

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

\*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\*

### LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, April 21, 2022

### Zoom Call Information

<https://us02web.zoom.us/j/88526148311?pwd=c3B2YklXb1NFK2NORTFZdk4yTm5aZz09>

Meeting ID: 885 2614 8311

Passcode: 060040

One tap mobile

+16699006833,,88526148311#,,,,\*060040# US (San Jose)

+12532158782,,88526148311#,,,,\*622236# US (Tacoma)

*Pursuant to AB 361, members of the California Enterprise Development Authority and staff will participate in this meeting via a teleconference. To reduce the spread of COVID-19, members of the public are asked to participate and comment directly by logging into the Livestream*

<https://us02web.zoom.us/j/88526148311?pwd=c3B2YklXb1NFK2NORTFZdk4yTm5aZz09>

### **Call to Order and Roll Call**

### **Statement of Disclosure**

### **Action Items**

1. Consent Agenda
  - a. Approve Minutes from the Regular Business Meeting on April 14, 2022.
2. Approve Resolution 22-19 of the California Enterprise Development Authority Authorizing the Issuance of Revenue Bonds in One or More Series in a Principal Amount Not to Exceed \$2,500,000 to Finance Working Capital for Encore Education Corporation, Providing the Terms and Conditions for the Sale and Issuance of Said Bonds and Other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
3. Approve Resolution 22-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of the Design, Construction, Improvement, Rehabilitation, Equipping, and Furnishing of Certain Educational Facilities for the Benefit of Cate School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Resolution 22-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Rehabilitation, Equipping and Furnishing of Certain Property for the Benefit of San Diego Rock Church and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

### **Public Comment**

### **Chair Report**

### **PACE Report**

### **Other Business**

### **Adjournment**

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

This agenda can be obtained at <https://ceda.caed.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## MINUTES

### Regular Meeting

\*\*\*ZOOM CALL\*\*\*

### CEDA BOARD OF DIRECTORS

Thursday, April 14, 2022

#### Zoom Call Location

<https://us02web.zoom.us/j/83925355973?pwd=RmF2WjhYN0lGd1lZHpXaENTWmlydz09>

Meeting ID: 839 2535 5973

#### Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:30 a.m.

#### Roll Call

Members Present:

Christina Bibler  
Robert Burris  
Christine Damko (10:33 a.m.)  
Josh Metz  
Gurbax Sahota

CALED Management/Staff Present:

Michelle Stephens  
Devin Yoshikawa

Public:

Sam Balisy, Kutak Rock  
Thomas Bruder, Kutak Rock (10:32 a.m.)  
Larry Vaupel, City of Vista

#### Statement of Disclosure

##### Action Items

1. Approve Consent Agenda

**Motion:** Board Member Christina Bibler made the motion to approve the Consent Agenda. Board Member Josh Metz, seconded the motion on the floor.

*The motion passed with the following roll call vote:*

Christina Bibler  
Robert Burris  
Josh Metz  
Gurbax Sahota

#### Public Comment

None

#### Chair Report:

None

#### PACE Report

None

#### Other Business

## CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Discussion regarding the establishment by the California Enterprise Development Authority of a program to assist local communities and enterprises in the financing of the installation of infrastructure and other amenities in support of economic development, housing, and other public benefits through Enhanced Infrastructure Financing Districts and Community Facilities Districts.

Gurbax provided an overview of new financing product opportunities that the CEDA board could take up and discuss at the board meeting on May 10<sup>th</sup>.

Sam added some clarification that this would allow CEDA to assist communities with the technical side of setting up EIFDs and CFDs.

Christina Bibler asked about types and sizes of communities that would be applicable through this program with CEDA.

Josh Metz ask about who the potential consultants and partners would be if CEDA were to move forward with offering these new financing products.

