board of Equalization
450 N Street, MIC 64
Sacramento, CA 95814

Re: Organizational Clearance Certificate ("OCC") Claims for Brawley Community Foundation (the "Foundation") and Imperial Valley Gateway Center, LLC (the "LLC")

Dear Ms. Thompson:

We reviewed your email and the comments in the Welfare Exemption OCC Finding Sheets (the "Finding Sheets") for the Foundation and the LLC. The purpose of this letter is to respond to (1) those comments in the Finding Sheets (Exhibit A) and (2) the questions in your May 23, 2014 email.

We have enclosed amended OCC Claims for the Foundation (Exhibit B) and the LLC (Exhibit C) that respond to the comments in the Finding Sheets. Enclosed with the Foundation's amended OCC Claim and its attachments are the following additional items in response to the comments in the Finding Sheet for the Foundation:

- (1) An expanded discussion of the Foundation's involvement in charitable activities (Attachment for Line 9 of the Foundation's OCC Claim).
- (2) Financial statements for the years ended June 30, 2012 and June 30, 2013, and for the current year from July 1, 2013 through April 30, 2014, including descriptions and amounts of program expenses (Attachment C of the Foundation's OCC Claim).

Enclosed with the LLC's amended OCC Claim and its attachments are the following items in response to the comments in the Finding Sheet for the LLC:

- (1) An expanded discussion of how the LLC meets subsection (c) of Regulations 136 ("Rule 136") to operate exclusively in furthering the qualifying exempt purposes of its member, the Foundation, as specified in Section 214 ("Section 214") of the California Revenue & Taxation Code ("R&TC") (Attachment for Line 15 of the OCC Claim).

BOE NOTE:
Add'l. Thompson
Submission
9/22/2014
8/4/14

SheppardMullin

Lisa Thompson
August 4, 2014
Page 2

- (2) Proposed Amendments to the LLC's Articles, all of which are responsive to the comments in the Finding Sheet for the LLC (Exhibit D).
- (3) Financial statements for the period from July 1, 2013 through March 31, 2014. (Attachment F of the LLC's OCC Claim)
- (4) A certified copy of the grant deed of the property to the LLC with the county recorder's recordation stamp. Please note that (1) the original grant deed to the LLC (the "Original Grant Deed") and (2) a subsequent grant deed recorded solely for the purpose of correcting the legal description in the Original Grant Deed are enclosed (Exhibit E).

The enclosed package containing the above-mentioned items are also available in an electronic pdf file, which we can email to you upon your request.

Below, we respond to the questions in your email (excerpted below).

What are the specific activities that Brawley Community Foundation does for the community in addition to renovating this community theatre? How has it been improving the lives of citizens since it was formed at the end of 2009.

From its formation on December 9, 2003, the Brawley Community Foundation has concentrated its efforts to revitalize the downtown and Main Street of the City of Brawley, an area concentrated with blighted buildings, vagrancy and crime, through several community improvement projects.¹ Revitalizing downtown Brawley, including Main Street is a principal purpose of the Foundation and is also the focus of the Brawley Downtown Specific Plan, which the City of Brawley adopted under Ordinance No. 2008-04, Section 1 (codified under Section 27.328 of the City of Brawley's Code of Ordinances), in accordance with California law. By eliminating the blight that has existed within the City, the Foundation is furthering its charitable purposes of lessening the burdens of government. The Foundation's close coordination with the City of Brawley in its revitalization projects described below further evidences its charitable operations that lessen the burdens of government.

One of the Foundation's first projects involved the Foundation's assistance in renovating a former hotel located in a designated redevelopment zone that now houses an Alzheimer's Daycare Center (an exempt organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "IRC")) and features a "pocket park" on the corner of 8th and E Street in Brawley. Through a donation from a citizen of Brawley, the Foundation acquired property once known as the "Brawley Hotel." The hotel had been burned out and sat

¹ The City of Brawley is located in Imperial County, which is largely a rural agrarian economy with high seasonal unemployment. California Employment Development Department figures as of April 2014 indicate an unemployment rate of 21.6 percent in Imperial County, compared to 7.3 percent in California. Based on the United States Census Bureau's 2011 American Community Survey, 5-Year Estimates, Imperial County had the lowest per capita income among California's 58 counties. Based on the United States Census Bureau's 2012 American Community Survey, 1-Year Estimates (the "2012 Census"), per capita income of Imperial County and the City of Brawley was \$16,667 and \$18,089, respectively, compared to \$28,341 in California. Additionally, the 2012 Census provided that 24.6 percent of people in the City of Brawley live below the poverty level compared to 17 percent in California.

SheppardMullin

Lisa Thompson
August 4, 2014
Page 3

boarded up for over 30 years. The Foundation sold the property to another Brawley citizen and worked with the individual in renovating the hotel, so that it now provides greatly improved aesthetics and safety for the city block.

Members of the board of directors of the Foundation ("Board Members") facilitated the sale of the Brawley Hotel by volunteering their services in real estate and insurance and securing reduced costs in connection with the sale of the Brawley Hotel, including engineering, title insurance and escrow, and appraisal services. During the renovation of the Brawley Hotel, Board Members coordinated the demolition and remodeling of the Brawley Hotel with assistance from another charitable organization, which used the renovation project as an avenue to provide training to at risk individuals in the construction trades. Additionally, Board Members provided food, housing and tools to the individuals who participated in the renovation of the Brawley Hotel.

The Foundation has also assisted with the revitalization of the Ciudad Plaza building, which is now a multi-use facility providing low-income housing to seniors on the second floor and retail and commercial real estate on the first floor. There are now approximately ten new businesses housed in Ciudad Plaza, including an insurance office, a restaurant, pharmacy and a barber.

The Foundation is currently renovating the historic Brawley Theatre (the "Theatre"), which was donated in 2012 to the Foundation in an unsafe condition. Since receiving the donation, the Foundation has been renovating the Theatre in its continuing efforts to improve and revitalize downtown Brawley and to promote the regional public's appreciation of the arts and culture. Currently, the Foundation has ensured that the Theatre is structurally secure and has nearly completed the façade improvement. The Foundation has been renovating the Theatre with the assistance of volunteers, including Board Members, and by hiring contractors with donated funds to renovate the Theatre. The Foundation is currently renovating the roof of the Theatre and plans to next renovate the inside of the Theatre, which is expected to complete Theatre renovations in the fall of 2015. Upon completion of the renovation, the Foundation intends to operate the Theatre for the public benefit by offering various theatrical and musical productions. Such educational activities are important in an area like north Imperial County, where the average per-capita income level is low and where very few other artist and cultural presentations are offered.

The Foundation's charitable efforts have spurred the revitalization of downtown and Main Street of the City of Brawley. After the renovation to Brawley Hotel was completed and during the redevelopment of Ciudad Plaza, another building west of the Brawley Hotel was renovated. Additionally, since renovation of the Theatre began, three new businesses in the surrounding area have begun the development process. As a result, the Foundation's renovation activities have also created numerous jobs in the City of Brawley and the surrounding area, with the renovation of the former "Brawley Hotel" and the revitalization of the Ciudad Plaza building having directly created at least 30 new jobs.

To keep overhead costs low, the Foundation entered into an agreement with the Imperial Valley Economic Development Corporation to share the costs of administration. Staff at the IVEDC provides administrative services to the Foundation at a reduced fixed annual cost. The Board Members, who serve on the board without compensation, have provided significant volunteer

SheppardMullin

Lisa Thompson
August 4, 2014
Page 4

services in connection with the revitalization projects. The Foundation also has a steering committee of volunteers who donate their time and services for the restoration of the Theatre. Additionally, the Foundation has been working with a construction contractor who provides his services at significantly discounted rates, often at the cost of materials, to renovate the Theatre.

What is Brawley's role in the correctional facility? Does it have a contract for certain services with the State of California? What services?

The Foundation, through the LLC, will own and operate the prison facility (the "Facility") that is currently being constructed on the property. The Foundation and the LLC do not have a contract for any services with the State of California. However, the Foundation, through the LLC, has entered into a Housing Agreement with the City of Holtville as of June 1, 2013 (the "Housing Agreement"), pursuant to which the City of Holtville, among other things, will solicit to state, local and federal agencies the detention services that the Foundation will provide through the LLC. The Housing Agreement requires the City of Holtville to give preference to state and local agencies over federal agencies. For its services, the City of Holtville will receive \$0.75 for each day of inmate housing for each inmate.

Does Imperial Valley Gateway Center LLC have an agreement with the State of California to operate this facility and what is the agreement regarding the land - is it under a long term lease?

The LLC does not have an agreement with the State of California to operate the Facility. The Foundation will operate the Facility, through the LLC, through use of third-party independent contractors.

The land on which the Facility is being constructed is owned entirely by the Foundation through the LLC.

How will the facility be funded once it is built - will the State of California be paying for the expenses relating to such facility?

Once construction of the Facility is completed, the expenses relating to the Facility will be paid from fees paid by the various state, local and federal agencies for which the Facility will provide detention services. Although no agreement has been entered into with the State of California, the Foundation expects to house inmates on behalf of the State of California, among other government agencies. The Foundation will not receive payments from the State of California other than the fees paid for detention services it will provide to state agencies that wish to house inmates at the Facility.

"Qualifying Organizations." We also wish to address any concerns the State may have regarding the qualification of the Foundation and the LLC as "qualifying organizations" under Section 214 and Rule 136.

Under California case law, the lessening of the burdens of government has repeatedly been held to constitute a "charitable" purpose for purposes of Section 214. See, e.g., *Lundberg v.*

SheppardMullin

Lisa Thompson
August 4, 2014
Page 5

County of Alameda, 46 Cal.2d 644 (1956); *Scripps etc. Hospital v. California Employment Commission*, 24 Cal.2d 669 (1944).

In Revenue Ruling 70-583, the Internal Revenue Service (the "IRS") held that an organization's provision of detention facilities for state and local governments lessened the burdens of government. Similar to the facts recited in the ruling, the Facility will house prisoners held by the State of California and political subdivisions thereof and various federal agencies, thereby lessening the burdens of government.

In a private letter ruling (PLR 200832034), the IRS ruled that an organization's activities of constructing, owning, managing and operating a public arena relieved the government from such activities, and therefore would be considered to lessen the burdens of government.

In a Technical Advice Memorandum (TAM 9629002), the IRS ruled that an exempt organization's operation of a prison lessens the burdens of government. In the TAM, a nonprofit corporation was formed under the Economic Development Authority of a city for the purpose of acquiring, equipping, and operating a correctional facility. The underlying reason for the formation of the organization was economic aid. The prison would create local jobs and provide other economic stimuli for the community. The facility was licensed by the state to house medium-security prisoners. As part of its licensing requirements, the prison was required to offer certain educational programs for inmates. The IRS ruled that the organization's above-mentioned activities were "charitable" because they lessened the burdens of the city. It also noted that the operation of the facility accomplishes, to varying degrees, other charitable purposes described in IRC Section 501(c)(3) (i.e., the rehabilitation of convicts and parolees (citing Rev. Rul. 67-150) and developing and managing community correctional centers for rehabilitation of prisoners (citing Rev. Rul. 70-583)).

Based on the authorities cited above, the LLC and the Foundation, through their operation of the Facility, should be treated as being operated to lessen the burdens of government by providing housing for prisoners. In addition, the Facility provides benefits that flow principally to the general public – that is, the construction and operation of the Facility will improve the quality of life for the residents of north Imperial County by spurring general economic growth and providing jobs in an area with extremely high unemployment.

Because the Foundation has received its determination letter from the IRS ruling that it is exempt from federal income taxation under IRC Section 501(a) by reason of qualifying as an organization described in IRC Section 501(c)(3), organized and operated for charitable purposes (within the meaning of Section 214), the Foundation qualifies as a "qualifying organization" under Section 214 and Rule 136.

SheppardMullin

Lisa Thompson
August 4, 2014
Page 6

Moreover, the LLC meets all of the tests under Rule 136.

- The sole member of the LLC is the Foundation, which itself is a qualifying organization under Section 214 and Rule 136.
- No part of the net earnings of the LLC inures or will inure to the benefit of any private shareholder or individual.
- The Facility will be used for the actual operation of the exempt charitable activity and will not be over the amount of property necessary to accomplish the exempt purpose.
- The Facility will not be operated so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession.
- The Facility will not be used for fraternal or lodge purposes or for social club purposes.
- The Facility is irrevocably dedicated to charitable purposes and on the liquidation, dissolution, or abandonment of the LLC, will not inure to the benefit of any private person except the Foundation or if the Foundation is not a "qualifying organization" under Rule 136, another qualifying organization organized and operated for charitable purposes.
- All organizational requirements of Rule 136 are included in the Articles of Organization (as amended and as proposed to be further amended) and the Operating Agreement.

The Facility should be treated as benefitting the persons within the boundaries of the State of California in a meaningful, important and significant way. The construction and operation of the Facility will create jobs for the residents of north Imperial County, California. Further, State and local governmental authorities will be benefited by the provision of correctional housing for their prisoners. The Operations Agreement entered into with the City of Holtville specifically provides that inmate housing priority will be given to individuals being held by the State of California and political subdivisions thereof in contracting for the use of bed space in the Facility, even if agencies of the federal government would pay a higher per diem amount for each prisoner.

SheppardMullin

Lisa Thompson
August 4, 2014
Page 7

We trust that this letter and its enclosures are responsive to the comments in the Finding Sheets as well as to your questions. Please let me know if you have any questions.

Very truly yours,


D. Matthew Richardson
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

SMRH:424550499.4
Enclosures

cc: Richard Moon, Esquire
Neil Shah

Index
Organizational Clearance Certificate Claims
Brawley Community Foundation and
Imperial Valley Gateway Center, LLC

<u>Tab No.</u>	<u>Description</u>
Exhibit A	Finding Sheets for Brawley Community Foundation and Imperial Valley Gateway Center, LLC
Exhibit B	OCC Claim for Brawley Community Foundation
Attachment A	Formation Documents
Attachment B	IRS Tax Exempt Status Letter
Attachment C	Financial Statements and Descriptions and Amounts of Program Expenses and Fundraising Income with Fundraising Expenses
Attachment D	Fundraising Activities
Exhibit C	OCC Claim for Imperial Valley Gateway Center, LLC
Attachment A	Articles of Organization, Certificate of Amendment and Proposed Amendment of Articles of Organization
Attachment B	Statement of Information
Attachment C	Operating Agreement
Attachment D	IRS Tax Exempt Status Letter
Attachment E	Promissory Notes
Attachment F	Financial Statements
Exhibit D	Proposed Amendments to Imperial Valley Gateway Center, LLC's Articles of Organization
Exhibit E	Grant Deeds of the Property to Imperial Valley Gateway Center, LLC

*w/ number
OCC 24363*

EXHIBIT C

OCC CLAIM FOR THE LLC

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT
 COUNTY-ASSESSED PROPERTIES DIVISION
 PO BOX 942879, MIC:64, Sacramento, CA 94279-0064
 Exemptions Section: 916-274-3430; Division: 916-274-3350

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION
 ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET**

DATE: 05/20/2014

Organization Name and Mailing Address:

Organization Information:

Imperial Valley Gateway Center, LLC
 Attn: Timothy Kelley
 P.O. Box 1344
 Brawley

CA 92227-1344

BOE Ex. No.: 24362 Status: Incomplete

Purpose: Charitable

Corporate I.D. No.: 201304510345

Fiscal Year: 14-15

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

<input type="checkbox"/> BEEN MET	<input checked="" type="checkbox"/> INCOMPLETE	<input type="checkbox"/> NOT BEEN MET
<input type="checkbox"/> PURPOSE:	<input type="checkbox"/> A.I.	<input type="checkbox"/> R.N.A.
<input type="checkbox"/> Religious	<input type="checkbox"/> A.A.I.	<input type="checkbox"/> H.N.A.
<input type="checkbox"/> Hospital	<input type="checkbox"/> I.D.	<input type="checkbox"/> S.N.A.
<input type="checkbox"/> Scientific	<input type="checkbox"/> D.C.	<input type="checkbox"/> C.N.A.
<input type="checkbox"/> Charitable	<input type="checkbox"/> N.T.L.	
	<input type="checkbox"/> N.F.S.	
	<input type="checkbox"/> N.O.S.	

