

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

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

### LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, September 16, 2021

### Zoom Call Information

<https://us02web.zoom.us/j/82384173363?pwd=VTZkaFZRU0hNaFNMb2NFVjRUa0Jjdz09>

Meeting ID: 823 8417 3363

Passcode: 515027

One tap mobile

+16699006833,,82384173363#,,,,\*515027# US (San Jose)

+13462487799,,82384173363#,,,,\*515027# US (Houston)

*Pursuant to the Governor's Executive Order N-29-20, 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 Livestream*

<https://us02web.zoom.us/j/82384173363?pwd=VTZkaFZRU0hNaFNMb2NFVjRUa0Jjdz09>

*and to submit comments in writing to michelle@caled.org by 7:00 pm on Sept 15, 2021.*

*To submit a comment in writing, please email michelle@caled.org and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments.*

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

### **Statement of Disclosure**

#### **Action Items**

1. Consent Agenda
  - a. Approve Minutes from the Regular Business Meeting on August 19, 2021.
  - b. Approve Resolution 21-33 Approving Associate Membership by the City of Adelanto in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to the Associate Membership of the City in the Authority.
2. Approve Resolution 21-34 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$4,000,000 to Finance Working Capital for Citrus Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
3. Approve Approve Resolution 21-35 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$5,000,000 to Finance Working Capital for Empire Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
4. Approve Resolution 21-36 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 \$17,000,000 for the Purpose of Financing a Portion of the Costs of the Acquisition and Renovation of Certain Educational and Related Facilities for the Benefit of Chinese American International School, Providing the Terms and Conditions for such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

### **Public Comment**

2150 River Plaza Drive, Suite 275, Sacramento, CA 95833 • (916) 448-8252, ext. 12

## **CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**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, August 19, 2021

#### Zoom Call Location

<https://us02web.zoom.us/j/81111543549?pwd=Z1FOSmY3ODIsYVV5bE5EclJHVHp4UT09>

Meeting ID: 811 1154 3549

#### 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  
Jessica Gonzales  
Joshua Metz  
Gurbax Sahota

CALED Management/

Staff Present:

Michelle Stephens

Public:

Bernhard Alvine, Kutak Rock  
Sam Balisy, Kutak Rock  
Peter Grabell, Dividend Finance

#### Statement of Disclosure

#### Action Items

1. Approve Consent Agenda
  - a. Approve Minutes from the Regular Meeting of August 12, 2021.

**Motion:** Board Member Josh Metz 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:*

Christina Bibler	Aye
Robert Burris	Aye
Jessica Gonzales	Aye
Joshua Metz	Aye
Gurbax Sahota	Aye

2. Approve Resolution 21-32 of the California Enterprise Development Authority Making Certain Findings and Determinations in Connection with and Confirming the Report Regarding the Establishment of a Contractual Assessment Program to Finance Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements;

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Confirming Assessments to be Levied within the Parameters of the Report; and Taking Certain other Actions Matters Relating Thereto Herein Specified – City of Patterson.

**Public Hearing:** Gurbax Sahota opened the Public Hearing. Hearing no comments, she closed the Public Hearing.

**Discussion:** Michelle Stephens gave the staff report.

**Motion:** Board Member Jessica Gonzales made the motion to approve Resolution 21-32. Board Member Christina Bibler seconded the motion on the floor.

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

Christina Bibler	Aye
Robert Burris	Aye
Jessica Gonzales	Aye
Joshua Metz	Aye
Gurbax Sahota	Aye

## **Public Comment**

### **Chair Report:**

Michelle noted that there was no meeting scheduled for next week. Josh Metz asked for an update on the CALED Board Retreat. Gurbax said it was in flux depending on the responses she is receiving from the Board. She will let the Board know when she has more information.

### **PACE Report**

Jacob Roth thanked the Board for approving the Public Hearing item for the City of Patterson. He noted that the project in Patterson should close at the end of September and would include a ~\$1-2 million in PACE financing.

### **Other Business**

### **Adjournment**

**Motion:** Board Member Josh Metz made the motion to adjourn the meeting. Board Member Jessica Gonzales seconded the motion on the floor. Gurbax Sahota adjourned the meeting at 10:40 am after the roll call vote.

