AMENDED AND RESTATED RESOLUTION NO. 14-06

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK BOARD OF DIRECTORS PROVIDING CONDITONAL APPROVAL OF AN INFRASTRUCTURE STATE REVOLVING FUND PROGRAM FINANCING IN AN AMOUNT NOT TO EXCEED $8,400,000 FOR THEATRE FOR CHILDREN, INC., DOING BUSINESS AS B STREET THEATRE

WHEREAS, the California Infrastructure and Economic Development Bank (the "IBank") established and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "IBank Act"), for the purpose of, among other things, providing financial assistance to eligible projects; and

WHEREAS, the Theatre for Children, Inc., dba B Street Theatre, a California nonprofit public benefit corporation (the "Applicant"), has submitted an application for financing under the Infrastructure State Revolving Fund Program (the "ISRF Program") (the "Application") requesting $8,400,000 for the financing of eligible economic expansion project costs for the B Street Theatre Project, as described more fully in Attachment A hereto (the "Project"); and

WHEREAS, the Applicant and Project meet all applicable eligibility requirements, for economic expansion projects, mandated by the IBank Act and by the Amended and Restated Criteria, Priorities and Guidelines for the Selection of Projects for Financing under the ISRF Program, adopted on October 29, 2013 (the "Criteria"); and

WHEREAS, the Board of Directors of the IBank (the "Board") originally adopted Resolution No. 14-06 on May 20, 2014 (the "Original Resolution"); and

WHEREAS, among other conditions, the Original Resolutions provided that the IBank's conditional approval would expire 180 days from its adoption unless the Applicant satisfies all conditions set forth in the Original Resolution; and

WHEREAS, for various reasons, the Applicant has been unable to satisfy all the conditions set forth in the Resolution and accordingly has requested that the Board extend the time limit provided in the Original Resolution to June 30, 2015; and

WHEREAS, the Board wishes to grant the Applicant's request for an extension of the time limit provided in the Original Resolution.

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. Pursuant to this amended resolution (this "Amended Resolution"), the IBank conditionally authorizes and approves providing a financing under the ISRF Program in principal amount not to exceed $8,400,000 to the Applicant for the eligible costs of the Project (the "ISRF Financing"), subject to (i) a determination by the IBank's Executive Director (the "Executive Director"), made in a manner that the Executive Director deems appropriate under the circumstances, which determination by the Executive Director shall be conclusive, that the conditions precedent set forth in Attachment B hereto, together with such additional conditions precedent as the Executive Director may deem appropriate, in consultation with staff and legal counsel, have been met, or adequate alternative provision therefor has been made (the "Executive Director Determination"); provided, however, that such Executive Director Determination may not, without further authorization from the Board, increase the loan amount or term, decrease the interest rate, or reduce the collateral for the loan; and (ii) the execution of a financing agreement between the IBank and the Applicant, in form and substance satisfactory to the IBank and its counsel (the "Financing Agreement").

Section 3. All actions heretofore taken by the officers and employees of the IBank with respect to the approval of the ISRF Financing are hereby approved, confirmed and ratified. The Executive Director or the Executive Director's assignees, and each of their authorized, designees, deputies, agents and counsel each acting alone, is hereby authorized and directed, jointly and severally, to perform their duties, take actions and execute and deliver the Financing Agreement and any and all other financing documents and instruments which they or counsel to the IBank may deem necessary or desirable in order to (i) effect the financing of the Project; (ii) facilitate the transactions contemplated by the ISRF Financing; and (iii) to otherwise to effectuate the purposes of this Amended Resolution.

Section 4. This Amended Resolution shall not be construed as an unconditional commitment by the IBank to finance the Project, but rather the IBank conditional approval, pursuant to this Amended Resolution, is conditioned upon the Executive Director Determination and is further conditioned upon entry by the IBank and the Applicant into the Financing Agreement, as hereinabove provided. Such satisfaction is conclusively evidenced by the IBank's execution and delivery of same.

