

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, April 28, 2022

Zoom Call Information

<https://us02web.zoom.us/j/86398704279?pwd=U3pRdXh6V3RCNDNqK2c1Nk5LZDZNMUT09>

Meeting ID: 863 9870 4279

Passcode: 637365

One tap mobile

+16699006833,,86398704279#,,, *637365# US (San Jose)

+13462487799,,86398704279#,,, *637365# US (Houston)

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/86398704279?pwd=U3pRdXh6V3RCNDNqK2c1Nk5LZDZNMUT09>

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from the Regular Business Meeting on April 21, 2022.
2. Approve Resolution 22-21 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 22-22 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement, Pursuant to Which the California Enterprise Development Authority Will Make a Loan in an Aggregate Amount not to Exceed \$7,000,000 for the Purpose of Financing the Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Domenico School, Providing the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.
4. Approve Two-Step Verification for CEDA Banking.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

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 21, 2022

Zoom Call Location

<https://us02web.zoom.us/j/88526148311?pwd=c3B2YkIXb1NFK2NORTFZdk4yTm5aZz09>

Meeting ID: 885 2614 8311

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:31 a.m.

Roll Call

Members Present:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Gurbax Sahota

CALED Management/Staff Present:

Michelle Stephens
Devin Yoshikawa

Public:

Sam Balisy, Kutak Rock
Thomas Bruder, Kutak Rock
David Mnatsakanyan, Kutak Rock
Sandi Pierce, Cate School
Peter Ross, Ross Financial
Jacob Roth, Dividend (10:44 a.m.)
Jeff Spinelli-Faris, Farmers & Merchants Bank
Josh Winter, San Diego Rock Church

Statement of Disclosure

Resolution Encore Education Corporation was removed from the agenda for consideration at another time.

Action Items

1. Approve Consent Agenda

Motion: Board Member Christina Bibler made the motion to approve the Consent Agenda. Board Member Bob Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Gurbax Sahota

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2. Approve Resolution 22-19 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.

Discussion: Michelle Stephens gave the staff report. Peter Ross expressed appreciation to CEDA and partners for taking up project. Sandi Pierce added that the tax exempt financing will help provide a transformational educational and academic experience for students. Sam Balisy expressed excitement for the project and gratitude for partnership with CEDA, Cate School, and F&M Bank. Jeff Spinelli-Faris also expressed appreciation to CEDA and partners.

Motion: *Board Member Jessica Gonzales made the motion to approve the Consent Agenda. Board Member Christine Damko seconded the motion on the floor.*

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Gurbax Sahota

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 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.

Discussion: Christina Bibler excused herself from this item due to a potential conflict of interest, having a personal connection with San Diego Rock Church. Michelle Stephens gave the staff report. Josh Winter provided appreciation for partnership with CEDA.

Motion: *Board Member Christine Damko made the motion to approve the Consent Agenda. Board Member Jessica Gonzales seconded the motion on the floor.*

The motion passed with the following roll call vote:

Robert Burris
Christine Damko
Jessica Gonzales
Gurbax Sahota

Public Comment

None

Chair Report:

The in-person CALED board meeting at the CALED conference will include a special presentation, as well as the CEDA Founders Meeting. The special agenda item will only be for CEDA Board. GO-Biz is sending 13 staff members who are going to be the regional representatives for the CERF

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program. Should be great opportunity to connect with GO-Biz regarding economic development efforts happening across the state.

PACE Report

Jacob Roth expects about two to three bonds coming up over the course of the next six weeks. Jacob will connect with Sam Balisy regarding timing and details.

Other Business

None

Adjournment

Motion: *Gurbax Sahota made the motion to adjourn the meeting. Christina Bibler seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:46 a.m. after the roll call vote.*

The motion passed with the following roll call vote:

Christina Bibler
Robert Burris
Christine Damko
Jessica Gonzales
Gurbax Sahota

Staff Report

Action Requested	Approve Resolution 22-21 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.
Borrower(s)	Encore Education Corporation
Borrower Description	<p>With four consecutive charter petitions unanimously approved by the Hesperia Unified School District Board, Encore Education Corporation has operated Encore Jr./Sr. High School for the Performing & Visual Arts since 2008. The mission of Encore High School is to provide a creative, challenging, and nurturing environment that offers secondary students with innovative preparation for a university education, career pathway, and a pursuit of the arts. The fundamental philosophy of Encore's leadership is that all of the students that graduate from Encore High School should have a primary knowledge and the tools needed to be able to sustain a successful career/life after high school. Encore believes that the only way that this philosophy can come to fruition is with a strong academic foundation and the knowledge on how to build a career and their own business when the time requires it. Encore is focused on improving state test scores and creating opportunities and challenges to help students become more self reliant when it comes to job security. This is why Encore's CTE formalization and teaching with fidelity is paramount to the success of Encore graduates moving forward. Encore High School enrolls over 960 students with a 100% graduation rate.</p> <p>The aggregate principal, not to exceed \$2,500,000 will be used for the purpose, among others, of financing working capital for the Borrower's and Encore Education's operations.</p>
Public Benefits	The tax-exempt financing will allow Encore Education Corporation to realize savings that can be put into rehabilitating real property.
Eligibility and Policy Review	<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"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of resolution 22-21 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.