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

Christina Bibler	Aye
Robert Burris	Aye
Jessica Gonzales	Aye
Joshua Metz	Aye
Gurbax Sahota	Aye

**RESOLUTION NO. 21-33**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF ADELANTO IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO THE ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY**

**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 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**, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

**WHEREAS**, the City of Adelanto (the “City”) wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

**WHEREAS**, the Board of Directors desires to admit the City into the Authority as an associate member;

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

**Section 1.** The City is hereby admitted as a new associate member of the Authority.

**Section 2.** The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

**Section 3.** This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 16<sup>th</sup> day of September, 2021.

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 September 16, 2021.

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Michelle Stephens, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution 21-34 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$4,000,000 to Finance Working Capital for Citrus Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	Citrus Springs Charter School, Inc.
<b>Borrower Description</b>	<p>Citrus Springs Charter School, Inc. is a K-12 charter school operating in Santa Ana, where it serves 334 primarily Hispanic/Latino students through the Santa Ana Student Center. The school is a part of the larger Springs Charter School network, which operates throughout Southern California.</p> <p>The Springs Charter School’s mission is to empower students by fostering their innate curiosity, engaging their parents, and promoting optimum learning by collaboratively developing a personalized learning program for each student. Springs Charter Schools was created and is operated by parents and understands that every child is on a personalized educational journey.</p> <p>The proceeds of this financing, not to exceed \$4 million, will be used to finance working capital for the Borrower and pay certain expenses incurred in connection with the issuance of the Notes.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Citrus Springs Charter School to realize savings that can be put back into its operations and purchasing 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;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval Resolution 21-34 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$4,000,000 to Finance Working Capital for Citrus Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.



**RESOLUTION NO. 21-34**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF TAXABLE REVENUE ANTICIPATION NOTES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000 TO FINANCE WORKING CAPITAL FOR CITRUS SPRINGS CHARTER SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID NOTES 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**, the Citrus Springs Charter School, a California nonprofit public benefit corporation operating a public charter school (the “Borrower”), wishes to finance working capital for the Borrower’s operations (the “Project”); and

**WHEREAS**, the Borrower has requested that the Authority issue and sell the Notes (hereinafter defined) for the purpose of making a loan to the Borrower to finance the Project; and

**WHEREAS**, the City of Santa Ana, California (the “City”) is an associate member of the Authority; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue notes, 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**, pursuant to an indenture, dated as of October 1, 2021 (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 the California Enterprise Development Authority Revenue Anticipation Notes (Citrus Springs Charter School), Series 2021 (Taxable) (the “Notes”) for the purpose, among others, of financing working capital for the Borrower’s operations;

**WHEREAS**, pursuant to a loan agreement, dated as of October 1, 2021 (or such other date as approved by the Authority) (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Notes to the Borrower for the purpose, among others, of financing the Project;

**WHEREAS**, pursuant to a Note Purchase Contract, to be dated the date of sale of the Notes (the “Note Purchase Contract”), among Stifel, Nicolaus & Company, Incorporated, as underwriter (the

“Underwriter”), the Authority and the Borrower, the Notes will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project, and to pay costs incurred in connection with the issuance of the Notes;

**WHEREAS**, the Notes will be offered for sale through a limited offering memorandum;

**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 Note Purchase Contract; and
- (4) A proposed form of preliminary limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Notes;

**WHEREAS**, the Project is expected to provide significant benefits to the residents of the City in providing educational and related services to residents of the City; 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. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue anticipation notes designated as the “California Enterprise Development Authority Revenue Anticipation Notes (Citrus Springs Charter School), Series 2021 (Taxable)” in an aggregate principal amount not to exceed \$4,000,000, as taxable obligations. The Notes shall be issued and secured in accordance with the terms of and shall be in the form or forms set forth in the Indenture, with such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board of Directors of the Authority (each, an “Authorized Signatory”) and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Notes shall be executed by the manual or facsimile signature of any Authorized Signatory and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

The Notes 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 Notes shall be made solely from loan payments made under the Loan Agreement and certain moneys held under the Indenture, and the Notes 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, dated date, maturity dates 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 Notes shall be as provided in the Indenture, as finally executed, provided that the maturity of the Notes shall not exceed 13 months.

