

DESERT COLLEGE FINANCING CORP.

**RESOLUTION APPROVING, AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY BY THE CORPORATION OF CERTAIN FINANCING DOCUMENTS IN CONNECTION WITH THE FINANCING OF THE CONSTRUCTION OF THE INDIO EXPANSION PROJECT AND AUTHORIZING AND DIRECTING THE EXECUTION OF NECESSARY DOCUMENTS AND TAKING CERTAIN ACTIONS WITH RESPECT THERETO**

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RESOLVED, by the Board of Directors (the “Board”) of Desert College Financing Corp., a California nonprofit public benefit corporation (the “Corporation”):

WHEREAS, Desert Community College District, a California community college district (the “District”), working with the Corporation, is preparing to proceed with a proposed transaction utilizing federal New Markets Tax Credits (the “NMTC Financing”) under Section 45D of the Internal Revenue Code of 1986, as amended (the “Code”), in connection with the financing of the development of the real property situated at 45-524 Oasis Street, Indio, California (the “Site”) and those facilities constructed and to be constructed on the Site (collectively, the “Improvements”), which will include 67,000 square feet of gross new building space with classrooms, a café, offices, science labs, a student success services center, open study and collaboration areas and a pavilion connecting it to the existing campus building (the “Indio Expansion Project”); and

WHEREAS, in connection with the NMTC Financing, the Corporation will enter into that certain Capital Lease between the District and the Corporation dated as of the date hereof (the “Capital Lease”), pursuant to which the District will lease the Site to the Corporation; and

WHEREAS, the Corporation has agreed to sublease the Site and Indio Expansion Project back to the District pursuant to that certain Operating Sublease dated as of the date hereof (the “Operating Sublease”), by and between the Corporation and the District; and

WHEREAS, the Corporation, as borrower, has requested that subsidiary community development entities (or “SubCDEs”) of California Statewide Communities Development Corporation (CSCDC 24 LLC), Prestamos CDFI, LLC (Prestamos Sub-CDE 27, LLC), Border Communities Capital Company, LLC (BCCCXIII, LLC), USBCDE LLC (USBCDE Sub-CDE 243, LLC), New Markets Community Capital, LLC (New Markets Community Capital XXXVIII, LLC), Clearinghouse Community Development Financial Institution (Clearinghouse NMTC (Sub 73), LLC), and Self Help Ventures Fund (Self-Help New Markets 18, LLC), and together with the prior 6 SubCDEs, the “Lenders”) provide certain loans (the “Loans”) to the Corporation in connection with the NMTC Financing for the acquisition of the Site and construction of the Improvements; and

WHEREAS, it is a condition of making the Loans that the Corporation enter into and be bound by a Loan Agreement (as hereinafter defined) with Lenders, and certain other

Loan Documents (as defined in the Loan Agreement), including but not limited to certain guaranties and indemnities in favor of the Lenders and their affiliates, each dated as of the date hereof; and

WHEREAS, it is in the public interest and for the public benefit that the Corporation authorize and direct execution of the Capital Lease, Operating Sublease, Loan Agreement, Loan Documents and certain other Financing Documents (as hereinafter defined) in connection therewith; and

WHEREAS, the Corporation has full legal right, power and authority under the laws of the State of California and the validation proceeding pursuant to Civil Procedure Sections 585(c) and 860 *et seq.*, and other applicable California law (the “Validation Proceeding”) brought by the District in the Superior Court of the State of California, County of Riverside, to enter into the transactions herein authorized; and

WHEREAS, the Board has been presented with the form of each document referred to and defined herein, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of the transactions contemplated thereby; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Corporation is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DESERT COLLEGE FINANCING CORP., as follows:

Section 1. All of the recitals above are true and correct.