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

As described on your claim for an Organizational Clearance Certificate (OCC), the purpose of the LLC is to "acquire, construct and operate a 781-bed medium security detention facility." In addition, the LLC has borrowed \$91,175,000 "from The Industrial Development Authority of the County of La Paz, Arizona" for financing costs for acquiring, constructing and equipping a correctional facility." The LCC Operating Agreement dated 05/28/13 on page 2 states that the LLC "is formed for the specific and exclusive purpose" as a correctional facility. This is the only activity indicated on the BOE-277-LLC claim form. Please be advised that according to the California Revenue & Taxation Code section 214, the primary activity of the LLC does not qualify for the welfare exemption. The Assessors' Handbook Section 267 which is available on the Board's website at <http://www.boe.ca.gov/proptaxes/pdf/ah267.pdf> discusses the welfare exemption and what constitutes a charitable purpose (page 2) and commercial activities (page 54).

If you wish to pursue this claim, please submit the following.

1) You must file an amended BOE-277-LLC claim in order to correct your response in Section 13 Activities. Since the

"Please see reverse."

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

Continued from previous page.

LLC is owner of real property, you must check box marked "Yes" as being a "Title Holding Company" term used by the Board of Equalization (BOE), and answer questions 13a and 13b.

- In Section 8, you must answer the question. Leaving a blank response is not acceptable.
- In Section 15, you must specify in detail how the LLC meets Property Tax Rule 136 subdivision (c)(2) to operate exclusively in furthering its member's qualifying exempt purposes as specified in Revenue & Taxation Code section 214.

2) Your Amendment to Articles endorsed 06/04/13 does not meet the provisions of Property Tax Rule 136 subdivisions (c)(3), (c)(4), (c)(6) and (c)(7) because it is (c)(3) which defines qualifying member organization.

- For subdivision (c)(3), each member of the LLC must be a "qualifying organization" that is exempt under section 501(c)(3) of the Internal Revenue Code or under Revenue & Taxation Code section 23701d and qualifies for exemption under Revenue & Taxation Code section 214. Please do not re-mix language requirements of Rule 136 subdivision (c)(3).

- For subdivision (c)(4), no transfer, whether direct or indirect, of any membership interest in the LLC shall be made to any nonqualified person or entity. Please do not re-mix language requirements of Rule 136 subdivision (c)(4) because reference to LLC Amendment to Articles "Section 3" is not acceptable.

- For subdivision (c)(6), when the dissolution clause indicates asset distribution to the Member (Brawley Community Foundation), it must also indicate that the Member is organized and operated exclusively for "charitable purposes." Additionally, it must also specify that if the Member (Brawley Community Foundation), no longer exists or qualifies to accept the assets, assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for "charitable purposes" as specified in section 214, and which has established its tax exempt status under section 501(c)(3) of the Internal Revenue Code, or under section 23701d of the Revenue and Taxation Code.

- For subdivision (c)(7) shall require that any amendments to the limited liability company's articles of organization or the equivalent legally recognized formative document under the laws of the jurisdiction where the entity is formed and to the operating agreement, be consistent with section 214.

- Please amend your articles and submit a certified copy of amended articles by the Secretary of State.

- Rule 136 is available on the Board's website at www.boe.ca.gov/lawguides/property/current/ptlg/rule/136.html. See LLC qualification for the welfare exemption available on the Board's website at www.boe.ca.gov/proptaxes/welfarelimitliability.htm.

3) Since the LLC owns title to real property, please submit the following.

- A copy of your LLC Balance Sheet and Profit & Loss for period ending 2014.
- A certified copy of grant deed to LLC with county recorder recordation stamp.

4) The Limited Liability Company's member, Brawley Community Foundation, has not been issued and Organizational Clearance Certificate (OCC).

- The LLC's member has applied for but has not yet been issued an OCC. (An incomplete finding was issued to the member on 05/20/14.) An OCC can not be issued to the LLC until the member has an OCC.

5) Additionally, you filed a claim for OCC, Form BOE 277-LLC, seeking the earliest fiscal year as 13-14. However, for purposes of the OCC, the organization does not qualify for 13-14 since you were organized on 02/14/13, which is after the 01/01/13 lien date which corresponds to the 13-14 fiscal year. However, your organization may be eligible for exemption from the Assessor for 13-14 for purposes of Revenue & Taxation Code section 271. (This would be noted on future Finding Sheet upon issuance of an OCC.)

Revised 8-15-14

CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE - WELFARE EXEMPTION - LIMITED LIABILITY COMPANY

This form must be completed and filed with the Board of Equalization, County-Assessed Properties Division, PO Box 942879, Sacramento, CA 94279-0064



STATE OF CALIFORNIA BOARD OF EQUALIZATION

www.boe.ca.gov

NAME OF ORGANIZATION Imperial Valley Gateway Center, LLC		WEBSITE ADDRESS (if any)
MAILING ADDRESS (number and street) P.O. Box 1344		
CITY, STATE, ZIP CODE Brawley, CA, 92227		
LLC NUMBER 201304510345	FISCAL YEAR OF CLAIM (see instructions) 20 14 - 20 15	

IDENTIFICATION OF MEMBERS *If additional space is needed, attach a list to this claim form.*

MEMBER NAME	OCC NUMBER (IF NONPROFIT)	CLASSIFICATION OF MEMBER	
		NONPROFIT	GOVERNMENT ENTITY
Brawley Community Foundation	APPLIED FOR CONCURRENTLY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

ARTICLES OF ORGANIZATION

- Date of organization (Date filed with Secretary of State): February 14, 2013
 - Dates of all amendments to the articles of organization, if any: June 4, 2013
- ATTACH A COPY OF THE ARTICLES OF ORGANIZATION, AND EACH AMENDMENT, CERTIFIED BY THE SECRETARY OF STATE.**

STATEMENT OF INFORMATION

- Date of Statement of Information: February 4, 2014
 - Dates of all bi-annual filings, if any: _____
- ATTACH A COPY OF THE STATEMENT OF INFORMATION, AND EACH FILING, CERTIFIED BY THE SECRETARY OF STATE.**

OPERATING AGREEMENT

- Date of operating agreement: May 28, 2013
 - Dates of all amendments to the operating agreement, if any: _____
- ATTACH A COPY OF THE OPERATING AGREEMENT, AND EACH AMENDMENT, SIGNED BY ALL LLC MEMBERS.**

TAX-EXEMPT STATUS LETTER

- IS THE ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER THE PROVISIONS OF SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND/OR EXEMPT FROM STATE FRANCHISE OR INCOME TAX UNDER THE PROVISIONS OF SECTION 23701d OF THE REVENUE AND TAXATION CODE?
 YES NO If YES, attach a copy of the letter evidencing the exemption.
 If the LLC does not have a tax-exempt status letter, it may meet this requirement through the tax-exempt status of its nonprofit organization members.

FINANCIAL STATEMENTS

- DOES THE ORGANIZATION HAVE CERTIFIED/AUDITED FINANCIAL STATEMENTS? YES NO
 Attach copy of the financial statements for the calendar or fiscal year immediately preceding the claim year, and for each subsequent year to date. If the LLC does not have financial statements, attach statements for each member for the same time periods.
 If NOT CERTIFIED, please explain: The enclosed financial statements are provided by the organization's CPA, but are not certified/audited.

OTHER

- IS THE OWNER ORGANIZED OR OPERATED FOR PROFIT? YES NO
- DOES ANY PART OF THE NET EARNINGS OF THE OWNER INURE TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL? YES NO
- IS THE SALARY PAID TO ANY INDIVIDUAL IN EXCESS OF \$1,500 WEEKLY OR \$78,000 ANNUALLY? YES NO
 If YES, list each of the top five positions with their salaries:

POSITION	SALARY

- DOES THE ORGANIZATION HAVE ANY OUTSTANDING BONDS, DEBENTURES, PROMISSORY NOTES, OR OTHER EVIDENCE OF INDEBTEDNESS ISSUED FOR ITS OVERALL OPERATION? YES NO
 If YES, attach a statement which provides specific details as to the type and terms of such indebtedness and to whom owing.

ACTIVITIES

13. IS THIS ORGANIZATION A TITLE HOLDING COMPANY? YES NO If **YES**, complete (a) and (b) before proceeding to question 14.

(a) If **YES**, is the property operated by a member of the LLC? YES NO

(b) Does the recorded grant deed evidence the LLC as the owner of the property? YES NO

If either (a) or (b) is **NO**, please explain:

Brawley Community Foundation, through Imperial Valley Gateway Center, LLC, operates the property.

14. IS THIS ORGANIZATION ORGANIZED AND OPERATED FOR CHARITABLE, RELIGIOUS, HOSPITAL, AND/OR SCIENTIFIC PURPOSES? YES NO If **YES**, please identify the purpose of the organization and provide additional information as requested below. If necessary, this information may be provided on a supplemental attachment.

CHARITABLE PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

SOCIAL SERVICES

LOW-INCOME HOUSING AND/OR ELDERLY HANDICAPPED HOUSING

MANAGING GENERAL PARTNER OF LIMITED PARTNERSHIP THAT OWNS AND OPERATES LOW-INCOME HOUSING PROPERTY. Submit a Claim for Supplemental Clearance Certificate, BOE-277-L1, for each limited partnership property.

OTHER

RELIGIOUS PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHURCH, OR CHURCH AND SCHOOL

HOUSING OF RELIGIOUS PERSONNEL

OTHER

HOSPITAL PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

If the operating revenues, exclusive of gifts, endowments and grants-in-aid, exceed operating expenses by an amount equivalent to 10% of those operating expenses, describe the use(s) of the surplus revenue:

HOSPITAL

MULTI-SPECIALTY CLINIC

OTHER

SCIENTIFIC PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHARTERED BY THE CONGRESS OF THE UNITED STATES. OBJECTIVE IS TO ENCOURAGE OR CONDUCT SCIENTIFIC INVESTIGATION, RESEARCH AND DISCOVERY FOR THE BENEFIT OF THE COMMUNITY AT LARGE

MEDICAL RESEARCH

OTHER

15. STATE FULLY ALL ACTIVITIES IN WHICH THE ORGANIZATION IS ENGAGED. INCLUDE ALL ACTIVITIES SINCE JANUARY 1 OF PRIOR YEAR, AND PROVIDE DOCUMENTATION DESCRIBING THE ACTIVITIES.

See attachment.

Whom should we contact for additional information?

NAME	DAYTIME TELEPHONE	E-MAIL ADDRESS
Timothy E. Kelley	(760) 353-8332	tim@ivedc.com

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

NAME OF CLAIMANT	TITLE	DATE
Timothy E. Kelley	Sole Manager	8/4/14
SIGNATURE OF CLAIMANT		

BOE-277-LLC Claim for Organizational Clearance Certificate – Welfare Exemption – Limited Liability Company Attachment

Line 12 – Imperial Valley Gateway Center, LLC (the "LLC") has borrowed \$88,925,000 and \$2,250,000 from The Industrial Development Authority of the County of La Paz, Arizona, for the financing or refinancing of the costs of, among other things, acquiring, constructing and equipping a correctional facility on the property. Interest will be paid at the rate of the bonds issued in connection with such financing as detailed in the attached promissory notes.

Line 14 – The LLC's purpose is to further the charitable purposes of its sole member, Brawley Community Foundation (the "Foundation"), as enumerated under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Specifically, the LLC's purpose is to lessen the burdens of government through the acquisition, construction and operation of a 781-bed medium security detention facility (the "Facility") on the property held by the State of California and political subdivisions thereof and various federal agencies, and the provision of rehabilitation programs for such prisoners.

Line 15 – In accordance with Property Tax Rule 136(c)(2)'s requirement, Section 2 of the attachment to the LLC's Limited Liability Company Certificate of Amendment provides that the LLC is organized and shall be operated exclusively to carry out those exempt charitable purposes (the "Charitable Purposes") of its sole member, as specified in California Revenue & Taxation Code ("R&TC") Section 214.

Charitable purposes under California law, which conforms to federal law, include activities that lessen the burdens of government. R&TC Section 23701d. Under California case law, the lessening of the burdens of government has repeatedly been held to constitute a "charitable" purpose for purposes of Section 214. *See, e.g., Lundberg v. County of Alameda*, 46 Cal.2d 644 (1956); *Scripps etc. Hospital v. California Employment Commission*, 24 Cal.2d 669 (1944).

In Revenue Ruling 70-583, the Internal Revenue Service (the "IRS") held that an organization's provision of detention facilities for state and local governments lessened the burdens of government. Similar to the facts recited in the ruling, the Facility will house prisoners held by the State of California and political subdivisions thereof and various federal agencies, thereby lessening the burdens of government.

In a private letter ruling (PLR 200832034), the IRS ruled that an organization's activities of constructing, owning, managing and operating a public arena relieved the government from such activities, and therefore would be considered to lessen the burdens of government.

In a Technical Advice Memorandum (TAM 9629002), the IRS ruled that an exempt organization's operation of a prison lessens the burdens of government. In the TAM, a nonprofit corporation was formed under the Economic Development Authority of a city for the purpose of acquiring, equipping, and operating a correctional facility. The underlying reason for the formation of the organization was economic aid. The prison would create local jobs and provide other economic stimuli for the community. The facility was licensed by the state to house medium-security prisoners. As part of its licensing requirements, the prison was required to offer certain educational programs for inmates. The IRS ruled that the organization's above-mentioned activities were "charitable" because they lessened the burdens of the city. It also

**BOE-277-LLC Claim for Organizational Clearance Certificate – Welfare Exemption –
Limited Liability Company
Attachment**

noted that the operation of the facility accomplishes, to varying degrees, other charitable purposes described in Section 501(c)(3) (i.e., the rehabilitation of convicts and parolees (citing Rev. Rul. 67-150) and developing and managing community correctional centers for rehabilitation of prisoners (citing Rev. Rul. 70-583)).

The LLC has begun construction of the Facility on the property it acquired in an unincorporated Imperial County, California, near the City of Holtville, California. The LLC has not engaged in any other activities. Upon completion of construction, the LLC will operate the Facility, which based on the authorities cited above, should be treated as being operated to lessen the burdens of government by providing housing for prisoners. In addition, the Facility provides benefits that flow principally to the general public – that is, the construction and operation of the Facility will improve the quality of life for the residents of north Imperial County by spurring general economic growth and providing jobs in an area with extremely high unemployment.

The construction and operation of the Facility furthers the Charitable Purposes of lessening the burdens of government by promoting social welfare (i.e., by combatting community deterioration that results when there are not sufficient facilities to hold prisoners and detainees). The construction and operation of the Facility will further the Charitable Purposes of improving the quality of life for the residents of north Imperial County by spurring general economic growth and providing jobs in an area with extremely high unemployment, currently 22%.

Further, the housing of prisoners and detainees has historically been a burden of government. The State of California, its political subdivisions, and various federal agencies will benefit by the Facility's provision of correctional housing for their prisoners and detainees. The construction and operation of the Facility also serves the Charitable Purposes by providing educational and rehabilitative programs for prisoners eligible to receive those services.

