

**RESOLUTION NO. 08-34**

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$35,000,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (SANTA BARBARA CENTER FOR THE PERFORMING ARTS) SERIES 2008, TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS SPECIFIED HEREIN**

WHEREAS, the California Infrastructure and Economic Development Bank (the "Infrastructure Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"), for the purpose of promoting economic development;

WHEREAS, the Infrastructure Bank is authorized to issue tax-exempt revenue bonds pursuant to the Act to provide financing for economic development facilities (as defined in the Act) located in the State of California;

WHEREAS, the Santa Barbara Center for the Performing Arts, Inc., a California nonprofit public benefit corporation (the "Center"), has applied for the financial assistance of the Infrastructure Bank in financing or refinancing (i) the acquisition, restoration, renovation, construction, equipping and development of the Center's historic Granada Theatre and 10,000 square feet of adjacent space located at 1214 State Street and 1216 State Street, Santa Barbara, California 93101, including providing furniture, fixtures and equipment, (ii) the cost of design, architectural, engineering and project management services, project consultants and other similar expenses relating thereto (together with the items set forth under clause (i), the "Project") (iii) costs of issuance of the Bonds, the costs of credit enhancement or liquidity relating to the Bonds, and capitalized interest on the Bonds;

WHEREAS, the Center has represented that it intends to use the Project to operate a cultural facility, which operation of the Project is consistent with the definition of an economic development facility in the Act;

WHEREAS, the Center requests the Infrastructure Bank to (a) assist in financing the Project and has requested the Infrastructure Bank to authorize the issuance of one or more series of its California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (Santa Barbara Center for the Performing Arts) Series 2008 (the "Bonds") in an aggregate principal amount outstanding not to exceed \$35,000,000; (b) provide for the sale of the Bonds, the loan of the proceeds of the sale of the Bonds to be made to the Center to finance and refinance a portion of the cost of the Project, the repayment of which will provide revenues for

the payment of the principal of, premium, if any, and interest on the Bonds; and (c) take and authorize certain other actions in connection with the foregoing;

WHEREAS, the Center desires that the Bonds be supported by an irrevocable, direct-pay letter of credit initially issued by Bank of America, N.A. (“Credit Provider”), and this letter of credit will be for the benefit of the Trustee on behalf of the bondholders;

WHEREAS, the Infrastructure Bank may not issue the Bonds to finance or refinance the Project until the Board of Directors of the Infrastructure Bank makes certain determinations relating to the Project as required by the Act;

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

(a) a proposed form of the Loan Agreement (the “Loan Agreement”) to be entered into by and between the Infrastructure Bank and the Center providing for the loan of the proceeds of the Bonds to the Center;

(b) a proposed form of the Indenture (the “Indenture”) to be entered into between the Infrastructure Bank and U.S. 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 Bond Purchase Agreement (the “Bond Purchase Agreement”) with respect to the Bonds, to be entered into by and among the Infrastructure Bank, the Treasurer of the State of California and Banc of America Securities LLC (the “Underwriter”) and approved by the Center providing for the sale of the Bonds; and

(d) a proposed form of Official Statement with respect to the Bonds to be used by the Underwriter in connection with the offering and sale of the Bonds.

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

**Section 1.** The Infrastructure Bank authorizes and approves the loan of the proceeds of the Bonds to the Center in order to finance or refinance the cost of the Project, including the payment of costs of issuance in connection with the Bonds and capitalized interest of the Bonds, pursuant to the terms and provisions of the Loan Agreement. The proposed form of Loan Agreement on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair’s designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement to the Center in substantially said form, 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 such official, with the advice of counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof. The Secretary of the Infrastructure Bank is authorized to attest to the Infrastructure Bank’s execution of the Loan Agreement.

**Section 2.** The proposed form of Indenture on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver to the Trustee, the Indenture in substantially said form, 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 such official, with the advice of counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof. The Secretary of the Infrastructure Bank is authorized to attest to the Infrastructure Bank's execution of the Indenture.

