

RESOLUTION NUMBER 2022-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER ADOPTING FINANCING AGREEMENTS

WHEREAS, San Diego Community Power is a California joint powers authority formed to operate a Community Choice Aggregation Plan for its members (“SDCP”); and

WHEREAS, SDCP entered into a Credit Agreement with River City Bank to provide a revolving credit facility in the amount of \$35,000,000 in May, 2020 (“Credit Agreement”), which comes due on May 31, 2022; and

WHEREAS, SDCP continues to require financing to provide working capital and credit support for power purchases and to fund operations until such time as SDCP has accumulated sufficient operating reserves to be self-sustaining; and

WHEREAS, SDCP has negotiated an Amended and Restated Credit Agreement with River City Bank that will (i) increase in the credit facility to \$50,000,000 to support increased costs for energy and the expansion of SDCP operations with the addition of new members; and (ii) provide an extension of the credit facility to April 1, 2024;

WHEREAS, SDCP is in the process of obtaining consent to the Amended and Restated Credit Agreement from Emerald Blue, LLC, and B Quest Foundation, each of which provided collateral for the River City Bank credit facility in the amount of \$5,000,000 (which loans are subordinate to the River City Bank funding pursuant to a separate subordination agreement between Emerald Blue, B Quest Foundation and River City Bank); and

WHEREAS, the Board has previously approved a memorandum of understanding with the City of San Diego for the repayment of startup funding provided by the City, which funding will continue to be subordinate to the River City Bank, Emerald Blue, LLC and B Quest financing, subject to obtaining the consent of the City of San Diego to the changes set forth in the Amended and Restated Credit Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of SDCP as follows:

1. The Board of Directors has determined that the recitals herein are true and correct.
2. The Board of Directors hereby approves the Amended and Restated Credit Agreement with River City Bank and authorizes the Chief Financial Officer, or his designee, to (i) finalize the terms of the Amended and Restated Credit Agreement with the advice of legal counsel and all ancillary agreements and documents in connection therewith; and (ii) to execute such Amended and Restated Credit Agreement and Amended Revolving Credit Note, and such other ancillary agreements or documents as are approved by legal counsel as to form.

3. The Board of Directors hereby directs the Chief Financial Officer, or his designee, to work with Emerald Blue, LLC, B Quest Foundation and the City of San Diego to obtain the their consent to the terms of the Amended and Restated Credit Agreement as required by their respective Subordination Agreements with River City Bank.
4. This Resolution shall be effective immediately after its adoption by the Board of Directors.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power on March 24, 2022.

Megan Wiegelman

Interim Board Clerk

Attest 03 / 28 / 2022

Approved as to form:

Ryan M. F. Baron

Ryan Baron
SDCP Legal Counsel

03 / 29 / 2022

Joseph Mosca

Chair, Board of Directors

03 / 25 / 2022

AYES: 4 NAYS: _____ ABSENT: 3 ABSTAIN: _____

AYES: Directors Sotelo-Solis, LaCava, Baber, and Chair Mosca

NOES:

ABSTAIN:

ABSENT: Directors Lawson-Remer, Dedina, and Alternate Director McCann