The Facility should be treated as benefitting the persons within the boundaries of the State of California in a meaningful, important and significant way. The construction and operation of the Facility will create jobs for the residents of north Imperial County, California. Further, State and local governmental authorities will be benefited by the provision of correctional housing for their prisoners. The Operations Agreement entered into with the City of Holtville specifically provides that inmate housing priority will be given to individuals being held by the State of California and political subdivisions thereof in contracting for the use of bed space in the Facility, even if agencies of the federal government would pay a higher per diem amount for each prisoner.

ATTACHMENT A
ARTICLES OF ORGANIZATION,
CERTIFICATE OF AMENDMENT
AND
PROPOSED AMENDMENT OF
ARTICLES OF ORGANIZATION

LLC-1

**Articles of Organization
of a Limited Liability Company (LLC)**

201304510845

To form a limited liability company in California, you can fill out this form, and submit for filing along with:

- A \$70 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you drop off the completed form or document.

Important! LLCs in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

LLCs may not provide "professional services," as defined by California Corporations Code sections 13401(a) and 13401.3.

Note: Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.

FILED
Secretary of State
State of California

FEB 14 2013

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

LLC Name

① Imperial Valley Gateway Center, LLC

Proposed LLC Name

The name must end with: "LLC," "L.L.C.," "Limited Liability Company," "Limited Liability Co.," "Ltd. Liability Co.," or "Ltd. Liability Company;" and may not include: "bank," "trust," "trustee," "incorporated," "inc.," "corporation," or "corp.," "insurer," or "insurance company." For general entity name requirements and restrictions, go to www.sos.ca.gov/business/be/name-availability.htm.

Purpose

② The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

LLC Addresses

③ a. 1041 Calle Estrella Brawley, CA 92227
Initial Street Address of LLC *City (no abbreviations)* *State Zip*

b. 1041 Calle Estrella Brawley, CA 92227
Initial Mailing Address of LLC, if different from 3a *City (no abbreviations)* *State Zip*

Service of Process (List a California resident or an active 1506 corporation in California that agrees to be your initial agent to accept service of process in case your LLC is sued. You may list any adult who lives in California. You may not list an LLC as the agent. Do not list an address if the agent is a 1506 corporation.)

④ a. Timothy E. Kelley

Agent's Name

b. 1041 Calle Estrella Brawley CA 92227
Agent's Street Address (if agent is not a corporation) *City (no abbreviations)* *State Zip*

Management (Check only one.)

⑤ The LLC will be managed by:

- One Manager More Than One Manager All Limited Liability Company Member(s)

This form must be signed by each organizer. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of organization.

Organizer - Sign here

Timothy E. Kelley

Print your name here

Make check/money order payable to: **Secretary of State**
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$6 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944228
Sacramento, CA 94244-2280

Drop-Off
Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814



I hereby certify that the foregoing transcript of _____ page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

FEB 15 2013

Date: _____ *ES*

Debra Bowen
DEBRA BOWEN, Secretary of State



State of California
Secretary of State

LIMITED LIABILITY COMPANY
CERTIFICATE OF AMENDMENT

A \$30.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

FILED
Secretary of State
State of California
JUN 04 2013

JF/ST

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1. SECRETARY OF STATE FILE NUMBER 201304510345	2. NAME OF LIMITED LIABILITY COMPANY Imperial Valley Gateway Center, LLC
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3. COMPLETE ONLY THE SECTIONS WHERE INFORMATION IS BEING CHANGED. ADDITIONAL PAGES MAY BE ATTACHED IF NECESSARY.

A. LIMITED LIABILITY COMPANY NAME (END THE NAME WITH THE WORDS "LIMITED LIABILITY COMPANY," "LTD. LIABILITY CO." OR THE ABBREVIATIONS "LLC" OR "L.L.C.")

B. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY (CHECK ONE):

ONE MANAGER
 MORE THAN ONE MANAGER
 ALL LIMITED LIABILITY COMPANY MEMBER(S)

C. AMENDMENT TO TEXT OF THE ARTICLES OF ORGANIZATION:

D. OTHER MATTERS TO BE INCLUDED IN THIS CERTIFICATE MAY BE SET FORTH ON SEPARATE ATTACHED PAGES AND ARE MADE A PART OF THIS CERTIFICATE. OTHER MATTERS MAY INCLUDE A CHANGE IN THE LATEST DATE ON WHICH THE LIMITED LIABILITY COMPANY IS TO DISSOLVE OR ANY CHANGE IN THE EVENTS THAT WILL CAUSE THE DISSOLUTION.

4. FUTURE EFFECTIVE DATE, IF ANY:

MONTH	DAY	YEAR
-------	-----	------

5. NUMBER OF PAGES ATTACHED, IF ANY: 2

6. IT IS HEREBY DECLARED THAT I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

[Redacted Signature]
SIGNATURE OF AUTHORIZED PERSON

June 4, 2013
DATE

Timothy E. Kelley, Manager
TYPE OR PRINT NAME AND TITLE OF AUTHORIZED PERSON

7. RETURN TO:

NAME	D. Matthew Richardson
FIRM	Sheppard Mullin Richter & Hampton LLP
ADDRESS	650 Town Center Drive, 4th Floor
CITY/STATE	Costa Mesa, CA
ZIP CODE	92626

3.D.

Other Matters to be included in Limited Liability Company Certificate of Amendment

The Article of Organization of Imperial Valley Gateway Center, LLC (the "Company") are amended to include the following additional provisions:

1. The Company is organized and shall be operated exclusively for charitable purposes and to further the charitable purposes of its sole member, Brawley Community Foundation, a California nonprofit public benefit corporation (the "Member").
2. The Company is organized and shall be operated exclusively to carry out those exempt charitable purposes of the Member, as enumerated under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). At all times and under all circumstances, the nature of the activities to be conducted, and the purposes to be promoted and carried out by the Company, shall be exclusively those within the purview of and consistent with all of the requirements of Section 501(c)(3) of the Code. The Company shall not carry on any activities not permitted to be carried on by (i) an entity exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) a "qualifying organization" under Section 214 of the California Revenue & Taxation Code ("Section 214") and subsections (b)(1) and (b)(2) of Section 136 of the California Code of Regulations ("Rule 136").
3. Each member of the Company must meet all of the following requirements: (i) it must be described in Section 501(c)(3) of the Code, exempt from United States federal income taxation pursuant to Section 501(a) of the Code; (ii) it must be exclusively organized and operated for charitable purposes (as contemplated under Section 501(c)(3) of the Code); and (iii) it must qualify as a "qualifying organization" under Section 214 and Rule 136. Any member who ceases to meet the requirements of this Section 3 shall no longer be considered a member or have any right, title or interest in the Company or its assets.
4. No member may directly or indirectly transfer all or any portion of its interest in the Company to a person or entity that does not meet all the requirements of Section 3; and a person or entity that does not meet the requirements of Section 3 shall be prohibited from becoming a member of the Company.
5. The assets of the Company shall be and are irrevocably dedicated to the charitable purposes of the Member.
6. Upon dissolution of the Company, the affairs of the Company shall be wound up and, after paying or making due provisions by the setting up of reasonable reserves for all liabilities to creditors of the Company, the assets of the Company shall be distributed to the Member; provided, however, that if upon dissolution of the Company the Member is not qualified as exempt from United States federal income taxes pursuant to Section 501(c)(3) of the Code, is not a qualifying organization, or is not organized and operated exclusively for charitable purposes, then such final distribution of assets shall be made to one or more organizations that shall be so qualified, organized and operated, as may be selected by the manager of the Company

or, if the manager does not so select, by the applicable court having jurisdiction, subject to and in accordance with all applicable requirements otherwise imposed under the Code, Section 214, Rule 136 or the State of California relating to the disposition or termination of the Company. Upon the liquidation, dissolution, or abandonment of the Company, no asset of the Company may inure to the benefit of any private person except a qualifying organization as defined in Rule 136.

7. The Operating Agreement of the Company may be amended by the Member only if such amendment is consistent with the provisions of Section 214 and Rule 136.

8. To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this limited liability company is prohibited from merging or converting into a for-profit entity.

9. Distribution of assets of the Company to any member who ceases to be a qualifying organization under Section 214 is prohibited.

10. No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its manager, officers or other private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the Company.

11. No part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

12. In the event that a member of the Company ceases to meet the requirements of Section 3, the Company shall report such information to the applicable County Assessor and the California State Board of Equalization no later than the next annual filing deadline for the welfare exemption.



I hereby certify that the foregoing
transcript of 2 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

JUN 07 2013

Date: PS

Debra Bowen
DEBRA BOWEN, Secretary of State

ATTACHMENT B
STATEMENT OF INFORMATION



State of California
Secretary of State

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JKM

STATEMENT OF INFORMATION
(Limited Liability Company)

Filing Fee \$20.00. If this is an amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FILED
Secretary of State
State of California
FEB 04 2014

This Space For Filing Use Only

1. LIMITED LIABILITY COMPANY NAME

Imperial Valley Gateway Center, LLC

File Number and State or Place of Organization

2. SECRETARY OF STATE FILE NUMBER 201304510345

3. STATE OR PLACE OF ORGANIZATION (If formed outside of California)

No Change Statement

4. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 15.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 5 and 7 cannot be P.O. Boxes.)

5. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
1041 Calle Estrella	Brawley,	CA	92227
6. MAILING ADDRESS OF LLC, IF DIFFERENT THAN ITEM 5 P.O. Box 1344	CITY	STATE	ZIP CODE
	Brawley,	CA	92227
7. STREET ADDRESS OF CALIFORNIA OFFICE	CITY	STATE	ZIP CODE
1041 Calle Estrella	Brawley	CA	92227

Name and Complete Address of the Chief Executive Officer, if Any

8. NAME	ADDRESS	CITY	STATE	ZIP CODE

Name and Complete Address of Any Manager or Managers, or if None Have Been Appointed or Elected, Provide the Name and Address of Each Member (Attach additional pages, if necessary.)

9. NAME	ADDRESS	CITY	STATE	ZIP CODE
Timothy E. Kelley	1041 Calle Estrella	Brawley,	CA	92227
10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 13 must be completed with a California address, a P.O. Box is not acceptable. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 13 must be left blank.

12. NAME OF AGENT FOR SERVICE OF PROCESS

Timothy E. Kelley

13. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
1041 Calle Estrella	Brawley	CA	92227

Type of Business

14. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

Charitable Activities

15. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

1/30/2013

Timothy E. Kelley

Sole Manager

DATE

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

TITLE

SIGNATURE



I hereby certify that the foregoing
transcript of 1 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

JUN 04 2014

Date: _____ *W/S*

Debra Bowen
DEBRABOWEN, Secretary of State

ATTACHMENT C
OPERATING AGREEMENT

IMPERIAL VALLEY GATEWAY CENTER, LLC
OPERATING AGREEMENT
DATED AS OF MAY 28, 2013

**OPERATING AGREEMENT
OF
IMPERIAL VALLEY GATEWAY CENTER, LLC**

Brawley Community Foundation (the "*Member*"), a California nonprofit public benefit corporation exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and formed exclusively for charitable purposes, caused to be formed a limited liability company named Imperial Valley Gateway Center, LLC (the "*Company*") pursuant to the provisions of the Beverly-Killea Limited Liability Company Act (the "*Act*") and which from and after the date hereof shall be governed by, and operated pursuant to, the terms and provisions of this Operating Agreement (this "*Agreement*"). The Company was formed upon the execution and filing with the Secretary of State of the State of California Articles of Organization of the Company on February 14, 2013. The actions of the person who so executed and filed the Articles of Organization are hereby authorized, ratified and confirmed as of the date taken.

The Company is formed for the specific and exclusive purpose of acquiring, constructing and operating a 781-bed medium security detention facility on real property (together with the real property, the "*Project*") located in unincorporated Imperial County, California, near the City of Holtville, California. The Project will be funded through a secured loan from The Industrial Development Authority of the County of La Paz, Arizona.

This Agreement is intended to satisfy the requirements of Section 214 of the California Revenue and Taxation Code (the "*Welfare Exemption*"), and the Company is intended to qualify as a "qualifying organization" under the Welfare Exemption and Section 136 of the California Code of Regulations (a "*Qualifying Welfare Organization*"), and all provisions in this Agreement shall be interpreted in a manner consistent with such intent.

**ARTICLE 1
ORGANIZATION**

1.1 Company Name. The name of the Company shall be "Imperial Valley Gateway Center, LLC."

1.2 Nature of Business Permitted; Powers. The Company is organized and shall be operated exclusively for charitable purposes and to further the charitable purposes of the Member. Specifically, the activities of the Company shall be limited to lessening the burdens of government through the acquisition, construction and operation of the Project for prisoners held by the State of California and political subdivisions thereof and various federal agencies, and the provision of rehabilitation programs for such prisoners. Notwithstanding all of the rights, powers and duties contained in this Agreement, the following shall apply:

(a) The Company shall be organized and operated exclusively to carry out those tax-exempt charitable purposes of the Member, as enumerated under Section 501(c)(3) of the Code. At all times and under all circumstances, the nature of the activities to be conducted, and the purposes to be promoted and carried out by the Company shall be exclusively those

within the purview of and consistent with all of the requirements of Section 501(c)(3) of the Code. The Company does not contemplate pecuniary gain or profit, incidental or otherwise.

(b) No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its Manager, officers or other private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the Company. No part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Agreement or the Articles of Organization, the Company shall not carry on any activities not permitted to be carried on by (i) an entity exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) a Qualifying Welfare Organization under the Welfare Exemption.

(c) The Project shall be and is irrevocably dedicated to the charitable purposes of the Member and, upon the liquidation, dissolution, or abandonment of the Company, the Project shall not inure to the benefit of any private person except a Qualifying Welfare Organization organized and operated for charitable purposes.

1.3 Only one Member. Other than the Member, no person shall be considered a member of the Company.

1.4 Qualification as a Member. Each Member (or any assignee or successor-in-interest thereof) must meet all of the following requirements:

(a) It must qualify for exemption from United States federal income taxation pursuant to Section 501(c)(3) of the Code;

(b) It must be exclusively organized and operated for charitable purposes (as contemplated under Section 501(c)(3) of the Code); and

(c) It must qualify as a Qualifying Welfare Organization under the Welfare Exemption.

No person or entity that does not meet the requirements of this Section 1.4 may be a Member or an assignee of or successor-in-interest to a Member. Any Member who ceases to meet these requirements shall no longer be considered a Member or have any right, title or interest in the Company or its assets.

1.5 Operating Requirements. For purposes of the Welfare Exemption, the Company shall file with the California Board of Equalization a certified copy of the Articles of Organization of the Company and a certified copy of any amendments and restatements thereof. In the event that the Member (or any successor-in-interest) ceases to be a Qualifying Welfare Organization under the Welfare Exemption, the Company shall report this information to the applicable County Assessor and the California State Board of Equalization no later than the next annual filing deadline for the Welfare Exemption.

1.6 No Liability of Member or Manager.

(a) The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Member nor the Manager shall be obligated personally for any such debt, obligation or liability by reason of being a Member or Manager.

(b) The Member shall not be required to lend any funds to the Company, make any contributions to the capital of or any other payments to the Company, or to repay any amount to the Company or any creditor of the Company.

ARTICLE 2
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

2.1 Contributions to Capital. The Member shall contribute to the capital of the Company such amounts as it may determine from time to time. The Member shall have no obligation whatsoever to make any contributions to the capital of the Company.

2.2 Distributions. Distributions may be made to the Member as determined by the Manager; provided, however, that a distribution of assets of the Company to any Member who ceases to be a Qualifying Welfare Organization shall be prohibited.

ARTICLE 3
TAX TREATMENT OF THE COMPANY

3.1 Income Tax Purposes. Pursuant to Treasury Regulation § 301.7701-3(b)(1)(ii) and corresponding provisions of California and other state income tax laws, and unless otherwise determined by the Member under applicable law, the Company shall be disregarded as an entity separate from the Member for income tax purposes.

