



**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
June 28, 2011  
980 9<sup>th</sup> Street, Conference Center, 2nd Floor  
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:31 p.m.

**1. Call To Order and Roll Call.**

The following Board members were in attendance:

Augustin Jimenez represented the Secretary of the Business, Transportation and Housing Agency.  
Pedro Reyes represented the Director of the Department of Finance.  
Francisco Lujano represented the State Treasurer.  
Anna M. Caballero, Secretary of the State and Consumer Services Agency.  
D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Roma Cristia-Plant, Marilyn Munoz, and Paula Connors.

**2. Executive Director's Report.**

Assistant Executive Director Roma Cristia-Plant reported to the Board the following:

- ❖ Executive Director Stanton Hazelroth was traveling today.
- ❖ Executive Director Hazelroth recently signed an inducement certificate for a potential conduit revenue bond financing for Bay Photo, Inc. An inducement certificate does not bind the I-Bank Board to approve a project, but permits the borrower to begin incurring costs that may be reimbursed from bond proceeds when, and if, the I-Bank Board approves the issuance of tax-exempt bonds for the borrower's project.
- ❖ The I-Bank's auditors, Macias, Gini and O'Connell LLP, are onsite this week to begin the 2010-2011 financial audit. The auditors will be returning in late August to resume the audit.

**Consent Items:**

**3. Approve minutes from the meeting held on May 24, 2011**

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Reyes moved to approve the minutes and Mr. Rice seconded the motion. The minutes were unanimously approved.

**Action Items:**

- 4. Resolution No. 11-12 approving an amended and restated indenture and an amended and restated loan agreement and certain additional documents in connection with the addition of a new index based interest rate setting mechanism, and permitting the use of such mechanism without credit rating or credit facility support for bonds marketed to qualified institutional buyers in connection with the anticipated tax reissuance and remarketing of a portion of the California Infrastructure and Economic Development Bank Revenue Bonds (California Academy of Sciences, San Francisco, California) Series 2008A through Series 2008F, initially issued for the benefit of the California Academy of Sciences, a California nonprofit public benefit corporation, to finance and refinance an economic development facility in the City and County of San Francisco, California.**

Ms. Connors presented a staff report describing a request from the California Academy of Sciences to amend certain documents related to bonds issued by the I-Bank in 2008 (2008 Bonds). She stated that since certain letters of credit are scheduled to expire later this year, some credit providers would like to purchase directly one or more series of 2008 Bonds in a new index rate mode (e.g., Direct Purchase Bonds), and further described that the amendments will clarify certain provisions of the existing indenture and loan agreement, add a new interest rate mode, and permit almost all of the 2008 Bonds to be held by qualified institutional buyers without the support of a letter of credit. Ms. Connors introduced Kevin Civale, Stradling, Yocca Carlson & Rauth, Counsel for the Issuer.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 11-12. Ms. Caballero moved to approve the resolution and Mr. Reyes seconded the motion. The Board unanimously approved the resolution.

- 5. Resolution No. 11-13 in connection with the California Infrastructure and Economic Development Bank Fixed Revenue Bonds (Sonoma Academy Project) Series 2007A, Series 2007B and Series 2007C, initially issued in 2007. The resolution would approve entry into a first supplemental indenture and a first amendment to the loan agreement and related actions in connection with the cancellation of the Series 2007B Bonds and the 2007C Bonds and to revise the terms of the Series 2007A Bonds.**

Ms. Connors presented a staff report describing a request from The Sonoma Academy to amend the existing indenture and loan agreement for its Senior Fixed Rate Revenue Bonds (Sonoma Academy Project), Series 2007A (Senior Bonds). The amendments would revise the amortization schedule and interest rate for the Senior Bonds, add certain debt service reserve, financial and reporting covenants and conforming changes in connection with a settlement agreement entered into on April 8, 2011 with AIG Commercial Equipment Finance, Inc., bondholder of the Senior Bonds, resulting from certain events of default relating to the borrower's failure to make payments on the 2007 Bonds. The resolution set forth conditions to be met in connection with Board approval.

Chairman Jimenez called for questions or comments from the Board and the public. Ms. Connors clarified for Mr. Reyes that the staff report would be amended to reflect the correct amount of outstanding bonds. Ms. Munoz confirmed for Mr. Rice and Ms. Caballero that the proposed amendment provided no additional risk to the I-Bank and did not involve State funds. Mr. Jimenez entertained a motion to approve Resolution No. 11-13. Mr. Reyes moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

**Other Non-Action Business.**

Chairman Jimenez called for any other business; there was none.

**Public Comment.**

Chairman Jimenez called for any public comment; there was none.

**Adjournment.**

Chairman Jimenez declared the meeting adjourned at approximately 1:49 p.m.