RESOLUTION NO. 22-21

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

A RESOLUTION 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

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 its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements for all purposes permitted by the Act and described in the Agreement; and

WHEREAS, pursuant to the provisions of the Act, the public agencies that are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the right to issue bonds and expend the proceeds thereof and the right to acquire and dispose of property, both real and personal; and

WHEREAS, the County of San Bernardino, California (the “County”) is an associate member of the Authority; 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, Western Encore Properties Incorporated, a California nonprofit public benefit corporation (the “Borrower”), wishes to finance working capital (the “Project”) for the use of Encore Education Corporation, a California nonprofit public benefit corporation operating a charter school (“Encore Education”); and

WHEREAS, the Borrower has requested that the Authority issue and sell the Bonds (hereinafter defined) in one or more series for the purpose of making one or more loans to the Borrower to finance the Project; and

WHEREAS, pursuant to an indenture, dated as of May 1, 2022 (or such other date as approved by the Authority) (the “Indenture”), between the Authority and the trustee named therein (the “Trustee”), the Authority will issue its California Enterprise Development Authority Charter School Revenue Bonds (Encore Education Corporation) Series 2022 (Taxable) (the “Bonds”) for the purpose, among others, of financing working capital for the Borrower’s and Encore Education’s operations; and

WHEREAS, pursuant to a loan agreement, dated as of May 1, 2022 (or such other date as approved by the Authority) (the “Loan Agreement”), by and among the Authority, the Borrower and a limited liability company, the sole member of which is the Borrower, the Authority will loan the proceeds of the Bonds to the Borrower for the purpose, among others, of financing the Project; and

WHEREAS, pursuant to a Bond Placement Agreement, to be dated the date of sale of the Bonds (the “Bond Placement Agreement”), among Stifel, Nicolaus & Company, Incorporated, as placement agent (the “Placement Agent”), the Authority, the Borrower and the Lessee, the Placement Agent will use its best efforts to place the Bonds with Nuveen Asset Management, LLC, or one or more affiliates thereof, as purchaser (collectively, the “Purchaser”);

WHEREAS, the Bonds will be placed with the Purchaser, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project, fund a debt service reserve fund with respect to the Bonds, and pay certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, the Bonds will be offered for placement through a private placement memorandum; and

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

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement;
- (3) A proposed form of the Bond Placement Agreement; and
- (4) A proposed form of private placement memorandum (the “Private Placement Memorandum”) to be used by the Placement Agent in connection with the placement of the Bonds; and

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

WHEREAS, the Project is expected to provide significant benefits to the residents of the County in providing educational and related services to residents of the County; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority (the “Board”), as follows:

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Authority is hereby authorized to issue its revenue bonds designated as the “California Enterprise Development Authority Charter School Revenue Bonds (Encore Education Corporation) Series 2022 (Taxable)” (or other such designation as shall be acceptable to the Authority and its counsel) in an aggregate principal amount not to exceed \$2,500,000, in one or more series or subseries of taxable or tax-exempt obligations. The Bonds shall be issued and secured in accordance with the terms of and shall be in the form or forms set forth in the Indenture referenced above, with

such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board (each, an “Authorized Signatory”) and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Bonds shall be executed by the manual or facsimile signature of any Authorized Signatory in the form set forth in and otherwise in accordance with the Indenture.

The Bonds and the interest thereon shall be special, limited obligations of the Authority, and payment of the principal of, redemption premium, if any, and interest on, the Bonds shall be made solely from loan payments made under the Loan Agreement and certain moneys held under the Indenture, and the Bonds shall not be deemed to constitute a general obligation of the Authority or of any member of the Authority or an obligation or commitment by the Authority to expend any of its funds other than from certain funds received under the Loan Agreement.