3.2 Other Taxes. For purposes of all taxes other than income taxes, the Company shall be treated as an entity separate from the Member that does not meet all the requirements set forth in Section 1.4.

ARTICLE 4
MANAGEMENT

4.1 Power and Authority of the Manager.

(a) The business and affairs of the Company shall be managed exclusively by the Manager, who shall have the power and authority, on behalf of the Company, to take any action of any kind not inconsistent with the provisions of this Agreement and to do anything and everything such Manager deems necessary or appropriate to carry on the business and purposes of the Company, including without limitation the execution of agreements, contracts and other documents in connection with or related to the Company's purposes and activities. The Manager

is an agent of the Company for the purpose of the Company's business, and the actions of the Manager shall bind the Company.

(b) Third parties dealing with the Company may rely conclusively upon any certificate of the Manager to the effect that the Manager is acting on behalf of the Company. The signature of the Manager shall be sufficient to bind the Company in every manner to any agreement or any document, including, but not limited to, documents drawn or agreements made in connection with the acquisition of the assets of the Member.

(c) In performing its duties on behalf of the Company, the Manager shall be entitled to rely in good faith on information, opinions, reports or statements of the following persons or groups:

(i) One or more agents of the Company who the Manager in good faith believes to be reliable and competent in the matter presented; and

(ii) Any attorney, public accountant or other person as to matters which the Manager in good faith believes to be within such person's professional or expert competence.

4.2 Expenses and Reimbursement. The Company shall bear or pay (or reimburse the Manager for the payment of) all expenses related to the operations or affairs of the Company, including legal, consulting, accounting and other professional fees, taxes, if any, imposed on the Company in respect of its operations or income, and any extraordinary expenses, including, without limitation, the costs and expenses of any litigation involving the Company and the amount of any judgments or settlements paid in connection therewith.

4.3 Exculpation and Indemnification. The Company shall indemnify, to the fullest extent permitted by law, the Member, the Manager and each of the officers, directors, employees, members, partners, agents and Affiliates of the Member and Manager ("**Indemnified Parties**") from and against all costs and expenses, including attorneys' fees, judgments, fines, settlements and/or liabilities incurred by or imposed upon any Indemnified Party in connection with, or resulting from, investigating, preparing or defending any action, suit or proceeding, whether civil, criminal, legislative or otherwise (or any appeal thereof) to which an Indemnified Party may be made a party or become otherwise involved or with which any Indemnified Party may be threatened, in each case by reason of, or in connection with, the Indemnified Party being or having been associated with or otherwise acting on behalf of the Company or pursuant to this Agreement, or by reason of any action or alleged action, omission or alleged omission by any Indemnified Party in any such capacity. The Company shall make all indemnification payments provided for herein solely out of Company assets and the Member and Manager shall have no personal liability hereunder. None of the provisions of this Section 4.3 shall be deemed to create or grant any rights in favor of anyone other than Indemnified Parties; this provision excludes, among others, any right of subrogation in favor of any insurer or surety. The rights of indemnification granted hereunder shall survive the termination of this Agreement.

4.4 Appointment of Manager. The initial Manager shall be Timothy E. Kelley. The Member may remove and replace the Manager at any time and for any reason.

ARTICLE 5
ACTION BY WRITTEN CONSENT

Any action required or permitted to be taken by the Member or Manager may be taken by consent without a meeting. Any writing executed by the Member or Manager shall be conclusive evidence of such action and consent.

ARTICLE 6
RECORDS

Proper and complete records and books of account of the business of the Company shall be maintained at the Company's principal place of business.

ARTICLE 7
TRANSFERABILITY OF INTERESTS; MERGER

7.1 Transferability of the Member's Interest. The Member, in its sole discretion, may assign, sell or otherwise dispose of all or any fraction of its interest in the Company, provided that such transferee meets the requirements of a Member set forth in Section 1.4 above. A transfer to a person or entity that does not meet all the requirements set forth in Section 1.4 above shall be prohibited.

7.2 Merger. The Company may not merge with, or convert into, a for-profit entity.

ARTICLE 8
DISSOLUTION, LIQUIDATION AND
TERMINATION OF THE COMPANY

8.1 Dissolution. The Company shall be dissolved, wound up and terminated only upon a determination of the Member to do so, or upon a termination required by operation of law.

8.2 Liquidation and Termination. Upon dissolution of the Company, the affairs of the Company shall be wound up and, after paying or making due provisions by the setting up of reasonable reserves for all liabilities to creditors of the Company, the assets of the Company shall be distributed to the Member; provided, however, that if upon dissolution of the Company the Member is not qualified as exempt from United States federal income taxes pursuant to Section 501(c)(3) of the Code, is not a Qualifying Welfare Organization under the Welfare Exemption, or is not organized and operated exclusively for charitable purposes, then such final distribution of assets shall be made to one or more organizations that shall be so qualified, organized and operated, as may be selected by the Manager or, if the Manager does not so select, by the applicable court having jurisdiction, subject to and in accordance with all applicable requirements otherwise imposed under the Code or the State of California relating to the disposition or termination of the Company.

ARTICLE 9
MISCELLANEOUS

9.1 Entire Agreement. Except as herein provided, this Agreement constitutes the entire agreement relating to the subject matter hereof. It supersedes any prior agreement or understanding relating to the subject matter hereof, and it may not be modified or amended in any manner other than as set forth herein.

9.2 Amendments. This Agreement may be amended by the Member, provided that such amendment is consistent with the provisions of the Welfare Exemption.

9.3 Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of California. All terms used herein shall have the meaning given them under the Act, as such may be amended from time to time, except as otherwise provided herein.

9.4 Successors and Assigns. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the Member and its legal representatives, heirs, administrators, executors, successors and assigns.

9.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement, or the application of such provision to any person or circumstances shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected hereby.

IN WITNESS WHEREOF, the undersigned has caused this Operating Agreement of Imperial Valley Gateway Center, LLC to be executed as of the 28th day of May.

MEMBER:

Brawley Community Foundation,
a California nonprofit public benefit corporation

By: 

Don E. Shank, President

ATTACHMENT D
IRS TAX-EXEMPT STATUS LETTER

NOV 02 2006

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 27 2006

BRAWLEY COMMUNITY FOUNDATION
PO BOX 218
BRAWLEY, CA 92227

Employer Identification Number:
77-0629281
DLN:
17053006044006
Contact Person:
R HUTCHINS ID# 52408
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
JUNE 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
✓ DECEMBER 21, 2004
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2008

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

BRAWLEY COMMUNITY FOUNDATION

Sincerely,



Lois G. Weiner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c) (3)
Statute Extension

BRAWLEY COMMUNITY FOUNDATION

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements.

BRAWLEY COMMUNITY FOUNDATION

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by providing a written statement listing any cash contribution or describing any

BRAWLEY COMMUNITY FOUNDATION

donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be found in the instructions for Form 990 and Form 990-EZ, or you may call our

BRAWLEY COMMUNITY FOUNDATION

toll free number to obtain additional information on how to correct and report this transaction.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

BRAWLEY COMMUNITY FOUNDATION

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

ATTACHMENT E
PROMISSORY NOTES

\$88,925,000
PROMISSORY NOTE
(FEDERALLY TAX EXEMPT)

\$88,925,000

June 7, 2013

FOR VALUE RECEIVED, IMPERIAL VALLEY GATEWAY CENTER, LLC, a California limited liability company, its successors and assigns (the "Borrower"), whose sole member is Brawley Community Foundation, a California nonprofit public benefit corporation, promises to pay to THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LA PAZ, ARIZONA, (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer), a nonprofit corporation designated as a political subdivision of the State of Arizona incorporated with approval of La Paz County, Arizona, pursuant to the Constitution of the State of Arizona and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, solely from the source and in the manner hereinafter provided, (1) the principal sum of \$88,925,000 and to pay interest on the unpaid portion thereof from the date of the initial delivery of the hereinafter defined Bonds at the rate for each day of accrual equal to the rate of interest borne by the Bonds of the Issuer initially designated its \$88,925,000 The Industrial Development Authority of the County of La Paz, Arizona (Imperial Regional Detention Facility Project) Senior Lien Project Revenue Bonds (Federally Tax Exempt) Series 2013A (the "Bonds") at any time Outstanding (as defined in the Indenture hereinafter referred to) payable on the dates and computed as described in Section 4.01 of the Loan Agreement hereafter referred to relating to principal and interest on the Bonds, and (2) all other amounts specified in Section 4.05 of the Loan Agreement at the times described in such Section. All such amounts are payable solely from the Project Revenues and any proceeds derived from the Housing Agreement and the Mortgage. Capitalized terms not defined herein have the meaning set forth in the hereinafter defined Indenture.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the corporation then acting as trustee (herein referred to as the "Trustee") under the Trust Indenture dated as of June 1, 2013 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, authorizing issuance of the Bonds. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally at a place of payment for the Bonds (as described in the Indenture) or in the city in which is located the designated corporate trust office of the Trustee or shall otherwise be a day other than a business day, then such payment may be made on the next succeeding day which is not such a day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due. All sums paid hereon shall be applied to the satisfaction of, first, the sums specified in Clause (2) of the first paragraph hereof, second, accrued interest hereon, and, third, the unpaid principal (and premium, if any) hereof.

This Note is the "Promissory Note" referred to in the Loan Agreement relating to the Bonds, and is issued to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds.

The Borrower shall prepay the outstanding principal sum hereof, in whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture.

If an Event of Default shall occur, the principal hereof and accrued interest hereon may be declared due and payable in the manner and with the effect provided in the Indenture.


The Borrower shall have no personal liability under this Note for the repayment of the indebtedness evidenced hereby or for the performance of any other obligations of the Borrower under the Loan Agreement, and the Issuer's and Trustee's only recourse for the satisfaction of the indebtedness evidenced hereby shall be the Issuer's and Trustee's exercise of its rights and remedies with respect to collateral held by the Trustee as security for the indebtedness.

The Borrower hereby expressly waives all notices (including notice of redemption, notice of intent to accelerate, or notice of acceleration), demands for payment, presentments for payment, and notations of payment.

[Remainder of page intentionally left blank.]

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of Arizona.

**IMPERIAL VALLEY GATEWAY
CENTER, LLC**, a California limited liability
company, as Borrower


By: 
Name: Timothy E. Kelley
Title: Manager

(signature page to \$88,925,000 Promissory Note)

ENDORSEMENT

Pay to the order of U.S. Bank National Association as trustee for the owners of the Bonds hereinabove mentioned, without recourse against the undersigned.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
LA PAZ, ARIZONA

By: 
Name: Randy Hartless
Title: President

\$2,250,000
PROMISSORY NOTE
(FEDERALLY TAXABLE)

\$2,250,000

June 7, 2013

FOR VALUE RECEIVED, IMPERIAL VALLEY GATEWAY CENTER, LLC, a California limited liability company, its successors and assigns (the "Borrower"), whose sole member is Brawley Community Foundation, a California nonprofit public benefit corporation, promises to pay to THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LA PAZ, ARIZONA, (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer), a nonprofit corporation designated as a political subdivision of the State of Arizona incorporated with approval of La Paz County, Arizona, pursuant to the Constitution of the State of Arizona and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, solely from the source and in the manner hereinafter provided, (1) the principal sum of \$2,250,000 and to pay interest on the unpaid portion thereof from the date of the initial delivery of the hereinafter defined Bonds at the rate for each day of accrual equal to the rate of interest borne by the Bonds of the Issuer initially designated its \$2,250,000 The Industrial Development Authority of the County of La Paz, Arizona (Imperial Regional Detention Facility Project) Senior Lien Project Revenue Bonds (Federally Taxable) Series 2013B (the "Bonds") at any time Outstanding (as defined in the Indenture hereinafter referred to) payable on the dates and computed as described in Section 4.01 of the Loan Agreement hereafter referred to relating to principal and interest on the Bonds, and (2) all other amounts specified in Section 4.05 of the Loan Agreement at the times described in such Section. All such amounts are payable solely from the Project Revenues and any proceeds derived from the Housing Agreement and the Mortgage. Capitalized terms not defined herein have the meaning set forth in the hereinafter defined Indenture.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the corporation then acting as trustee (herein referred to as the "Trustee") under the Trust Indenture dated as of June 1, 2013 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, authorizing issuance of the Bonds. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally at a place of payment for the Bonds (as described in the Indenture) or in the city in which is located the designated corporate trust office of the Trustee or shall otherwise be a day other than a business day, then such payment may be made on the next succeeding day which is not such a day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due. All sums paid hereon shall be applied to the satisfaction of, first, the sums specified in Clause (2) of the first paragraph hereof, second, accrued interest hereon, and, third, the unpaid principal (and premium, if any) hereof.

This Note is the "Promissory Note" referred to in the Loan Agreement relating to the Bonds, and is issued to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds.

The Borrower shall prepay the outstanding principal sum hereof, in whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture.

If an Event of Default shall occur, the principal hereof and accrued interest hereon may be declared due and payable in the manner and with the effect provided in the Indenture.

The Borrower shall have no personal liability under this Note for the repayment of the indebtedness evidenced hereby or for the performance of any other obligations of the Borrower under the Loan Agreement, and the Issuer's and Trustee's only recourse for the satisfaction of the indebtedness evidenced hereby shall be the Issuer's and Trustee's exercise of its rights and remedies with respect to collateral held by the Trustee as security for the indebtedness.

The Borrower hereby expressly waives all notices (including notice of redemption, notice of intent to accelerate, or notice of acceleration), demands for payment, presentments for payment, and notations of payment.

[Remainder of page intentionally left blank.]

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of Arizona.

