

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING

TELECONFERENCE MEETING NOTICE and AGENDA

LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, September 21, 2023

Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

+16699006833,,83090950409#,,,,*866446# US (San Jose)

+13462487799,,83090950409#,,,,*866446# US (Houston)

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda

- a. Approve Minutes from August 17, 2023.

2. Approve Resolution 23-26 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 Acquisition, Construction, Installation, Furnishing and Equipping of Facilities for the Benefit of Truecare Property Holdings, LLC, North County Health Project Incorporated, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

3. Approve Resolution 23-27 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, Improvement, Equipping and Furnishing of Healthcare Facilities for the Benefit of Community Health Systems, Inc. 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

Other Business

Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local
Economic Development
(Contact Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

Rural County Representatives of
California (Contact Robert Burris)
1215 K Street, Suite 1650
Sacramento, CA 95814

City of Vista
(Contact Larry Vaupel)
200 Civic Center
Vista, CA 92084

City of West Sacramento
(Contact Aaron Laurel or
Sandra Barcenas)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

City of Corona
(Contact Jessica Gonzales)
400 S. Vicentia Avenue
Corona, CA 92882

Opportunity Stanislaus
(Contact Dave White)
1625 I Street
Modesto, CA 95354

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

City of Ontario
(Contact Jennifer Hiramoto)
303 E. B Street
Ontario, CA 91764

Josh Metz
(Contact Josh Metz)
5753 Desoto Dr.
Santa Rosa, Ca 95409

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

TELECONFERENCE MEETING

CEDA BOARD OF DIRECTORS

Thursday, August 17, 2023

Zoom Call Location

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnIjGj9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409

Teleconference Locations

California Association for Local Economic Development (Contact Michelle Stephens) 2150 River Plaza Dr., Suite 275 Sacramento, CA 95833	City of Vista (Contact Larry Vaupel) 200 Civic Center Vista, CA 92084	City of Corona (Contact Jessica Gonzales) 400 S. Vicentia Avenue Corona, CA 92882
Rural County Representatives of California (Contact Robert Burris) 1215 K Street, Suite 1650 Sacramento, CA 95814	City of West Sacramento (Contact Aaron Laurel or Sandra Barcenas) 1110 West Capitol Avenue, 3 rd Floor West Sacramento, CA 95691	Opportunity Stanislaus (Contact Dave White) 1625 I Street Modesto, CA 95354
City of Ontario (Contact Jennifer Hiramoto) 303 E. B Street Ontario, CA 91764	Josh Metz (Contact Josh Metz) 5753 Desoto Dr. Santa Rosa, Ca 95409	

Call to Order

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:32 a.m.

Roll Call

Members Present:

Bob Burris
Jessica Gonzales
Jennifer Hiramoto
Josh Metz (10:36 am)
Gurbax Sahota

CALED Management/ Staff Present:

Laura Cole-Rowe

Public:

Sam Balisy
Thomas Bruder
David Mnatsakanyan

Statement of Disclosure

None

Action Items

1. Consent Agenda
 - a. Approve Minutes from August 10, 2023.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Motion: Board Member Jessica Gonzales made the motion to approve the Consent Agenda. Board Member Robert Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris	Yes
Jessica Gonzales	Yes
Jennifer Hiramoto	Yes
Gurbax Sahota	Yes

2. Approve Resolution 23-24 of the California Enterprise Development Authority Authorizing and Approving An Amendment to Loan Agreement Pursuant to Which the California Enterprise Development Authority Will Make a Loan for the Purpose of Financing and Refinancing the Cost of Constructing, Developing, Installing, Improving, Equipping and Furnishing Certain Facilities for the Benefit of The Shining Star Foundation, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Laura Cole-Rowe gave the staff report. Sam Balisy commented on the project.

Motion: Board Member Jessica Gonzales made the motion to approve Resolution 23-24. Board Member Josh Metz seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris	Yes
Jessica Gonzales	Yes
Jennifer Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes

3. Approve Resolution 23-25 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 and Refinancing the Cost of the Acquisition, Construction, Renovation, Equipping and Furnishing of Educational Facilities for the Benefit of Pacific Autism Center for Education and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.

Discussion: Laura Cole-Rowe gave the staff report. Sam Balisy commented on the project.

Motion: Board Member Josh Metz made the motion to approve Resolution 23-25. Board Member Robert Burris seconded the motion on the floor.

