

**CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION
INDUSTRIAL DEVELOPMENT BONDS**

Meeting Date: July 23, 2008

Request for Approval of Initial and Final Resolution and Tax Exempt Bond Allocation

Prepared by: *Deanna Hamelin*

Issuer:	California Enterprise Development Authority (CEDA)	Amount Requested:	\$10,000,000 TE
Borrower:	Rogers Family Real Estate Partnership, LP, JBR Inc., and/or an established or yet to be established related or affiliated entity	Application No.:	08-0012
User:	JBR Inc., and/or an established or yet to be established related or affiliated entity	IR & FR No.:	08-0012
Location:	City of Lincoln (Placer County)	Allocation Resolution No.:	08-0012A

Borrower/User/Background: The Rogers Family Real Estate Partnership, LP, which is owned by Rogers family trusts and Rogers Worldwide Real Estate Inc., was organized in California in March 2008. JBR, Inc. (the “Company”) was incorporated in California in December 1978. The majority of the Company’s shares (i.e., 94.12%) are owned by Jon and Barbara Rogers. JBR, Inc. is in the business of roasting, processing, packaging and selling gourmet coffee and tea. In addition, the Company brews beer under the Drake’s Beer brand name.

The Company is one of the largest gourmet coffee roasters in the San Francisco Bay Area. Its coffee and tea products are sold under various brand names, including San Francisco Bay Coffee, the Organic Coffee Co., Cunningham’s Coffee, Fairwinds Coffee, Pleasant Hill Farms, and East India Coffee & Tea. Its customers include Costco, HE Butt Grocery, BJ’s Wholesale Clubs, Big Y Distributors, Gourmet Award Foods, Cost-U-Less, and Nature’s Best.

Project Information: Bond proceeds will be used to pay for a portion of the cost of the acquisition of approximately 11.3 acres of land in the City of Lincoln, the purchase of an existing, vacant building situated on the land, and renovation of the building. The renovations will include improvements to lighting, electrical, and ventilation systems. In addition, tax-exempt bond proceeds will be used for the acquisition and installation of new coffee roasting equipment and other, ancillary equipment.

The Company is relocating to the City of Lincoln because it needs a larger facility to accommodate its current operations and future projected growth. The Company’s current administrative and production facilities in the City of San Leandro are located in a multi-story, mixed-use building situated in an area dominated by retail businesses. There is limited access between the production functions, which take place on the ground floor, and the administrative functions, which are conducted on upper floors, resulting in operational inefficiencies. In addition, the limited size of the San Leandro plant is inhibiting the Company’s growth in response to increased demand for its products.

The Company was unable to find a high-quality, affordable facility in the 200,000 square foot range in the east Bay Area. The City of Lincoln facility will provide the space needed to house all operations within close proximity and allow expansion and growth.

Anticipated Timeline: The Borrower expects to complete the purchase of the land and building at the end of July 2008. The Company expects to complete the building renovations prior to the issuance of the bonds. The Company has completed the equipment purchases and will install the new equipment as renovations proceed.

Prior Actions/Financing: None.

Statutory Criteria: 1) Public Benefits, 2) Relocation, and 3) Bond Issue Qualification: Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

PUBLIC BENEFITS: Consistent with CDLAC guidelines, staff awarded the Project a total of 40 verifiable points. Five of the 40 points assigned are based upon the creation of 16 additional positions and the retention of the Company’s existing 135 positions. The Company represents that all eligible employees, which are those employees that are not on probation or in a probationary period of employment, working at the San Leandro plant will be offered the option of transferring to the Lincoln plant. The Company estimates that 95% of the San Leandro employees are eligible to relocate to the new facility.

RELOCATION OF COMPANY OPERATIONS (No point evaluation required):

The Company is relocating from the City of San Leandro to the City of Lincoln. The Company provided a letter from Cynthia Battenberg, a Business Development Manager who reports to San Leandro’s City Manager, in which she acknowledges the Company’s relocation and states that the City of San Leandro does not object to the issuance of bonds for this Project. (See Attachment A.)