IMPERIAL VALLEY GATEWAY CENTER,
LLC, a California limited liability company, as
Borrower

By: 

Name: Timothy E. Kelley

Title: Manager

(signature page to \$2,250,000 Promissory Note)

ENDORSEMENT

Pay to the order of U.S. Bank National Association as trustee for the owners of the Bonds hereinabove mentioned, without recourse against the undersigned.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
LA PAZ, ARIZONA

By: 

Name: Randy Hartless

Title: President

ATTACHMENT F
FINANCIAL STATEMENTS

11:31 AM
05/15/14
Accrual Basis

Imperial Valley Gateway Center, LLC
Balance Sheet
As of June 30, 2013

	<u>Jun 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
US Bank-Restricted funds	
1002 · US Bank - 204610007	8,220,910.00
1003 · US Bank - 204610013	9,104,555.35
1004 · US Bank - 204610014	49,497,575.29
1005 · US Bank - 204610015	2,989,954.00
1006 · US Bank - 204610016	10,833.33
Total US Bank-Restricted funds	69,823,827.97
1000 · Rabobank, N.A.	46,766.67
Total Checking/Savings	69,870,594.64
Total Current Assets	69,870,594.64
Other Assets	
1200 · Debt issue costs	
1201 · Accum Amortization - Debt Issue	-14,834.32
1202 · Application for bond costs	881,948.61
1203 · Original Issue Discount	902,932.20
1200 · Debt issue costs - Other	2,917,600.00
Total 1200 · Debt issue costs	4,687,646.49
1300 · Facility-Work in Progress	12,570,358.67
1301 · Land	4,076,554.50
Total Other Assets	21,334,559.66
TOTAL ASSETS	<u>91,205,154.30</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000 · Interest Payable	553,934.00
Total Other Current Liabilities	553,934.00
Total Current Liabilities	553,934.00
Long Term Liabilities	
2100 · Bonds payable	91,175,000.00
Total Long Term Liabilities	91,175,000.00
Total Liabilities	91,728,934.00
Equity	
30000 · Opening Balance Equity	
3000 · Member's Equity - BCF	5,230.00
Total 30000 · Opening Balance Equity	5,230.00
Net Income	-529,009.70
Total Equity	-523,779.70
TOTAL LIABILITIES & EQUITY	<u>91,205,154.30</u>

11:33 AM
05/15/14
Accrual Basis

Imperial Valley Gateway Center, LLC
Profit & Loss
July 2012 through June 2013

	<u>Jul '12 - Jun 13</u>
Ordinary Income/Expense	
Income	
47200 · Program Income	
4000 · Program Service Fees	46,666.67
Total 47200 · Program Income	<u>46,666.67</u>
Total Income	46,666.67
Expense	
5000 · Amortization Expense	14,834.32
5001 · Bond Interest	553,934.00
5003 · Property Taxes	1,778.05
62100 · Contract Services	
5002 · Legal Fees	5,130.00
Total 62100 · Contract Services	<u>5,130.00</u>
Total Expense	<u>575,676.37</u>
Net Ordinary Income	-529,009.70
Other Income/Expense	
Other Income	
5004 · Change in value in investment a	0.00
Total Other Income	<u>0.00</u>
Net Other Income	<u>0.00</u>
Net Income	<u><u>-529,009.70</u></u>

Imperial Valley Gateway Center, LLC

Balance Sheet

As of March 31, 2014

9 months only

March 31, 14

ASSETS

Current Assets

Checking/Savings

US Bank-Restricted funds

1002 · US Bank - 204610007	8,220,910.00
1003 · US Bank - 204610013	6,927,023.84
1004 · US Bank - 204610014	6,471,665.60
1005 · US Bank - 204610015	2,997,767.45
1006 · US Bank - 204610016	-0.32
1007 · US Bank - 204610008	1,833.71

Total US Bank-Restricted funds 24,619,200.28

1000 · Rabobank, N.A. 23,644.23

Total Checking/Savings 24,642,844.51

Other Current Assets

Receivable from BCF 4,500.00

Total Other Current Assets 4,500.00

Total Current Assets 24,647,344.51

Fixed Assets

Facility 43,104,602.61

Total Fixed Assets 43,104,602.61

Other Assets

1200 · Debt issue costs

1201 · Accum Amortization - Debt Issue -148,343.24

1202 · Application for bond costs 881,948.61

1203 · Original Issue Discount 902,932.20

1200 · Debt issue costs - Other 2,917,600.00

Total 1200 · Debt issue costs 4,554,137.57

1300 · Facility-Work in Progress 12,570,358.67

1301 · Land 4,076,554.50

Total Other Assets 21,201,050.74

TOTAL ASSETS 88,952,997.86

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Accounts Payable 0.00

Imperial Valley Gateway Center, LLC

Balance Sheet

As of March 31, 2014

	<u>March 31, 14</u>
Total Accounts Payable	0.00
Other Current Liabilities	
2000 · Interest Payable	<u>0.00</u>
Total Other Current Liabilities	<u>0.00</u>
Total Current Liabilities	0.00
Long Term Liabilities	
2100 · Bonds payable	<u>91,175,000.00</u>
Total Long Term Liabilities	<u>91,175,000.00</u>
Total Liabilities	91,175,000.00
Equity	
30000 · Opening Balance Equity	
3000 · Member's Equity - BCF	<u>5,230.00</u>
Total 30000 · Opening Balance Equity	5,230.00
32000 · Unrestricted Net Assets	-516,894.90
Net Income	<u>-1,710,337.24</u>
Total Equity	<u>-2,222,002.14</u>
TOTAL LIABILITIES & EQUITY	<u>88,952,997.86</u>

Imperial Valley Gateway Center, LLC
Profit & Loss
July 2013 through March 2014

	<u>Jul '13 - March 31, 14</u>
Ordinary Income/Expense	
Income	
45000 · Investments	
45030 · Interest-Savings, Short-term CD	137,449.84
Total 45000 · Investments	<u>137,449.84</u>
47200 · Program Income	
4000 · Program Service Fees	0.00
Total 47200 · Program Income	<u>0.00</u>
Total Income	137,449.84
Expense	
5000 · Amortization Expense	133,508.92
5001 · Bond Interest	1,661,802.07
5003 · Property Taxes	0.00
62100 · Contract Services	
5002 · Legal Fees	0.00
62110 · Accounting Fees	7,540.00
62150 · Outside Contract Services	10,000.00
Total 62100 · Contract Services	<u>17,540.00</u>
65000 · Operations	
65060 · Bank Charges	9,015.00
Total 65000 · Operations	<u>9,015.00</u>
65100 · Other Types of Expenses	
65160 · Other Costs	1,600.00
Total 65100 · Other Types of Expenses	<u>1,600.00</u>
Total Expense	<u>1,823,465.99</u>
Net Ordinary Income	-1,686,016.15
Other Income/Expense	
Other Income	
5004 · Change in value in investment a	-24,321.09
Total Other Income	<u>-24,321.09</u>
Net Other Income	<u>-24,321.09</u>
Net Income	<u><u>-1,710,337.24</u></u>

EXHIBIT D

**PROPOSED AMENDMENTS TO
THE LLC'S ARTICLES OF ORGANIZATION**

3.D.

Other Matters to be included in Limited Liability Company Certificate of Amendment

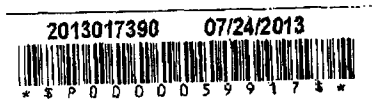
The Article of Organization of Imperial Valley Gateway Center, LLC (the "LLC") are amended to include the following additional provisions:

1. The LLC is organized and operated exclusively for charitable purposes as specified in Section 214 of the California Revenue & Taxation Code ("Section 214"). ✓
2. The LLC is and shall be operated exclusively to further the exempt charitable purposes, as specified in Section 214, of its member(s). 2 ✓
3. Each member of the LLC must be a qualifying organization, as specified in subsections (b)(1) or (b)(2) of Section 136 of the California Code of Regulations ("Rule 136"). 3 ✓
*3 ok per (202)
Legal counsel
5/2017
MH*
4. The direct or indirect transfer of any membership interest in the LLC to any person or entity that is not a qualifying organization, as specified in subsections (b)(1) or (b)(2) of Rule 136(b), is prohibited. 4 ✓
5. The assets of the LLC are irrevocably dedicated to charitable purposes, as specified in Sections 214 and 214.01. ✓
6. Upon dissolution of the LLC, the assets of the LLC shall be distributed to an organization(s) organized and operated exclusively for charitable purposes, as specified in Section 214, and which has established and maintained its tax exempt status under section 501(c)(3) of the Internal Revenue Code or under section 23701d of the Revenue & Taxation Code. ✓
7. Any amendments to the LLC's Articles of Organization or the LLC's operating agreement must be consistent with Section 214. ✓
8. The LLC is prohibited from merging with or converting into a for-profit entity. 8 n/a
9. Distribution of assets of the LLC to any members of the LLC who cease to be organizations described in Section 214 is prohibited. ✓ 9
10. No part of the net earnings of the LLC shall inure to the benefit of, or be distributable to, its manager, officers or other private persons, except that the LLC shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the LLC.
11. No part of the activities of the LLC shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the LLC shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

EXHIBIT E

GRANT DEEDS OF THE PROPERTY TO THE LLC

RECORDING REQUESTED BY:
Stewart Title of California
WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:
Imperial Valley Gateway Center, LLC, et al.
1405 N. Imperial Avenue, Suite 1
El Centro, CA 92243



ORDER NO. 7434-395258
ESCROW NO. 7407-395258
APN. 059-210-39

CONFORMED COPY

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(s) DECLARE(s):

DOCUMENTARY TRANSFER TAX is: \$-0- per R & T 11911 CITY TAX

Monument Preservation Fee is:

- computed on full value of property conveyed, or
 computed on full value less value of liens or encumbrances remaining at time of sale.
X Unincorporated area: City of and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Joseph J. Menvielle and Cynthia L. Menvielle, husband and wife as community property as to an undivided 1/3 interest, Anthony J. Menvielle, Jr., as Trustee of the Anthony J. Menvielle, Jr. Trust created August 3, 2011 as to an undivided 1/3 interest and Edward S. Menvielle and Linda L. Menvielle, Trustees of the Menvielle Family 2004 Trust UDT dated September 30, 2004 as to an undivided 1/3 interest, all as tenants in common

hereby GRANT(S) to Imperial Valley Gateway Center, LLC, a California limited liability company

the following described real property in the unincorporated area of the County of Imperial, State of California
Remainder Parcel A of Block 12, Gateway to the Americas Subdivision No. 1 - Unit 1, Tract No. 942, in an unincorporated area of the County of Imperial, State of California, according to the map on file in Book 19, Page 60 of Final Maps, Records of Imperial County, California. (APN: 059-210-039)

This deed is being recorded for the sole purpose of correcting the legal description contained in that certain deed recorded June 7, 2013 as instrument No. 2013012547 of official records.

DATE: August 18, 2011

SEE SIGNATURE PAGE ATTACHED HERETO AND MADE A PART HEREOF

MAIL TAX STATEMENTS AS DIRECTED ABOVE

GRANT DEED

SIGNATURE PAGE

SIGNED IN COUNTERPART

Edward S. Menvielle, Trustee

Linda L. Menvielle, Trustee

Anthony J. Menvielle, Trustee

Joseph J. Menvielle

Cynthia L. Menvielle

STATE OF CALIFORNIA

COUNTY OF IMPERIAL

On 19 JULY 2013 before me, DAVID L. GARCIA a Notary Public, personally appeared CYNTHIA L. MENVIELLE + JOSEPH J. MENVIELLE + ANTHONY J. MENVIELLE

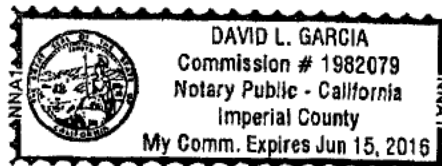
..., who proved to me on the basis of satisfactory evidence to be the person(s), whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Redacted]

(Seal)



GRANT DEED

SIGNED IN COUNTERPART

SIGNATURE PAGE

[Redacted Signature]

Edward S. Menvielle, Trustee

[Redacted Signature]

Linda L. Menvielle, Trustee

Anthony J. Menvielle, Trustee

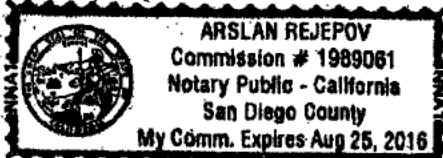
Joseph J. Menvielle

Cynthia L. Menvielle

STATE OF California
COUNTY OF San Diego

On July 20, 2013 before me,
Arslan Rejepov a Notary Public,
personally appeared Cynthia Menvielle
Edward Stanley Menvielle

_____, who
proved to me on the basis of satisfactory evidence to be the person(s),
whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies) and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s)
acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of
California that the foregoing paragraph is true and correct.

WITNESS my hand and seal
Signature [Redacted]

July 20, 2013

(Seal)

RECORDING REQUESTED BY:
Stewart Title of California
WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:

CONFORMED COPY

Recorded in Official Records,
IMPERIAL COUNTY
Doc#: 2013012547
06/07/2013 03:35 PM

Imperial Valley Gateway Center
1405 N. Imperial Ave., #1
El Centro, CA 92243

ORDER NO. 7434-395258
ESCROW NO. 7404-395258
APN. 059-210-39

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This deed is one of three deeds recording concurrently **GRANT DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is: *NOT SHOWN AS PER R 5 T 11932*

Monument Preservation Fee is:

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated area: ~~City of Calexico~~, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Joseph J. Menvielle and Cynthia L. Menvielle, Husband and Wife, Anthony J. Menvielle, Jr. Trustee of the Anthony J. Menvielle Jr. Trust dated 8/3/11 and Edward S. Menvielle and Linda L. Menvielle, Trustees of the Menvielle Family 2004 Trust dated September 30, 2004, each as to an undivided 1/3 interest

hereby GRANT(S) to Imperial Valley Gateway Center, LLC
a California Limited Liability Company

the following described real property in the ~~City of Calexico~~, County of Imperial, State of California
Block 12 of the Gateway to the Americas Subdivision No. 1 - Unit 1, Tract No. 942, in an unincorporated area of the County of Imperial, State of California, according to the Final Map for said subdivision as recorded in Book 19, Page(s) 60-64, of Final Maps, Records of Imperial County, California.

APN 059-210-039
DATE: August 18, 2011

[Redacted Signature]

Edward S. Menvielle, Trustee

[Redacted Signature]

Linda L. Menvielle, Trustee

Cynthia L. Menvielle

Joseph J. Menvielle

Anthony J. Menvielle

FOR ADDITIONAL SIGNATURES, SEE SIGNATURE PAGE
ATTACHED HERETO AND MADE A PART HEREOF

MAIL TAX STATEMENTS AS DIRECTED ABOVE

CONFORMED COPY

RECORDING REQUESTED BY:

CONFORMED COPY

Stewart Title of California

WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:

Imperial Valley Gateway Center
1405 N. Imperial Avenue # 1
El Centro, CA 92243

ORDER NO. 7434-395258

ESCROW NO. 7404-395258

APN. 059-210-39

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This deed is one of three deeds
recording concurrently

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is:

CITY TAX

Monument Preservation Fee is:

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated area: ~~City of Calexico~~, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Joseph J. Menvielle and Cynthia L. Menvielle, Husband and Wife, Anthony J. Menvielle, Jr. Trustee of the Anthony J. Menvielle, Jr. Trust dated 8/3/11 and Edward S. Menvielle and Linda L. Menvielle, Trustees of the Menvielle Family 2004 Trust dated September 30, 2004, each as to an undivided 1/3 interest

hereby GRANT(S) to Imperial Valley Gateway Center, LLC, a California
Limited Liability Company

the following described real property in the ~~City of Calexico~~, County of Imperial, State of California
Block 12 of the Gateway to the Americas Subdivision No. 1 - Unit 1, Tract No. 942, in an unincorporated area
of the County of Imperial, State of California, according to the Final Map for said subdivision as recorded in
Book 19, Page(s) 60-64, of Final Maps, Records of Imperial County, California.

APN 059-210-039
DATE: August 18, 2011

Edward S. Menvielle, Trustee

Linda L. Menvielle, Trustee

Cynthia L. Menvielle

Joseph J. Menvielle

Anthony J. Menvielle

FOR ADDITIONAL SIGNATURES, SEE SIGNATURE PAGE
ATTACHED HERETO AND MADE A PART HEREOF

MAIL TAX STATEMENTS AS DIRECTED ABOVE

CONFORMED COPY

RECORDING REQUESTED BY:

CONFORMED COPY

Stewart Title of California

WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:

Imperial Valley Gateway Center
1405 N. Imperial Ave., #1
EJ. Centro, CA 92243

ORDER NO. 7434-395258

ESCROW NO. 7404-395258

APN. 059-210-39

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This deed is one of three deeds recording concurrently **GRANT DEED**

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is:

CITY TAX

Monument Preservation Fee is:

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated area: City of Calexico, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Joseph J. Menvielle and Cynthia L. Menvielle, Husband and Wife, Anthony J. Menvielle, Jr. Trustee of the Anthony J. Menvielle Jr. Trust dated 8/3/11 and Edward S. Menvielle and Linda L. Menvielle, Trustees of the Menvielle Family 2004 Trust dated September 30, 2004, each as to an undivided 1/3 interest

hereby GRANT(S) to Imperial Valley Gateway Center, LLC, a California

the following described real property in the County of Imperial, State of California

Block 12 of the Gateway to the Americas Subdivision No. 1 - Unit 1, Tract No. 942, in an unincorporated area of the County of Imperial, State of California, according to the Final Map for said subdivision as recorded in Book 19, Page(s) 60-64, of Final Maps, Records of Imperial County, California.