The motion passed with the following roll call vote:

Bob Burris	Yes
Jessica Gonzales	Yes
Jennifer Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes

Public Comment

None

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Chair Report

Gurbax Sahota updated the board on the PACE program termination; weekly calls will continue.

Other Business

None

Adjournment

Motion: Robert Burris made the motion to adjourn the meeting. Jessica Gonzales seconded the motion on the floor.

Chair Gurbax Sahota adjourned the meeting at 10:45 am after the roll call vote.

The motion passed with the following roll call vote:

Bob Burris	Yes
Jessica Gonzales	Yes
Jennifer Hiramoto	Yes
Josh Metz	Yes
Gurbax Sahota	Yes

Staff Report

Action Requested	Approve Resolution 23-26 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 Acquisition, Construction, Installation, Furnishing and Equipping of Facilities for the Benefit of Truecare Property Holdings, LLC, North County Health Project Incorporated, and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Truecare Property Holdings, LLC, North County Health Project Incorporated
Borrower Description	<p>Truecare Property Holdings, LLC, North County Health Project Incorporated began operations in 1971 after a small group of dedicated health professionals identified a need to provide affordable quality healthcare to diverse and underserved communities. They provide healthcare services for diverse communities in the Inland Empire and San Diego counties and operate 15 state-of-the-art health centers that serve more than 66,000 patients with more than 300,000 visits annually.</p> <p>The borrower is requesting one or more loans not to exceed \$12,500,000 for financing, refinancing, and reimbursing the cost of the acquisition, construction, installation, furnishing and equipping of the real property located at 3998 Vista Way, Oceanside, California 92056.</p> <p>The new facilities will be used to provide a variety of healthcare services including dental services, patient support services, QuickCare services (same day treatment) and other clinic uses.</p>
Public Benefits	The tax-exempt financing will allow Truecare Property Holdings, LLC, 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 23-26.

RESOLUTION NO. 23-26

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 ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF FACILITIES FOR THE BENEFIT OF TRUECARE PROPERTY HOLDINGS, LLC, NORTH COUNTY HEALTH PROJECT INCORPORATED, 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, TrueCare Property Holdings, LLC, a California limited liability company, North County Health Project Incorporated, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, and/or a related or successor entity (collectively, the “Borrower”) has submitted an application to the Authority requesting the

Authority to make one or more loans (the “Borrower Loans”) in the aggregate principal amount not to exceed \$12,500,000 to the Borrower for the purpose of (1) financing, refinancing, and reimbursing the cost of the acquisition, construction, installation, furnishing and equipping of the real property located at 3998 Vista Way, Oceanside, California 92056 (collectively, the “Facilities”); (2) paying interest on the Authority Loans (as defined herein); and (3) paying costs of issuance and other related transaction costs in connection with the issuance of the Authority Loans, defined below; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt and/or taxable loans from CN Financing, Inc., or its successor and assign (the “Lender”), to the Authority (collectively, the “Authority Loans”) to make the Borrower Loans; 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.

WHEREAS, based on representations of the Borrower, the Borrower and the Facilities provide significant benefits to the residents of the County in connection with the Borrower’s mission of improve the health status of diverse communities by providing quality healthcare that is comprehensive, affordable, and culturally sensitive, and, based on representations of the Borrower, the financing 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 Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on 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 and refinancing the Facilities.

Section 2. The Authority hereby approves the Authority Loans, 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 Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loans.

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 Loans, 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 Loans to the Borrower in an amount not to exceed \$12,500,000 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 Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loans 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 Loans 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 Loans, 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 Loans and the Borrower Loans 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 Loans and the Authority Loans 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 21st day of September 2023.

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 21, 2023.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, TrueCare Property Holdings, LLC, a California limited liability company, and North County Health Project Incorporated, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (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 September 21, 2023 (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 \$12,500,000 (the “Obligations”).

