RESOLUTION NO. 14-03

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS IN AN AMOUNT NOT TO EXCEED $35,000,000 TO PROVIDE FINANCIAL ASSISTANCE FOR AN ELIGIBLE PROJECT FOR THE BENEFIT OF OTIS COLLEGE OF ART AND DESIGN, A CALIFORNIA NONPROFIT 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") is duly organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) as now in effect and as it may be amended or supplemented (the "Act"); and

WHEREAS, the I-Bank is authorized under provisions of the Act to issue tax-exempt obligations to provide financing and refinancing for eligible projects located in the State of California; and

WHEREAS, Otis College of Art and Design, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application (the "Application") to the I-Bank for assistance to (1) refund the California Educational Facilities Authority Revenue Bonds (Pooled College and University Projects), 1999 Series B (the "1999 Bonds"), a portion of the proceeds of which were loaned to the Borrower, outstanding in the aggregate principal amount of approximately $2,535,000, (2) finance the cost of acquisition, renovation and equipping of the real property and improvements located at 9045 Lincoln Boulevard, Los Angeles, California, and (3) pay certain costs of issuance in connection with the issuance 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 City National Bank (the "Lender") in the principal amount not to exceed $35,000,000 (the "Tax-Exempt Obligations"), (b) to loan the proceeds of the Tax-Exempt Obligations to the Borrower to finance the costs of the Project (the "Borrower Loan" and together with the Tax-Exempt Obligations, the "Transaction"), (c) to provide for the payment of the principal of, premium, if any, and interest on the Tax-Exempt Obligations 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 Tax-Exempt Obligations to be placed directly with qualified purchasers (the "Purchasers"), the Transaction will not be rated by any rating agency; and

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

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 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 Tax-Exempt Obligations in the principal amount of not to exceed $35,000,000 and lending the proceeds of the Tax-Exempt Obligations 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 on private placement, the I-Bank hereby waives the requirement for a credit rating in connection with the Transaction.

Section 4. The Tax-Exempt Obligations shall mature on a date not later than 30 years from its date of issuance. The Tax-Exempt Obligations 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 deed of trust on the Borrower's real property and a security interest in certain of the Borrower's personal property 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 Tax-Exempt Obligations, assign security provided by the Borrower with respect to the Borrower Loan to the Lender as security for the Tax-Exempt Obligations, 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 Tax-Exempt 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, 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 Tax-Exempt Obligations and the use of the proceeds of the Tax-Exempt Obligations to fund the Borrower Loan; (ii) effect the financing 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 April 4, 2014, by the following vote:

AYES: ROSSI, ROCKWELL, FOWLER, ANNIS, LUCHETTI

NOES:

ABSENT:

ABSTAIN:

By _____
Teveia R. Barnes, Executive Director

Attest:

By _____
Ruben Rojas, Secretary
of the Board of Directors

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