**Motion:** *Board Member Christina Bibler made the motion to approve participating in an in-depth discussion on May 10th. Board Member Josh Metz seconded the motion on the floor.*

*The motion passed with the following roll call vote:*

Christina Bibler  
Robert Burris  
Christine Damko  
Josh Metz  
Gurbax Sahota

### **Adjournment**

**Motion:** *Christine Damko made the motion to adjourn the meeting. Bob Burris seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:50 a.m. after the roll call vote.*

*The motion passed with the following roll call vote:*

Christina Bibler  
Robert Burris  
Christine Damko  
Josh Metz  
Gurbax Sahota

## Staff Report

<b>Action Requested</b>	Approve Resolution 22-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of the Design, Construction, Improvement, Rehabilitation, Equipping, and Furnishing of Certain Educational Facilities for the Benefit of Cate School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Cate School
<b>Borrower Description</b>	<p>Through commitment, scholarship, companionship, and service, each member of the Cate community contributes to what its founder called "...the spirit of this place... all compounded of beauty and virtue, quiet study, vigorous play, and hard work." Cate School combines the academic rigor of east coast prep schools with the adventurous spirit of the west coast. This was the vision of Curtis Wolsey Cate, a graduate of Roxbury Latin School and Harvard University, who crossed the country to found the boarding school back in 1910. For over 100 years, Cate has been combining the best of east coast tradition and west coast energy and innovation in the service of highly motivated, independent-minded students.</p> <p>The aggregate principal amount not to exceed \$22,000,000 will be used for the purpose of financing, refinancing, and/or reimbursing the cost of designing, constructing, renovating, remodeling, installing, equipping and furnishing educational and boarding school campus facilities located on 150 acres at 1960 Cate Mesa Road, Carpinteria, California 93013, including but not limited to an academic center, library, dining facility, athletic facilities and related and appurtenant facilities in addition to paying certain financing costs, costs of issuance and certain interest in connection with the financing and/or refinancing.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Cate School to realize savings that can be put into rehabilitating real property.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA's Bond Issuance Policies and Procedures:</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of resolution 22-20 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for The Purpose of Financing, Refinancing and/or Reimbursing The Cost of the Design, Construction, Improvement, Rehabilitation, Equipping, and Furnishing of Certain Educational Facilities for the Benefit of Cate School and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**RESOLUTION NO. 22-20**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF THE DESIGN, CONSTRUCTION, IMPROVEMENT, REHABILITATION, EQUIPPING, AND FURNISHING OF CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF CATE SCHOOL AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

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

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”);

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal;

**WHEREAS**, the County of Santa Barbara (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California;

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development;

**WHEREAS**, Cate School (the “Borrower”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has submitted an application to the Authority requesting the Authority to make one or more loans, each on a tax-exempt or taxable basis (collectively, the “Borrower Loan”) in the aggregate principal amount not to exceed \$22,000,000 to the Borrower

for the purpose of (a) financing, refinancing, and/or reimbursing the Borrower for the cost of designing, constructing, renovating, remodeling, installing, equipping and furnishing the Borrower's educational and boarding school campus facilities located on 150 acres at 1960 Cate Mesa Road, Carpinteria, California 93013, including but not limited to an academic center, library, dining facility, athletic facilities and related and appurtenant facilities (collectively, the "Facilities"), and (b) paying certain financing costs, costs of issuance and certain interest in connection with the financing and/or refinancing;

**WHEREAS**, the Authority intends to use the proceeds of one or more loans from Farmers and Merchants Bank of Long Beach or a related or successor entity (the "Lender"), to the Authority (collectively, the "Authority Loan") to make the Borrower Loan;

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of Loan Agreement (the "Loan Agreement"), by and among the Lender, the Authority and the Borrower; and

(b) A proposed form of Assignment Agreement (the "Assignment Agreement"), by and between the Authority and the Lender;

**WHEREAS**, based on representations of the Borrower, the Borrower and the Facilities provide significant benefits to the residents of the County and surrounding community by the operation of the Facilities in connection with the Borrower's educational mission; and

**WHEREAS**, pursuant to California Government Code Section 5852.1, certain information regarding the Authority Loan, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority, as follows:

**Section 1.** The Authority finds it is in the public interest to assist the Borrower in financing, refinancing and/or reimbursing the Borrower in connection with the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes and/or included in gross income for federal income tax purposes, as provided in the Loan Agreement, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority's payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an "Authorized Signatory" and,

collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes and/or included in gross income for federal income tax purposes, as provided in the Loan Agreement, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$22,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority’s counsel or the Lender’s counsel may deem necessary

or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 9.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

**Section 10.** This Resolution shall take effect from and after its adoption.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED this 21<sup>st</sup> day of April, 2022.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Michelle Stephens, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on April 21, 2022.