QUALIFICATION OF BOND ISSUANCE (No point evaluation required):

Based on the proposed finance structure, and the application and other materials submitted to CIDFAC for the proposed Project, staff believes the bonds that will be issued in connection with the Project: (a) will be adequately secured; (b) will be fair, just and equitable to a purchaser of the bonds; and (c) will not work a fraud upon the bond purchaser. Staff’s final determination of qualification of the bonds will be subject to its review of final bond documents prior to the issuance of bonds.

Status Of Permit/Other Required Approvals:

- On March 5, 2008, CEDA executed a Declaration of Official Intent to Issue Bonds in an amount not to exceed \$10,000,000 in tax-exempt IDBs for the Project.
- A TEFRA hearing was held by the City of Lincoln on April 22, 2008. The City noticed and approved the issuance of tax-exempt and taxable bonds in an amount not to exceed \$15,000,000.
- On April 23, 2008, CEDA adopted a Reimbursement resolution for the Project in an amount “...not expected to exceed \$15,000,000.” Prior to the issuance of the bonds, CEDA will adopt a Final Resolution for the Project.

Agenda Item – 4.A.1.

- The Project involves the acquisition of land with an existing industrial building which has been split into two separate facilities. JBR will purchase and occupy one-half, or 217,000 square feet, of the entire building. The property is zoned for light industrial and manufacturing uses. The Company's operations do not require additional land use or zoning approvals or permits. The Company provided a letter from Jim Estep, City Manager of the City of Lincoln, in which Mr. Estep confirms that no additional land use or zoning approvals or permits are required for the facility. (See Attachment B.)

Financing Details: The tax-exempt IDBs will be sold in a public offering. The bonds will be variable rate, repayable over a 30-year period, and will be secured by an irrevocable Letter of Credit issued by U.S. Bank, National Association.

CIDFAC Fees:

In accordance with CIDFAC regulations¹, the Borrower has paid or will pay CIDFAC an application fee of \$1,250 and a closing fee of up to \$25,000.

Financing team:

Issuer: CEDA
Bond Counsel: Kutak Rock LLP
Underwriter: Gates Capital Corporation
Financial Advisor: Growth Capital Associates, Inc.
Credit Enhancement Provider: U.S. Bank, National Association

Legal Questionnaire: Staff reviewed the Borrower's/User's responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of the companies.

Recommendation: Staff recommends approval of Initial and Final Resolution No. 08-0012 for an amount equal to \$10,000,000 in tax-exempt bonds and Allocation Resolution No. 08-0012A for an amount equal to \$10,000,000 in tax-exempt IDB allocation for the Issuer for the JBR, Inc. Project. Staff's recommendation is subject to staff analysis and approval of final bond documents and receipt of bond counsel's opinion as set forth in Initial and Final Resolution No. 08-0012.

¹California Code of Regulations Title 10, Chapter 8, Article 3, §6070

JBR INC.

Bond Amount: \$10,000,000 TE

City of Lincoln (Placer County)

Application No. 08-0012

July 23, 2008

STAFF SUMMARY – CIDFAC

Prepared by: *Deanna Hamelin*

ISSUE:

On behalf of Rogers Family Real Estate Partnership, LP and JBR, Inc. (the “Borrowers”) and JBR, Inc. (the “Company” or “User”), the California Enterprise Development Authority (“CEDA” or the “Issuer”) requests approval of the Initial and Final Resolution No. 08-0012 for an amount equal to \$10,000,000 in tax-exempt bonds and Allocation Resolution No. 08-0012A for an amount equal to \$10,000,000 in tax-exempt IDB allocation. Bond proceeds will be used for the acquisition of land and existing buildings and the acquisition and installation of equipment.

BORROWER/USER:

The Rogers Family Real Estate Partnership, LP, which is owned by Rogers family trusts and Rogers Worldwide Real Estate Inc., was organized in California in March 2008. JBR, Inc. (the “Company”) was incorporated in California in December 1978. The majority of the Company’s shares (i.e., 94.12%) are owned by Jon and Barbara Rogers. JBR, Inc. is in the business of roasting, processing, packaging and selling gourmet coffee and tea. In addition, the Company brews beer under the Drake’s Beer brand name.

The Company is one of the largest gourmet coffee roasters in the San Francisco Bay Area. Its coffee and tea products are sold under various brand names, including San Francisco Bay Coffee, the Organic Coffee Co., Cunningham’s Coffee, Fairwinds Coffee, Pleasant Hill Farms, and East India Coffee & Tea. Its customers include Costco, HE Butt Grocery, BJ’s Wholesale Clubs, Big Y Distributors, Gourmet Award Foods, Cost-U-Less, and Nature’s Best.

