

LANCER PLAZA, LLC

CONTINUING DISCLOSURE ANNUAL REPORT

JUNE 30, 2024

Lancer Plaza, LLC (the “Organization”) operates as a title holding company of facilities for the direct benefit of California Baptist University (the “University”). The Organization was established for the purpose of supporting the tax exempt charitable purposes of its sole voting member, Lancer Educational Housing Corporation.

The Organization has applied the proceeds of its California Statewide Communities Development Authority Revenue Bonds (Lancer Plaza, LLC) Series 2013, to the construction, rehabilitation and acquisition of education-related facilities and equipment. The bond agreement requires the Organization to comply with various covenants, conditions and restrictions, including maintaining certain financial ratios. The calculations and audit certification for the Fiscal Year 2023-24 covenants are attached.

Status of Construction

All tenant improvements on the Organization’s facilities were completed by May 2014 at which time the University departments began occupying the facilities.

Ancillary Student Facilities

The departments that are housed in the Lancer Plaza North project area are: The Post, Campus Store, Student Care (which includes Assessment), Community Life (which includes Leadership, New Student Programs and Student Clubs, Recreation, Campus Activities and New Student Orientation) and Spiritual Life. Lancer Plaza North also houses the eateries El Monte Grill and Couch’s Corner as well as a practice facility for the Wrestling team.

During the summer of 2019, renovations were made to the former suite that had been occupied by Subway. A new food venue was created which is called Couch’s Corner. Couch’s Corner provides Shake Smart (acai, shakes, smoothies and wraps). This project was funded with University budget dollars.

Construction of expanded space for both the Recreation and Athletic Performance Centers was completed during the summer of 2019. The Recreation Center was increased by approximately 11,800 square feet, adding a third basketball court, additional exercise rooms and additional offices. The Athletic Performance Center was increased to approximately 12,500 square feet. The Recreation Center construction was funded by University student fees with an approximate project cost of \$11.5 million. The Athletic Performance Center had an approximate project cost of \$5 million and was funded by a combination of University 2016 bond proceeds (\$4 million) and University budgeted funds (\$1 million).

Third Party Leases

California Baptist University has a master lease for the facilities at Lancer Plaza with the Organization. All spaces owned by Lancer Plaza, LLC are used by the University. California Baptist University directly leased land to one third-party during the Fiscal Year 2023-24. The description of this external lease is as follows:

<u>Lessee</u>	<u>Square Footage</u>	<u>Lease Expiration</u>
Bakers (ground lease)	2,256 sq. ft.	8/10/2029

LANCER PLAZA LLC:

Gross Revenue Pledge:

Bonds are secured by a security interest in all gross revenues of Lancer Plaza (no testing required)

Net Revenues Test:

Section 5.15 of Loan Agreement

Gross Revenues > or = to 105% of Bond Debt Service + Parity Debt (Outstanding Bond Debt Service)

Gross Revenues = all revenue - gifts restricted for purposes other than debt repayment - unrealized gains/losses - any income obligated to others by contract

	2024
Revenue	\$ 2,612,724
Less: Restricted gifts	-
Less: Unrealized gains/losses	-
Less: income obligated to others	-
Gross Revenue	2,612,724
Total Expenses	(2,340,992)
Add: Depreciation	739,706
Add: Amortization	47,430
Add: Total Bond/Loan Debt Service (interest only)	1,553,856
Net revenues	\$ 2,612,724
Bond debt service + Parity debt	\$ 2,263,856
Result	115%
	Note 1

Security Interest Requirements:

No other debt can have an earlier security interest

Pass

Additional Debt Test:

If parity debt is issued, several other covenants must be met, see bond indenture.

Pass

No additional debt issued in FY 6/30/24

Debt Service Fund Requirements:

Debt Service reserve must equal maximum annual debt service.

Pass

Notes:

(1) This calculation is only a condition to the issuance of any additional bonds and to any future reconfiguration of the Premises leased to the University under the master lease of the facilities. As such, this calculation is being provided for informational purposes only.



CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
Lancer Educational Housing Corporation
c/o Mark Howe
8432 Magnolia Avenue
Riverside, California 92504

Re:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS
(LANCER PLAZA, LLC), SERIES 2013 (the "Bonds")

We have audited, in accordance with generally accepted auditing standards, the financial statements of Lancer Educational Housing Corporation (Corporation) as of June 30, 2024 and for the year then ended, and have issued our report thereon dated September 20, 2024.

In connection with our audit, nothing came to our attention that would lead us to believe that an Event of Default had occurred. In addition, we found that the Corporation was in compliance at June 30, 2024 with the Additional Debt, Debt Service Coverage Ratio, Debt Service Fund Requirements, and Security Interest Requirements, respectively in the California Statewide Communities Development Authority Revenue Bonds Series 2013 Loan Agreement. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors, the management of the Corporation, the California Statewide Communities Development Authority, and for the Corporation to disclose pursuant to the Continuing Disclosure Agreement it has entered into in connection with the Bonds.

CliftonLarsonAllen LLP

Glendora, California
September 20, 2024