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 Note Purchase Contract, 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 Note Purchase Contract, 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 preliminary Limited Offering Memorandum as presented at this meeting in preliminary form is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Notes and to deliver the Limited Offering Memorandum in final form to the purchasers of the Notes, in each case with such changes as any Authorized Signatory, with advice of counsel to Authority, deems desirable, necessary or appropriate.

Section 7. The Notes, 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 Notes by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Notes, 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 Notes to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. Any Authorized Signatory and any 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, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Notes, 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 Notes or otherwise securing the Notes 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 Notes, 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 Notes; (vi) modifying or eliminating the book-entry registration system for the Notes, 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 Notes 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 Notes are hereby ratified, confirmed and approved.

Section 12. 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 13. This Resolution shall take effect from and after its adoption.

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PASSED AND ADOPTED by the California Enterprise Development Authority this 16th day of September, 2021 by the following vote:

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 September 16, 2021.

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

[Citrus Springs Charter School 2021 - Authorizing Resolution]

## Staff Report

<b>Action Requested</b>	Approve Resolution 21-35 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$5,000,000 to Finance Working Capital for Empire Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.
<b>Borrower(s)</b>	Empire Springs Charter School, LLC
<b>Borrower Description</b>	<p>Empire Springs Charter School, Inc. is a K-12 charter school operating in Rancho Cucamonga, CA. Empire Springs serves 1,625 primarily Hispanic/Latino students. The school is a part of the larger Springs Charter School network, which operates throughout Southern California.</p> <p>The Springs Charter School’s mission is to empower students by fostering their innate curiosity, engaging their parents, and promoting optimum learning by collaboratively developing a personalized learning program for each student. Springs Charter Schools was created and is operated by parents and understands that every child is on a personalized educational journey.</p> <p>The proceeds of this financing, not to exceed \$5 million, will be used to finance working capital for the Borrower and pay certain expenses incurred in connection with the issuance of the Notes.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Empire Springs Charter School to realize savings that can be put back into its operations and purchasing 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;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval Resolution 21-35 of the California Enterprise Development Authority Authorizing the Issuance of Taxable Revenue Anticipation Notes in a Principal Amount not to Exceed \$5,000,000 to Finance Working Capital for Empire Springs Charter School, Providing the Terms and Conditions for the Sale and Issuance of Said Notes and other Matters Relating Thereto and Authorizing the Execution of Certain Documents Herein Specified.

**RESOLUTION NO. 21-35**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**A RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF TAXABLE REVENUE ANTICIPATION NOTES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 TO FINANCE WORKING CAPITAL FOR EMPIRE SPRINGS CHARTER SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID NOTES 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**, the Empire Springs Charter School, a California nonprofit public benefit corporation operating a public charter school (the “Borrower”), wishes to finance working capital for the Borrower’s operations (the “Project”); and

**WHEREAS**, the Borrower has requested that the Authority issue and sell the Notes (hereinafter defined) for the purpose of making a loan to the Borrower to finance the Project; and

**WHEREAS**, the City of Rancho Cucamonga, California (the “City”) is an associate member of the Authority; and

**WHEREAS**, pursuant to the provisions of the Act, the Authority may, at its option, issue notes, 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**, pursuant to an indenture, dated as of October 1, 2021 (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 the California Enterprise Development Authority Revenue Anticipation Notes (Empire Springs Charter School), Series 2021 (Taxable) (the “Notes”) for the purpose, among others, of financing working capital for the Borrower’s operations;

**WHEREAS**, pursuant to a loan agreement, dated as of October 1, 2021 (or such other date as approved by the Authority) (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Notes to the Borrower for the purpose, among others, of financing the Project;

**WHEREAS**, pursuant to a Note Purchase Contract, to be dated the date of sale of the Notes (the “Note Purchase Contract”), among Stifel, Nicolaus & Company, Incorporated, as underwriter (the

“Underwriter”), the Authority and the Borrower, the Notes will be sold to the Underwriter, and the proceeds of such sale will be used as set forth in the Indenture to finance the Project, and to pay costs incurred in connection with the issuance of the Notes;

**WHEREAS**, the Notes will be offered for sale through a limited offering memorandum;

**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 Note Purchase Contract; and
- (4) A proposed form of preliminary limited offering memorandum (the “Limited Offering Memorandum”) to be used by the Underwriter in connection with the offering and sale of the Notes;