Legal Questionnaire. Staff reviewed the Borrower’s/User’s responses to the questions contained in the Legal Status portion of the Application. They did not disclose any information that raises questions concerning the financial viability or legal integrity of the Company.

Prior Actions and Financings. None.

PROJECT INFORMATION:

Tax-exempt bond proceeds will be used to pay a portion of the cost of the acquisition of approximately 11.3 acres of land in the City of Lincoln, the purchase of an existing, vacant building situated on the land, and renovation of the building. The renovations will include improvements to lighting, electrical, and ventilation systems. In addition, tax-exempt bond proceeds will be used for the acquisition and installation of new coffee roasting equipment.

Agenda Item – 4.A.1.

The Company is relocating to the City of Lincoln because it needs a larger facility to accommodate its current operations and future projected growth. The Company’s current administrative and production facilities in the City of San Leandro are located in a multi-story, mixed-use building situated in an area dominated by retail businesses. There is limited access between the production functions, which take place on the ground floor, and the administrative functions, which are conducted on upper floors, resulting in operational inefficiencies. In addition, the limited size of the San Leandro plant is inhibiting the Company’s growth in response to increased demand for its products.

The Company was unable to find a high-quality, affordable facility in the 200,000 square foot range in the east Bay Area. The City of Lincoln facility will provide the space needed to house all operations within close proximity and allow expansion and growth.

The following is an estimate of the application of the tax-exempt bond proceeds for the Project:

Acquisition of Land	\$2,500,000
Acquisition of Existing	
Buildings	\$6,040,000
Acquisition and Installation	
Of New Equipment	\$1,160,000
Letter of Credit Fee	\$100,000
Bond Issuance Expenses	\$200,000
Total:	<u>\$10,000,000</u>

Anticipated Timeline. The Borrower expects to complete the purchase of the land and building at the end of July 2008. The Company expects to complete the building renovations prior to the issuance of the bonds. The Company has completed the equipment purchases and will install the new equipment as renovations proceed.

Status Of Permit/Other Required Approvals:

- On March 5, 2008, CEDA executed a Declaration of Official Intent to Issue Bonds in an amount not to exceed \$10,000,000 in tax-exempt IDBs for the Project.
- A TEFRA hearing was held by the City of Lincoln on April 22, 2008. The City noticed and approved the issuance of tax-exempt and taxable bonds in an amount not to exceed \$15,000,000.
- On April 23, 2008, CEDA adopted a Reimbursement resolution for the Project in an amount “...not expected to exceed \$15,000,000.” Prior to the issuance of the bonds, CEDA will adopt a Final Resolution for the Project.
- The Project involves the acquisition of land with an existing industrial building. JBR will purchase and occupy one-half, or 217,000 square feet, of the entire building. The property is zoned for light industrial and manufacturing uses. The Company’s operations do not require additional land use or zoning approvals or permits. The Company provided a letter from Jim Estep, City Manager of the City of Lincoln, in which Mr. Estep confirms that no additional land use or zoning approvals or permits are required for the facility. (See Attachment B.)

STATUTORY CRITERIA: 1) Public Benefits, 2) Relocation and 3) Bond Issue Qualification. Staff has awarded points based on its evaluation of the Project under CDLAC guidelines. Not all statutory criteria are part of the CDLAC point scheme.

- 1) **PUBLIC BENEFITS:** Staff assigned a total of 40 verifiable points to the Project as detailed below:

Community Economic Need (5 points):

Unemployment Rate of the Project Area (5 points): The unemployment rate of the county sub-area in which the project is located is 9.1%, which is 168.5% of the statewide rate of 5.4%

Poverty Rate of Project Area (0 points): No points were awarded for the poverty rate of the Project area. To earn points in this category, the poverty rate in the Project area must be at least 110% the statewide rate. The poverty rate for this Project area is 75.47% of the statewide rate.

Special Designation Area (0 points): The Project is not located in a special designation area.

Median Family Income (0 points): No points were awarded for the median family income of the Project area. To earn points in this category, the median family income must be 80% of the statewide average of \$53,025. The median family income for the Project area is 113.4% of the statewide average.