Section 2. The proposed forms of the below-enumerated documents, as presented to this Board and on file with the Secretary of the Corporation, be and are hereby approved, and the President, Vice President or such other member of the Board as the President may designate, are each hereby authorized and directed to execute said documents for and in the name of and on behalf of the Corporation, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official’s signature (collectively, the “Financing Documents”):

(a) a Capital Lease, by and between the District as lessor, and the Corporation, as lessee, relating to the Indio Expansion Project (the “Capital Lease”);

(b) an Operating Sublease, by and between the Corporation, as sublessor, and the District, as sublessee (the “Operating Sublease”);

(c) a [Loan Agreement], by and among the Corporation and Lenders, relating to the NMTC Financing and the execution and delivery of the promissory notes associated therewith (the “Loan Agreement”);

(d) a QLICI Loan A1 Note executed by the Corporation in favor of CSCDC 24 LLC in the original principal amount of \$8,160,900 (the “A1 Note”), and a QLICI Loan B1 Note executed by the Corporation in favor of CSCDC 24 LLC in the original principal amount of \$2,839,100 (the “B1 Note”), a QLICI Loan A2 Note executed by the Corporation in favor of Prestamos Sub-CDE 27, LLC in the original principal amount of \$7,913,400 (the “A2 Note”), and a QLICI Loan B2 Note executed by the Corporation in favor of Prestamos Sub-CDE 27, LLC in the original principal amount of \$2,866,600 (the “B2 Note”), a QLICI Loan A3 Note executed by the Corporation in favor of BCCCXXIII, LLC in the original principal amount of \$6,994,000 (the “A3 Note”), and a QLICI Loan B3 Note executed by the Corporation in favor of BCCCXXIII, LLC in the original principal amount of \$2,706,000 (the “B3 Note”), a QLICI Loan A4 Note executed by the Corporation in favor of USBCDE Sub-CDE 243, LLC in the original principal amount of \$2,135,700 (the “A4 Note”), and a QLICI Loan B4 Note executed by the Corporation in favor of USBCDE Sub-CDE 243, LLC in the original principal amount of \$834,300 (the “B4 Note”), a QLICI Loan A5 Note executed by the Corporation in favor of New Markets Community Capital XXXVIII, LLC in the original principal amount of \$5,675,200 (the “A5 Note”), and a QLICI Loan B5 Note executed by the Corporation in favor of New Markets Community Capital XXXVIII, LLC in the original principal amount of \$2,164,800 (the “B5 Note”), a QLICI Loan A6 Note executed by the Corporation in favor of Clearinghouse NMTC (Sub 73), LLC in the original principal amount of \$8,302,800 (the “A6 Note”), and a QLICI Loan B6 Note executed by the Corporation in favor of Clearinghouse NMTC (Sub 73), LLC in the original principal amount of \$3,217,200 (the “B6 Note”), and a QLICI Loan A7 Note executed by the Corporation in favor of Self-Help New Markets 18, LLC in the original principal amount of \$9,514,700 (the “A7 Note”), and a QLICI Loan B7 Note executed by the Corporation in favor of Self-Help New Markets 18, LLC in the original principal amount of \$3,485,300 (the “B7 Note”) evidencing the Loans (collectively, the “Notes”) (each of the Note amounts shown herein are approximate amounts, subject to change as the NMTC Financing is finalized);

(e) a [Leasehold Deed of Trust (with Assignment of Leases and Rents, Security Agreement and Fixture Filing)] dated as of the date hereof, executed by the Corporation, as grantor, to [First American Title Company], as trustee, for the benefit of Lenders, as beneficiaries (the “Deed of Trust”), securing the Corporation’s obligations under the Loan Agreement;

(f) an Environmental Indemnity Agreement dated as of the date hereof, executed by the Corporation and the District in favor of Lenders (the “Environmental Indemnity”);

(g) a Bank Account Pledge Agreement (Disbursement Account) dated as of the date hereof, by and among the Corporation and Lenders (the “Deposit Account Pledge Agreement (Disbursement Account)”);

(h) a Blocked Account Control Agreement (Disbursement Account) dated as of the date hereof, by and among the Corporation, Lenders, and U.S. Bank National Association, a national banking association (the “Deposit Account Control Agreement (Disbursement Account)”);

(i) separate Bank Account Pledge Agreements for reserves established for each respective Lender dated as of the date hereof, each agreement by and between the Corporation and such Lender (collectively, the “Deposit Account Pledge Agreements - Fee Reserves”);

(j) separate Blocked Account Control Agreements for reserves established for each respective Lender dated as of the date hereof, each agreement by and among the Corporation, such Lender, and U.S. Bank National Association, a national banking association (collectively, the “Deposit Account Control Agreements - Fee Reserves”);