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Michelle Stephens, Assistant Secretary

ATTACHMENT I  
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Cate School, a California nonprofit public benefit corporation (the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on April 21, 2022 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$22,000,000 (the “Obligations”).

1. Ross Financial, as financial advisor engaged by the Borrower, provided the Borrower with the required good faith estimates relating to the Obligations as follows:
  - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 2.37%
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$532,500 (\$450,000 paid at closing per the estimated costs of issuance budget, \$82,500 paid during the term of the Loan) (which includes, among other fees, the conduit issuer fee)
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$21,550,000
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$30,761,919 (consisting of: (a) estimated principal and interest payments of \$30,679,419 with respect to the Loan and (b) estimated \$82,500 in Authority fees during the term of the Obligations identified in (B)).
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the

Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

## Staff Report

<b>Action Requested</b>	Approve Resolution 22-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Rehabilitation, Equipping and Furnishing of Certain Property for the Benefit of San Diego Rock Church and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	San Diego Rock Church
<b>Borrower Description</b>	<p>Founded in 2000 by Pastor Miles McPherson, San Diego Rock Church’s mission is to save, equip and send. This has been the heart and soul since day one of the Rock Church. It is a vision to establish Global Pervasive Hope—every street, every person. This means they need an army of ‘hope bearers’ who have been saved, and equipped and sent! The process is designed to mobilize people to carry out the great commission.</p> <p>For the 2021/22 school year, Rock Academy has enrolled 402 students from infants to 12<sup>th</sup> grade. The student to teacher ratio is 9:1 and the average class size is 18 students. Rock Church and Rock Academy have 202 full time employees and 65 part time employees. Public benefits include job creation, job retention, providing innovative and/or environmentally friendly products, and a project location in a distressed community.</p> <p>The aggregate principal, not to exceed \$35,000,000 will be used for the purpose of financing, refinancing and/or reimbursing the cost of acquisition, construction, improvement, furnishing and equipping of educational and community facilities located at 2277 Rosecrans Street and 2320 Truxtun Road, San Diego, California 92106 in the approximate amount of \$31,000,000, and 3776 Riley Street, San Diego, California 92110 in the approximate amount of \$4,000,000. A portion of such proceeds of the Revenue Obligations may be used to pay the costs of issuance and other related costs in connection with the financing.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow San Diego Rock Church to realize savings that can be put into rehabilitating real property.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures:</p> <ul style="list-style-type: none"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of resolution 22-21 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make One or More Loans for the Purpose of Financing, Refinancing and/or Reimbursing the Cost of the Acquisition, Construction, Rehabilitation, Equipping and Furnishing of Certain Property for the Benefit of San Diego Rock Church and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

**RESOLUTION NO. 22-21**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE ONE OR MORE LOANS FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COST OF THE ACQUISITION, CONSTRUCTION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN PROPERTY FOR THE BENEFIT OF SAN DIEGO ROCK CHURCH AND/OR A RELATED OR SUCCESSOR ENTITY; PROVIDING THE TERMS AND CONDITIONS FOR SUCH LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED**

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

**WHEREAS**, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into financing agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

**WHEREAS**, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

**WHEREAS**, the County of San Diego (the “County”) is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal, pursuant to the provisions of Article 1, Chapter 5, Part 2 of Division 3 of Title 4 of the Government Code of the State of California; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement, financing agreement or similar agreement for the purposes of promoting economic development; and

**WHEREAS**, San Diego Rock Church, a California nonprofit religious corporation, and an organization described in Section 501(c)(3) of the Internal revenue Code of 1986, as amended (the “Code”), for itself and on behalf of Riley Group Management, LLC, a Delaware limited liability company (individually and collectively, the “Borrower”), has submitted an application to the Authority requesting the Authority to make one or more loans (collectively, the “Borrower