Employment Benefits (Job Creation and Retention = 5 points) The Company currently employs 135 direct, full-time workers at its San Leandro plant. At the new City of Lincoln plant, the Company anticipates retaining all 135 positions and creating 16 additional positions within two years of the Project's completion. The creation and retention of additional positions translates into a ratio of one job for every \$66,225 in bond proceeds. The Company represents that all eligible employees, which are those employees that are not on probation or in a probationary period of employment, working at the San Leandro plant will be offered the option of transferring to the Lincoln plant. The Company estimates that 95% of the San Leandro employees are eligible to relocate to the new facility.

Staff awarded points for Job Retention due to a letter from Jim Estep, City Manager of the City of Lincoln, in which Mr. Estep states that "...JBR has considered locating its operations outside of California, evaluating sites in Virginia and Nevada...Without IDB financing for the JBR project, Lincoln and the State of California would be in danger of losing approximately 135 jobs currently at JBR and forsaking the future jobs JBR is expected to create." (See Attachment B.)

Welfare-to-Work Plan (5 points): The Company provided a letter from Ms. Susanne McCabe, Program Supervisor of the Placer County Business Advantage Network, which

refers to its participation in the Welfare-to-Work and Workforce Investment Act programs. (See Attachment C.)

Health Care Benefits (5 points): The Company provided documentation that it contributes to the medical insurance for 130 of its 135 employees. The contribution translates into an average of \$566 per month toward the health care benefits for each employee. The uncovered employees opted out of the Company’s health care plan for personal reasons. The Company represents that it will offer the same health care plan to the employees at its new City of Lincoln plant.

Average Hourly Wage (5 points): The Company’s average hourly wage is \$21.18, while the Metropolitan Statistical Area (MSA) for the City of Sacramento has an average manufacturing wage of \$16.83. Therefore, the Company’s average hourly wage is 126% of the average manufacturing wage for the nearby Sacramento area.

Land Use/Energy Efficiency/Public Transit Corridor (10 points):

Land Use (5 points): This Project involves the reuse of a vacant manufacturing facility.

Energy Efficiency (0 points): The Borrower/User did not provide information regarding the Project’s energy efficiency.

Public Transit Corridor (5 points): The Company provided verification that the Project site is located in a public transit corridor. A Lincoln Transit System bus stop is ¼ of a mile from the Project site.

Leveraging (5 points): The total Project cost is \$16,563,175. The Company will borrow \$10,000,000 in the form of tax-exempt IDB financing. The remaining Project costs will be covered private debt and the Company’s equity.

2) **RELOCATION OF COMPANY OPERATIONS (No point evaluation required):**
The Company is relocating from the City of San Leandro to the City of Lincoln. The Company provided a letter from Cynthia Battenberg, a Business Development Manager who reports to San Leandro’s City Manager, in which she acknowledges the Company’s relocation and states that the City of San Leandro does not object to the issuance of bonds for this Project. (See Attachment A.)

3) **QUALIFICATION OF BOND ISSUANCE (No point evaluation required):** Based on the proposed financial structure and the application and other materials submitted to CIDFAC for the proposed Project, staff believes the bonds that will be issued in connection with the Project: (a) will be adequately secured; (b) will be fair, just, and equitable to a purchaser of the bonds; and (c) will not work a fraud upon the bond purchaser. Final determination of qualification of the bonds will be subject to review of final bond documents prior to the issuance of bonds.

FINANCING DETAILS:

The tax-exempt IDBs will be sold in a public offering. The bonds will be variable rate, repayable over a 30-year period, and will be secured by an irrevocable Letter of Credit issued by U.S. Bank, National Association.

CIDFAC FEES:

In accordance with CIDFAC regulations², the Borrower has paid or will pay CIDFAC an application fee of \$1,250 and a closing fee of up to \$25,000.

FINANCING TEAM:

Issuer: CEDA
Bond Counsel: Kutak Rock LLP
Underwriter: Gates Capital Corporation
Financial Advisor: Growth Capital Associates, Inc.
Credit Enhancement Provider: U.S. Bank, National Association

RECOMMENDATION:

Staff recommends approval of Initial and Final Resolution No. 08-0012 for an amount equal to \$10,000,000 in tax-exempt bonds and Allocation Resolution No. 08-0012A for an amount equal to \$10,000,000 in tax-exempt IDB allocation for the Issuer for the JBR, Inc. Project. Staff's recommendation is subject to staff analysis and approval of final bond documents and receipt of bond counsel's opinion as set forth in Initial and Final Resolution No. 08-0012.

