

RESOLUTION NO. 13-13

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$6,500,000 TO PROVIDE FINANCIAL ASSISTANCE FOR AN ELIGIBLE PROJECT FOR THE BENEFIT OF THE BAY SCHOOL OF SAN FRANCISCO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, PROVIDING THE TERMS AND CONDITIONS FOR SAID TAX-EXEMPT OBLIGATIONS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS ASSOCIATED THEREWITH

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 obligations to provide financing and refinancing for eligible projects located in the State of California and for other purposes in the public interest; and

WHEREAS, The Bay School of San Francisco, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application (the “Application”) to the I-Bank for assistance to (1) refinance a taxable loan by Bank of America in the outstanding principal amount of \$6,226,690 (the “Refinanced Loan”), the proceeds of which were used to finance the costs of construction, renovation, improvement and equipping of the School’s campus at 35 Keyes Avenue, San Francisco, California 94129 (the “Facilities”), and (2) pay various costs of the Transaction (defined below) and other related costs (collectively, the “Project”); and

WHEREAS, for these purposes, the Borrower has requested the I-Bank (a) to authorize the delivery of a tax-exempt obligation to First Republic Bank (the “Lender”) in the principal amount not to exceed \$6,500,000 (the “I-Bank Loan”), (b) to loan the proceeds of the I-Bank Loan to the Borrower to refinance the costs of the Project (the “Borrower Loan” and together with the I-Bank Loan, the “Transaction”), (c) to provide for the payment of the principal of, premium, if any, and interest on the I-Bank Loan with revenues derived from the Borrower’s payment of the Borrower Loan, and (d) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, because the Transaction provides for the I-Bank Loan to be funded directly by the Lender, and the Borrower Loan to be assigned to the Lender without any public offering, 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 I-Bank Loan) that are privately placed, provided that the I-Bank’s conditions for private placement are met.

WHEREAS, I-Bank staff have reviewed the Application from the Borrower and drafts of certain of the documents proposed to be entered into in connection with the Transaction, including a Master Loan Agreement and an Assignment Agreement (collectively, the “Transaction Documents”);

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 I-Bank Loan on a tax-exempt basis in the principal amount of not to exceed \$6,500,000 and lending the proceeds of the I-Bank Loan to the Borrower in order to finance and refinance the costs of the Project pursuant to terms and provisions as approved by this resolution (the "Resolution").

Section 3. In accordance with the I-Bank's policies, the I-Bank finds that the Transaction meets the conditions of the I-Bank's policy on private placements and hereby waives the requirement for a credit rating in connection with the Transaction.

Section 4. The I-Bank Loan shall mature on a date not later than 30 years from its date of issuance. The I-Bank Loan shall bear interest at an initial fixed rate of not to exceed 5.00% (provided that the Transaction Documents may provide for default rates and other contingent increases in interest rate) and be secured by collateral consisting of a leasehold deed of trust and a security interest in the Borrower's operating revenues, accounts, and certain other assets.

Section 5. The Executive Director or the Executive Director's assignees, each acting alone, is hereby authorized to execute and deliver the Transaction Documents and any and all other agreements, certificates and instruments, including, without limitation, a tax agreement, a no arbitrage certificate, letters of representations and certifications of authority, which they or counsel to the I-Bank may deem necessary or desirable to consummate the issuance and delivery of the I-Bank Loan, assign security provided by the Borrower with respect to the Borrower Loan to the Lender as security for the I-Bank Loan, consummate the Transaction, and otherwise to effectuate the purpose of this Resolution.

Section 6. All actions heretofore taken by the officers and employees of the I-Bank with respect to the approval and issuance of the I-Bank Loan 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, take actions and execute and deliver any and all certificates which they or counsel to the I-Bank may deem necessary or desirable in order to (i) consummate the issuance and delivery of the I-Bank Loan and the use of the proceeds of the I-Bank Loan to fund the Borrower Loan; (ii) effect the financing and refinancing of the Project; (iii) facilitate the Transaction; and (iv) to otherwise to effectuate the purposes of this Resolution.

Section 7. 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 August 13, 2013, by the following vote:

AYES: ROSSI, DYER, CARROLL, ANNIS

NOES:

ABSENT: RICE

ABSTAIN:

By 
Teveia R. Barnes
Executive Director

Attest:

By 
Roma Cristia-Plant
Secretary of the Board of Directors

