

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

3:00 PM
Wednesday, July 21, 2010
Teleconference Phone Information
(308) 344-6400 - Conference Code: 305911#

Call to Order and Roll Call
Chair and Executive Director Reports

1. **Approval Of Minutes**
Approve the Regular Meeting Minutes of June 30, 2010

Action Items

2. Approve CEDA Budget and Work plan for 2010/2011
3. Approve Amended CEDA Management Agreement
4. Adopt Resolution 10-11 Approving Associate Membership by City and County of San Francisco in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority
5. Adopt Resolution 10-12 Approving Associate Membership by City of Redondo Beach in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority
6. Adopt Resolution 10-13 Approving Associate Membership by City of Roseville in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority
7. Adopt Resolution 10-14 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement Pursuant to which the California Enterprise Development Authority will make a loan in an Amount not to exceed \$26,500,000 for the Purpose of Financing and Refinancing the Cost of the Construction, Installation, Rehabilitation, Equipping, and Furnishing of Certain Facilities for the Benefit of National Center for International Schools, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating thereto herein specified
8. Adopt Resolution 10-15 of the California Enterprise Development Authority Authorizing and Approving a Master Loan Agreement Pursuant to which the California Enterprise Development Authority will make a loan in an Amount not to exceed \$8,300,000 for the Purpose of Financing and Refinancing the Cost of the Construction, Installation, Rehabilitation, Equipping, and Furnishing of Certain Facilities for the Benefit of Seven Hills School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating thereto herein specified

Other Business

9. Discussion of CEDA policy regarding using bond financing to relocate businesses between California communities.

Public Comment **Adjournment**

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

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

City of Palmdale
38250 N Sierra Highway
Palmdale, CA 93550

City of San Jose
200 E. Santa Clara St., 17th
Floor
San Jose, CA 95113

The Valley Economic Alliance
5121 Van Nuys Blvd.#200
Sherman Oaks, CA 91403

Economic Development
Collaboration of Ventura
County
1601 Carmen Dr., Ste 215
Camarillo, CA 93010

City of Clovis City Hall
1033 Fifth Street
Clovis, CA 93612

5598 Gold Creek Drive
Castro Valley, Ca 94552

This agenda can be obtained at www.caled.org/edfinancing. 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 no later than 72 hours before the meeting at (916) 448-8252, ext. 16

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES

Regular Meeting

TELECONFERENCE MEETING

CEDA BOARD OF DIRECTORS

Wednesday, June 30, 2010

Teleconference Locations

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

City of San Jose
200 E. Santa Clara St., 17th Floor
San Jose, CA 95113

City of Clovis City Hall
1033 Fifth Street
Clovis, CA 93612

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

Claremont County Club
The Board Room
5295 Broadway Terrace
Oakland, CA 94618

The Valley Economic Alliance
5121 Van Nuys Blvd.#200
Sherman Oaks, CA 91403

East Bay Economic Development
Alliance
1221 Oak Street, Ste 555
Oakland, CA 94612

City of Palmdale
38250 N Sierra Highway
Palmdale, CA 93550

Economic Development
Collaboration of Ventura County
1601 Carmen Dr., Ste 215
Camarillo, CA 93010

Call to Order

Kathy Millison, Acting Chair of the California Enterprise Development Authority, called the meeting to order at 3:02 pm.

Roll Call

Members Present: Kathy Millison
Danny Roberts
Bruce Stenslie
Cindy Trobitz-Thomas

CEDA Staff Present: Mona Dmitrenko
Michelle Stephens

Public Present: none

Executive Director Report

No Report.

Action Items

1. Approve Minutes from March 24, 2010 Regular Meeting and June 23, 2010 Regular Meeting.

Motion: Board Member, Danny Roberts made the motion to approve the Minutes from March 24, 2010 Regular Meeting and June 23, 2010 Regular Meeting. Board Member, Cindy Trobitz-Thomas seconded the motion on the floor. The motion passed on the following roll call vote:

Kathy Millison	Aye
Danny Roberts	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

2. Adopt Resolution 10-10 Approving the issuance and sale of California Enterprise Development Authority Variable Rate Demand Recovery Zone Facility Bonds, Series 2010 (Frank-Lin Distillers Products, Ltd. Project) in the aggregate principal amount of not to exceed \$22,000,000 for the purpose of financing or refinancing facilities for the benefit of The LMB Partnership, LP and Frank-Lin Distillers Products, Ltd. and/or a related or successor entity; providing the terms and conditions for the sale and issuance of said Bonds and other matters relating thereto and authorizing the execution of certain documents therein specified

Discussion: Executive Director, Mona Dmitrenko discussed the status of the Frank-Lin project and explained the history of the project and the reason the business was leaving the City of San Jose, even though they had actively work with City representatives to find a replacement site within the city limits. Ms. Dmitrenko also noted that Board Member, Paul Krutko, had chosen to not be a part of this meeting because of the connection to the City of San Jose (his employer) but asked his fellow board members to consider the project.

