

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

## REGULAR MEETING

### \*\*\*TELECONFERENCE MEETING NOTICE and AGENDA\*\*\* LOCATIONS LISTED BELOW

3:00 PM

Wednesday, November 3, 2010

Teleconference Phone Information

(308) 344-6400 - Conference Code: 305911#

Call to Order and Roll Call

1. **Approval Of Minutes**  
Approve the Regular Meeting Minutes of October 20, 2010

#### Action Items

2. Approve Resolution 10-35 Approving Associate Membership by the County of Santa Barbara in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the County in the Authority
3. Approve Resolution 10-36 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will make a Loan for the Purpose of Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping, and Furnishing of Certain Facilities for the Benefit of Marymount of Santa Barbara, Inc., Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified
4. Approve Resolution 10-37 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of Laguna Blanca School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified.
5. Approve Resolution 10-38 of the California Enterprise Development Authority Authorizing and Approving the Issuance of Revenue Bonds in an Amount not to Exceed \$10.5MM for the Purpose of Refinancing the cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of Katherine Delmar Burke School and Other Matters Relating Thereto Herein Specified.

#### Public Comment

#### Chair and Executive Director Reports

#### 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 San Jose  
200 E. Santa Clara St., 17<sup>th</sup> Floor  
San Jose, CA 95113

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

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

City of Palmdale  
38250 N Sierra Highway  
Palmdale, CA 93550

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

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

5598 Gold Creek Drive  
Castro Valley, CA 94552

# CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

This agenda can be obtained at [www.caled.org/edfinancing](http://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, October 20, 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., 17<sup>th</sup> Floor  
San Jose, CA 95113

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

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

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

5598 Gold Creek Drive  
Castro Valley, Ca 94552

City of Palmdale

38250 N Sierra Highway  
Palmdale, CA 93550

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

Siskiyou County EDC  
1512 South Oregon Street  
Yreka, CA 96097

#### Call to Order

Wayne Schell, Chair of the California Enterprise Development Authority, called the meeting to order at 3:05 pm.

#### Roll Call

Members Present: Bruce Kern  
Wayne Schell  
Cindy Trobitz-Thomas

CEDA Staff Present: Mona Dmitrenko

#### Executive Director Report

Executive Director Mona Dmitrenko updated the board on current CEDA activity and noted that the frequent meetings are all driven by the ARRA Provisions that are scheduled to sunset on 12/31/10.

#### Action Items

1. Approve the Regular Meeting Minutes from October 13, 2010.

**Motion:** Board Secretary & Treasurer, Bruce Kern made the motion to approve the Regular Meeting Minutes from October 13, 2010. Board Chair, Cindy Trobitz-Thomas seconded the motion on the floor. The motion passed on the following roll call vote:

Bruce Kern	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

2. Adopt Resolution 10-31 of the California Enterprise Development Authority authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of financing and refinancing the cost of acquisition, construction, installation, rehabilitation,

equipping and furnishing of certain facilities for the benefit of Horizon Christian Fellowship Rancho Santa Fe, providing the terms and conditions for such loan agreement and other matters relating thereto herein specified.

**Discussion:** Executive Director Mona Dmitrenko gave a brief description of Horizon Christian Fellowship, a private school in Rancho Santa Fe. The private school will be using the proceeds of the bank-qualified loan to construct and improve their campus. At this time, the school provides 1<sup>st</sup> through 8th grade education from seven portable classrooms. However, the planned improvements will create a permanent facility. Improvements include replacing the seven temporary buildings with 20 classrooms, creating a gymnasium, locker room, library, lunch area and administration building. In addition, they will set aside 8 acres of their total 22 acres for permanent athletic facilities. The improved campus coupled with recent San Diego County approvals will allow the school to expand their population from 250 students to 750 students and meet their long-term goals.

**Motion:** Adopt Resolution 10-31 of the California Enterprise Development Authority authorizing and approving a loan agreement pursuant to which the California Enterprise Development Authority will make a loan for the purpose of financing and refinancing the cost of acquisition, construction, installation, rehabilitation, equipping and furnishing of certain facilities for the benefit of Horizon Christian Fellowship Rancho Santa Fe, providing the terms and conditions for such loan agreement and other matters relating thereto herein specified. Board member, Cindy Trobitz-Thomas made the motion to approve Resolution 10-31. Board Secretary, Bruce Kern seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Bruce Kern	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

3. Adopt Resolution 10-32 of the California Enterprise Development Authority authorizing the execution of certain documents in connection with the extension of the maturity date with respect to the California Enterprise Development Authority Variable Rate Demand Revenue Bonds, Series 2008, (Humane Society Silicon Valley Project) for the benefit of Human Society Silicon Valley.