(k) a QALICB Recapture and Environmental Indemnity executed by the Corporation and the District in favor of U.S. Bancorp Community Development Corporation, a Minnesota corporation (the “Investor”), dated as of the date hereof, pursuant to which the Corporation agrees to indemnify the Investor against the recapture or disallowance of the New Markets Tax Credits attributable to certain of the Corporation’s acts or omissions, including but not limited to the failure of the Corporation to be classified as a qualified active low-income community business under the Code (the “QALICB Recapture and Environmental Indemnity”);

(l) a Certificate Regarding Debarment, Suspensions, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions dated as of the date hereof, executed by the Corporation in connection with the NMTC Financing (the “Debarment Certificate”);

(m) New Markets fee and expense agreements executed by one or more Lenders, as required, and the District and the Corporation, dated as of the date hereof, pursuant to which the Corporation agrees to pay to such Lender, their members, affiliates, and/or consultants, certain costs and fees related to the NMTC Financing;

(n) a Community Benefits Agreement executed by the Corporation, the District, and each of the Lenders, dated as of the date hereof, pursuant to which the Corporation and the District agree upon certain community benefit targets related to the NMTC Financing;

(o) a Disbursing Agreement executed by the Corporation, Lenders and the Investor;

(p) a [Reimbursement Agreement] by and between the District and the Corporation, whereby the District agrees to reimburse the Corporation for certain previously incurred costs related to the Indio Expansion Project;

(q) an [Intercreditor Agreement by and among the Corporation, Lenders and [ ]];

(r) a [Reimbursement and Compliance Agreement] executed by the Corporation, the District, and the Lenders dated as of the date hereof regarding certain representations, warranties and covenants of the Corporation and the District related to the NMTC Financing; and

(s) certain other documents, instruments and agreements, including without limitation, the memorandum of Capital Lease, the flow of funds, the electronic signatures agreement and the California judicial reference agreement.

Section 3. The Board does hereby approve, authorize, ratify and confirm (a) the execution and delivery by the Corporation of the Financing Documents to which the Corporation is a party and (b) the consummation of all other transactions described in the recitals to this Resolution and contemplated Financing Documents.

Section 4. The Board authorizes and directs the President or Vice President, on behalf of the Corporation or such other member of the Board or other permitted person as the President may designate, to take such further actions and execute documents as are deemed necessary and appropriate to obtain the Loans and to perform its obligations under the foregoing.

Section 5. The President, Vice President or such other member of the Board or other permitted person as the President may designate, is authorized and directed to cause and take such further actions prior to the signing of the final Financing Documents and instruments as are deemed necessary or appropriate. The execution of the final Financing Documents and instruments, which shall include such changes and additions thereto deemed advisable by the President or Vice President shall be conclusive evidence of the approval of such documents and instruments.

Section 6. The Board authorizes and directs the President or Vice President, on behalf of the Corporation, or such other member of the Board or other permitted person as the President may designate, to pay all required fees and other transaction costs in order to obtain the Loans and to grant liens and security interests to the Lenders, including but not limited to a leasehold deed of trust on the Indio Expansion Project, to secure the Loans and the obligations of the Corporation, collectively, under the Financing Documents.

Section 7. The President, Vice President, or such other member of the Board or other permitted person as the President may designate, is hereby authorized to enter into such other agreements and to take all such other actions as may be necessary or required of the Corporation in connection with the Loans and the other agreements described in the foregoing resolution and any and all such other documents on the terms and conditions set

forth in the forms thereof provided to the Corporation or upon such other or additional terms as such member of the Board shall deem appropriate.

Section 8. The Board authorizes and directs the President or Vice President, on behalf of the Corporation or such other member of the Board or other permitted person as the President may designate, to open certain bank accounts at U.S. Bank National Association in the name and for the use of the Corporation in connection with the transactions described in the foregoing recitals and resolutions and contemplated in the Financing Documents.

Section 9. This Resolution shall take effect immediately upon its adoption.

Section 10. All actions heretofore taken by the officers, employers and agents of the Corporation with respect to the transactions contemplated by the foregoing resolutions are hereby ratified, affirmed, and approved in all respects.

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**SECRETARY’S CERTIFICATE**

I, John White, Secretary of Desert College Financing Corp., hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said Corporation duly and regularly held on the \_\_\_ day of January, 2024 were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at Desert Community College District, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: January \_\_, 2024.

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Name: John White, Secretary  
Desert College Financing Corp.