

RESOLUTION NO. 13-04

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$45,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK 2013 TAX-EXEMPT LOANS, SERIES A, SERIES B, SERIES C AND SERIES D (SAN FRANCISCO BALLET ASSOCIATION) TO REFUND THE OUTSTANDING \$15,600,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE REVENUE BONDS (SAN FRANCISCO BALLET ASSOCIATION), SERIES 2008, THE OUTSTANDING \$23,920,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK REVENUE BONDS, SERIES 2010A (SAN FRANCISCO BALLET ASSOCIATION), AND THE OUTSTANDING \$4,580,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE REVENUE BONDS, SERIES 2010B (SAN FRANCISCO BALLET ASSOCIATION) INITIALLY ISSUED TO PROVIDE FINANCIAL ASSISTANCE FOR REFINANCING THE DEVELOPMENT OF CERTAIN PROJECTS FOR THE BENEFIT OF SAN FRANCISCO BALLET ASSOCIATION, PROVIDING THE TERMS AND CONDITIONS OF THE ISSUANCE OF SAID LOAN OBLIGATIONS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the “I-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, among other things, providing financial assistance to eligible projects; and

WHEREAS, the I-Bank is authorized to issue tax-exempt revenue bonds (in the form of bonds, loans, notes, certificates of participation, commercial paper and any other evidences of indebtedness or ownership) and to borrow money to provide financing for eligible projects located in the State of California (the “State”) and for other purposes in the public interest; and

WHEREAS, San Francisco Ballet Association, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the I-Bank for assistance to provide funds to: (i) refund all of the I-Bank’s outstanding Variable Rate Revenue Bonds, Series 2008 (San Francisco Ballet Association) in the aggregate principal amount of not to exceed

\$15,600,000 (the “2008 Bonds”), (ii) refund all of the I-Bank’s outstanding Revenue Bonds, Series 2010A (San Francisco Ballet Association) in the aggregate principal amount of not to exceed \$23,920,000 (the “2010A Bonds”), (iii) refund all of the I-Bank’s outstanding Variable Rate Revenue Bonds, Series 2010B (San Francisco Ballet Association) in the aggregate principal amount of not to exceed \$4,580,000 (the “2010B Bonds” and, together with the 2010A Bonds, the “2010 Bonds”), and (iv) to pay certain costs of issuance incurred in connection with the issuance of the Loan Obligations (as defined below); and

WHEREAS, the 2010 Bonds were issued to refund a portion of the 2008 Bonds, which in turn were issued to effect the retirement of the I-Bank’s Variable Rate Revenue Bonds, Series 2006 (San Francisco Ballet Association) (the “2006 Bonds”), which 2006 Bonds were issued (a) in part to refund the I-Bank’s Variable Rate Demand Revenue Bonds, Series 2002 (San Francisco Ballet Association) (the “2002 Bonds”) and (b) in part to finance and refinance, among other things, the acquisition, construction, furnishing and/or equipping of (1) the Borrower’s administration building; (2) sets and costumes used in connection with certain ballet productions performed by the San Francisco Ballet company; (3) warehouse space; (4) student dormitories; (5) certain computer hardware upgrades; and (6) improvements to and refurbishing of the War Memorial Opera House used by the Borrower, all of which are located in the City and County of San Francisco, California (the “2006 Project”); and

WHEREAS, the 2002 Bonds were issued to, in part, finance the renovation, rehabilitation and equipping of the Borrower’s main facility at 455 Franklin Street, and an annex adjacent thereto, and the acquisition of sets and costumes used in connection with ballet productions performed by the San Francisco Ballet company, all of which are located in the City and County of San Francisco, California (the “2002 Project”); and

WHEREAS, for these purposes, the Borrower has requested the I-Bank to (a) authorize the issuance of one or more series of tax-exempt or taxable obligations in an aggregate principal amount not to exceed \$45,000,000 entitled California Infrastructure and Economic Development Bank 2013 Tax-Exempt Loans, Series A, Series B, Series C and Series D (San Francisco Ballet

Association) (collectively, the “Loan Obligations”), (b) provide for the loan of proceeds of the Loan Obligations to the Borrower to refund the 2008 Bonds and the 2010 Bonds and to finance certain costs related to the issuance of the Loan Obligations, (c) provide for the payment of the principal of, premium, if any, and interest on the Loan Obligations with revenues derived from the Borrower’s repayment of the Loan Obligations, and (d) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, because the Loan Obligations will be made directly by First Republic Bank (the “Lender”) to the I-Bank and then by the I-Bank to the Borrower and made by the Lender for its own account, the transaction will not be rated by any rating agency; and