**Discussion:** Executive Director Mona Dmitrenko explained that this resolution is an extension of the term of an existing bond in our current portfolio. Like other extensions we have completed, the extension allows the borrower to take advantage of certain ARRA Bond provisions. As a result the net interest cost to the borrower will be reduced and may result in a stronger borrower.

**Motion:** Adopt Resolution 10-32 of the California Enterprise Development Authority authorizing the execution of certain documents in connection with the extension of the maturity date with respect to the California Enterprise Development Authority Variable Rate Demand Revenue Bonds, Series 2008, (Humane Society Silicon Valley Project) for the benefit of Human Society Silicon Valley. Board Secretary, Bruce Kern made the motion to approve Resolution 10-

32. Board Member, Cindy Trobitz-Thomas seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Bruce Kern	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

4. Adopt Resolution 10-33 of the California Enterprise Development Authority Approving the Associate Membership by the City of San Jose in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.

**Discussion:** Executive Director Mona Dmitrenko explained that the Associate Membership for the City of San Jose is related to a recent Recovery Zone Facility Bond application submitted on behalf of SunPower, Inc. Nanci Klein of the City of San Jose who reports to CALED and CEDA Board Member, Paul Krutko referred the company.

**Motion:** Adopt Resolution 10-33 of the California Enterprise Development Approving the Associate Membership by the City of San Jose in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority. Board Secretary, Bruce Kern made the motion to approve Resolution 10-33. Board Member, Cindy Trobitz-Thomas seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Bruce Kern	Aye
Wayne Schell	Aye
Cindy Trobitz-Thomas	Aye

5. Adopt Resolution 10-34 of the California Enterprise Development Authority Approving the Associate Membership by the County of Monterey in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the City in the Authority.

**Discussion:** Executive Director Mona Dmitrenko explained that the Associate Membership for the County of Monterey is related to a 501(c)3 Bank-Qualified Loan project we are currently working on. We anticipate bringing before the board a request to approve a transaction for the SPCA of Monterey County.

**Motion:** Adopt Resolution 10-34 of the California Enterprise Development Approving the Associate Membership by the County of Monterey in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the County in the Authority. Board Member, Cindy Trobitz- Thomas made the motion to approve Resolution 10-34. Board Chair, Wayne Schell seconded the motion on the floor. The motion passed unanimously on the following roll call vote:

Bruce Kern	Aye
Wayne Schell	Aye

Cindy Trobitz-Thomas            Aye

**Other Business**

**Public Comment**

There was no public comment made.

**Adjournment**

**Motion:** Board Member, Cindy Trobitz-Thomas moved to adjourn the meeting. Board Chair, Wayne Schell seconded the motion. The motion passed unanimously by voice vote.

Board Chair, Wayne Schell adjourned the meeting at 3:12 pm.

## Staff Report

<b>Action Requested</b>	Approve Resolution 10-35 Approving Associate Membership by the County of Santa Barbara in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the County in the Authority
<b>Prior Actions</b>	On October 26, 2010, the Board of Supervisors of the County of Santa Barbara approved becoming an associate member in the California Enterprise Development Authority
<b>Public Benefits</b>	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.
<b>Recommendation</b>	Staff recommends approval of Resolution 10-35 which approves the Associate Membership by the County of Santa Barbara in the California Enterprise Development Authority and the Execution of an Associate Membership Agreement Relating to Associate Membership of the County in the Authority

**RESOLUTION NO. 10-35**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ASSOCIATE MEMBERSHIP BY THE COUNTY OF SANTA BARBARA IN THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AND THE EXECUTION OF AN ASSOCIATE MEMBERSHIP AGREEMENT RELATING TO ASSOCIATE MEMBERSHIP OF THE COUNTY 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 County of Santa Barbara (the “County”), wishes to join the Authority and has passed the requisite resolution approving the County becoming an associate member of the Authority and has approved an Associate Membership Agreement; and

**WHEREAS**, the Board of Directors desires to admit the County 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 County 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 County. 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 County are hereby ratified and confirmed.

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



PASSED AND ADOPTED this November 3, 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 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 November 3, 2010.

