

RESOLUTION NO. 2022-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA APPROVING THE ISSUANCE BY CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE OBLIGATIONS FOR THE BENEFIT OF VANGUARD UNIVERSITY OF SOUTHERN CALIFORNIA FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, DEVELOPMENT, INSTALLATION, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY FINDS AND DECLARES AS FOLLOWS:

WHEREAS, Vanguard University of Southern California, a California nonprofit religious corporation, and/or a related or successor entity (the "Borrower") has requested that the California Enterprise Development Authority (the "Authority") issue tax-exempt and/or taxable revenue obligations in an amount not to exceed \$30,000,000 (the "Obligations"), for and on behalf of the Borrower, pursuant to the provisions of Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500) (the "Act"), to (a) finance and refinance the construction, development, improvement, installation, equipping and furnishing of certain educational and ancillary facilities located at the Borrower's campus at 55 Fair Drive and 2374 Newport Boulevard, both located in Costa Mesa, California (the "Campus"), including, but not limited to, an approximately 61,000-square-foot gymnasium/event center with locker rooms, a weight room, athletic training room and various athletic offices, classrooms, laboratories and administrative offices, and other campus improvements (collectively, the "Facilities"), and (b) pay certain costs of issuance and capitalized interest in connection with such financing and refinancing; and

WHEREAS, the Borrower owns and operates the Facilities as part of its university with the purpose of furthering the Borrower's mission of educating students to pursue the values of truth, virtue and service; and

WHEREAS, the City of Costa Mesa (the "City") is an Associate Member of the Authority and is eligible to participate in the Authority's financing programs; and

WHEREAS, the issuance of the Obligations shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party; and

WHEREAS, the Facilities are located within the territorial limits of City; and

WHEREAS, the interest on the Obligations may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligations are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is the applicable elected representative required to approve the issue within the meaning of Section 147(f) of the Code; and

WHEREAS, the Borrower and the Authority have requested the City Council to approve the issuance of the Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; provided, however, that this Resolution is neither intended to nor shall it constitute an approval by the City Council of the Facilities for any other purpose; and

WHEREAS, a public hearing was held by the City Council on this 17th day of May, 2022, at the meeting which commenced at the hour of 6:00 p.m., in the Council Chambers of the City of Costa Mesa, 77 Fair Drive, Costa Mesa, California 92626, following a duly published notice thereof in a newspaper of general circulation in the City of Costa Mesa, on May 6, 2022, and all persons desiring to be heard have been heard;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES as follows:

Section 1. The City Council hereby finds and determines that all of the recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Obligations by the Authority, from time to time, pursuant to a plan of finance, which Obligations may be tax-exempt and/or taxable as approved by the Authority in its resolution, in an amount not to exceed \$30,000,000 to finance and refinance the costs of the Facilities. This resolution shall constitute "host" approval of the issuance of the Obligations within the meaning of

Section 147(f) of the Code and shall constitute the approval of the issuance of the Obligations within the meaning of the Act; provided, however, that this Resolution shall not constitute an approval by the City Council of the Facilities for any other purpose. The City shall not bear any responsibility for the tax-exempt status of the interest on the Obligations, the payment of the principal of or interest on the Obligations or any other matter related to the Obligations. The City does not have any responsibility for the debt and is not pledging any assets as security for the debt.

Section 3. All actions heretofore taken by the officers, employees and agents of the City with respect to the approval of the Obligations are hereby approved, confirmed and ratified, and the officers and employees of the City and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the Obligations and otherwise to effectuate the purposes of this Resolution.

Section 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing for the Facilities; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of the Facilities; or (iii) make any contribution or advance any funds whatsoever to the Authority.

Section 5. This Resolution shall take effect from and after adoption.

Section 6. The City Clerk of the City of Costa Mesa shall certify the adoption of this resolution, and thenceforth and thereafter the same shall be in full force and effect.

PASSED AND ADOPTED this 17th day of May, 2022.

John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

Brenda Green, City Clerk

Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2022-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 17th day of May 2022, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 17th day of May 2022.

BRENDA GREEN, CITY CLERK