Loan”) in the aggregate principal amount not to exceed \$35,000,000 to the Borrower for the purpose of (a) financing, refinancing and/or reimbursing the cost of acquisition, construction, improvement, furnishing and equipping of educational and community facilities located at (i) 2277 Rosecrans Street and 2320 Truxtun Road, San Diego, California 92106 in the approximate amount of \$31,000,000, and (ii) 3776 Riley Street, San Diego, California 92110 in the approximate amount of \$4,000,000 (collectively, the “Facilities”) and (b) paying certain costs of issuance in connection with the issuance of the Obligations; and

**WHEREAS**, the Authority intends to use the proceeds of one or more tax-exempt loans from United Business Bank, a California banking corporation, or its successor (the “Lender”), to the Authority (collectively, the “Authority Loan”) to make the Borrower Loan; and

**WHEREAS**, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) A proposed form of Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower; and

(b) A proposed form of Assignment Agreement (the “Assignment Agreement”), by and between the Authority and the Lender; and

**WHEREAS**, based on representations of the Borrower, (a) the Borrower and the Facilities provide significant benefits to the residents of the County and surrounding community through the services provided by the Borrower, which are focused on providing an enriching academic environment with a vibrant spiritual experience in a warm, diverse and loving community as well as providing a resource and career center for members of the community and (b) the financing, refinancing and/or reimbursing the Borrower for the cost of the Facilities through the Authority will result in demonstrable savings in effective interest rate; and

**WHEREAS**, pursuant to California Government Code Section 5852.1, certain information regarding the Authority Loan, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on a good faith estimates by the Lender.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority, as follows:

**Section 1.** The Authority finds that it is in the public interest to assist the Borrower in financing, refinancing and/or reimbursing the Borrower in connection with the Facilities.

**Section 2.** The Authority hereby approves of the entering into the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loan.

**Section 3.** The proposed form of the Loan Agreement, by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chair or the Vice Chair of the Board of Directors (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 4.** The proposed form of the Assignment Agreement, by and between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. Each Authorized Signatory, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Assignment Agreement.

**Section 5.** The Authority approves the Authority Loan, the interest with respect to which will be excluded from gross income for federal income tax purposes, and the making of the Borrower Loan to the Borrower in an amount not to exceed \$35,000,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

**Section 6.** All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Facilities, any assignment by the Lender to an affiliate of the Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by an Authorized Signatory without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

**Section 7.** All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan and the Borrower Loan are hereby approved, confirmed and ratified, and the officials of the Authority and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all

certificates, agreements and documents, including, without limitation, a tax certificate and agreement, which they or the Authority's counsel or the Lender's counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

**Section 8.** The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

**Section 9.** Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered until the County has held the requisite hearing and the Board of Supervisors of the County has approved the making of the Authority Loan pursuant to Section 147(f) of the Code.

**Section 10.** This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21<sup>st</sup> day of April 2022.

CALIFORNIA ENTERPRISE  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Gurbax Sahota, Chair

Attest:

By \_\_\_\_\_  
Michelle Stephens, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on April 21, 2022.

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Michelle Stephens, Assistant Secretary

ATTACHMENT I  
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, San Diego Rock Church, a California nonprofit religious corporation, and Riley Group Management, LLC, a Delaware limited liability company (collectively, the “Borrower”), has provided the following required information to the California Enterprise Development Authority (the “Authority”), as conduit financing provider, prior to the Authority’s regular meeting on April 21, 2022 (the “Meeting”) of its Board of Directors (the “Board”) at which Meeting, the Board will consider the authorization of conduit revenue obligations in the aggregate principal amount not to exceed \$35,000,000 (the “Obligations”).

1. United Business Bank, as a private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations as follows, based on a representation by the Borrower concerning an estimated par amount of \$29,945,097 for the Obligations:
  - A. The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Obligations (to the nearest ten-thousandth of one percent): 3.2008%
  - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$474,863 (which includes, among other fees, the conduit issuer fee)
  - C. The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$29,470,234
  - D. The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$38,199,469
2. The good faith estimates provided above were based on the information which was presented to the governing board of the Borrower, or presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board, presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the

Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of the issuance of the Obligations. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.