RESOLUTION NO. 06-36

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2006 (THE COUNTRY SCHOOLS PROJECT) FOR THE PURPOSE OF FINANCING CERTAIN FACILITIES FOR THE BENEFIT OF THE COUNTRY SCHOOLS, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.), as now in effect and as it may be amended or supplemented (the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, The Country Schools, a California nonprofit, public benefit corporation (the "Borrower"), has submitted an application to the Issuer for the issuance of revenue bonds, the proceeds of which would be loaned to the Borrower to pay the cost of, refinance or reimburse the Borrower for, (1) the acquisition of approximately 21,000 square feet of real property located at 5229, 5243 and 5259 Laurel Canyon Boulevard, Los Angeles, California 90046 (the "Property"), (2) the construction and equipping of improvements on Property, including nine structures for classrooms and other school functions and several outdoor learning and activity areas, (3) the funding of a reserve fund for the Bonds and (4) the payment of capitalized interest and certain costs of issuance and credit enhancement costs in connection with the financing (collectively, the "Project"); and

WHEREAS, for purposes of financing the cost of the Project, the Issuer now desires (a) to authorize the issuance of its Variable Rate Demand Revenue Bonds, Series 2006 (The Country Schools Project) (the "Bonds"), in an aggregate principal amount not to exceed $3,000,000, (b) to provide for the sale of the Bonds, (c) to provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the loan of proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) to the Borrower to finance the costs of the Project pursuant to the terms and provisions of a loan agreement and (d) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Issuer may not issue the Bonds to finance the Project until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act and the Issuer's procedures for the issuance of revenue bonds; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower;

(b) a proposed form of the Indenture of Trust (the "Indenture"), to be entered into between the Issuer and Wells Fargo Bank, National Association, as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of the Purchase Contract (the "Purchase Contract"), to be entered into by and among the Issuer, the Treasurer of the State of California and Gates Capital Corporation, as underwriter (the "Underwriter"), and approved by the Borrower;

(d) a proposed form of the Tax Regulatory Agreement (the "Tax Regulatory Agreement"), to be entered into by and among the Issuer and the Borrower; and

(e) a proposed form of the Official Statement (the "Official Statement") to be used by the Underwriter in connection with the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved and the Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Issuer further authorizes and approves the loan of the proceeds of the Bonds (except any amount representing accrued interest on the Bonds) to the Borrower in order to finance the cost of the Project pursuant to the terms and provisions of the Loan Agreement.

Section 2. The form of the Indenture on file with the Secretary of the Issuer is hereby approved and the Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee the Indenture, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The form of the Purchase Contract on file with the Secretary of the Issuer is hereby approved and the Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to

cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 4. The form of the Tax Regulatory Agreement on file with the Secretary of the Issuer is hereby approved and the Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Tax Regulatory Agreement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The form of the Official Statement on file with the Secretary of the Issuer is hereby approved and the Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute the Official Statement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the sale of the Bonds.

Section 6. The Issuer approves the issuance on a tax-exempt basis of not to exceed $3,000,000 aggregate principal amount of the Bonds for the Project in accordance with the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement and Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the Issuer or the State. The Chair or the Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds, and the Secretary of the Issuer is hereby authorized and directed to attest, by manual or facsimile signature, thereto in an aggregate principal amount not to exceed $3,000,000 in accordance with the Indenture and in the form set forth in the Indenture. The Bonds shall bear interest at the rates to be determined in accordance with the Indenture. In no event shall the rate of interest on the Bonds exceed 12% per annum or the maximum rate permitted by law whichever is lower.

Section 7. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate and register the Bonds so delivered by executing the appropriate Certificate of Authentication and Registration appearing thereon, and to deliver the Bonds, when duly executed, authenticated and registered, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Chair or Executive Director of the Issuer or the Chair's designee, which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

Section 8. Pursuant to Section 63046 of the Act, and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines:

(a) that the Project is located in the State;

(b) that based upon the issuance of a letter of credit by First Republic Bank and a confirming letter of credit by The Bank of New York to secure the payment of principal of and interest on the Bonds, the Borrower is capable of meeting its obligations with respect to the Bonds to be issued for the Project;

(c) that the payments to the Issuer are adequate to pay all expenses of the Issuer in connection with the issuance and payment of the Bonds;

(d) that the issuance of the Bonds is an appropriate financing mechanism for the Project;

(e) that the Project is consistent with any existing local or regional comprehensive plans; and

(f) the Project demonstrates clear evidence of a defined public benefit.

Section 9. The Chair or Executive Director of the Issuer or the Chair's designee, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds; provided however, that the Bonds will bear a long-term rating of at least "A" or a short-term rating of at least "A-1/P-1" from Moody's Investors Service, Standard & Poor's Ratings Services or Fitch Ratings. All actions required to be undertaken by the Secretary of the Issuer that are necessary or appropriate to this transaction and the issuance of the Bonds may be undertaken by the Secretary's designee.

Section 10. All actions heretofore taken by the officers and agents of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Issuer and their authorized designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and 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 issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 11. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on August 22, 2006, by the following vote:

AYES: FISH, LUJANO, SHEEHAN, MARIN AND RICE

NOES: None

ABSENT: None

ABSTAIN: None

By _____
Stanton C. Hazelroth, Executive Director

Attest:

By _____
Roma Cristia-Plant, Secretary