**WHEREAS**, the Project is expected to provide significant benefits to the residents of the City in providing educational and related services to residents of the City; 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. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue anticipation notes designated as the “California Enterprise Development Authority Revenue Anticipation Notes (Empire Springs Charter School), Series 2021 (Taxable)” in an aggregate principal amount not to exceed \$5,000,000, as taxable obligations. The Notes shall be issued and secured in accordance with the terms of and shall be in the form or forms set forth in the Indenture, with such changes, deletions or insertions as may be approved by any of the Chair or the Vice Chair of the Board of Directors of the Authority (each, an “Authorized Signatory”) and legal counsel to the Authority, such approvals being conclusively evidenced by the execution and delivery thereof. The Notes shall be executed by the manual or facsimile signature of any Authorized Signatory and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority in the form set forth in and otherwise in accordance with the Indenture.

The Notes 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 Notes shall be made solely from loan payments made under the Loan Agreement and certain moneys held under the Indenture, and the Notes 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, dated date, maturity dates 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 Notes shall be as provided in the Indenture, as finally executed, provided that the maturity of the Notes shall not exceed 13 months.

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 Note Purchase Contract, 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 Note Purchase Contract, 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 preliminary Limited Offering Memorandum as presented at this meeting in preliminary form is hereby approved. The Underwriter is hereby authorized to distribute the Limited Offering Memorandum in preliminary form, to persons who may be interested in the purchase of the Notes and to deliver the Limited Offering Memorandum in final form to the purchasers of the Notes, in each case with such changes as any Authorized Signatory, with advice of counsel to Authority, deems desirable, necessary or appropriate.

Section 7. The Notes, 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 Notes by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Notes, 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 Notes to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

Section 8. Any Authorized Signatory and any 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, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Notes, 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 Notes or otherwise securing the Notes 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 Notes, 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 Notes; (vi) modifying or eliminating the book-entry registration system for the Notes, 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 Notes 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 Notes are hereby ratified, confirmed and approved.

Section 12. 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 13. This Resolution shall take effect from and after its adoption.

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PASSED AND ADOPTED by the California Enterprise Development Authority this 16th day of September, 2021 by the following vote:

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 September 16, 2021.

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

[Empire Springs Charter School 2021 - Authorizing Resolution]

## Staff Report

<b>Action Requested</b>	Approve Resolution 21-36 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 \$17,000,000 for the Purpose of Financing a Portion of the Costs of the Acquisition and Renovation of Certain Educational and Related Facilities for the Benefit of Chinese American International School, Providing the Terms and Conditions for such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Chinese American International School
<b>Borrower Description</b>	<p>Founded in 1981, the Chinese American International School (CAIS) was the first Chinese English dual language immersion school in the United States. An independent school serving preschool through eighth grade, it is in the Hayes Valley neighborhood of San Francisco and spans across three campuses. The Alice A. Carnes Center on Waller Street houses their Early Childhood Division’s Preschool accommodating three and four-year-olds. It is a 10-minute walk from the main Oak Street campus, which houses kindergarten and first Grade (also part of the Early Childhood Division) as well as the Lower School which comprises second through fifth grade classes.</p> <p>From preschool through fifth grade, CAIS students spend alternating days learning the core subjects of language arts, social studies, and math in an immersion setting with native Chinese speaking teachers, and alternating days with English speaking teachers.</p> <p>The Middle School program (grades six through eight) enjoys the 888 Campus a few blocks north on Turk Street. In middle school, the key subjects of math and science are only taught in English as CAIS prepares the students for high school.</p> <p>CAIS intends to use the proceeds, not to exceed \$17 million, together with other funds to finance the costs of the acquisition and renovation of the educational and related facilities located at 3250 19th Avenue, San Francisco, and to pay various transaction costs and related costs.</p>
<b>Public Benefits</b>	The tax-exempt financing will allow Chinese American International School to realize savings that can be put back into its operations and purchasing 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;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval Resolution 21-36 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 \$17,000,000 for the Purpose of Financing a Portion of the Costs of the Acquisition and Renovation of Certain Educational and Related Facilities for the Benefit of Chinese American International School, Providing the Terms and Conditions for such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.