Section 3. The Indenture, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Trustee, the series, the dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 4. The Loan Agreement, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Bonds shall be sold in a private placement sale as herein above recited. The Bond Placement Agreement, in substantially the form placed on file with the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Placement Agreement, in substantially said form, with such changes and insertions therein and as such Authorized Signatory, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of the Private Placement Memorandum as presented at this meeting in preliminary form is hereby approved. The Placement Agent is hereby authorized to distribute a Private Placement Memorandum, in substantially the form placed on file with the Authority, to the Purchaser and to deliver the Private Placement Memorandum in final form to the Purchasers of the Bonds, in each case with such changes as any Authorized Signatory, with advice of counsel to Authority, deems desirable, necessary or appropriate.

Section 7. The Bonds, when executed as provided in Section 2, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by any Authorized Signatory, which

Authorized Signatory, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. Any Authorized Signatory and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, agreements, or certificates, including, without limitation, any tax agreement or tax certificate, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution; provided that no such documents or certificates shall create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds or otherwise securing the Bonds under the financing documents described and authorized herein.

Section 9. Any Authorized Signatory, acting alone, is hereby authorized to execute and deliver future amendments to the documents authorized to be executed and delivered pursuant to this Resolution (“Authorized Documents”), without further action of the Authority, for the purpose of (i) adding to the covenants and agreements of the Borrower or of the provider of any credit enhancement or liquidity facility; (ii) assigning or pledging additional security for any of the Bonds, which security shall be provided by the Borrower; (iii) curing any ambiguity, inconsistency or omission or supplementing any defective provisions of the Authorized Documents; (iv) permitting the qualification of the Indenture or any supplemental indenture under the Trust Indenture Act of 1939 or any similar federal statutes hereafter in effect; (v) providing for any additional procedures, covenants or agreements necessary to maintain the tax-exempt status of interest on any Bonds; (vi) modifying or eliminating the book-entry registration system for the Bonds, if any; or (vii) providing for the appointment of a co-trustee/bondowner representative or the succession of a new trustee/bondowner representative authorized pursuant to the terms of the Indenture; provided such amendments are (1) made pursuant to a written request of the Borrower, (2) made pursuant to the terms of such documents, (3) are consistent with such documents, (4) do not require the consent of the holders of the Bonds which consent has not already been obtained and (5) do not provide for any additional duties or costs with respect to the Authority for which the Borrower does not agree in advance to reimburse or indemnify the Authority therefor.

Section 10. All actions heretofore taken by any Authorized Signatory and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 11. Notwithstanding anything to the contrary in this Resolution, if any Bonds are to be issued as tax-exempt obligations and require, pursuant to Section 147(f) of the Internal Revenue Code of 1986, a hearing to be held, the Bonds may not be issued until the requisite hearing is held.

Section 12. The provisions of this Resolution are hereby declared to be separable, and if an 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 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 28th 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 28, 2022.

By: _____
Michelle Stephens, Assistant Secretary

[Encore Education 2022 - Authorizing Resolution]

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Western Encore Properties Incorporated (the “Borrower”), a California nonprofit public benefit corporation, 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 28, 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 \$2,500,000 (the “Obligations”).

1. Stifel Nicolaus & Company, Incorporated, as placement agent of the Bonds 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): 9.7500%.
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$250,000.
 - 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: \$1,700,000.
 - 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): \$3,650,000.
2. The good faith estimates provided above were 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

Action Requested	Approve Resolution 22-22 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement, Pursuant to Which the California Enterprise Development Authority Will Make a Loan in an Aggregate Amount Not to Exceed \$7,000,000 for the Purpose of Financing the Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Domenico School, Providing the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	San Domenico School
Borrower Description	<p>Founded in 1850, San Domenico School (SD) holds the unique distinction of being certified as California's oldest independent school. As Marin County's only K-12 school, with boarding and day options in the high school, SD's unique program attracts students from throughout the San Francisco Bay Area and beyond, with more than 20 countries represented among the student body. In the Dominican tradition of Veritas (truth), SD inspires inquiry and provides a strong academic foundation for lifelong intellectual growth. They explore and develop the unique gifts of each individual in mind, heart, body, and spirit. SD celebrates diversity, recognizing God's presence in themselves and in all of creation. SD recognizes what it means to be human in a global community and responds with integrity to the needs and challenges of our time. An exceptional education requires not just academic excellence but also meaning and purpose. SD provides a character-driven K-12 Independent School education, leading the way in redefining the metrics of achievement and graduating inspired students equipped to create a better world.</p> <p>The aggregate principal, not to exceed \$7,000,000 will be used for the purpose of financing certain capital improvement projects, including construction, acquisition, installation, renovation, rehabilitation, equipping and/or furnishing, at the Borrower's educational facilities consisting generally of 28 buildings totaling approximately 212,825 square feet on a 515-acre campus located at 1500 Butterfield Road, San Anselmo, California 94960, all such capital projects being owned and operated, or to be owned and operated, by San Domenico School and used for educational purposes.</p>
Public Benefits	The tax-exempt financing will allow San Domenico School to realize savings that can be put into rehabilitating real property.
Eligibility and Policy Review	<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"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; and ■ Proposed financing is appropriate for the project.
Recommendation	Staff recommends approval of resolution 22-22 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement, Pursuant to Which the California Enterprise Development Authority Will Make a Loan in an Aggregate Amount Not to Exceed \$7,000,000 for the Purpose of Financing the Construction, Renovation, Improvement, and Equipping of Certain Educational Facilities for the Benefit of San Domenico School, Providing the Terms and Conditions for Such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