Motion: As resolution 10-10 was tabled by the Board Chair, Wayne Schell at the previous Regular meeting on June 23, 2010, acting chair, Kathy Millison asked for a motion to remove Resolution 10-10 from the table. Board Member, Bruce Stenslie made the motion to remove Resolution 10-10 from the table. Board Member, Cindy Trobitz-Thomas seconded the motion. The motion passed on the following roll call vote:

Kathy Millison	Aye
Danny Roberts	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

Motion: Board member, Danny Roberts made the motion to approve the adoption of Resolution 10-10 approving the issuance and sale of California Enterprise Development Authority Variable Rate Demand Recovery Zone Facility Bonds, Series 2010 (Frank-Lin Distillers Products, Ltd. Project) in the aggregate principal amount of not to exceed \$22,000,000 for the purpose of financing or refinancing facilities for the benefit of The LMB Partnership, LP and Frank-Lin Distillers Products, Ltd. and/or a related or successor entity; providing the terms and conditions for the sale and issuance of said Bonds and other matters relating thereto and authorizing the execution of certain documents therein specified. Board member, Bruce Stenslie, seconded the motion on the floor. The motion passed on the following roll call vote:

Kathy Millison	Aye
Danny Roberts	Aye
Bruce Stenslie	Aye
Cindy Trobitz-Thomas	Aye

Public Comment

There was no public comment made.

Adjournment

Motion: Board member, Cindy Trobitz-Thomas moved to adjourn the meeting. Danny Roberts seconded the motion. The motion passed.

Acting Chair, Kathy Millison adjourned the meeting at 3:13 pm.

Staff Report

Action Requested	<ul style="list-style-type: none"> ▪ Adopt Resolution 10-11 Approving Associate Membership by City and County of San Francisco in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority ▪ Adopt Resolution 10-12 Approving Associate Membership by City of Redondo Beach in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority ▪ Adopt Resolution 10-13 Approving Associate Membership by City of Roseville in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority
Prior Actions	<ul style="list-style-type: none"> ▪ On July 13, 2010, the Board of Supervisors of the City and County of San Francisco approved becoming an associate member in the California Enterprise Development Authority ▪ On June 15, 2010, the City Council of the City of Redondo Beach approved becoming an associate member in the California Enterprise Development Authority ▪ On June 16, 2010, the City Council of the City of Roseville approved becoming an associate member in the California Enterprise Development Authority
Public Benefits	<p>Acceptance of these resolutions will allow CEDA to issue bonds and other tax-exempt financings in these municipalities. CEDA’s issuance costs and ongoing annual fees are competitive and/or lower than other issuers. The savings incurred by the end borrower can then be used to further expand their underlying business, stabilize operations or hire additional employees.</p>
Recommendation	<ul style="list-style-type: none"> ▪ Staff recommends approval of Resolution 10-11 which approves the Associate Membership by the City and County of San Francisco in the California Enterprise Development Authority and approves the execution of an Associate Membership Agreement relating to Associate Membership of the City and County of San Francisco. ▪ Staff recommends approval of Resolution 10-12 which approves the Associate Membership by City of Redondo Beach in the California Enterprise Development Authority and approves the execution of an Associate Membership Agreement relating to Associate Membership of City of Redondo Beach ▪ Staff recommends approval of Resolution 10-13 which approves the Associate Membership by City of Roseville in the California Enterprise Development Authority and approves the execution of an Associate Membership Agreement relating to Associate Membership of City of Roseville

RESOLUTION NO. 10-11

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY CITY AND COUNTY OF SAN FRANCISCO IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

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 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;

WHEREAS, pursuant to Section 2.10 of the Agreement, a local agency June be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

WHEREAS, City and County of San Francisco (the “City”) wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City into the Authority as an associate member;

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

Section 1. The City is hereby admitted as a new associate member of the Authority.

Section 2. The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 21st day of July, 2010.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Wayne Schell, Chair

ATTEST:

Gurbax Sahota, Assistant
Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2010.