WHEREAS, consistent with the I-Bank’s policies, the requirement for credit ratings by rating agencies may be waived by the I-Bank for I-Bank obligations (such as the Loan Obligations) that are privately placed, provided that conditions for private placement are met;

WHEREAS, there are now on file with the Secretary (the “Secretary”) of the Board of Directors of the I-Bank (the “Board”) the following documents:

(a) a proposed form of master loan agreement to be entered into by and between the I-Bank, the Lender and the Borrower, providing for the loan of the proceeds of the Loan Obligations to the Borrower;

(b) a proposed form of security agreement (accounts, general intangibles, inventory & other collateral) (tax-exempt), executed by the Borrower in favor of the I-Bank; and

(c) a proposed form of assignment agreement from the I-Bank in favor of the Lender.

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 I-Bank authorizes and approves the borrowing of loans from the Lender and the subsequent loan of the proceeds of the Loan Obligations to the

Borrower in order to refund the 2008 Bonds and the 2010 Bonds pursuant to the terms and provisions of the master loan agreement as approved by this resolution (this “Resolution”). The proposed form of master loan agreement on file with the Secretary is hereby approved, and the Executive Director of the I-Bank (the “Executive Director”), his assignees, the Chair of the Board (the “Chair”), or the Chair’s designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute, acknowledge and deliver the master loan agreement to the Borrower and the Lender, in substantially said form, with such insertions and changes therein (including without limitation the particular designation for each series of Loan Obligations issued under the master loan agreement) as may be necessary or desirable 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 I-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 I-Bank’s execution of the Loan Agreement.

Section 3. The proposed form of assignment agreement on file with the Secretary is hereby approved, and the Executive Director, his assignees, the Chair, or the Chair’s designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute and deliver to the Lender and the Borrower assignment agreement in substantially said form, with such insertions and changes therein as may be necessary or desirable 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 I-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 “Assignment Agreement”).

Section 4. In accordance with the I-Bank's policies on private placement, the I-Bank hereby waives the requirement for a credit rating in connection with the Loan Obligations.

Section 5. The I-Bank approves the issuance on a taxable or tax-exempt basis of not to exceed \$45,000,000 aggregate principal amount of the Loan Obligations for the refunding of the 2008 Bonds and the 2010 Bonds in accordance with this Resolution and the terms of and to be secured by the Loan Agreement. The Loan Obligations 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 Loan Agreement. The Loan Obligations shall mature on the date or dates provided in the Loan Agreement which shall be not later than thirty (30) years from the date of issuance thereof, be subject to redemption as provided in the Loan Agreement, and shall bear interest at fixed or variable rates to be determined in accordance with the Loan Agreement, which rates shall not to exceed the lesser of 15% per annum or the maximum rate of interest on the Loan Obligations permitted by the laws of the State.

Section 6. The Executive Director, his assignees, the Chair 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, tax certificates, any guarantees or security agreement relating to the Loan Obligations, and certifications of authority and tax forms required by the Internal Revenue Service in connection with the issuance of the Loan Obligations, if any, which they or counsel to I-Bank may deem necessary or advisable to (i) consummate the issuance, sale and delivery of the Loan Obligations; (ii) to facilitate the transactions contemplated by the documents approved in this Resolution as well as by the other documents related to the Loan Obligations; and (iii) and otherwise to effectuate the purpose of this Resolution.

Section 7. All actions heretofore taken by the officers and employees of the I-Bank with respect to the approval and issuance and transfer of the Loan Obligations

are hereby approved, confirmed and ratified. The officers of the I-Bank and their authorized assignees, 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 I-Bank may deem necessary or advisable in order to consummate the issuance and delivery of the Loan Obligations and otherwise to effectuate the purposes of this Resolution.

Section 8. 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 May 21, 2013 by the following vote:

AYES: JIMENEZ, GOLDSTENE, DYER, GIORDANO

NOES: NONE

ABSENT: RICE

ABSTAIN: NONE

By 
Roma Cristia-Plant
Assistant Executive Director
as Assignee for the Executive Director

Attest:

By 
Diane Cummings
Secretary of the Board