

RESOLUTION NO. 10-38

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$22,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (LOYOLA HIGH SCHOOL OF LOS ANGELES) SERIES 2010 TO EFFECT THE RETIREMENT OF CITY OF LOS ANGELES ADJUSTABLE RATE CERTIFICATES OF PARTICIPATION (LOYOLA HIGH SCHOOL OF LOS ANGELES) 2005 SERIES A ISSUED TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES FOR THE BENEFIT OF LOYOLA HIGH SCHOOL OF LOS ANGELES 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 defined in the Act) located in the State of California (the “State”); and

WHEREAS, Loyola High School of Los Angeles, a nonprofit religious corporation organized and existing under the laws of the State of California (the “Borrower”) has submitted an application to the Bank for assistance in effecting the retirement of all of the City of Los Angeles Adjustable Rate Certificates of Participation (Loyola High School of Los Angeles) 2005 Series A (the “Prior Certificates”) issued to finance and refinance the acquisition, construction, renovation and general development of certain educational facilities, including the acquisition of real property for the construction of a science building, the construction and general development of the science building (Hannon Hall) and a portion of a lecture hall and administration building (Ardolf Hall), the renovation and general development of a portion of an administration building (Ruppert Hall), and the acquisition of real property for parking and athletic program uses, all located in the City of Los Angeles, California (the “Project”), and costs of issuance of the bonds authorized hereunder; and

WHEREAS, the Borrower has represented that it intends to use the facilities financed or refinanced with the proceeds of the Prior Certificates (the “Facilities”) as educational facilities, which operation is consistent with the definition of an economic development facility in the Act and that the Facilities will be consistent with any existing local or regional comprehensive plan; and

WHEREAS, for these purposes, the Borrower has requested the Bank to (a) authorize the issuance of tax-exempt obligations in an aggregate principal amount not to exceed \$22,000,000

entitled California Infrastructure and Economic Development Bank Revenue Bonds (Loyola High School of Los Angeles) Series 2010 (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 certain costs of the Project through the retirement of all the outstanding Prior Certificates, (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 First Republic Bank (the “Credit Facility”), and a supporting standby letter of credit issued by the Federal Home Loan Bank of San Francisco (the “Support Credit Facility”) each for the benefit of the holders of the Bonds and for the purpose of securing the bonds, that the Support Credit Facility will support an initial rating on the Bonds of “AAA” from Standard & Poor’s, and that the Credit Facility and Support Credit Facility will remain in effect for ten years, in the event that the Credit Facility or the Support Credit Facility is not renewed at the end of the applicable term, or a comparable substitute credit facility is provided by Borrower, the Bonds are held by the provider of the Credit Facility or Support Credit Facility Bank, or the Bonds are converted to bear interest at a fixed rate and are rated no lower than “A3” by Moody’s Investors Service, or “A-” by Standard Poor’s or Fitch Ratings; and

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

WHEREAS, there is now on file with the Secretary of the Board (“Secretary”) 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 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 a bond purchase contract to be entered into by and among the Bank, the Treasurer of the State and Stone & Youngberg 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; and
- (e) a proposed form of a tax agreement between the Bank and the Borrower, concerning the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Sections 63046 and 63047 of the Act, and based upon the representations of the Borrower, the Board of Directors of the Bank hereby finds and determines as follows:

- a. The Project is within the State.
- b. 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 provider of the Credit Facility to the issuance of the Credit Facility.
- c. The Borrower is capable of meeting the obligations other than payment obligations incurred by the Borrower under the agreements approved by this resolution.
- d. 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.
- e. The proposed refinancing is appropriate for the Project.
- f. The Facilities are consistent with any existing local or regional comprehensive plan.

Section 3. Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Project demonstrates clear public benefits to the community in which the Facilities are located by reducing the Borrower's financing costs which in turn will permit the Borrower to continue to provide educational enrichment.

Section 4. The Bank authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to refinance the costs of the Project 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 Board (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 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 executed, the "Loan Agreement"). The Secretary is authorized to attest to the Bank's execution of the Loan Agreement.

Section 5. 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 executed, the "Indenture"). The Secretary is authorized to attest to the Bank's execution of the Indenture.

Section 6. 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 of the State 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. The Treasurer, 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 approved by the Executive Director which is not later than the date three hundred sixty (360) days of the adoption of this resolution.

Section 7. The sections entitled "THE INFRASTRUCTURE BANK" and "ABSENCE OF ADVERSE LITIGATION – The Infrastructure Bank" in the proposed preliminary form of official statement on file with the Secretary are hereby approved. 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 such portions of the official statement in either its preliminary or final 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, are "deemed final" as of the date of each or any such certificate. The Underwriter is hereby authorized to distribute copies of an official statement in preliminary form to the prospective purchasers of the Bonds and an official statement in final form in connection with the sale of the Bonds.

Section 8. The proposed form of tax agreement 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 in the name and on behalf of the Bank, to execute and deliver to the Borrower and bond counsel to the Bank a tax 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 the officer or official executing the same, with the advice of the Bank's counsel and bond counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Bank approves the issuance on a tax-exempt basis of not to exceed \$22,000,000 aggregate principal amount of the Bonds for the Project in accordance with this resolution and 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 payment of the purchase price of the Bonds shall be payable solely from the proceeds of the remarketing of the Bonds and amounts made available therefore under the Indenture (including amounts made available therefore as a result of draws upon the Credit Facility or the Support Credit Facility or any permitted substitute credit facility). The Bonds shall not be deemed to constitute a debt or liability of the State or the Bank except as to the Bank to the limited extent provided in the Indenture. Neither the full faith and credit of the State or the Bank, nor the taxing power of the State is pledged to the payment of the principal or purchase price of, or premium, if any, 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 December 1, 2035, 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, which rate shall not exceed the lesser of fifteen percent (15%) per annum for Bonds other than those held by the provider of the Credit Facility, the Support Credit Facility or any substitutions thereof (“Bank Bonds”), or twenty-five percent (25%) per annum for Bank Bonds, or, in either case, the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 10. 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 11. 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 or its agent (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 12. 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 letters of representations and certifications of authority and tax forms required by the Internal Revenue Service in connection with the issuance of the Bonds 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 13. 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 perform their duties and to execute and deliver any

and all certificates which they or 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.

Section 14. 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 December 14, 2010 by the following vote:

AYES: Berte, Bryant, Lujano, Leonard

NOES: None

ABSENT: Rice

ABSTAIN: None


Stanton C. Hazelroth, Executive Director

Attest:



Roma Cristia-Plant,
Secretary of the Board of Directors