

RESOLUTION NO. 09-12

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$5,760,000 AGGREGATE PRINCIPAL AMOUNT OF CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (CASA LOMA COLLEGE PROJECT), SERIES 2009 TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, 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.) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Issuer 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 (the "State"); and

WHEREAS, Casa Loma College, a California nonprofit corporation (the "Borrower"), has submitted an application to the Issuer for assistance in financing the acquisition, construction, improvement, restoration, equipping and general development of the real property and improvements located at 6725 Kester Avenue, Van Nuys, California (the "Project"), including certain credit enhancement costs and costs of issuance with respect to the bonds authorized hereunder; and

WHEREAS, the Borrower has represented that it intends to use the Project to operate educational facilities, which operation of the Project is consistent with the definition of an economic development facility in the Act; and

WHEREAS, for these purposes, the Borrower has requested the Issuer to (a) authorize the issuance of its Variable Rate Demand Revenue Bonds (Casa Loma College Project), Series 2009 (the "Bonds"), in an aggregate principal amount not to exceed \$5,760,000, (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 finance and refinance a portion of the cost of the Project; (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 desires that the Bonds be secured by an irrevocable direct-pay letter of credit to be issued by Comerica Bank (the “Bank”) and the security of this letter of credit will be for the benefit of the bondholders; and

WHEREAS, the Issuer may not issue the Bonds to finance or refinance the Project until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act; 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, providing for the loan of the proceeds of the Bonds to 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 (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 and Gates Capital Corporation, as underwriter (the “Underwriter”), and approved by the Borrower providing for the sale of the Bonds; and

(d) a proposed form of the Official Statement (the “Official Statement”) 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 (the “Board”) of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Issuer authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance or refinance the cost of the Project (including the payment of costs of issuance in connection with the Bonds) pursuant to the terms and provisions of the Loan Agreement. The proposed form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair’s designee or the Executive Director of the Issuer, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement in substantially said form, with such changes and insertions therein as may be necessary or convenient 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 Secretary of the Issuer is authorized to attest to the Issuer’s execution of the Loan Agreement.

Section 2. The proposed form of the Indenture on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair’s designee or the Executive Director of the Issuer, 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 or convenient 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 Secretary of the Issuer is authorized to attest to the Issuer's execution of the Indenture.

Section 3. The proposed form of the Purchase Contract on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee or the Executive Director of the Issuer, each acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract in substantially said form, with such changes and insertions therein as may be necessary or convenient 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 Treasurer of the State of California, as agent for sale for the Issuer'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 of the Issuer.

Section 4. The proposed form of the Official Statement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer, the Chair's designee or the Executive Director of the Issuer, each acting alone, is hereby authorized and empowered to execute the Official Statement in substantially said form, with such changes and insertions therein as may be necessary or convenient 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 5. The Issuer approves the issuance on a tax-exempt basis of not to exceed \$5,760,000 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 payments made by the Borrower and other sources expressly provided in the Indenture and the Bonds shall not be deemed to constitute a debt or liability of the Issuer (except to the limited extent provided in the Indenture) or the State of California. The Chair of the Issuer, the Chair's designee or the Executive Director of the Issuer, each 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, in an aggregate principal amount not to exceed \$5,760,000, in accordance with and in the form set forth in the Indenture. The Bonds shall mature no later than 40 years from the date of issuance thereof, and be subject to redemption as provided in, and bear interest at the rates to be determined in accordance with, the Indenture.

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 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 of the Issuer, the Chair's designee or the Executive Director of the Issuer, which instructions said official 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 7. Pursuant to Sections 63046 and 63047 of the Act, and based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines that:

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

The finding in subsection (b) above, as to the Borrower's payment obligations under the Loan Agreement, is based on the requirement of the Issuer that the Bonds will be secured by an irrevocable direct-pay letter of credit issued by the Bank which will support 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 Borrower, the Board of Directors of the Issuer hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that the Project provides additional educational resources to the community in which it is located.

Section 9. The Chair of the Issuer, the Chair's designee and the Executive Director of the Issuer, each acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds, including, without limitation, a tax certificate and no arbitrage certificate with respect to the Bonds. 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 employees 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, agents and counsel 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, 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.

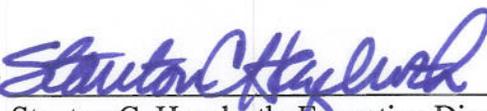
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on April 1, 2009, by the following vote:

AYES: McGowan, Sheehy, Lujano, Aguiar, Rice

NOES: None

ABSENT: None

ABSTAIN: None

By 
Stanton C. Hazelroth, Executive Director

Attest:

By 
Roma Cristia-Plant, Secretary