Gurbax Sahota, Assistant
Secretary

RESOLUTION NO. 10-12

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF REDONDO BEACH IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

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 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;

WHEREAS, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

WHEREAS, the City of Redondo Beach (the “City”), wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City into the Authority as an associate member;

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

Section 1. The City is hereby admitted as a new associate member of the Authority.

Section 2. The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 21st day of July, 2010.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By:

Wayne Schell, Chair

ATTEST:

By: _____
Gurbax Sahota, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Eenterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2010.

Gurbax Sahota, Assistant
Secretary

RESOLUTION NO. 10-13

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE CITY OF ROSEVILLE IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE CITY IN THE AUTHORITY

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 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;

WHEREAS, pursuant to Section 2.10 of the Agreement, a local agency may be admitted as an associate member of the Authority upon approval of the Board of Directors of the Authority and the adoption by the legislative body of the local agency of a resolution approving an Associate Membership Agreement; and

WHEREAS, the City of Roseville (the “City”), wishes to join the Authority and has passed the requisite resolution approving the City becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

WHEREAS, the Board of Directors desires to admit the City into the Authority as an associate member;

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

Section 1. The City is hereby admitted as a new associate member of the Authority.

Section 2. The Chair or the Vice Chair of the Board of Directors is hereby authorized to execute the Associate Membership Agreement with the City. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Authority in connection with the the Authority’s entry into the Associate Membership Agreement with the City are hereby ratified and confirmed.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 21st day of July, 2010.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By:

Wayne Schell, Chair

ATTEST:

By: _____
Gurbax Sahota, Assistant Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Eenterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2010.

Gurbax Sahota, Assistant
Secretary

Staff Report

Action Requested	Adopt Resolution 10-14 for an amount not to exceed \$26,500,000 million for the purpose of financing and refinancing the cost of construction, furnishing and equipping of certain facilities for the benefit of National Center for International Schools, providing the terms and conditions for such Loan Agreement and other matters relating thereto therein specified
Borrower(s)	National Center for International Schools; Chinese American International School, French American International School and/or an affiliated or related entities.
Borrower Description	<p>The National Center for International Schools houses both the Chinese American International School and the French American International School. These schools are pre-kindergarten through 12th grade institutions that pride themselves on rigorous academic training combined with cultural awareness and investigation.</p> <p>The Chinese American International School, founded in 1981, and the French American International School, founded in 1962, joined in an educational and bond-generating venture known as the National Center for International Schools in 1994 and purchased the former CalTrans building located in the middle of San Francisco at 150 Oak Street. After seismic retrofits and the considerable remodeling and upgrades to the building, the two schools now share a vibrant and functional campus.</p>
Public Benefits	The refinancing of the borrower’s current outstanding bond will significantly reduce the borrower’s interest costs and provide the borrower with a fixed rate of interest for the life of the loan. In addition, the proposed loan includes a provision, which allows a portion of the approved amount to be used for potential planned improvements. This provision is open for three years from date of issue. Approval of this request will result in significant cost savings by lowering the borrower’s overall debt service payments and provide them with the funds needed for potential improvements. This action affords the schools the opportunity to improve cash flow, allow them to potentially increase their net income and will allow the borrower to expand its educational programs.
TEFRA Hearing	A Tax Equity and Fiscal Responsibility Act “TEFRA” hearing will be held by San Francisco City and County’s Board of Supervisors on July 20, 2010, following a public notice published in a newspaper of general circulation. No written or oral public comment is expected to be received. As part of City and County’s required process, this action was heard by San Francisco Board of Supervisor’s Budget & Finance Committee on July 14, 2010. The issuance was approved and recommended for approval by the entire Board of Supervisors. No written or oral comments were received by the public at the Committee meeting.
Eligibility and Policy Review	<p>The project has been reviewed by CEDA staff. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	<ul style="list-style-type: none"> ■ Staff recommends approval of Resolution 10-14, which authorizes and approves a loan agreement, which allows up to a \$26.5 million loan financing for National Center for International Schools. Proceeds from the loan will be used to refinance the borrower’s existing debt at a lower fixed interest rate and provide the s

RESOLUTION NO. 10-14

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A MASTER LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN IN AN AMOUNT NOT TO EXCEED \$26,500,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF NATIONAL CENTER FOR INTERNATIONAL SCHOOLS, PROVIDING THE TERMS AND CONDITIONS FOR SUCH MASTER LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO 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;

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");

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the City and County of San Francisco is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of promoting economic development; and

WHEREAS, National Center for International Schools, a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the

