

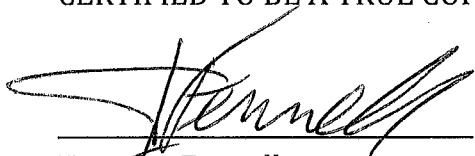


THE FOLLOWING IS BOARD ACTION FROM THE MARCH 12, 2019 – 22nd DAA BOARD OF DIRECTORS MEETING

Director RICHARD VALEZ motioned to approve the IBank revised Resolution No. 2019-06 (see attached). Director LISA BARKETT seconded.

Director Pierre Sleiman, Lee Haydu, Frederick Schenk, Vice President Richard Valdez, President Steve Shewmaker, Directors Lisa Barkett, David Watson, and Don Mosier were all in favor and the motion carried. Director Kathlyn Mead was absent due to illness.

CERTIFIED TO BE A TRUE COPY:



Timothy Fennell
Secretary-Manager
3/12/19

RESOLUTION NO. 2019 - 06

A RESOLUTION OF THE 22ND DISTRICT AGRICULTURAL ASSOCIATION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ("IBANK") FOR FINANCING A CAPITAL IMPROVEMENT PROJECT, AUTHORIZING THE INCURRING OF AN OBLIGATION PAYABLE TO IBANK FOR THE FINANCING OF A CAPITAL IMPROVEMENT PROJECT, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF AN OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the California Infrastructure and Economic Development Bank ("IBank") administers a financing program to assist local governments with the financing of eligible projects in accordance with Section 63000 *et seq.* of the California Government Code (the "Act"); and

WHEREAS, IBank created the Infrastructure State Revolving Fund Program ("ISRF Program") pursuant to the provision of the Act; and

WHEREAS, IBank has instituted an application process for financing under its ISRF Program; and

WHEREAS, IBank's Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the ISRF Program, dated February 23, 2016, and as may thereafter be amended from time to time (the "Criteria"), establishes requirements for the financing of projects under the ISRF Program; and

WHEREAS, the 22nd District Agricultural Association, an agency of the State of California ("Borrower") submitted an application ("Financing Application") to IBank under the ISRF Program for financing and refinancing the costs of its Concert Venue Project ("Project") in an amount not to exceed \$15,000,000; and

WHEREAS, the Act and the Criteria require the Borrower to make, by resolution of its governing body, certain findings prior to a project being selected for financing by IBank; and

WHEREAS, the Borrower expects to incur or pay certain expenditures in connection with the Project that are reimbursable with the proceeds of tax exempt bonds or other tax exempt securities under Federal Tax Law (defined below) prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis (the "Reimbursement Expenditures"); and

WHEREAS, the Borrower reasonably expects that a financing arrangement ("Obligation") in an amount not expected to exceed \$15,000,000 will be entered into

under and memorialized by one or more financing agreements and related documents (collectively, the "Financing Agreement") and that certain proceeds of such Obligation will be used to reimburse the Applicant for Reimbursement Expenditures incurred or paid prior to incurring the Obligation; and

WHEREAS, the Borrower acknowledges that IBank funds the ISRF Program, in part, with the proceeds of tax exempt bonds and, as such, has certain compliance obligations that may require it to have the Borrower enter into one or more new financing agreements to replace the Financing Agreement (collectively, the "Replacement Agreement") on terms and conditions substantially identical to the original Financing Agreement.

NOW, THEREFORE, be it resolved by the BOARD OF DIRECTORS (the "BOARD") of the Borrower as follows:

Section 1. The BOARD hereby approves confirms, ratifies, and affirms all actions of the Borrower's representatives, employees and officers heretofore taken in connection with, or with respect to, submitting the Financing Application, and the consideration and approval of the Obligation and the Financing Agreement, and in connection therewith the BOARD finds and certifies:

- a. The Project facilitates the effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;
- b. The Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities;
- c. That the Project is consistent with the General Plan of the City of Del Mar, and the General Plan of the County of San Diego;
- d. The proposed financing is appropriate for the Project;
- e. The Project is consistent with the Criteria; and
- f. It has considered (i) the impact of the Project on California's land resources and the need to preserve such resources; (ii) whether the Project is economically or socially desirable; and (iii) whether the project is consistent with, and in furtherance of the State Environmental Goals and Policy Report (as defined in the Criteria).

Section 2. The Borrower hereby declares its official intent to use proceeds of the Obligation to reimburse itself for the Reimbursement Expenditures with the proceeds of tax exempt bonds or other tax exempt securities issued under the provisions of the Internal Revenue Code of 1986, as amended, and those Treasury Regulations implementing such provisions (collectively, "Federal Tax Law"). This declaration is made solely for purposes of establishing compliance with applicable requirements of Federal Tax Law and its date is controlling for purposes of reimbursement under Federal Tax Law. This declaration does not bind the Applicant to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Resolution. The Borrower will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure was paid or the date the Project was placed in service or abandoned, but in no event more than three (3) years after the original expenditure was paid.

Section 4. The BOARD Secretary, TIMOTHY FENNELL and his or her designee is hereby authorized and directed to act on behalf of the Applicant in all matters pertaining to the Financing Application and the execution of related financial documents, including but not limited to, the authority to: (i) pledge the revenues of the Borrower generated from the operation of the Del Mar Fairgrounds, and all legally available amounts in the Borrower's enterprise funds, on a parity basis with the Applicant's obligations in connection with the lien of the 2018 IBank Installment Sale Agreement No. CIEDB 18-121, to the repayment of the Obligation, (ii) provide covenants relating to, among other things, maintaining the debt service coverage ratio required by IBank, rates and charges to be pledged, and as to any other security or collateral securing the Obligation, and (iii) take any other action necessary or desirable to enable the Applicant to enter into the Financing Agreement and incur the Obligation; provided that the Borrower shall not pledge in connection with the Obligation any revenues pledged by the Borrower, the Del Mar Racetrack Authority, or the State Race Track Leasing Commission in connection with the Del Mar Race Track Authority's Revenue Bonds, Series 2015.

Section 5. BOARD Secretary, TIMOTHY FENNELL and his or her designee is authorized to negotiate, enter into and sign financing documents and any amendments thereto, including, but not limited to the Financing Agreement and the Replacement Agreement, with IBank for the purposes of financing the Obligation.

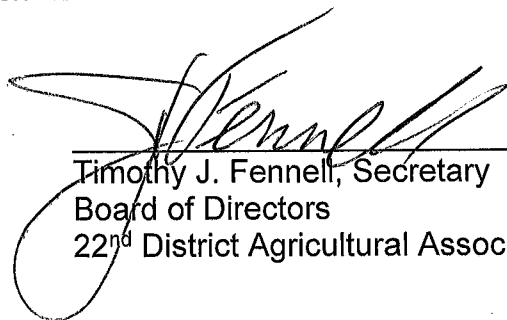
Section 6. This Resolution shall become effective immediately upon adoption.

* * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the BOARD OF DIRECTORS of the 22ND DISTRICT AGRICULTURAL ASSOCIATION in a regular meeting assembled on the 12TH day of March 2019, by the following vote:

AYES	8
NOES:	0
ABSENT:	1
ABSTENTIONS:	0

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the seal of said BOARD OF DIRECTORS OF THE 22ND DISTRICT AGRICULTURAL ASSOCIATION this 12th day of March 2019.



Timothy J. Fennell, Secretary
Board of Directors
22nd District Agricultural Association