APN 059-210-039

DATE: August 18, 2011

Edward S. Menvielle, Trustee

Linda L. Menvielle, Trustee

Cynthia L. Menvielle

Joseph J. Menvielle

Anthony J. Menvielle

FOR ADDITIONAL SIGNATURES, SEE SIGNATURE PAGE
ATTACHED HERETO AND MADE A PART HEREOF

MAIL TAX STATEMENTS AS DIRECTED ABOVE

CONFORMED COPY

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

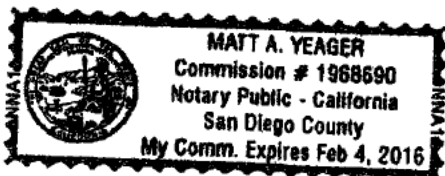
CIVIL CODE § 1189

State of California

County of SAN DIEGO

On AUG 17 2012 before me, MATT YEAGER, NOTARY PUBLIC

personally appeared EDWARD S MENVEILLE AND LINDA C MENVEILLE



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Redacted Signature]

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: GRANT DEED

Document Date: 8-17-12 Number of Pages: 1

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

Corporate Officer - Title(s):

Individual

Partner - Limited General

Attorney in Fact

Trustee

Guardian or Conservator

Other:

Signer Is Representing:



ACKNOWLEDGMENT

State of California
County of Imperial

On August, 10 2012 before me, Todd Menvielle
(insert name and title of the officer)

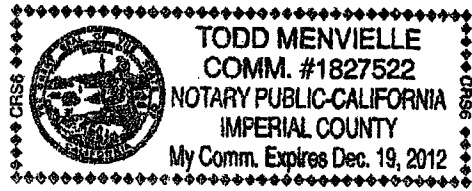
personally appeared Cynthia Menvielle and Joseph Menvielle
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



ACKNOWLEDGMENT

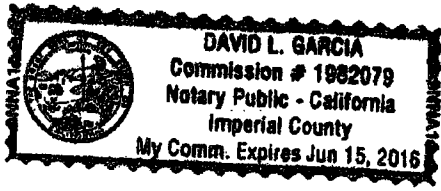
State of California
County of IMPERIAL

On 6 AUG 2012 before me, DAVID L. GARCIA
(insert name and title of the officer)

personally appeared ANTHONY J. MENVIEUE
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature] (Seal)

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT
 COUNTY-ASSESSED PROPERTIES DIVISION
 PO BOX 942879, MIC:64, Sacramento, CA 94279-0064
 Exemptions Section: 916-274-3430; Division: 916-274-3350

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION
 ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET**

DATE: 05/20/2014

Organization Name and Mailing Address:

Organization Information:

Imperial Valley Gateway Center, LLC
 Attn: Timothy Kelley
 P.O. Box 1344
 Brawley CA 92227-1344

BOE Ex. No.: 24362 Status: Incomplete
 Purpose: Charitable
 Corporate I.D. No.: 201304510345
 Fiscal Year: 14-15

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

- | | | |
|-------------------------------------|--|---------------------------------------|
| <input type="checkbox"/> BEEN MET | <input checked="" type="checkbox"/> INCOMPLETE | <input type="checkbox"/> NOT BEEN MET |
| PURPOSE: | <input type="checkbox"/> A.I. | <input type="checkbox"/> R.N.A. |
| <input type="checkbox"/> Religious | <input type="checkbox"/> A.A.I. | <input type="checkbox"/> H.N.A. |
| <input type="checkbox"/> Hospital | <input type="checkbox"/> I.D. | <input type="checkbox"/> S.N.A. |
| <input type="checkbox"/> Scientific | <input type="checkbox"/> D.C. | <input type="checkbox"/> C.N.A. |
| <input type="checkbox"/> Charitable | <input type="checkbox"/> N.T.L. | |
| | <input type="checkbox"/> N.F.S. | |
| | <input type="checkbox"/> N.O.S. | |

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

As described on your claim for an Organizational Clearance Certificate (OCC), the purpose of the LLC is to "acquire, construct and operate a 781-bed medium security detention facility." In addition, the LLC has borrowed \$91,175,000 "from The Industrial Development Authority of the County of La Paz, Arizona" for financing costs for acquiring, constructing and equipping a correctional facility." The LCC Operating Agreement dated 05/28/13 on page 2 states that the LLC "is formed for the specific and exclusive purpose" as a correctional facility. This is the only activity indicated on the BOE-277-LLC claim form. Please be advised that according to the California Revenue & Taxation Code section 214, the primary activity of the LLC does not qualify for the welfare exemption. The Assessors' Handbook Section 267 which is available on the Board's website at <http://www.boe.ca.gov/proptaxes/pdf/ah267.pdf> discusses the welfare exemption and what constitutes a charitable purpose (page 2) and commercial activities (page 54).

If you wish to pursue this claim, please submit the following.

- 1) You must file an amended BOE-277-LLC claim in order to correct your response in Section 13 Activities. Since the

"Please see reverse."

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

Continued from previous page.

LLC is owner of real property, you must check box marked "Yes" as being a "Title Holding Company" term used by the Board of Equalization (BOE), and answer questions 13a and 13b.

- In Section 8, you must answer the question. Leaving a blank response is not acceptable.
- In Section 15, you must specify in detail how the LLC meets Property Tax Rule 136 subdivision (c)(2) to operate exclusively in furthering its member's qualifying exempt purposes as specified in Revenue & Taxation Code section 214.

2) Your Amendment to Articles endorsed 06/04/13 does not meet the provisions of Property Tax Rule 136 subdivisions (c)(3), (c)(4), (c)(6) and (c)(7) because it is (c)(3) which defines qualifying member organization.

- For subdivision (c)(3), each member of the LLC must be a "qualifying organization" that is exempt under section 501(c)(3) of the Internal Revenue Code or under Revenue & Taxation Code section 23701d and qualifies for exemption under Revenue & Taxation Code section 214. Please do not re-mix language requirements of Rule 136 subdivision (c)(3).
- For subdivision (c)(4), no transfer, whether direct or indirect, of any membership interest in the LLC shall be made to any nonqualified person or entity. Please do not re-mix language requirements of Rule 136 subdivision (c)(4) because reference to LLC Amendment to Articles "Section 3" is not acceptable.
- For subdivision (c)(6), when the dissolution clause indicates asset distribution to the Member (Brawley Community Foundation), it must also indicate that the Member is organized and operated exclusively for "charitable purposes." Additionally, it must also specify that if the Member (Brawley Community Foundation), no longer exists or qualifies to accept the assets, assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for "charitable purposes" as specified in section 214, and which has established its tax exempt status under section 501(c)(3) of the Internal Revenue Code, or under section 23701d of the Revenue and Taxation Code.
- For subdivision (c)(7) shall require that any amendments to the limited liability company's articles of organization or the equivalent legally recognized formative document under the laws of the jurisdiction where the entity is formed and to the operating agreement, be consistent with section 214.
- Please amend your articles and submit a certified copy of amended articles by the Secretary of State.
- Rule 136 is available on the Board's website at www.boe.ca.gov/lawguides/property/current/ptlg/rule/136.html. See LLC qualification for the welfare exemption available on the Board's website at www.boe.ca.gov/proptaxes/welfarelimitliability.htm.

3) Since the LLC owns title to real property, please submit the following.

- A copy of your LLC Balance Sheet and Profit & Loss for period ending 2014.
- A certified copy of grant deed to LLC with county recorder recordation stamp.

4) The Limited Liability Company's member, Brawley Community Foundation, has not been issued and Organizational Clearance Certificate (OCC).

- The LLC's member has applied for but has not yet been issued an OCC. (An incomplete finding was issued to the member on 05/20/14.) An OCC can not be issued to the LLC until the member has an OCC.

5) Additionally, you filed a claim for OCC, Form BOE 277-LLC, seeking the earliest fiscal year as 13-14. However, for purposes of the OCC, the organization does not qualify for 13-14 since you were organized on 02/14/13, which is after the 01/01/13 lien date which corresponds to the 13-14 fiscal year. However, your organization may be eligible for exemption from the Assessor for 13-14 for purposes of Revenue & Taxation Code section 271. (This would be noted on future Finding Sheet upon issuance of an OCC.)



Sheppard Mullin Richter & Hampton LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626-1993
714.513.5100 main
714.513.5130 main fax
www.sheppardmullin.com

RECEIVED

DEC 24 2013

**County-Assessed Properties Division
State Board of Equalization**

December 19, 2013

714.424.8229 direct
ekim@sheppardmullin.com

File Number: 27SC-161368

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Board of Equalization
County-Assessed Properties Division
P. O. Box 942879
Sacramento, CA 94279-0064

Re: Claims for Organizational Clearance Certificate for Imperial Valley Gateway Center, LLC and Brawley Community Foundation

To Whom It May Concern:

Please find attached Forms BOE-277-LLC, Claim for Organization Clearance Certificate - Welfare Exemption - Limited Liability Company, for Imperial Valley Gateway Center, LLC (the "LLC") and BOE-277, Claim for Organization Clearance Certificate - Welfare Exemption, for the LLC's sole member, Brawley Community Foundation ("Brawley").

Also enclosed are the following attachments to Forms BOE-277-LLC and BOE-277:

- Certified Articles of Organization of a Limited Liability Company for the LLC;
- Certified Limited Liability Company Certificate of Amendment for the LLC;
- Initial Statement of Information for the LLC, which was filed on December 17, 2013;
- The LLC's executed Operating Agreement;
- Brawley's Tax-Exempt Status Letter;
- Two Promissory Notes evidencing the LLC's loans from The Industrial Development Authority of the County of La Paz, Arizona;
- Certified Articles of Incorporation of Brawley;
- Certified Certificate of Amendment of Articles of Incorporation of Brawley;
- Financial statements for the LLC and Brawley; and
- Documentation supporting Brawley's fundraising activities.

SheppardMullin

Board of Equalization
December 19, 2013
Page 2

For our records, please acknowledge receipt of the Claims listed above by stamping the enclosed copy of this letter and returning it to us in the enclosed pre-paid envelope.

Please let me know if you have any questions.

Thank you,



Eugene Kim
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
Enclosures

SMRH:414862589.1

RECEIVED

BOE-277-LLC (P3) REV. 02 (02-11)

DEC 24 2013

CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE - WELFARE EXEMPTION - LIMITED LIABILITY COMPANY

STATE OF CALIFORNIA BOARD OF EQUALIZATION www.boe.ca.gov

This form must be completed and filed with the Board of Equalization, County-Assessed Properties Division, PO Box 942879, Sacramento, CA 94279-0064

County-Assessed Properties Division State Board of Equalization

NAME OF ORGANIZATION: Imperial Valley Gateway Center, LLC
WEBSITE ADDRESS (if any)
MAILING ADDRESS (number and street): P.O. Box 1344
CITY, STATE, ZIP CODE: Brawley, CA, 92227
LLC NUMBER: 201304510345
FISCAL YEAR OF CLAIM (see instructions): 20 13 - 20 14

IDENTIFICATION OF MEMBERS If additional space is needed, attach a list to this claim form.

Table with 3 columns: MEMBER NAME, OCC NUMBER (IF NONPROFIT), CLASSIFICATION OF MEMBER (NONPROFIT, GOVERNMENT ENTITY). Row 1: Brawley Community Foundation, APPLIED FOR CONCURRENTLY, NONPROFIT checked.

ARTICLES OF ORGANIZATION

- 1. Date of organization (Date filed with Secretary of State): February 14, 2013
2. Dates of all amendments to the articles of organization, if any: June 4, 2013

ATTACH A COPY OF THE ARTICLES OF ORGANIZATION, AND EACH AMENDMENT, CERTIFIED BY THE SECRETARY OF STATE.

STATEMENT OF INFORMATION

- 3. Date of Statement of Information: FILED CONCURRENTLY
4. Dates of all bi-annual filings, if any:

ATTACH A COPY OF THE STATEMENT OF INFORMATION, AND EACH FILING, CERTIFIED BY THE SECRETARY OF STATE.

OPERATING AGREEMENT

- 5. Date of operating agreement: May 28, 2013
6. Dates of all amendments to the operating agreement, if any:

ATTACH A COPY OF THE OPERATING AGREEMENT, AND EACH AMENDMENT, SIGNED BY ALL LLC MEMBERS.

TAX-EXEMPT STATUS LETTER

- 7. IS THE ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER THE PROVISIONS OF SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND/OR EXEMPT FROM STATE FRANCHISE OR INCOME TAX UNDER THE PROVISIONS OF SECTION 23701d OF THE REVENUE AND TAXATION CODE?

[] YES [x] NO If YES, attach a copy of the letter evidencing the exemption.

If the LLC does not have a tax-exempt status letter, it may meet this requirement through the tax-exempt status of its nonprofit organization members.

FINANCIAL STATEMENTS

- 8. DOES THE ORGANIZATION HAVE CERTIFIED/AUDITED FINANCIAL STATEMENTS? [] YES [] NO

Attach copy of the financial statements for the calendar or fiscal year immediately preceding the claim year, and for each subsequent year to date. If the LLC does not have financial statements, attach statements for each member for the same time periods.

If NOT CERTIFIED, please explain:

OTHER

- 9. IS THE OWNER ORGANIZED OR OPERATED FOR PROFIT? [] YES [x] NO
10. DOES ANY PART OF THE NET EARNINGS OF THE OWNER INURE TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL? [] YES [x] NO
11. IS THE SALARY PAID TO ANY INDIVIDUAL IN EXCESS OF \$1,500 WEEKLY OR \$78,000 ANNUALLY? [] YES [x] NO

If YES, list each of the top five positions with their salaries:

Table with 2 columns: POSITION, SALARY. Empty rows for data entry.

- 12. DOES THE ORGANIZATION HAVE ANY OUTSTANDING BONDS, DEBENTURES, PROMISSORY NOTES, OR OTHER EVIDENCE OF INDEBTEDNESS ISSUED FOR ITS OVERALL OPERATION? [x] YES [] NO

If YES, attach a statement which provides specific details as to the type and terms of such indebtedness and to whom owing.

ACTIVITIES

13. IS THIS ORGANIZATION A TITLE HOLDING COMPANY? YES NO If YES, complete (a) and (b) before proceeding to question 14.

(a) If YES, is the property operated by a member of the LLC? YES NO

(b) Does the recorded grant deed evidence the LLC as the owner of the property? YES NO

If either (a) or (b) is NO, please explain:

14. IS THIS ORGANIZATION ORGANIZED AND OPERATED FOR CHARITABLE, RELIGIOUS, HOSPITAL, AND/OR SCIENTIFIC PURPOSES? YES NO If YES, please identify the purpose of the organization and provide additional information as requested below. If necessary, this information may be provided on a supplemental attachment.

CHARITABLE PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

SOCIAL SERVICES

LOW-INCOME HOUSING AND/OR ELDERLY HANDICAPPED HOUSING

MANAGING GENERAL PARTNER OF LIMITED PARTNERSHIP THAT OWNS AND OPERATES LOW-INCOME HOUSING PROPERTY. Submit a Claim for Supplemental Clearance Certificate, BOE-277-L1, for each limited partnership property.

OTHER

RELIGIOUS PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHURCH, OR CHURCH AND SCHOOL

HOUSING OF RELIGIOUS PERSONNEL

OTHER

HOSPITAL PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

If the operating revenues, exclusive of gifts, endowments and grants-in-aid, exceed operating expenses by an amount equivalent to 10% of those operating expenses, describe the use(s) of the surplus revenue:

HOSPITAL

MULTI-SPECIALTY CLINIC

OTHER

SCIENTIFIC PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHARTERED BY THE CONGRESS OF THE UNITED STATES. OBJECTIVE IS TO ENCOURAGE OR CONDUCT SCIENTIFIC INVESTIGATION, RESEARCH AND DISCOVERY FOR THE BENEFIT OF THE COMMUNITY AT LARGE

MEDICAL RESEARCH

OTHER

15. STATE FULLY ALL ACTIVITIES IN WHICH THE ORGANIZATION IS ENGAGED. INCLUDE ALL ACTIVITIES SINCE JANUARY 1 OF PRIOR YEAR, AND PROVIDE DOCUMENTATION DESCRIBING THE ACTIVITIES.