1. CN Financing, Inc., or its successor or assign, as a private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations based on a representation by the Borrower concerning an estimated par amount of \$9,375,000 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): 6.18723%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$115,000 (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: \$9,260,000.00
 - 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): \$18,413,502.00
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

Action Requested	Approve Resolution 23-27 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, Improvement, Equipping and Furnishing of Healthcare Facilities for the Benefit of Community Health Systems, Inc. and/or a Related or Successor Entity; Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
Borrower(s)	Community Health Systems, Inc.
Borrower Description	<p>Community Health Systems, Inc. was established as Inland Empire Community Health Center to deliver quality healthcare services to vulnerable communities. Since 1984, they have been a champion for health services, including women’s health and prenatal care, pediatric services, dental and vision care, chiropractic care and behavioral health services. Community Health Systems, Inc. is a Federally Qualified Health Center, operating six community health centers in the tri-county area of: San Bernardino, Riverside, and San Diego.</p> <p>Established from the roots of Bloomington Community Health Center in Bloomington, CHSI has grown with community health centers in the counties of Riverside, San Bernardino, and San Diego. These centers have been developed in accordance with standards established for safety net providers by the U.S. Department of Health and Human Services (HHS), the Health Resources Services Administration (HRSA), the Public Health Service (PHS), and the Bureau of Primary Health Care (BPHC). The mission of CHSI is not to compete with other clinics that provide healthcare services, but to serve the indigent population and meet their healthcare needs.</p> <p>The borrower is requesting \$2,145,000 for financing, refinancing, and/or reimbursing the cost of the acquisition, construction, rehabilitation, remodeling, renovation and equipping of health care facilities located at 9380 Magnolia Avenue, Riverside, California 92503.</p>
Public Benefits	The tax-exempt financing will allow Community Health Systems, Inc. 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 23-27.

RESOLUTION NO. 23-27

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, IMPROVEMENT, EQUIPPING AND FURNISHING OF HEALTHCARE FACILITIES FOR THE BENEFIT OF COMMUNITY HEALTH SYSTEMS, INC. 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 Riverside, California (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, Community Health Systems, Inc., a California nonprofit public benefit corporation (the “Borrower”), an organization described in Section 501(c)(3) of the Code, has submitted an application to the Authority requesting the Authority to make one or more loans (the “Borrower Loans”) in the aggregate principal amount not to exceed \$5,500,000 to the Borrower, and/or a related or successor entity) for the purpose of (a) financing, refinancing, and

reimbursing the cost of the acquisition, improvement, equipping and furnishing of health care facilities located at 9380 Magnolia Avenue, Riverside, California 92503; and (b) paying costs of issuance and other related transaction costs in connection with the issuance of the Authority Loans, defined below; and

WHEREAS, the Authority intends to use the proceeds of one or more tax-exempt and/or taxable loans from CN Financing, Inc., a California corporation, and/or a related or successor entity (collectively, the “Lender”), to the Authority (collectively, the “Authority Loans”) to make the Borrower Loans; 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.

WHEREAS, based on representations of the Borrower, the Facilities provide significant benefits to the residents of the County in connection with the Borrower’s mission of providing high quality and compassionate medical, dental, women’s health, behavioral health, and vision care services to those who are under-served, uninsured, or under-insured; and, based on representations of the Borrower, the financing 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 Loans, attached hereto as Attachment I, has been presented to the Authority by the Borrower based on 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 and refinancing the Facilities.

Section 2. The Authority hereby approves the Authority Loans, 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 Loans pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loans will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loans. The payments to be made by the Authority to the Lender under the Authority Loans will be satisfied solely from payments made by the Borrower to the Lender (as assignee of the Authority) under the Borrower Loans.

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 Loans, 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 Loans to the Borrower in an amount not to exceed \$5,500,000 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 Loans shall be made solely from the revenues to be received by the Authority from the Borrower Loans pursuant to the Loan Agreement, and the Authority Loans shall not be deemed to constitute a debt or liability of the State of California or any political subdivision thereof. The Authority Loans 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 Loans 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 Loans, 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 Loans and the Borrower Loans 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 Loans and the Authority Loans 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 Loans pursuant to Section 147(f) of the Code.

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

PASSED AND ADOPTED this 21st day of September, 2023.

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 21, 2023.

Michelle Stephens, Assistant Secretary

ATTACHMENT I
PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, Community Health Systems, Inc., and/or a related or successor entity (collectively, the “Borrower”), duly organized and existing under the laws of the State of California, have 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 September 21, 2023 (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 \$5,500,000 (the “Obligations”).

1. CN Financing, Inc., as a private placement lender, engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations based on a representation by the Borrower concerning an estimated par amount of \$2,145,000 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): 5.70233%
 - B. The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$40,000.00 (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: \$2,105,000.00
 - 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): \$3,986,678.08.
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.