---

Gurbax Sahota, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Approve Resolution 10-36 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will make a Loan for the Purpose of Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping, and Furnishing of Certain Facilities for the Benefit of Marymount of Santa Barbara, Inc., Providing the Terms and Conditions for such Loan Agreement and Other Matters Relating Thereto Herein Specified
<b>Borrower(s)</b>	Marymount of Santa Barbara, Inc.
<b>Borrower Description</b>	<p>Marymount is an independent co-educational K-8 school welcoming families of all faiths. Founded as a secondary school for girls in 1938 by the Religious of the Sacred Heart of Mary, Marymount has emerged as one of Santa Barbara’s foremost independent schools. Marymount seeks to instill knowledge, cultivate values, and foster community.</p> <p>This loan agreement will refinance an existing loan, which was originally used to fund the construction of the Dolores E. Pollack Hall (Pollack Hall). Pollack Hall is a 16,000 square-foot, three-level facility that houses 10 classrooms, a science laboratory, an art studio, the Anne Foley Religious Studies Center, a faculty resource center, and a number of administrative offices. This loan agreement will help retain 36 jobs.</p>
<b>Public Benefits</b>	The refinancing of the borrower’s acquisition, renovation, furnishing and equipping costs will significantly reduce the borrower’s interest costs. 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 improvements of its facilities. This action affords Marymount of Santa Barbara, Inc. the opportunity to improve cash flow, enhance its facilities, and allow them to potentially increase their net income.
<b>TEFRA Hearing</b>	The County of Santa Barbara held a Tax Equity and Fiscal Responsibility Act “TEFRA” hearing on October 26, 2010, following a public notice published in a newspaper of general circulation.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. 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"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 10-36, which authorizes and approves the issuance and sale of bonds for Marymount of Santa Barbara, Inc.

**RESOLUTION NO. 10-36**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF MARYMOUNT OF SANTA BARBARA, INC., PROVIDING THE TERMS AND CONDITIONS FOR SUCH 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 Santa Barbara (the "County") 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**, Marymount of Santa Barbara, Inc., 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 \$2,050,000 to the Borrower for the purpose of (i) refinancing the cost of acquiring, constructing, installing, rehabilitating, equipping and furnishing of educational facilities located at 2130 Mission Ridge Road, Santa Barbara, California 93103, including, but not limited to, the construction of the Dolores E. Pollock Hall, a 16,000 square foot, three-level facility that houses classrooms, a science laboratory, an art studio, the Anne Foley Religious Studies Center, a faculty resource center, rehearsal and dressing space for the school's performing arts program

and numerous administrative offices, as well as pool improvements (collectively, the “Facilities”), and (ii) paying certain costs of issuance in connection with the financing (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) 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 adopted, on October 26, 2010, a resolution approving the Authority Loan, in order to finance and refinance the Project; and

**WHEREAS**, the Facilities are expected to provide significant benefits to the residents of the County and surrounding communities through the educational services to be provided by the Borrower and will also create and retain employment opportunities for residents of the County and surrounding communities over the long term; and

**WHEREAS**, the financing for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; 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. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**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 \$2,050,000 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 Facilities, 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, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

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 November 3, 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 November 3, 2010.

---

Gurbax Sahota, Assistant Secretary



## Staff Report

<b>Action Requested</b>	Approve Resolution 10-37 of the California Enterprise Development Authority Authorizing and Approving a Loan Agreement Pursuant to which the California Enterprise Development Authority will make a Loan for the Purpose of Financing and Refinancing the Cost of Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of Laguna Blanca School, Providing the Terms and Conditions for Such Loan Agreement and Other Matters Relating Thereto Herein Specified
<b>Borrower(s)</b>	Laguna Blanca School
<b>Borrower Description</b>	<p>Laguna Blanca is an independent, co-educational, college-preparatory day school for students in grades K-12. Its innovative program enriches the lives of students through a balance of outstanding academics, the arts, athletics, and a community that celebrates the dignity and worth of each individual. Laguna Blanca graduates attend the nation’s most selective colleges and universities, often one of their top-choice schools. Committed to diversity, Laguna Blanca School offers a substantial need-based financial aid program.</p> <p>This loan agreement will help retain 96 jobs and be used to:</p> <ol style="list-style-type: none"> <li>a. Refinance an existing loan used to fund the acquisition of a home adjoining the Middle/Upper School campus that is used as a residence for the Headmaster and the construction of a gymnasium and athletic complex.</li> <li>b. Construct a “green,” 156 space parking plaza surrounding the new athletic complex.</li> <li>c. Fund various capital projects including but not limited to the conversion of a locker room into a Humanities Hall with three new classrooms; upgrade Spaulding Auditorium into a performing arts complex; and the development of a science complex.</li> </ol>
<b>Public Benefits</b>	The financing and refinancing of the borrower’s acquisition, renovation, furnishing and equipping costs will significantly reduce the borrower’s interest costs. 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 improvements of its facilities. This action affords Laguna Blanca School the opportunity to improve cash flow, enhance its facilities, and allow them to potentially increase their net income.
<b>TEFRA Hearing</b>	The County of Santa Barbara held a Tax Equity and Fiscal Responsibility Act “TEFRA” hearing on October 26, 2010, following a public notice published in a newspaper of general circulation.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. 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"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	Staff recommends approval of Resolution 10-37, which authorizes and approves the issuance and sale of bonds for Laguna Blanca School.