The organization acquired property for operation of the Facility in unincorporated Imperial County, California, near the City of Holtville, California. The organization began construction on the property for the buildings to be used for the exempt purpose. There have been no other activities in which the organization is engaged.

Whom should we contact for additional information?

NAME <i>Timothy E. Kelley</i>	DAYTIME TELEPHONE <i>(760) 353-8332</i>	E-MAIL ADDRESS <i>tim@irede.co</i>
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CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

NAME OF CLAIMANT <i>Timothy E. Kelley</i>	TITLE <i>Sole Manager</i>	DATE <i>12/17/2013</i>
--	------------------------------	---------------------------

SIGNATURE OF CLAIMANT

**BOE-277-LLC Claim for Organizational Clearance Certificate – Welfare Exemption –
Limited Liability Company
Attachment**

Line 12 – The organization has borrowed \$88,925,000 and \$2,250,000 from The Industrial Development Authority of the County of La Paz, Arizona, for the financing or refinancing of the costs of, among other things, acquiring, constructing and equipping a correctional facility on the property. Interest will be paid at the rate of the bonds issued in connection with such financing as detailed in the attached promissory notes.

Line 14 – The organization's purpose is to further the charitable purposes of its sole member, as enumerated under Section 501(c)(3) of the Code. Specifically, the organization's purpose is to lessen the burdens of government through the acquisition, construction and operation of a 781-bed medium security detention facility (the "Facility") on the property held by the State of California and political subdivisions thereof and various federal agencies, and the provision of rehabilitation programs for such prisoners.

ATTACHMENT A
ARTICLES OF ORGANIZATION
AND
CERTIFICATE OF AMENDMENT OF
ARTICLES OF ORGANIZATION

LLC-1 **Articles of Organization
of a Limited Liability Company (LLC)**

201304510845

To form a limited liability company in California, you can fill out this form, and submit for filing along with:

- A \$70 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you drop off the completed form or document.

Important! LLCs in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

LLCs may not provide "professional services," as defined by California Corporations Code sections 13401(a) and 13401.3.

Note: Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.

FILED
Secretary of State
State of California

FEB 14 2013

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

LLC Name

① Imperial Valley Gateway Center, LLC

Proposed LLC Name

The name must end with: "LLC," "L.L.C.," "Limited Liability Company," "Limited Liability Co.," "Ltd. Liability Co.," or "Ltd. Liability Company;" and may not include: "bank," "trust," "trustee," "incorporated," "inc.," "corporation," or "corp.," "insurer," or "insurance company." For general entity name requirements and restrictions, go to www.sos.ca.gov/business/be/name-availability.htm.

Purpose

② The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

LLC Addresses

③ a.	<u>1041 Calle Estrella</u>	<u>Brawley,</u>	<u>CA 92227</u>
	<i>Initial Street Address of LLC</i>	<i>City (no abbreviations)</i>	<i>State Zip</i>
b.	<u>1041 Calle Estrella</u>	<u>Brawley,</u>	<u>CA 92227</u>
	<i>Initial Mailing Address of LLC, if different from 3a</i>	<i>City (no abbreviations)</i>	<i>State Zip</i>

Service of Process (List a California resident or an active 1505 corporation in California that agrees to be your initial agent to accept service of process in case your LLC is sued. You may list any adult who lives in California. You may not list an LLC as the agent. Do not list an address if the agent is a 1505 corporation.)

④ a.	<u>Timothy E. Kelley</u>		
	<i>Agent's Name</i>		
b.	<u>1041 Calle Estrella</u>	<u>Brawley</u>	<u>CA 92227</u>
	<i>Agent's Street Address (if agent is not a corporation)</i>	<i>City (no abbreviations)</i>	<i>State Zip</i>

Management (Check only one.)

⑤ The LLC will be managed by:

One Manager More Than One Manager All Limited Liability Company Member(s)

This form must be signed by each organizer. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of organization.

Organizer - Sign here: [Redacted Signature] Timothy E. Kelley
Print your name here

Make check/money order payable to: Secretary of State	By Mail	Drop-Off
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$6 certification fee.	Secretary of State Business Entities, P.O. Box 944228 Sacramento, CA 94244-2280	Secretary of State 1500 11th Street, 3rd Floor Sacramento, CA 95814



I hereby certify that the foregoing
transcript of _____ page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

FEB 15 2013

Date: _____ *PS*

Debra Bowen
DEBRA BOWEN, Secretary of State

3.D.

Other Matters to be included in Limited Liability Company Certificate of Amendment

The Article of Organization of Imperial Valley Gateway Center, LLC (the "Company") are amended to include the following additional provisions:

1. The Company is organized and shall be operated exclusively for charitable purposes and to further the charitable purposes of its sole member, Brawley Community Foundation, a California nonprofit public benefit corporation (the "Member").

1
2

2. The Company is organized and shall be operated exclusively to carry out those exempt charitable purposes of the Member, as enumerated under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). At all times and under all circumstances, the nature of the activities to be conducted, and the purposes to be promoted and carried out by the Company, shall be exclusively those within the purview of and consistent with all of the requirements of Section 501(c)(3) of the Code. The Company shall not carry on any activities not permitted to be carried on by (i) an entity exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) a "qualifying organization" under Section 214 of the California Revenue & Taxation Code ("Section 214") and subsections (b)(1) and (b)(2) of Section 136 of the California Code of Regulations ("Rule 136").

3. Each member of the Company must meet all of the following requirements: (i) it must be described in Section 501(c)(3) of the Code, exempt from United States federal income taxation pursuant to Section 501(a) of the Code; (ii) it must be exclusively organized and operated for charitable purposes (as contemplated under Section 501(c)(3) of the Code); and (iii) it must qualify as a "qualifying organization" under Section 214 and Rule 136. Any member who ceases to meet the requirements of this Section 3 shall no longer be considered a member or have any right, title or interest in the Company or its assets.

4. No member may directly or indirectly transfer all or any portion of its interest in the Company to a person or entity that does not meet all the requirements of Section 3; and a person or entity that does not meet the requirements of Section 3 shall be prohibited from becoming a member of the Company.

5. The assets of the Company shall be and are irrevocably dedicated to the charitable purposes of the Member.

6. Upon dissolution of the Company, the affairs of the Company shall be wound up and, after paying or making due provisions by the setting up of reasonable reserves for all liabilities to creditors of the Company, the assets of the Company shall be distributed to the Member; provided, however, that if upon dissolution of the Company the Member is not qualified as exempt from United States federal income taxes pursuant to Section 501(c)(3) of the Code, is not a qualifying organization, or is not organized and operated exclusively for charitable purposes, then such final distribution of assets shall be made to one or more organizations that shall be so qualified, organized and operated, as may be selected by the manager of the Company

3/11/18

4/10/18

6/11/18

or, if the manager does not so select, by the applicable court having jurisdiction, subject to and in accordance with all applicable requirements otherwise imposed under the Code, Section 214, Rule 136 or the State of California relating to the disposition or termination of the Company. Upon the liquidation, dissolution, or abandonment of the Company, no asset of the Company may inure to the benefit of any private person except a qualifying organization as defined in Rule 136.

7 N/A
7. The Operating Agreement of the Company may be amended by the Member only if such amendment is consistent with the provisions of Section 214 and Rule 136.

8. To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this limited liability company is prohibited from merging or converting into a for-profit entity. 8

9. Distribution of assets of the Company to any member who ceases to be a qualifying organization under Section 214 is prohibited. 9

10. No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its manager, officers or other private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the Company.

11. No part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

12. In the event that a member of the Company ceases to meet the requirements of Section 3, the Company shall report such information to the applicable County Assessor and the California State Board of Equalization no later than the next annual filing deadline for the welfare exemption.

ATTACHMENT B
STATEMENT OF INFORMATION



State of California Secretary of State

L

STATEMENT OF INFORMATION (Limited Liability Company)

Filing Fee \$20.00. If this is an amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. LIMITED LIABILITY COMPANY NAME

Imperial Valley Gateway Center, LLC

This Space For Filing Use Only

File Number and State or Place of Organization

2. SECRETARY OF STATE FILE NUMBER **201304510345**

3. STATE OR PLACE OF ORGANIZATION (If formed outside of California)

No Change Statement

4. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 15.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 5 and 7 cannot be P.O. Boxes.)

5. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
1041 Calle Estrella	Brawley,	CA	92227
6. MAILING ADDRESS OF LLC, IF DIFFERENT THAN ITEM 5	CITY	STATE	ZIP CODE
P.O. Box 1344	Brawley,	CA	92227
7. STREET ADDRESS OF CALIFORNIA OFFICE	CITY	STATE	ZIP CODE
		CA	

Name and Complete Address of the Chief Executive Officer, if Any

8. NAME	ADDRESS	CITY	STATE	ZIP CODE

Name and Complete Address of Any Manager or Managers, or if None Have Been Appointed or Elected, Provide the Name and Address of Each Member (Attach additional pages, if necessary.)

9. NAME	ADDRESS	CITY	STATE	ZIP CODE
Timothy E. Kelley	P.O. Box 1344	Brawley,	CA	92227
10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 13 must be completed with a California address, a P.O. Box is not acceptable. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 13 must be left blank.

12. NAME OF AGENT FOR SERVICE OF PROCESS

Timothy E. Kelley

13. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
1041 Calle Estrella	Brawley	CA	92227

Type of Business

14. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY

15. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

12/16/2013

DATE

Timothy E. Kelley

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

Sole Manager

TITLE

SIGNATURE

ATTACHMENT C
OPERATING AGREEMENT

IMPERIAL VALLEY GATEWAY CENTER, LLC
OPERATING AGREEMENT
DATED AS OF MAY 28, 2013

**OPERATING AGREEMENT
OF
IMPERIAL VALLEY GATEWAY CENTER, LLC**

Brawley Community Foundation (the "*Member*"), a California nonprofit public benefit corporation exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and formed exclusively for charitable purposes, caused to be formed a limited liability company named Imperial Valley Gateway Center, LLC (the "*Company*") pursuant to the provisions of the Beverly-Killea Limited Liability Company Act (the "*Act*") and which from and after the date hereof shall be governed by, and operated pursuant to, the terms and provisions of this Operating Agreement (this "*Agreement*"). The Company was formed upon the execution and filing with the Secretary of State of the State of California Articles of Organization of the Company on February 14, 2013. The actions of the person who so executed and filed the Articles of Organization are hereby authorized, ratified and confirmed as of the date taken.

The Company is formed for the specific and exclusive purpose of acquiring, constructing and operating a 781-bed medium security detention facility on real property (together with the real property, the "*Project*") located in unincorporated Imperial County, California, near the City of Holtville, California. The Project will be funded through a secured loan from The Industrial Development Authority of the County of La Paz, Arizona.

This Agreement is intended to satisfy the requirements of Section 214 of the California Revenue and Taxation Code (the "*Welfare Exemption*"), and the Company is intended to qualify as a "qualifying organization" under the Welfare Exemption and Section 136 of the California Code of Regulations (a "*Qualifying Welfare Organization*"), and all provisions in this Agreement shall be interpreted in a manner consistent with such intent.

**ARTICLE 1
ORGANIZATION**

1.1 Company Name. The name of the Company shall be "Imperial Valley Gateway Center, LLC."

1.2 Nature of Business Permitted; Powers. The Company is organized and shall be operated exclusively for charitable purposes and to further the charitable purposes of the Member. Specifically, the activities of the Company shall be limited to lessening the burdens of government through the acquisition, construction and operation of the Project for prisoners held by the State of California and political subdivisions thereof and various federal agencies, and the provision of rehabilitation programs for such prisoners. Notwithstanding all of the rights, powers and duties contained in this Agreement, the following shall apply:

(a) The Company shall be organized and operated exclusively to carry out those tax-exempt charitable purposes of the Member, as enumerated under Section 501(c)(3) of the Code. At all times and under all circumstances, the nature of the activities to be conducted, and the purposes to be promoted and carried out by the Company shall be exclusively those

within the purview of and consistent with all of the requirements of Section 501(c)(3) of the Code. The Company does not contemplate pecuniary gain or profit, incidental or otherwise.

(b) No part of the net earnings of the Company shall inure to the benefit of, or be distributable to, its Manager, officers or other private persons, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes of the Company. No part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Company shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Agreement or the Articles of Organization, the Company shall not carry on any activities not permitted to be carried on by (i) an entity exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) a Qualifying Welfare Organization under the Welfare Exemption.

(c) The Project shall be and is irrevocably dedicated to the charitable purposes of the Member and, upon the liquidation, dissolution, or abandonment of the Company, the Project shall not inure to the benefit of any private person except a Qualifying Welfare Organization organized and operated for charitable purposes.

1.3 Only one Member. Other than the Member, no person shall be considered a member of the Company.

1.4 Qualification as a Member. Each Member (or any assignee or successor-in-interest thereof) must meet all of the following requirements:

(a) It must qualify for exemption from United States federal income taxation pursuant to Section 501(c)(3) of the Code;

(b) It must be exclusively organized and operated for charitable purposes (as contemplated under Section 501(c)(3) of the Code); and

(c) It must qualify as a Qualifying Welfare Organization under the Welfare Exemption.

No person or entity that does not meet the requirements of this Section 1.4 may be a Member or an assignee of or successor-in-interest to a Member. Any Member who ceases to meet these requirements shall no longer be considered a Member or have any right, title or interest in the Company or its assets.

1.5 Operating Requirements. For purposes of the Welfare Exemption, the Company shall file with the California Board of Equalization a certified copy of the Articles of Organization of the Company and a certified copy of any amendments and restatements thereof. In the event that the Member (or any successor-in-interest) ceases to be a Qualifying Welfare Organization under the Welfare Exemption, the Company shall report this information to the applicable County Assessor and the California State Board of Equalization no later than the next annual filing deadline for the Welfare Exemption.

1.6 No Liability of Member or Manager.

(a) The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Member nor the Manager shall be obligated personally for any such debt, obligation or liability by reason of being a Member or Manager.

(b) The Member shall not be required to lend any funds to the Company, make any contributions to the capital of or any other payments to the Company, or to repay any amount to the Company or any creditor of the Company.

ARTICLE 2
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

2.1 Contributions to Capital. The Member shall contribute to the capital of the Company such amounts as it may determine from time to time. The Member shall have no obligation whatsoever to make any contributions to the capital of the Company.

2.2 Distributions. Distributions may be made to the Member as determined by the Manager; provided, however, that a distribution of assets of the Company to any Member who ceases to be a Qualifying Welfare Organization shall be prohibited.

ARTICLE 3
TAX TREATMENT OF THE COMPANY

3.1 Income Tax Purposes. Pursuant to Treasury Regulation § 301.7701-3(b)(1)(ii) and corresponding provisions of California and other state income tax laws, and unless otherwise determined by the Member under applicable law, the Company shall be disregarded as an entity separate from the Member for income tax purposes.

3.2 Other Taxes. For purposes of all taxes other than income taxes, the Company shall be treated as an entity separate from the Member that does not meet all the requirements set forth in Section 1.4.

ARTICLE 4
MANAGEMENT

4.1 Power and Authority of the Manager.

(a) The business and affairs of the Company shall be managed exclusively by the Manager, who shall have the power and authority, on behalf of the Company, to take any action of any kind not inconsistent with the provisions of this Agreement and to do anything and everything such Manager deems necessary or appropriate to carry on the business and purposes of the Company, including without limitation the execution of agreements, contracts and other documents in connection with or related to the Company's purposes and activities. The Manager

is an agent of the Company for the purpose of the Company's business, and the actions of the Manager shall bind the Company.