² California Code of Regulations Title 10, Chapter 8, Article 3, §6070

INITIAL AND FINAL RESOLUTION
OF THE
CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING
ADVISORY COMMISSION (CIDFAC)
INDUSTRIAL DEVELOPMENT BONDS
IR/FR #: 08-0012

WHEREAS, the California Enterprise Development Authority (the “Applicant”) has transmitted the application of Rogers Family Real Estate Partnership, LP, JBR Inc., and/or an established or yet to be established related or affiliated entity (the “Project Sponsor”) for the issuance of \$10,000,000 in tax exempt bonds under the provisions of the California Industrial Development Financing Act, and has transmitted said application to the California Industrial Development Financing Advisory Commission (the “Commission”) and the information necessary to permit review of said application by the Commission, and has informed the Commission that it has adopted a resolution declaring its intention to issue such bonds and that the City of Lincoln has held a public hearing regarding the issuance of the bonds and has approved the issuance of the bonds by the Applicant; and

WHEREAS, the Commission has reviewed the application and the materials submitted with the application.

NOW, THEREFORE, the Commission resolves as follows;

Section 1. The Commission, based on its review of the application and the information submitted therewith, does determine that:

(a) the public benefits from the acquisition of the facility described in the application likely will substantially exceed any public detriment from the issuance of the bonds in the total principal amount of \$10,000,000; and

(b) use of the Project described in the application and the operation of the facility described in the application are reasonably necessary to prevent the relocation of substantial

operations of the Project Sponsor from an area within the State of California to an area outside of the State of California.

Section 2. The Commission conditionally finds that the proposed issuance of the bonds qualifies under the provisions of Article 5 of Title 10 of the Government Code, and further finds that:

(a) the bonds will be adequately secured and the funds available to the Applicant will be sufficient to pay the principal of and interest on the bonds to be issued; and

(b) based on its review of the preliminary material submitted to it and as provided for under Government Code Section 91571, the proposed issuance will be fair, just and equitable to a purchaser of the bonds, and that the bonds proposed to be issued and the methods to be used by the Authority in issuing them will not be such as will work a fraud upon the purchaser thereof.

Section 3. The Commission determines that it is appropriate to the proposed transaction that the qualification of the proposed issuance be subject to the following conditions:

(a) the Bond Counsel Opinion, when ready for execution, shall be submitted to Commission staff;

(b) the final legal documents, when ready for execution, shall be submitted to Commission staff for its review. Submitted documents shall include:

- (i) Indenture,
- (ii) Loan Agreement,
- (iii) Bond Purchase Contract,
- (iv) Official Statement,
- (v) Remarketing Agreement, and;

(vi) Tax Certificate and Agreement

(vii) Other documents which, in the opinion of Commission staff, are necessary to the review of the transaction;

(c) the Commission staff shall determine that the final documents associated with the transaction have been developed in form and content substantially similar to the representations in the application on which are based the findings under Section 2. above;

(d) the bonds, when issued, are within the maximum limitation of bonds authorized in the California Industrial Development Financing Act (Section 91573(a) of California Government Code);

(e) the Commission shall receive all applicable fees prior to the issuance of the bonds, unless the bond documents indicate that such fees are to be paid from the proceeds of the bonds; and

(f) the Project Sponsor agrees to comply with Section 91533(l) of the Government Code relating to the payment of prevailing wages.

Section 4. This Resolution shall cease to be effective if the above-described bonds have not been issued within six months after the date of adoption of this Resolution.

Section 5. In compliance with the provision of the California Industrial Development Financing Act (Section 91754 California Government Code), the qualification of the proposed bond issue by this resolution is permissive only, and does not constitute a recommendation or endorsement of the bonds so qualified by the Commission.