**RESOLUTION NO. 10-37**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN AGREEMENT PURSUANT TO WHICH THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY WILL MAKE A LOAN FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF LAGUNA BLANCA SCHOOL, PROVIDING THE TERMS AND CONDITIONS FOR SUCH 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 Santa Barbara (the "County") 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**, Laguna Blanca 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 \$5,000,000 to the Borrower for the purpose of (i) financing and refinancing the costs of acquisition, construction, installation, rehabilitation, equipping and furnishing of educational facilities at 4125,

4127 and 4171 Paloma Drive, 1090 Las Palmas Drive, and 260 San Ysidro Road, Santa Barbara, California, including, but not limited to, a gymnasium and athletic complex, a “green” parking plaza with 156 parking spaces, new classrooms, a performing arts complex and a science complex with a new physical science classroom and chemistry laboratory (the “Facilities”), and (ii) paying certain costs of issuance in connection with the financing (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) 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 adopted, on October 26, 2010, a resolution approving the Authority Loan, in order to finance and refinance the Project; and

**WHEREAS**, the Facilities are expected to provide significant benefits to the residents of the County and surrounding communities through the educational services to be provided by the Borrower and will also create and retain employment opportunities for residents of the County and surrounding communities over the long term; and

**WHEREAS**, the financing for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; 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. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**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 \$5,000,000 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, and the Secretary or Assistant

Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

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 November 3, 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 November 3, 2010.

---

Gurbax Sahota, Assistant Secretary

## Staff Report

<b>Action Requested</b>	Adopt Resolution 10-38 of the California Enterprise Development Authority Authorizing and Approving the Issuance of Revenue Bonds pursuant to which the California Enterprise Development Authority will make a loan in an Amount not to exceed \$10.5MM for the Purpose of Refinancing the Cost of the Acquisition, Construction, Installation, Rehabilitation, Equipping and Furnishing of Certain Facilities for the Benefit of the Katherine Delmar Burke School, Providing the Terms and Conditions for such Loan Agreement and other Matters Relating Thereto Herein Specified.
<b>Borrower(s)</b>	Katherine Delmar Burke School
<b>Borrower Description</b>	<p>The Katherine Delmar Burke School is a privately funded and operated girls school is located in San Francisco, California. Founded in 1908, Katherine Delmar Burke School provides K – 8<sup>th</sup> grade girls with a quality education. The private school has 79 full-time employees that serves up to 400 students.</p> <p>The total debt currently outstanding is \$15,000,000, however, the school will pay down \$5.0MM in bonds prior to the closing of this transaction. The transaction of up to \$10.5MM refund two separate bonds that were previously issued by ABAG to fund both the acquisition of the property and the construction of a Performing Arts Center and Science Center, and general rehabilitation of their campus.</p>
<b>Public Benefits</b>	The refinancing of the borrower’s acquisition, renovation, furnishing and equipping costs will significantly reduce the borrower’s interest costs. 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 school the opportunity to improve cash flow and allow them to potentially increase their net income.
<b>Eligibility and Policy Review</b>	<p>CEDA staff has reviewed the project. 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"> <li>■ The Borrower is capable of meeting the obligations incurred under the financing documents;</li> <li>■ The Payments to be made are adequate to pay the expenses of CEDA in connection with the financing and to pay debt service;</li> <li>■ Proposed financing is appropriate for the project.</li> </ul>
<b>Recommendation</b>	<ul style="list-style-type: none"> <li>■ Staff recommends approval of Resolution 10-38, which authorizes and approves a loan agreement, which allows up to a \$10.5 million loan financing for the Katherine Delmar Burke School.</li> </ul>



