

RESOLUTION NO. 09-33

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$56,500,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (JSERRA CATHOLIC HIGH SCHOOL PROJECT) SERIES 2009A, B AND C TO REFINANCE CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS OF 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 "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; and

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

WHEREAS, Pueblo Serra Worship Holdings (the "Borrower") has submitted an application to the Bank for assistance in refinancing the acquisition, construction, improvement and development of real property and improvements located at 26300, 26311, 26331, 26351 and 26353 Junipero Serra Road, San Juan Capistrano, California (the "Facilities"), and paying certain credit enhancement costs and costs of issuance of in connection with the issuance of the hereinafter referenced Bonds; and

WHEREAS, the Borrower has represented that it uses and intends to continue using the Facilities to operate a private high school, which is consistent with the definition of an economic development facility as set forth in the Act; and

WHEREAS, for these purposes, the Borrower has requested the Bank to (a) authorize the issuance of tax-exempt obligations in three (3) series, in an aggregate principal amount not to exceed \$56,500,000 entitled (i) California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (JSerra Catholic High School Project) Series 2009A (the "Series 2009A Bonds"), (ii) California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (JSerra Catholic High School Project) Series 2009B (the "Series 2009B Bonds") and (iii) California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (JSerra Catholic High School Project) Series 2009C (the "Series 2009C Bonds" and, together with the Series 2009A Bonds and the Series 2009B Bonds, the "Bonds), (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds to the Borrower to refinance the costs of the Facilities, (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the Borrower's repayment of that loan, and (e) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Borrower has represented that it will obtain an irrevocable direct pay letter of credit from Wells Fargo Bank, National Association to support the Series 2009A Bonds, an irrevocable direct pay letter of credit from U.S. Bank National Association to support Series 2009B Bonds, and an irrevocable direct pay letter of credit from Comerica Bank to support the Series 2009C Bonds (collectively, the “Credit Providers” and the “Credit Facilities”) in order to obtain an initial rating on the Bonds of at least “A-” from Fitch Ratings; and

WHEREAS, the Credit Facilities will initially remain in effect for three (3) years and shall be subject to extension from time to time; provided, however, the Bonds shall be subject to mandatory tender for purchase upon the expiration of the Credit Facilities unless a substitute credit facility or substitute credit facilities are provided by Borrower or unless the Bonds are converted to bear interest at a fixed rate and are rated (without the Credit Facilities) no lower than “A3” by Moody’s Investors Service, or “A-” by Standard Poor’s or Fitch Ratings.

WHEREAS, the Bank may not issue the Bonds to assist in refinancing the costs of the Facilities until the Board of Directors of the Bank makes certain determinations relating to the Facilities as required by the Act; and

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

(a) a proposed form of a loan agreement to be entered into by and between the Bank and the Borrower providing for the loan of the proceeds of the Bonds to the Borrower;

(b) a proposed form of an indenture to be entered into between the Bank and Deutsche Bank National Trust Company, 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 a bond purchase contract to be entered into by and among the Bank, the Treasurer of the State of California and Wells Fargo Institutional Securities, LLC (the “Underwriter”), and approved by the Borrower, providing for the sale of the Bonds; and

(d) a proposed form of 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 of the California Infrastructure and Economic Development Bank as follows:

Section 1. Pursuant to Sections 63046 and 63047 of the Act, and based upon the representations of the Borrower, the Board of Directors (the “Board”) of the Bank hereby finds and determines as follows:

1. The Facilities are located in the State of California.
2. The Borrower is capable of meeting its payment obligations under the loan agreement as approved by this resolution, which finding is based in particular on the Borrower’s ability to satisfy the

requirements imposed by the Credit Providers to the issuance of the Credit Facilities.

3. The Borrower is capable of meeting all other obligations incurred by the Borrower under the agreements approved by this resolution.
4. The payments to be made by the Borrower to the Bank under the loan agreement as approved by this resolution are adequate to pay the current expenses of the Bank in connection with the financing and to make all the payments on the Bonds.
5. The proposed refinancing is appropriate for the Facilities.
6. The Facilities are consistent with all existing local or regional comprehensive plan.

