

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING ***TELECONFERENCE MEETING NOTICE and AGENDA*** LOCATIONS LISTED BELOW

10:30 A.M.

Thursday, June 21, 2012

Teleconference Phone Information

(605) 475-3200 - Conference Code: 305911#

Call to Order and Roll Call

Approval of Minutes

1. Approve the Regular Meeting Minutes of June 7, 2012.

Action Items

2. Approve Resolution 12-20 of the Board of Directors of the California Enterprise Development Authority Authorizing and Approving a Second Amendment to Loan Agreement or, in the alternative, an Amended and Restated Loan Agreement relating to that certain Loan Agreement, dated as of June 1, 2008, as amended, by and among Citimortgage, Inc., California Enterprise Development Authority and Loma Linda University Behavioral Medicine Center, Inc. for the purpose of modifying certain terms and provisions of such Loan Agreement, authorizing and approving other matters relating thereto and authorizing the execution and delivery of certain documents.

Public Comment

Chair Report

PACE Report

Other Business

Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local
Economic Development
550 Bercut Drive, Suite G
Sacramento, CA 95811

City of Eureka City Hall
531 K Street
Eureka, CA 95501

Tuolumne County EDA
99 North Washington St.
Sonora, CA 95370

City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

City of Selma
1710 Tucker St.
Selma, CA 93662

Economic Development Collaborative-
Ventura County
1601 Carmen Drive, #215
Camarillo, CA 93010

City of Santa Rosa City Hall
100 Santa Rosa Avenue
Santa Rosa, CA 95404

City of Vista
200 Civic Center Dr.
Vista, CA 92084

This agenda can be obtained at www.ceda.caed.org. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

***TELECONFERENCE MEETING ***

CEDA BOARD OF DIRECTORS

Thursday, June 7, 2012

Teleconference Locations

California Association for Local Economic Development
550 Bercut Drive, Suite G
Sacramento, CA 95811

City of Selma
1710 Tucker St.
Selma, CA 93662

City of Santa Rosa City Hall
100 Santa Rosa Avenue
Santa Rosa, CA 95404

City of Vista
200 Civic Center Dr.
Vista, CA 92084

City of Eureka City Hall
531 K Street
Eureka, CA 95501

Tuolumne County EDA
99 North Washington St.
Sonora, CA 95370

Economic Development Collaborative-Ventura County
1601 Carmen Drive, #215
Camarillo, CA 93010

City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

Call to Order

Wayne Schell, Board Chair of the California Enterprise Development Authority, called the meeting to order at 10:35 am.

Roll Call

Members Present: Larry Cope
DB Heusser
Wayne Schell
Randy Starbuck
Cindy Trobitz-Thomas

CALED Management/Staff
Present: Rachael Alexander
Gurbax Sahota
Michelle Stephens

Public Present: Scott MacBean, DOO, Live Oak School
Sam Balisy, Bond Counsel, Kutak Rock LLP

Action Items

1. Approve the Regular Meeting Minutes of May 31, 2012.

Motion: Board Secretary, Larry Cope made the motion to approve the Regular Meeting Minutes of May 31, 2012. Board Member DB Heusser seconded the motion on the floor and it passed with the following roll call vote:

| | |
|----------------------|-----|
| Larry Cope | Aye |
| DB Heusser | Aye |
| Wayne Schell | Aye |
| Randy Starbuck | Aye |
| Cindy Trobitz-Thomas | Aye |

2. Approve Resolution 12-19 of The California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement with First Republic Bank and Live Oak, a Learning Center for Children, Doing Business as Live Oak School Pursuant to which the California Enterprise Development Authority will Make a Loan in an Amount not to Exceed \$6,750,000 for the Purpose of Refinancing the Currently Outstanding California Statewide Community Development Authority Series 2000 Revenue Bonds (Live Oak School), for the Benefit of Live Oak School, Providing the Terms and Condition for such Master Loan Agreement and Other Matters Relating Thereto Herein Specified.

Motion: *Board Member Cindy Trobitz-Thomas made the motion to approve Resolutions 12-19. Board Member Randy Starbuck seconded the motion on the floor and it passed with the following roll call vote:*

| | |
|----------------------|-----|
| Larry Cope | Aye |
| DB Heusser | Aye |
| Wayne Schell | Aye |
| Randy Starbuck | Aye |
| Cindy Trobitz-Thomas | Aye |

Discussion: Michelle Stephens explained to the board that this refinancing would save the Live Oak School a considerable amount of money, decreasing the school's rate from 6.75% to 4.25%. Scott MacBean, DOO of the Live Oak School then further clarified for the board that for the first 15 years of the bond, the school will have a fixed rate of 3.85% and then for the remaining ten years, a floated rate determined at that time. The 4.25% Ms. Stephens mentioned was a combination of the two rates. He then noted that the school was going to use the savings to increase tuition assistance for needy families and to increase staff, thus improving their services to students.

Board Member Larry Cope asked if there was a cap on the rate for the final ten years of the bond to which Mr. MacBean responded that he did not think there was. CEDA Bond Counsel Sam Balisy mentioned that there usually was a spread and the school is always able to renegotiate when the time came. Board Member Randy Starbuck asked Mr. MacBean what the savings would be for the school to which he answered between \$175,000 to \$180,000 a year.

3. Approve the engagement of James Marta & Company, Certified Public Accountants to complete the Annual CEDA Audit.

Motion: *Board Member Randy Starbuck made the motion to approve the audit engagement letter. Board Chair Wayne Schell seconded the motion on the floor and it passed with the following roll call vote:*

| | |
|----------------------|-----|
| Larry Cope | Aye |
| DB Heusser | Aye |
| Wayne Schell | Aye |
| Randy Starbuck | Aye |
| Cindy Trobitz-Thomas | Aye |

Discussion: Board Member Randy Starbuck asked how long the contract would be to which Gurbax Sahota answered one year.