Authority requesting the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount not to exceed \$26,500,000 to the Borrower for the purpose of financing and refinancing the cost of, or reimbursing the Borrower for, (1) the cost of constructing, installing, rehabilitating, equipping and furnishing various school facilities located at 150 and 151 Oak Street, San Francisco, California 94102 and 289 Fell Street, San Francisco, California 94102, including a new gymnasium, new classrooms, faculty offices and other educational and ancillary facilities and (2) the payment of certain costs of issuance in connection with the Borrower Loan (collectively, the “Project”); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from First Republic Bank (the “Lender”) to the Authority (the “Authority Loan”) to make the Borrower Loan;

WHEREAS, there has been filed with the Secretary of the Authority a proposed form of a (i) Master Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower, (ii) the Deed of Trust Assignment Agreement (the “Deed of Trust Assignment Agreement”), between the Authority and the Lender, and (iii) the Guaranty Assignment Agreement (the “Guaranty Assignment Agreement”) between the Authority and the Lender; and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code, the Board of Supervisors of the City and County of San Francisco adopted, on June 29, 2010, a resolution approving the Authority Loan, in order to finance and refinance the Project; and

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

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing the Project.

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chairman or the Vice Chairman of the Board of Directors, or the Executive Director 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 Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this

Resolution 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 4. The proposed forms of the Deed of Trust Assignment Agreement and the Guaranty Assignment Agreement between the Authority and the Lender, on file with the Secretary of the Authority, are hereby approved. The Authorized Signatories, acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Deed of Trust Assignment Agreement and the Guaranty Assignment Agreement in substantially the forms filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution 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 5. The Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$26,500,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chairman or the Executive Director or any designee of either of them without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan borrowing of funds from the Lender and the Borrower Loan to the Borrower are hereby approved, confirmed and ratified, and the officials of the Authority 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, agreements and documents, including, without limitation, a tax certificate and agreement, which they or bond counsel may deem necessary or advisable in order to

consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution.

The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21st day of July, 2010.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Wayne Schell, Chairman

ATTEST:

Gurbax Sahota, Assistant
Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2010.

Gurbax Sahota, Assistant
Secretary

Staff Report

Action Requested	Adopt Resolution 10-15 for an amount not to exceed \$8,300,000 for the Purpose of Financing and Refinancing the Cost of the Construction, Installation, Rehabilitation, Equipping, and Furnishing of Certain Facilities for the Benefit of Seven Hills School, Providing the Terms and Conditions for such Master Loan Agreement and other Matters Relating thereto herein specified
Borrower(s)	Seven Hills School; or an affiliated or related entity.
Amount Requested	An amount not to exceed \$8,300,000.
Type of Resolution	Final Resolution 10-15
Borrower Description	The Seven Hills School, founded in 1962, is an independent, not-for-profit, day school educating 375 students in preschool through 8 th grade. The Seven Hills Mission is, “to develop the intellect, engage the spirit and foster respect for and responsibility to our world.”
Public Benefits	The refinancing of the borrower’s current outstanding loan will reduce the borrower’s interest costs. In addition, a portion of the proceeds will be used to enhance their existing facilities. Included in the project is the expansion of their multi-purpose room and language arts classrooms. Approval of this request will result in a lower interest costs and facilitate the expansion. This may lead to potentially higher net income and will allow the borrower to continue to expand its educational programs.
TEFRA Hearing	A Tax Equity and Fiscal Responsibility Act “TEFRA” hearing was held by Contra Costa County’s Board of Supervisors on June 22, 2010, following a public notice published in a newspaper of general circulation. No written or oral comments were received.
Eligibility and Policy Review	<p>The project has been reviewed by CEDA staff. The proposed financing is eligible pursuant to state and federal law and addresses the objectives contained in CEDA’s Bond Issuance Policies and Procedures</p> <ul style="list-style-type: none"> ■ The Borrower is capable of meeting the obligations incurred under the financing documents; ■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service; ■ Proposed financing is appropriate for the project.
Recommendation	<ul style="list-style-type: none"> ■ Staff recommends approval of Resolution 10-15, which authorizes and approves a loan agreement, which allows up to a \$8.3 million loan financing for Seven Hills School. Proceeds from the loan will be used to refinance the borrower’s existing debt at a lower interest rate.