(b) Third parties dealing with the Company may rely conclusively upon any certificate of the Manager to the effect that the Manager is acting on behalf of the Company. The signature of the Manager shall be sufficient to bind the Company in every manner to any agreement or any document, including, but not limited to, documents drawn or agreements made in connection with the acquisition of the assets of the Member.

(c) In performing its duties on behalf of the Company, the Manager shall be entitled to rely in good faith on information, opinions, reports or statements of the following persons or groups:

(i) One or more agents of the Company who the Manager in good faith believes to be reliable and competent in the matter presented; and

(ii) Any attorney, public accountant or other person as to matters which the Manager in good faith believes to be within such person's professional or expert competence.

4.2 Expenses and Reimbursement. The Company shall bear or pay (or reimburse the Manager for the payment of) all expenses related to the operations or affairs of the Company, including legal, consulting, accounting and other professional fees, taxes, if any, imposed on the Company in respect of its operations or income, and any extraordinary expenses, including, without limitation, the costs and expenses of any litigation involving the Company and the amount of any judgments or settlements paid in connection therewith.

4.3 Exculpation and Indemnification. The Company shall indemnify, to the fullest extent permitted by law, the Member, the Manager and each of the officers, directors, employees, members, partners, agents and Affiliates of the Member and Manager ("**Indemnified Parties**") from and against all costs and expenses, including attorneys' fees, judgments, fines, settlements and/or liabilities incurred by or imposed upon any Indemnified Party in connection with, or resulting from, investigating, preparing or defending any action, suit or proceeding, whether civil, criminal, legislative or otherwise (or any appeal thereof) to which an Indemnified Party may be made a party or become otherwise involved or with which any Indemnified Party may be threatened, in each case by reason of, or in connection with, the Indemnified Party being or having been associated with or otherwise acting on behalf of the Company or pursuant to this Agreement, or by reason of any action or alleged action, omission or alleged omission by any Indemnified Party in any such capacity. The Company shall make all indemnification payments provided for herein solely out of Company assets and the Member and Manager shall have no personal liability hereunder. None of the provisions of this Section 4.3 shall be deemed to create or grant any rights in favor of anyone other than Indemnified Parties; this provision excludes, among others, any right of subrogation in favor of any insurer or surety. The rights of indemnification granted hereunder shall survive the termination of this Agreement.

4.4 Appointment of Manager. The initial Manager shall be Timothy E. Kelley. The Member may remove and replace the Manager at any time and for any reason.

ARTICLE 5
ACTION BY WRITTEN CONSENT

Any action required or permitted to be taken by the Member or Manager may be taken by consent without a meeting. Any writing executed by the Member or Manager shall be conclusive evidence of such action and consent.

ARTICLE 6
RECORDS

Proper and complete records and books of account of the business of the Company shall be maintained at the Company's principal place of business.

ARTICLE 7
TRANSFERABILITY OF INTERESTS; MERGER

7.1 Transferability of the Member's Interest. The Member, in its sole discretion, may assign, sell or otherwise dispose of all or any fraction of its interest in the Company, provided that such transferee meets the requirements of a Member set forth in Section 1.4 above. A transfer to a person or entity that does not meet all the requirements set forth in Section 1.4 above shall be prohibited.

7.2 Merger. The Company may not merge with, or convert into, a for-profit entity.

ARTICLE 8
**DISSOLUTION, LIQUIDATION AND
TERMINATION OF THE COMPANY**

8.1 Dissolution. The Company shall be dissolved, wound up and terminated only upon a determination of the Member to do so, or upon a termination required by operation of law.

8.2 Liquidation and Termination. Upon dissolution of the Company, the affairs of the Company shall be wound up and, after paying or making due provisions by the setting up of reasonable reserves for all liabilities to creditors of the Company, the assets of the Company shall be distributed to the Member; provided, however, that if upon dissolution of the Company the Member is not qualified as exempt from United States federal income taxes pursuant to Section 501(c)(3) of the Code, is not a Qualifying Welfare Organization under the Welfare Exemption, or is not organized and operated exclusively for charitable purposes, then such final distribution of assets shall be made to one or more organizations that shall be so qualified, organized and operated, as may be selected by the Manager or, if the Manager does not so select, by the applicable court having jurisdiction, subject to and in accordance with all applicable requirements otherwise imposed under the Code or the State of California relating to the disposition or termination of the Company.

ARTICLE 9
MISCELLANEOUS

9.1 Entire Agreement. Except as herein provided, this Agreement constitutes the entire agreement relating to the subject matter hereof. It supersedes any prior agreement or understanding relating to the subject matter hereof, and it may not be modified or amended in any manner other than as set forth herein.

9.2 Amendments. This Agreement may be amended by the Member, provided that such amendment is consistent with the provisions of the Welfare Exemption.

9.3 Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of California. All terms used herein shall have the meaning given them under the Act, as such may be amended from time to time, except as otherwise provided herein.


9.4 Successors and Assigns. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the Member and its legal representatives, heirs, administrators, executors, successors and assigns.

9.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement, or the application of such provision to any person or circumstances shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected hereby.

IN WITNESS WHEREOF, the undersigned has caused this Operating Agreement of Imperial Valley Gateway Center, LLC to be executed as of the 28th day of May.

MEMBER:

Brawley Community Foundation,
a California nonprofit public benefit corporation

By:  _____
Don E. Shank, President

ATTACHMENT F
FINANCIAL STATEMENTS

Imperial Valley Gateway Center, LLC

Balance Sheet

As of June 30, 2013
~~JUN 30, 13~~

ASSETS

Current Assets

Checking/Savings

Rabobank, N.A. 46,766.67

US Bank-Restricted funds 69,833,951.75

Total Checking/Savings 69,880,718.42

Total Current Assets 69,880,718.42

Other Assets

Debt issue costs 2,917,600.00

Facility-Work in Progress 17,530,639.83

Total Other Assets 20,448,239.83

TOTAL ASSETS 90,328,958.25

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

Bonds payable 90,272,067.80

Total Other Current Liabilities 90,272,067.80

Total Current Liabilities 90,272,067.80

Total Liabilities 90,272,067.80

Equity

Opening Balance Equity 5,230.00

Net Income 51,660.45

Total Equity 56,890.45

TOTAL LIABILITIES & EQUITY 90,328,958.25

1:44 PM
12/19/13
Cash Basis

Imperial Valley Gateway Center, LLC

Profit & Loss

July 2012 through June 2013
Jul 12 - Jun 13

Ordinary Income/Expense	
Income	
Program Income	
Program Service Fees	46,666.67
Total Program Income	<u>46,666.67</u>
Total Income	46,666.67
Expense	
Contract Services	
Legal Fees	5,130.00
Total Contract Services	<u>5,130.00</u>
Total Expense	<u>5,130.00</u>
Net Ordinary Income	41,536.67
Other Income/Expense	
Other Income	
Change in value in investment w/ US bank	10,123.78
Total Other Income	<u>10,123.78</u>
Net Other Income	<u>10,123.78</u>
Net Income	<u><u>51,660.45</u></u>

ATTACHMENT E
PROMISSORY NOTES

\$88,925,000
PROMISSORY NOTE
(FEDERALLY TAX EXEMPT)

\$88,925,000

June 7, 2013

FOR VALUE RECEIVED, IMPERIAL VALLEY GATEWAY CENTER, LLC, a California limited liability company, its successors and assigns (the "Borrower"), whose sole member is Brawley Community Foundation, a California nonprofit public benefit corporation, promises to pay to THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LA PAZ, ARIZONA, (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer), a nonprofit corporation designated as a political subdivision of the State of Arizona incorporated with approval of La Paz County, Arizona, pursuant to the Constitution of the State of Arizona and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, solely from the source and in the manner hereinafter provided, (1) the principal sum of \$88,925,000 and to pay interest on the unpaid portion thereof from the date of the initial delivery of the hereinafter defined Bonds at the rate for each day of accrual equal to the rate of interest borne by the Bonds of the Issuer initially designated its \$88,925,000 The Industrial Development Authority of the County of La Paz, Arizona (Imperial Regional Detention Facility Project) Senior Lien Project Revenue Bonds (Federally Tax Exempt) Series 2013A (the "Bonds") at any time Outstanding (as defined in the Indenture hereinafter referred to) payable on the dates and computed as described in Section 4.01 of the Loan Agreement hereafter referred to relating to principal and interest on the Bonds, and (2) all other amounts specified in Section 4.05 of the Loan Agreement at the times described in such Section. All such amounts are payable solely from the Project Revenues and any proceeds derived from the Housing Agreement and the Mortgage. Capitalized terms not defined herein have the meaning set forth in the hereinafter defined Indenture.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the corporation then acting as trustee (herein referred to as the "Trustee") under the Trust Indenture dated as of June 1, 2013 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, authorizing issuance of the Bonds. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally at a place of payment for the Bonds (as described in the Indenture) or in the city in which is located the designated corporate trust office of the Trustee or shall otherwise be a day other than a business day, then such payment may be made on the next succeeding day which is not such a day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due. All sums paid hereon shall be applied to the satisfaction of, first, the sums specified in Clause (2) of the first paragraph hereof, second, accrued interest hereon, and, third, the unpaid principal (and premium, if any) hereof.

This Note is the "Promissory Note" referred to in the Loan Agreement relating to the Bonds, and is issued to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds.

The Borrower shall prepay the outstanding principal sum hereof, in whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture.

If an Event of Default shall occur, the principal hereof and accrued interest hereon may be declared due and payable in the manner and with the effect provided in the Indenture.


The Borrower shall have no personal liability under this Note for the repayment of the indebtedness evidenced hereby or for the performance of any other obligations of the Borrower under the Loan Agreement, and the Issuer's and Trustee's only recourse for the satisfaction of the indebtedness evidenced hereby shall be the Issuer's and Trustee's exercise of its rights and remedies with respect to collateral held by the Trustee as security for the indebtedness.

The Borrower hereby expressly waives all notices (including notice of redemption, notice of intent to accelerate, or notice of acceleration), demands for payment, presentments for payment, and notations of payment.

[Remainder of page intentionally left blank.]

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of Arizona.

**IMPERIAL VALLEY GATEWAY
CENTER, LLC**, a California limited liability
company, as Borrower


By: 
Name: Timothy E. Kelley
Title: Manager

(signature page to \$88,925,000 Promissory Note)

ENDORSEMENT

Pay to the order of U.S. Bank National Association as trustee for the owners of the Bonds hereinabove mentioned, without recourse against the undersigned.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
LA PAZ, ARIZONA

By: 
Name: Randy Hartless
Title: President

\$2,250,000
PROMISSORY NOTE
(FEDERALLY TAXABLE)

\$2,250,000

June 7, 2013

FOR VALUE RECEIVED, IMPERIAL VALLEY GATEWAY CENTER, LLC, a California limited liability company, its successors and assigns (the "Borrower"), whose sole member is Brawley Community Foundation, a California nonprofit public benefit corporation, promises to pay to THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LA PAZ, ARIZONA, (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer), a nonprofit corporation designated as a political subdivision of the State of Arizona incorporated with approval of La Paz County, Arizona, pursuant to the Constitution of the State of Arizona and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, solely from the source and in the manner hereinafter provided, (1) the principal sum of \$2,250,000 and to pay interest on the unpaid portion thereof from the date of the initial delivery of the hereinafter defined Bonds at the rate for each day of accrual equal to the rate of interest borne by the Bonds of the Issuer initially designated its \$2,250,000 The Industrial Development Authority of the County of La Paz, Arizona (Imperial Regional Detention Facility Project) Senior Lien Project Revenue Bonds (Federally Taxable) Series 2013B (the "Bonds") at any time Outstanding (as defined in the Indenture hereinafter referred to) payable on the dates and computed as described in Section 4.01 of the Loan Agreement hereafter referred to relating to principal and interest on the Bonds, and (2) all other amounts specified in Section 4.05 of the Loan Agreement at the times described in such Section. All such amounts are payable solely from the Project Revenues and any proceeds derived from the Housing Agreement and the Mortgage. Capitalized terms not defined herein have the meaning set forth in the hereinafter defined Indenture.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the corporation then acting as trustee (herein referred to as the "Trustee") under the Trust Indenture dated as of June 1, 2013 (the "Indenture") between the Issuer and U.S. Bank National Association, as trustee, authorizing issuance of the Bonds. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally at a place of payment for the Bonds (as described in the Indenture) or in the city in which is located the designated corporate trust office of the Trustee or shall otherwise be a day other than a business day, then such payment may be made on the next succeeding day which is not such a day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due. All sums paid hereon shall be applied to the satisfaction of, first, the sums specified in Clause (2) of the first paragraph hereof, second, accrued interest hereon, and, third, the unpaid principal (and premium, if any) hereof.

This Note is the "Promissory Note" referred to in the Loan Agreement relating to the Bonds, and is issued to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds.

The Borrower shall prepay the outstanding principal sum hereof, in whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture.

If an Event of Default shall occur, the principal hereof and accrued interest hereon may be declared due and payable in the manner and with the effect provided in the Indenture.


The Borrower shall have no personal liability under this Note for the repayment of the indebtedness evidenced hereby or for the performance of any other obligations of the Borrower under the Loan Agreement, and the Issuer's and Trustee's only recourse for the satisfaction of the indebtedness evidenced hereby shall be the Issuer's and Trustee's exercise of its rights and remedies with respect to collateral held by the Trustee as security for the indebtedness.

The Borrower hereby expressly waives all notices (including notice of redemption, notice of intent to accelerate, or notice of acceleration), demands for payment, presentments for payment, and notations of payment.

[Remainder of page intentionally left blank.]

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of Arizona.

IMPERIAL VALLEY GATEWAY CENTER,
LLC, a California limited liability company, as
Borrower


By: 
Name: Timothy E. Kelley
Title: Manager

(signature page to \$2,250,000 Promissory Note)

ENDORSEMENT

Pay to the order of U.S. Bank National Association as trustee for the owners of the Bonds hereinabove mentioned, without recourse against the undersigned.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF
LA PAZ, ARIZONA

By: 
Name: Randy Hartless
Title: President

ATTACHMENT D
TAX-EXEMPT STATUS LETTER

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

NOV 02 2006
DEPARTMENT OF THE TREASURY

Date: OCT 27 2006

BRAWLEY COMMUNITY FOUNDATION
PO BOX 218
BRAWLEY, CA 92227

Employer Identification Number:
77-0629281
DLN:
17053006044006
Contact Person:
R HUTCHINS ID# 52408
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
JUNE 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
DECEMBER 21, 2004
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2008

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

BRAWLEY COMMUNITY FOUNDATION

Sincerely,



Lois G. Werner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c) (3)
Statute Extension

BRAWLEY COMMUNITY FOUNDATION

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c) (3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE EO Determinations Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve, provide the EO Determinations Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you are exempt from these requirements.

BRAWLEY COMMUNITY FOUNDATION

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by providing a written statement listing any cash contribution or describing any

BRAWLEY COMMUNITY FOUNDATION

donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be found in the instructions for Form 990 and Form 990-EZ, or you may call our

BRAWLEY COMMUNITY FOUNDATION

toll free number to obtain additional information on how to correct and report this transaction.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

BRAWLEY COMMUNITY FOUNDATION

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

Part X Public Charity Status (Continued)


- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization


(Signature of officer, director, trustee, or other authorized official)

Ted Riley

(Type or print name of signer)

10-18-05

(Date)

President

(Type or print title or authority of signer)

For Director, Exempt Organizations

By 

Date **10-27-06**

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses.
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

- 7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No