**RESOLUTION NO. 10-38**

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**

**RESOLUTION OF THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$10,500,000 FOR THE PURPOSE OF REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, REHABILITATION, EQUIPPING AND FURNISHING OF CERTAIN FACILITIES FOR THE BENEFIT OF KATHERINE DELMAR BURKE SCHOOL 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 (the “City”) 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**, Katherine Delmar Burke School, a California nonprofit public benefit corporation (the “Borrower”), has submitted an application to the Authority requesting the Authority to issue revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$10,500,000, the proceeds of which will be loaned to the Borrower for the purpose of (i) refinancing the outstanding ABAG Finance Authority For Nonprofit Corporations Variable Rate Demand Revenue Bonds (Katherine Delmar Burke School), Series 2007 (the “Prior Bonds”), the proceeds of which were used to finance the cost incurred to acquire, construct, install, rehabilitate, equip and furnish educational facilities located at 7070 California Street, San Francisco, California

94121 (collectively, the “Facilities”) and (ii) paying certain costs of issuance in connection with the financing (collectively, the “Project”); and

**WHEREAS**, the Facilities are expected to provide significant benefits to the residents of the City and surrounding communities through the educational services to be provided by the Borrower and will also create and retain employment opportunities for residents of the City and surrounding communities over the long term; and

**WHEREAS**, the financing of the Project for the Borrower through the Authority will result in a more economical and efficient funding process because of the Authority’s expertise in conduit financings; and

**WHEREAS**, the Corporation is requesting the assistance of the Authority in financing the Project; and

**WHEREAS**, pursuant to a Bond Indenture (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the Authority will issue the California Enterprise Development Authority Variable Rate Revenue Bonds (Katherine Delmar Burke School), in one or more series (the “Bonds”), for the purpose of financing the Project; and

**WHEREAS**, pursuant to a Loan Agreement (the “Loan Agreement”), between the Authority and the Borrower, the Authority will loan the proceeds of the Bonds to the Corporation for the purpose of financing the Project; and

**WHEREAS**, pursuant to a Private Placement Agreement (the “Placement Agreement”), between First Republic Bank, as original purchaser (the “Original Purchaser”), and the Authority and approved by the Borrower, the Authority will sell all of the Bonds to the Original Purchaser; and

**WHEREAS**, there is on file with the Secretary of the Authority the following documents and agreements:

- (1) A proposed form of the Indenture;
- (2) A proposed form of the Loan Agreement; and
- (3) A proposed form of the Placement Agreement.

**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.** Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue its revenue bonds designated as the “California Enterprise Development Authority Variable Rate Revenue Bonds (Katherine Delmar Burke School),” in one or more series, in an aggregate principal amount not to exceed ten million five hundred thousand dollars (\$10,500,000). The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or

forms set forth in, the Indenture presented at this meeting. The Bonds shall be executed on behalf of the Authority by the [facsimile] signature of the Chairman or Vice-Chairman of the Board of Directors, or the Executive Director of the Authority (each, an “Authorized Signatory”), and attested by the [facsimile] signature of the Secretary or the Assistant Secretary of the Authority.

**Section 3.** The proposed form of Indenture, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, 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. The series designation, dated date, maturity date or dates, interest rate or rates or methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 4.** The proposed form of the Loan Agreement by and between the Authority and the Borrower, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory 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. The Secretary or Assistant Secretary of the Authority is authorized to attest the execution of the Loan Agreement.

**Section 5.** The proposed form of the Placement Agreement, on file with the Secretary of the Authority, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Placement Agreement, in substantially said form, with such changes and insertions consistent with the stated terms of this Resolution as the Authorized Signatory executing the same, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**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 issuance of the Bonds, any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any assignment by the Original Purchaser to an affiliate of the Original Purchaser, accredited investor or qualified institutional buyer or any prepayment under the Loan Agreement, may be given or taken by the Chairman or the Executive Director or any designee of either of them without further authorization by the 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 issuance of the Bonds 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 and otherwise to effectuate the purposes of this Resolution, and the Secretary or Assistant Secretary of the Authority is authorized to attest the execution of such certificates, agreements and documents.

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 November 3, 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 November 3, 2010.

---

Gurbax Sahota, Assistant Secretary