**RESOLUTION NO. 16-27**

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF TAX-EXEMPT AND TAXABLE OBLIGATIONS IN AN AMOUNT NOT TO EXCEED $4,478,000 TO PROVIDE FINANCIAL ASSISTANCE FOR AN ELIGIBLE PROJECT FOR THE BENEFIT OF ST. MICHAEL'S EPISCOPAL DAY SCHOOL, A CALIFORNIA NONPROFIT RELIGIOUS CORPORATION, PROVIDING THE TERMS AND CONDITIONS FOR SAID OBLIGATIONS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS ASSOCIATED THEREWITH**

WHEREAS, the California Infrastructure and Economic Development Bank ("IBank") 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, IBank is authorized under provisions of the Act to issue tax-exempt and taxable obligations to provide financing and refinancing for eligible projects located in the State of California; and

WHEREAS, St. Michael's Episcopal Day School, a California nonprofit religious corporation (the "Borrower"), has submitted an application (the "Application") to IBank for assistance to (1) finance and refinance Borrower's existing loan, which loan financed Borrower's school facilities located at 2120 & 2140 Mission Avenue and 4719 & 4741 Cottage Way in Carmichael, California, and (2) 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 IBank (a) to authorize the issuance and delivery of one or more series of tax-exempt and taxable obligations to be sold to Five Star Bank (the "Lender"), pursuant to the terms set forth in **Exhibit 1** (the "Term Sheet") attached hereto, (the "Obligations"), (b) to loan the proceeds of the Obligations to the Borrower to finance and refinance the costs of the Project (the "Borrower Loan" and together with the Obligations, the "Transaction"), (c) to provide for the payment of the principal of, premium, if any, and interest on the 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, consistent with IBank's policies, the requirement for credit rating by rating agencies may be waived by IBank for IBank obligations (such as the Obligations) that are privately placed in a limited offering or sold directly to qualified sophisticated investors, provided that IBank's conditions for such private placement and direct purchase transactions are met; and

WHEREAS, because the Transaction provides for the Obligations to be placed directly with the Lender in accordance with IBank policy requirements, the Transaction will not be rated by any rating agency; and

WHEREAS, IBank 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. IBank authorizes and approves the issuance, sale and delivery of the Obligations on the terms set forth on the Term Sheet and lending the proceeds of the 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 (this "Resolution").

Section 3. In accordance with IBank's policies on direct purchase and private placement, IBank hereby waives the requirement for a credit rating in connection with the Transaction.

Section 4. 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 regulatory agreement, a no arbitrage certificate, letters of representations and certifications of authority, which they or counsel to IBank may deem necessary or desirable to consummate the issuance and delivery of the Obligations, assign security provided by the Borrower with respect to the Borrower Loan to the Lender as security for the Obligations, consummate the Transaction, and otherwise to effectuate the purpose of this Resolution.

Section 5. All actions heretofore taken by the officers and employees of IBank with respect to the approval and issuance of the Obligations are hereby approved, confirmed and ratified. The officers of IBank and their authorized assignees 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 IBank may deem necessary or desirable in order to (i) consummate the issuance and delivery of the Obligations and the use of the proceeds of the 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 6. Unless extended by IBank, the Board's approval of the Transaction is conditioned upon its closing within one hundred eighty (180) days from the date of the adoption 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 October 25, 2016, by the following vote:

AYES: AVDIS, ORTEGA, SCHAEFER, ANNIS, LUCHETTI

NOES:

ABSTAIN:

ABSENT:

By _____
Teveia R. Barnes, Executive Director

Attest:

By _____
Stefan R. Spich, Secretary of the Board of Directors

# Exhibit 1

## IBank Term Sheet St. Michael's Episcopal Day School
**Date: October 25, 2016**

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|---|---|
| **Par Amount:** | Not to exceed $4,478,000; Tax-Exempt Obligations |
| **Type of Offering:** | Private Placement |
| **Lender:** | Five Star Bank, a California banking corporation |
| **Expected Credit Rating:** | None |
| **Interest:** | 5-year CMT + 235bps, fixed for 5 years, then 5-year CMT + 235bps, fixed for 5 years; Floor = start rate (currently 3.43%) |
| **Maturity:** | 10 years |
| **Collateral:** | Borrower's and Guarantor's real and personal property |
| **Closing Date:** | On or before one (1) month from October 25, 2016. |
| **Limited Guarantees:** | St. Michael's Episcopal Church |
| **Conduit Transaction:** | The Obligations are special, limited obligations payable solely from payments made by the Borrower under the transaction documents and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payment to be made pursuant to the Obligations. |