**Section 3.** The proposed form of Bond Purchase Agreement on file with the Secretary of the Infrastructure Bank is hereby approved, and the Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Bond Purchase Agreement in substantially said form, 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 such official, with the advice of counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the delivery thereof. The Treasurer of the State of California, as agent for sale for the Infrastructure Bank's bonds, is hereby requested to sell the Bonds, notwithstanding Section 63074(d) of the Act, at any time within one hundred eighty (180) days of the adoption of this Resolution, at negotiated sale, at such prices and at such initial interest rates as he may determine.

**Section 4.** The proposed form of the Official Statement relating to the Bonds on file with the Secretary of the Infrastructure Bank is hereby approved. The Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, each acting alone, are hereby authorized and empowered to sign the Official Statement in substantially said form, 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 such official, with the advice of counsel to the Infrastructure Bank, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute and deliver copies of said Official Statement to purchasers of the Bonds.

**Section 5.** The Infrastructure Bank approves the issuance of the Bonds in accordance with the terms of, and to be secured by, the Indenture, in an aggregate principal amount not to exceed \$35,000,000 outstanding at any time, to assist in financing or refinancing the cost of the Project, including the payment of costs of issuance in connection with the Bonds and capitalized interest of the Bonds. Payment of the principal of and premium, if any, and interest on the Bonds shall be made solely from payments made by the Center and the other sources expressly provided in the Indenture and the Bonds shall not be deemed to constitute a debt or liability of the Infrastructure Bank (except to the limited extent provided in the Indenture) or the State of California. The Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, each acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Infrastructure Bank, by manual or facsimile signature, the Bonds in accordance with this Resolution and in the form set forth in the Indenture. The Bonds shall bear interest at the rates determined in accordance with the provisions of, mature and be subject

to redemption as provided in, and be in the form set forth in the Indenture, but in no event shall the Bonds mature later than 40 years from the date of issuance thereof.

**Section 6.** 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 the Bonds so delivered by executing the certificate of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with written instructions executed on behalf of the Infrastructure Bank by the Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, which instructions said official is hereby authorized and directed, for and in the name of and on behalf of the Infrastructure Bank, to execute and 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 7.** Pursuant to Sections 63046 and 63047 of the Act, and based upon representations made by the Center, the Board of Directors of the Infrastructure Bank hereby finds and determines that:

- (a) the Project is located in the State of California;
- (b) the Center is capable of meeting its obligations incurred under the Loan Agreement;
- (c) the payments the Center is required to make under the Loan Agreement are adequate to pay all current expenses of the Infrastructure Bank in connection with the Bonds and to make all payments with respect to the Bonds when due;
- (d) the proposed financing is appropriate for the Project; and
- (e) the Project is consistent with any existing local and regional comprehensive plans.

The finding in subsection (b) above as to the Center's payment obligations under the Loan Agreement is based on the requirement that the payment of the principal and purchase price of and interest on the Bonds will be supported by the irrevocable direct-pay letter of credit issued by the Credit Provider which will provide a rating on the Bonds of at least "A3" from Moody's Investors Service, or "A-" from Standard Poor's or Fitch Ratings.

**Section 8.** Based on the information provided and representations made by the Center, the Board of Directors of the Infrastructure Bank hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that the Project provides additional cultural and educational resources to the community in which it is located.

**Section 9.** The Executive Director of the Infrastructure Bank, the Chair of the Infrastructure Bank, or the Chair's designee, each acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance and sale of the Bonds, including, without limitation, a tax certificate respecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. All actions to be undertaken by the Secretary of the Infrastructure Bank that are necessary or

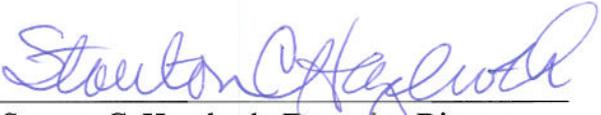
appropriate to this transaction and the issuance of the Bonds may be undertaken by the Secretary's designee.

**Section 10.** All actions heretofore taken by the officials of the Infrastructure Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officers of the Infrastructure Bank and their authorized designees 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 that they, their counsel 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 Board of Directors of the California Infrastructure and Economic Development Bank on November 20, 2008, by the following vote:

AYES: Berte, Sheehy, Lujano, Lopez, Rice  
NOES: None  
ABSENT: None  
ABSTAIN: None

By   
Stanton C. Hazelroth, Executive Director

Attest:

By   
Roma Cristia-Plant, Secretary