RESOLUTION NO. 22-22

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A MASTER LOAN AGREEMENT, PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$7,000,000 FOR THE PURPOSE OF FINANCING THE CONSTRUCTION, RENOVATION, IMPROVEMENT, AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES FOR THE BENEFIT OF SAN DOMENICO SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH MASTER 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 loan 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 Marin (the “County”) is an associate member of the Authority; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds or other evidences of indebtedness, rather than certificates of participation, and enter into a loan agreement; and

WHEREAS, San Domenico School (the “Borrower”) wishes to: (i) finance certain capital improvement projects, including construction, acquisition, installation, renovation, rehabilitation, equipping and/or furnishing, at the Borrower’s educational facilities consisting generally of 28 buildings totaling approximately 212,825 square feet on a 515-acre campus located at 1500 Butterfield Road, San Anselmo, California 94960, all such capital projects being owned and operated, or to be owned and operated, by the Borrower and used for educational purposes, and (ii) pay various transaction costs and other related costs in connection with the financing (collectively, the “Project”); and

WHEREAS, there has been filed with the Secretary of the Authority a proposed form of a (i) Master Loan Agreement (the “Master Loan Agreement”), by and among First Republic Bank, as lender (the “Lender”), the Authority and the Borrower, and (ii) Assignment Agreement (the “Assignment Agreement”) between the Authority and the Lender; and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from the Lender to the Authority (the “Authority Loan”) in an amount not to exceed \$7,000,000 to make a loan of equal amount to the Borrower (the “Borrower Loan,” and, together with the Authority Loan, the “Loan”); and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code and the Treasury Regulations thereunder, the Board of Supervisors of the County has adopted a resolution approving the Authority Loan, in order to finance the Project on a tax-exempt basis, which was signed by the President and attested by the Clerk, of the Board of Supervisors on May 10, 2022 (the “Board of Supervisors Approval”); and

WHEREAS, the Borrower is expected to provide significant benefits to the residents of the County and surrounding communities and will also create and retain employment opportunities for residents of the County and surrounding communities over the long term; and

WHEREAS, the financing for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; and

WHEREAS, pursuant to California Government Code Section 5852.1, certain information regarding the 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 California Enterprise Development Authority (the “Board”), as follows:

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct. The Board finds that it is in the public interest to assist the Borrower in financing the Project.

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Master 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 Authority) under the Borrower Loan.

Section 3. The proposed form of the Master Loan Agreement by and among the Authority, the Lender and the Borrower, on file with the Secretary of the Authority, is hereby approved in substantially the form presented to and considered at the meeting of the Board. 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 Master 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 Master Loan Agreement.

Section 4. The proposed form of the Assignment Agreement executed by the Borrower in favor of the Lender and the Authority, on file with the Secretary of the Authority, is hereby approved. Each of 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 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.

Section 5. Subject to the receipt by the Authority of the Board of Supervisors Approval, the Authority approves the Authority Loan on a tax-exempt basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$7,000,000 in accordance with the terms of and to be secured by the Master 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 Master Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Master 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 Project, any assignment by Lender to an affiliate of Lender or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chair or the Vice Chair or any designee of either of them 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 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 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. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed or delivered by the Authority until the Authority has received the Board of Supervisors Approval.

Section 9. 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.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this April 28, 2022.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

By: _____
Michelle Stephens, Assistant Secretary

Attachment I

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, San Domenico 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 28, 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 total principal amount not to exceed \$7,000,000 (the “Obligations”).

1. First Republic Bank, 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): 2.9301%.
 - b. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$151,500.
 - 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: \$6,848,500.
 - 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): \$10,033,592.12.
2. The good faith estimates provided above were 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.

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 28, 2022.

Michelle Stephens, Assistant Secretary