

RESOLUTION NO. 11-06

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO A MASTER LOAN AGREEMENT, DATED AS OF JULY 1, 2009, AMONG CALIFORNIA BANK & TRUST, THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AND THE JOHN THOMAS DYE SCHOOL FOR THE PURPOSE OF FINANCING AN ECONOMIC DEVELOPMENT FACILITY

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 and following) (the "Act"), for the purpose of promoting economic development; and

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

WHEREAS, on June 23, 2009, the Issuer adopted Resolution No. 09-23 (the "Resolution"), which approved a tax-exempt loan from California Bank & Trust (the "Lender") to the Issuer in an amount not to exceed \$14,500,000 (the "Issuer Loan") and a loan of the proceeds of the Issuer Loan from the Issuer to John Thomas Dye School (the "Borrower"), for the purpose of (a) financing the construction and development of an approximately 15,000 square foot academic building, a parking structure, two administrative pavilions and other ancillary facilities located at the real properties located at 11414, 11415 and 11364 Chalon Road, in the City of Los Angeles, California 90049, and the acquisition of personal property and equipment therefor (collectively, the "Project") and (b) paying certain costs of the Project, including costs of issuance of the Issuer Loan and the loan of the proceeds thereof to the Borrower; and

WHEREAS, pursuant to the Resolution, the Issuer entered into a Master Loan Agreement, dated as of July 1, 2009 (the "Original Loan Agreement"), among the Lender, the Issuer and the Borrower, providing for a loan of the proceeds of the Issuer Loan from the Issuer to the Borrower (the "Borrower Loan" and, together with the Issuer Loan, the "Loan") for the purpose of financing the Project and paying costs of issuance in connection with the Loan; and

WHEREAS, the Original Loan Agreement provides that proceeds of the Loan may be drawn by the Borrower under the Original Loan Agreement from time to time during the period commencing July 10, 2009 and ending on the two-year anniversary of such date, (the "Original Draw Period"), and that the Borrower's obligation to make monthly amortization payments to repay the Loan are to commence on the day following the end of the Original Draw Period;; and

WHEREAS, Section 3.08 of the Original Loan Agreement provides that if the construction of the Project is not completed by the end of the Original Draw Period, the Original Draw Period may be extended, at the request of the Borrower, with (a) the consent of Lender, and

(b) if such extension is for more than one (1) additional year, with an opinion of Bond Counsel (as defined in the Original Loan Agreement) delivered to the Issuer and the Lender that such extension shall not, in and of itself, cause the interest with respect to the Issuer Loan to become includable in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986; and

WHEREAS, the Loan is currently outstanding in the approximate principal amount of \$10,000,000; and

WHEREAS, the Borrower has represented that the construction of the Project is not complete and that the Borrower desires to extend the Original Draw Period to preserve the Borrower's ability to make additional draws under the Original Loan Agreement to pay the costs of the Project; and

WHEREAS, the Borrower has represented that the Lender is willing to extend the Original Draw Period but that the Lender's approval of any such extension would be conditioned on the Borrower commencing monthly amortization payments to repay the Loan no later than July 10, 2011; and

WHEREAS, the Borrower has requested that the Lender and the Issuer enter into an amendment to the Original Loan Agreement which would result in an extension of the Original Draw Period from July 10, 2011 to July 10, 2012, require the Borrower to commence making monthly amortization payments to repay the Loan no later than July 10, 2011, to make other conforming changes, and to make minor changes as necessary to cure mistakes or ambiguities identified in the Original Loan Agreement; and

WHEREAS, pursuant to Section 12.07 of the Original Loan Agreement, the Lender and the Borrower may amend certain of the Borrower's covenants without the approval of the Issuer, and that the Issuer, the Lender and the Borrower may amend, supplement or modify other provisions of the Original Loan Agreement by a written instrument signed by all of the parties; and

WHEREAS, there has been presented to this meeting and is now on file with the Secretary of the Board of Directors (the "Secretary") a proposed form of the First Amendment to Master Loan Agreement (the "First Amendment"), to be entered into by and among the Lender, the Issuer and the Borrower.

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. The Issuer hereby approves the amendment of the terms of the Issuer Loan and Borrower Loan to extend the Original Draw Period from July 10, 2011 to July 10, 2012 and to adjust the terms of the Loan to require the Borrower to commence making monthly amortization payments with respect to the Loan no later than July 10, 2011. The other terms of the Issuer Loan and Borrower Loan, are hereby approved, confirmed and ratified.

Section 3. The proposed form of the First Amendment on file with the Secretary is hereby approved and the Chair of the Board of Directors, the Chair's designee, or the Executive Director, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute and deliver the First Amendment in substantially said form, with such changes and insertions 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 Issuer's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof (as so approved, the "First Amendment to the Loan Agreement"). The Secretary is authorized to attest to the execution of the First Amendment to the Loan Agreement.

Section 4. The Chair of the Board of Directors, the Chair's designee or the Executive Director, each acting alone, is hereby authorized to execute all certificates and instruments which they, with the advice of counsel to the Issuer, deem necessary or appropriate to this transaction and to effectuate the purposes of this resolution, including, but not limited to, a letters of representations, certifications of authority and bring-down certificates.

Section 5. All actions heretofore taken by the officers, employees and agents of the Issuer with respect to the actions contemplated by this resolution 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 perform their duties and to execute and deliver any and all certificates which they, or counsel to the Issuer, may deem necessary or advisable in order to consummate the extension of the period for the expenditure of the proceeds of the Loan and otherwise to effectuate the purposes of this resolution.

Section 6. 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 26, 2011, by the following vote:

AYES: LUJANO, JIMENEZ, LOPEZ, RICE

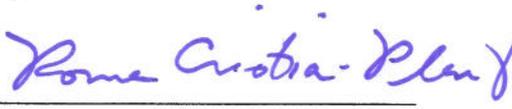
NOES: NONE

ABSENT: REYES

ABSTAIN: NONE

By 
Stanton C. Hazelroth, Executive Director

Attest:

By 
Roma Cristia-Plant,
Secretary of the Board of Directors