Section 5. This Amended Resolution shall take effect immediately upon the Board's approval of its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on November 18, 2014 by the following vote:

AYES: LUCHETTI, ORTEGA, FOWLER, ANNIS

NOES:

ABSENT: ROSSI

ABSTAIN:

By: _____
Teveia R. Barnes, Executive Director

ATTEST

By: _____
Ruben Rojas,
Secretary of the Board of Directors

ATTACHMENT A

Description of the Project

The Project consists of the following components:

- Land acquisition and site development.
- Planning, design and construction of an approximately 45,000 square foot theatre complex.
- Materials and equipment.
- Costs associated with the implementation of the Project.
- Other components necessary or desirable in connection with an economic expansion project of this type and that are consistent with the applicable requirements of the IBank Act and the Criteria.

ATTACHMENT B

Loan Financing Terms and Conditions

1. **Applicant/Borrower:** Theatre for Children, Inc. dba B Street Theatre

2. **Project:** The B Street Theatre Expansion Project

3. **Amount of Financing:** Not to exceed $8,400,000

4. **First Loan Maturity:** Not to exceed 8 years.

5. **Combined Maturity of First Loan and Second Loan**: Not to exceed 30 years

6. **Repayment/Security:** See Sources of Repayment, Collateral and Other Support Section

7. **First Loan Interest Rate:** 2.06%, for an un-rated borrower with a project located in an area where median household income is less than 25% of the Statewide Average and the unemployment rate is greater than 135% of the statewide average.

8. **Second Loan Interest Rate:** 4.15%, for an un-rated borrower with a project located in an area where median household income is less than 25% of the Statewide Average and the unemployment rate is greater than 135% of the statewide average.

9. **Reserve:** $1,100,000 Debt Service Reserve Requirement.

10. **Guarantee:** Sutter Health payment guarantee of debt service on the IBank Loan in an amount not to exceed $1,000,000.

11. **Fees:** Financing origination fee of 1.25% of the IBank financing and an annual fee of 0.30% of the outstanding principal balance.

12. **Financial Covenants for First Loan:**

    a. Maintain DSCR of at least 1.5x
    b. Negative pledge
    c. Additional debt prohibited without prior written approval
    d. Quarterly reporting and compliance certificate
    e. Annual audited financials within 150 days of fiscal year
    f. No material litigation or material adverse change in financial condition or operations

13. **Conditions Precedent for First** Loan:

a. Allocation by one or more CDEs of sufficient NMTCs to consummate a successful NMTC financing.
b. IBank review and approval of NMTC documentation
c. Funding sources in addition to the IBank Loan and NMTC financing if necessary to fund all hard and soft costs of the project
d. IBank's prior consent required for draw-downs of funding for construction costs
e. $2,500,000 from the City of Sacramento or other sources acceptable to the IBank
f. Successful simultaneous closing of NMTC financing with the IBank First Loan
g. Pledge of Ticket Surcharge in Lock Box
h. $1,100,000 Debt Service Reserve Fund
i. Sutter Health $1,000,000 guarantee of payment of debt service and IBank loan
j. Assignment of Sutter $500,000 10 year payments to IBank
k. Capital Campaign Contributions: Pledge of all capital campaign contributions which are to be deposited in an account, subject to the control of the IBank.
l. Assignment of Leverage Loan from NMTC
m. Self-contained appraisal of the Project reflecting an "as-is" value of at least $5,958,000 and an "as-completed" value of at least $16,800,000. Appraisal to be prepared by an MAI appraiser.
n. Tri-party Agreement among B Street, Sutter and IBank in form and substance acceptable to the IBank
o. No material adverse change in financial condition or operations
p. No material litigation

14. **Not an Unconditional Commitment**: The Board's approval pursuant to the Amended Resolution shall not be construed as an unconditional commitment to finance the Project, but rather the IBank Board's approval pursuant to this Amended Resolution is conditioned upon entry by the IBank and the Borrower into a definitive financing agreement and related ancillary and collateral documents, in form and substance satisfactory to the IBank and its counsel.

15. **Limited Time**: The Board's approval pursuant to this Amended Resolution expires on July 1, 2015. Thus, the Borrower and the I-Bank must execute a financing agreement for the First Loan no later than June 30, 2015. Once the approval has expired, there can be no assurances that the I-Bank will be able to grant the loan to the Borrower or consider extending the approval period.