Public Comment
Staff Report
PACE Report

Board Member Randy Starbuck noted that the Elk Grove City Council will be looking at California PACE financing at an upcoming meeting in June and that while he is anticipating support by the council, some competitors have approached a council member. Mr Starbuck said that he has made the argument that California PACE is ready to go now and that when other programs come online in the future, the city can evaluate them then.

Ms. Stephens also mentioned that she was contacted by the Office of Planning and Research because they are creating an energy efficiency website and wanted to list the available resources throughout the state and she was able to say that the California PACE Program is up and running now.

Other Business

Adjournment

Motion: *Board Secretary, Larry Cope moved to adjourn the meeting. Board Member Randy Starbuck seconded the motion. The motion passed unanimously by voice vote.*

Board Chair, Wayne Schell adjourned the meeting at 10:50 am.

Staff Report

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|---------------------------------|--|
| Action Requested | Staff recommends the adoption of Resolution 12-20 which authorizes the execution and delivery of a Second Amendment to Loan Agreement with respect to the Loan Agreement, dated as of June 1, 2008, as amended, by and among Citimortgage, Inc., the California Enterprise Development Authority and Loma Linda University Behavioral Medical Center, Inc., (San Bernardino, California). |
| Borrower | Loma Linda University Behavioral Medicine Center, Inc. (http://lomalindahealth.org/behavioral-medicine-center/) |
| Type of Resolution | Amendment Resolution |
| Description of Amendment | CEDA authorized and approved a tax-exempt loan to Loma Linda University Behavioral Medicine Center, Inc. (LLUBMC) in June 2008 to finance construction of a new 46,102 square foot medical office building. Citimortgage, Inc., the original lender has determined to exist the line of business related to lending to healthcare providers and will be assigning the Loan Agreement to GE Government Finance, Inc. (“GE”). As a condition to the assignment, GE and the Borrower have negotiated certain amendments to the original Loan Agreement that will shorten the maturity date, lower the interest rate, modify the amortization schedule, eliminate the requirement for real property collateral and make other conforming changes to the Loan Agreement. The amendment is treated as a tax reissuance for tax purposes. |
| Financing Information | The Loan Agreement does not constitute a pledge of the faith and credit of CEDA or any of its members. The Borrower is solely responsible for the payment of principal and interest with respect to the Loan Agreement. |
| Issuer’s Counsel | Kutak Rock LLP |
| Recommendation | Staff recommends the authorization and approval of Resolution 12-20 which authorizes the execution and delivery of a Second Amendment to Loan Agreement with respect to the Loan Agreement dated as of June 1, 2008, as amended, by and among Citimortgage, Inc., the California Enterprise Development Authority and Loma Linda University Behavioral Medicine Center, Inc. (San Bernardino, California). |

RESOLUTION NO. 12-20

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING THE SECOND AMENDMENT TO LOAN AGREEMENT AMENDING THE LOAN AGREEMENT DATED AS OF JUNE 1, 2008, AS AMENDED, BY AND AMONG CITIMORTGAGE, INC., CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND LOMA LINDA UNIVERSITY BEHAVIORAL MEDICINE CENTER, INC., PROVIDING THE TERMS AND CONDITIONS FOR SUCH SECOND AMENDMENT TO LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED.

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise Development Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by the Agreement and the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, Citimortgage, Inc. (the "Original Lender"), the Authority and Loma Linda University Behavioral Medicine Center, Inc., a nonprofit religious corporation (the "Borrower"), entered into a Loan Agreement, dated as of June 1, 2008, as amended, (the "Original Loan Agreement"), for the purpose of facilitating a loan in the amount of \$17,464,558.75 by the Original Lender to the Authority and a concurrent loan by the Authority to the Borrower (the "Loan"); and

WHEREAS, the Loan is currently outstanding in the aggregate principal amount of \$16,742,589.97; and

WHEREAS, the Original Lender has offered to assign the Loan to another lender at a discounted price of \$13,561,500 on or prior to June 27, 2012; and

WHEREAS, GE Government Finance, Inc. (the "New Lender"), has offered to purchase the Loan for an amount equal to \$12,400,000 and the Borrower is willing to prepay a portion of the outstanding principal amount of the Loan in an amount equal to \$1,161,500 to facilitate the assignment of the Loan from the Original Lender to the New Lender; and

WHEREAS, the Borrower and the New Lender desire to make certain changes to the Original Loan Agreement concurrently with the assignment of the Loan, including shortening the term of the Loan, modifying the interest rate, amending the schedule of payments referenced in the Original Loan Agreement and making certain other conforming changes to the Original Loan Agreement, and have requested that the Authority enter into a Second Amendment to Loan Agreement in order to effectuate such amendments (the “Amendment”); and

WHEREAS, there is on file with the Secretary of the Authority, a proposed form of the Amendment, to be entered into by and among the New Lender, the Authority and the Borrower;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Enterprise Development Authority, as follows:

Section 1. The form of the Amendment on file with the Secretary of the Authority is hereby approved and the Chair or the Vice Chair of the Board of Directors of the Authority (individually, an “Authorized Signatory” and, collectively, the “Authorized Signatories”), acting alone, is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Amendment in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The Authorized Signatories, and each of them, acting alone, is hereby authorized and empowered to execute all documents, certificates and instruments necessary or appropriate to effectuate the purposes of this Resolution.

Section 3. All actions heretofore taken by the officials and agents of the Authority with respect to the Amendment are hereby approved, confirmed and ratified, and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 4. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21st day of June, 2012.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Gurbax Sahota, Chair

ATTEST:

Larry Cope, Secretary