RESOLUTION NO. 10-15

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A MASTER LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN IN AN AMOUNT NOT TO EXCEED \$8,300,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF THE SEVEN HILLS SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH MASTER LOAN AGREEMENT AND OTHER MATTERS RELATING THERETO 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;

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”);

WHEREAS, pursuant to the provisions of the Act, the public agencies which are members of the Authority are authorized to jointly exercise any power common to such public agency members, including, without limitation, the power to acquire and dispose of property, both real and personal; and

WHEREAS, the County of Contra Costa is an associate member of the Authority and is authorized to acquire and dispose of property, both real and personal; and

WHEREAS, pursuant to the provisions of the Act, the Authority may, at its option, issue bonds, rather than certificates of participation, and enter into a loan agreement for the purposes of promoting economic development; and

WHEREAS, The Seven Hills School, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to make a loan (the “Borrower Loan”) in the aggregate principal amount

not to exceed \$8,300,000 to the Borrower for the purpose of financing and refinancing the cost of, or reimbursing the Borrower for, (1) the cost of constructing, installing, rehabilitating, equipping and furnishing various school facilities located at 975 North San Carlos Drive, Walnut Creek, California, including new classrooms, a gymnasium, a 140-seat small theatre and adjacent green room and faculty offices and other ancillary school facilities and (2) the payment of certain costs of issuance in connection with the Borrower Loan (collectively, the “Project”); and

WHEREAS, the Authority intends to use the proceeds of a tax-exempt loan from First Republic Bank (the “Lender”) to the Authority (the “Authority Loan”) to make the Borrower Loan;

WHEREAS, there has been filed with the Secretary of the Authority a proposed form of a (i) Master Loan Agreement (the “Loan Agreement”), by and among the Lender, the Authority and the Borrower, and (ii) the Deed of Trust Assignment Agreement (the “Deed of Trust Assignment Agreement”), between the Authority and the Lender; and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code, the Board of Supervisors of the County of Contra Costa adopted, on June 22, 2010, a resolution approving the Authority Loan, in order to finance and refinance the Project; and

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

Section 1. The Authority finds that it is in the public interest to assist the Borrower in financing the Project.

Section 2. The Authority hereby approves of the entering into the Authority Loan on a tax-exempt basis and using the proceeds thereof to make the Borrower Loan pursuant to the terms and provisions of the Loan Agreement. The Authority understands that the payments under the Borrower Loan will be assigned to the Lender to satisfy the Authority’s payments under the Authority Loan. The payments to be made by the Authority to the Lender under the Authority Loan will be satisfied solely from payments made by the Borrower to the Lender (as assignee of Authority) under the Borrower Loan.

Section 3. The proposed form of the Loan Agreement by and among the Lender, the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. The Chairman or the Vice Chairman of the Board of Directors, or the Executive Director 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 Loan Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution 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 4. The proposed form of the Deed of Trust Assignment Agreement between the Authority and the Lender, on file with the Secretary of the Authority, is hereby approved. The Authorized Signatories, acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Deed of Trust Assignment Agreement in substantially the form filed with the Authority prior to this meeting, with such changes and insertions therein consistent with the stated terms of this Resolution 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 5. The Authority approves the Authority Loan on a tax-exempt and/or taxable basis and the making of the Borrower Loan to the Borrower in an amount not to exceed \$8,300,000 in accordance with the terms of and to be secured by the Loan Agreement. Repayment of the principal of, premium, if any, and the interest on, the Authority Loan shall be made solely from the revenues to be received by the Authority from the Borrower Loan pursuant to the Loan Agreement, and the Authority Loan shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof. The Authority Loan shall bear interest at the rate or rates set forth in the Loan Agreement.

Section 6. All assignments, consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the borrowing of amounts from the Lender and the making of the Borrower Loan to the Borrower, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project, any assignment by Lender to an affiliate of Lender, accredited investor or qualified institutional buyer or any prepayment of the Borrower Loan, may be given or taken by the Chairman or the Executive Director or any designee of either of them without further authorization by this Board of Directors of the Authority, and such officers are hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 7. All actions heretofore taken by the officials and agents of the Authority with respect to the Authority Loan borrowing of funds from the Lender and the Borrower Loan to the Borrower are hereby approved, confirmed and ratified, and the officials of the Authority 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, agreements and documents, including, without limitation, a tax certificate and agreement, which they or bond counsel may deem necessary or advisable in order to consummate the Borrower Loan and the Authority Loan and otherwise to effectuate the purposes of this Resolution.

The provisions of this Resolution are hereby declared to be separable, and if any action, phrase or provision is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases and provisions.

This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 21st day of July, 2010.

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By: _____
Wayne Schell, Chairman

ATTEST:

Gurbax Sahota, Assistant
Secretary

I, the undersigned, the duly appointed and qualified Assistant Secretary of the California Enterprise Development Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on July 21, 2010.

Gurbax Sahota, Assistant
Secretary