Section 2. Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Facilities demonstrate clear evidence of a defined public benefit by providing additional educational resources within Borrower's community.

Section 3. The Bank authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to refinance the costs of the Facilities pursuant to the terms and provisions of a loan agreement as approved by this resolution. The proposed form of loan agreement on file with the Secretary of the Bank (the "Secretary") is hereby approved, and the Executive Director of the Bank (the "Executive Director"), the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver a loan agreement to the Borrower in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Loan Agreement"). The Secretary is authorized to attest to the execution of the Loan Agreement.

Section 4. The proposed form of indenture on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver an indenture to the Trustee in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Indenture"). The Secretary is authorized to attest to the execution of the Indenture.

Section 5. The proposed form of bond purchase contract on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and deliver to the Underwriter and the Treasurer a bond purchase contract in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. At the request of the Borrower, the Underwriter is appointed as the underwriter Wells Fargo Brokerage Services, LLC is appointed as remarketing agent for the Bonds. The Treasurer of the State of California, as agent for sale of the Bank's bonds, is hereby requested to sell the Bonds at negotiated sale, at such prices and at such initial interest rates as he may determine in accordance with the Indenture. Notwithstanding Section 63074(d) of the Act to the contrary, such sale may take place at any time within one hundred eighty (180) days of the adoption of this resolution or at such later date not later than the date three hundred sixty (360) days of the adoption of this resolution as approved by the Executive Director.

Section 6. The proposed preliminary form of official statement on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Bank, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute a certificate or certificates in a form or forms which, with the advice of the Bank's counsel, is or are acceptable to the officer or official executing the same, to the effect that the portions of the official statement in either its preliminary or final form under the captions "THE ISSUER" and "LITIGATION – The Issuer" are "deemed final" as of their respective dates and to execute and deliver the official statement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute copies of the official statement in preliminary form to the prospective purchasers of the Bonds and the official statement in final form in connection with the sale of the Bonds.

Section 7. The Bank approves the issuance on a tax-exempt basis of not to exceed \$56,500,000 aggregate principal amount of the Bonds for the costs of the Facilities 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 Bank pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the State of California or the Bank except to the limited extent provided in the Indenture. Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, the Bonds. The Bonds shall be dated the date of their issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Indenture. The Bonds shall be in the form and the denominations as provided in the Indenture, mature on the date or dates provided in

the Indenture which shall be not later than 26 years from the date of issuance thereof, be subject to redemption as provided in the Indenture, shall carry the registration privileges provided in the Indenture and shall bear interest at a variable rate or rates to be determined in accordance with the Indenture, which rates shall not to exceed the lesser of twelve percent (12%) per annum or the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 8. The Executive Director, the Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute, by manual or facsimile signature, the Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the terms of this resolution and the Indenture and in the form set forth in the Indenture.

Section 9. The Bonds, when executed as provided in this resolution, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York (the "Depository") on behalf of the purchasers thereof in accordance with written instructions executed on behalf of the Bank by the Executive Director, the Chair of the Board, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price therefor.

Section 10. The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized to execute and deliver any and all certificates and instruments, including, without limitation, a tax certificate and no arbitrage certificate required in connection with the determination of the tax-exempt status of the interest on the Bonds, letters of representations and certifications of authority and incumbency, which they or counsel to the Bank may deem necessary or advisable to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purpose of this resolution.

Section 11. All actions heretofore taken by the officers and employees of the Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified. The officers of the Bank and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do perform their duties and to execute and deliver any and all certificates which they, counsel to the Bank 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.

This resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on August 25, 2009 by the following vote:

AYES: Berte, Lujano, Sheehy, Aguiar, Rice

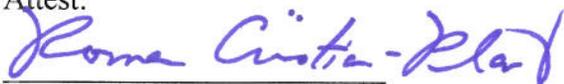
NOES: NONE

ABSENT: NONE

ABSTAIN: NONE


Stanton C. Hazelroth, Executive Director

Attest:


Roma Cristia-Plant, Secretary