**THE CALIFORNIA INDUSTRIAL DEVELOPMENT
FINANCING ADVISORY COMMISSION
RESOLUTION NO. 08-0012A
RESOLUTION TRANSFERRING A PORTION OF THE 2008 STATE CEILING
FOR QUALIFIED PRIVATE ACTIVITY BONDS FOR A
SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT**

WHEREAS, that the California Debt Limit Allocation Committee (“CDLAC”) awarded allocation to the California Industrial Development Financing Advisory Commission (the “Commission”) for the purpose of awarding a portion of the allocation to local and State issuers; and

WHEREAS, the Commission has the authority to transfer a portion of its allocation to local and State issuers; and

WHEREAS, the Commission has received an application (“Application”) from the California Enterprise Development Authority (“Applicant”) requesting a transfer to the Applicant of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds (the “State Ceiling”) under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations (“Bonds”) for a project as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Procedures of the CDLAC Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“CDLAC’s Procedures”)); and

WHEREAS, the Project Sponsor (as defined in Exhibit A) has represented certain facts and information concerning the Project in the Application, which the Applicant has confirmed; and

WHEREAS, in evaluating the Project and potential allocation of a portion of the State Ceiling to the Applicant for the benefit of the Project, the Commission has relied upon the

written facts and information provided in the Application and otherwise by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Commission to make a transfer of a portion of the State Ceiling (“Allocation”) in order to benefit the Project described in the Application.

NOW, THEREFORE, the California Industrial Development Financing Advisory Commission resolves as follows:

Section 1. There will be a transfer to the Applicant an amount of the State Ceiling equal to \$10,000,000. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated as though fully set forth herein (this resolution, together with Exhibit A, hereinafter referred to as the “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor, the Applicant and their respective successors and assigns will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Commission’s Procedures, such modification shall require reconsideration by the Commission before the Allocation may be used for the Project. Once the Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. The Commission may, as circumstances warrant, consent to changes in the terms and conditions set forth in this Resolution in the event the Commission is advised of changes in the Project.

Section 4. Prior to the issuance of the Bonds, any material changes in the structure of the credit enhancement and not previously approved by the Commission shall require approval of the Commission Chair or the Executive Director.

Section 5. The Applicant is not authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Allocation to any governmental unit in the State other than this Commission.

Section 6. The potential Allocation transferred herein shall automatically revert to this Commission unless the Applicant has issued Bonds for the Project by the close of business within 90 days of the award of Allocation. In the case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 7. Within twenty-four (24) hours of using the Allocation to issue the Bonds, the Applicant shall notify the Commission's staff and CDLAC's staff in writing (which may be by electronic or facsimile communication) that the Allocation has been used. Each notification to the Commission and to CDLAC shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of the Allocation used.

Section 8. Within fifteen (15) calendar days of the issuance of the Bonds, the Applicant or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting, in a form prescribed by and made available by CDLAC a completed Report of Action Taken.

Section 9. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Commission. If at any time prior to the expiration date set forth in Section 6 of this Resolution the Applicant determines that part or all of the Allocation will not be used to issue Bonds by that date,

the Applicant shall take prompt action by resolution of its governing board or by action of its authorized officer to return such unused Allocation to the Commission.

Section 10. The staff of the Commission is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain, for the term of the Bonds, a copy of this Resolution in the Applicant's official records. The Commission staff is further directed to retain a copy of this Resolution in the files of the Commission (or any successor thereto) for the same period of time.

Section 11. In consideration of the potential Allocation to be transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission expressly agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Commission is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 12. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by the Commission.

Section 13. This Resolution shall take effect upon its adoption.

EXHIBIT A

**RESOLUTION NO: 08-0012A
(A SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT)**

1. Applicant: CEDA
2. Application No.: 08-0012
3. Project Sponsor: Rogers Family Real Estate Partnership, LP, JBR Inc., and/or an established or yet to be established related or affiliated entity
4. Project User: JBR, Inc., and/or an established or yet to be established related or affiliated entity
5. Project Name: JBR, Inc. Project
6. Address: 1731 Aviation Boulevard
Location: Lincoln, CA 95648
County: Placer County
7. Amount of Allocation: \$10,000,000
8. The Project Sponsor has represented that it reasonably expects the User will use its best efforts to achieve the following within two years of the completion of the Project:
 - Participation in Placer County’s Welfare-to-Work and Workforce Investment Act programs; and
 - The retention of 135 positions and the creation of 16 additional, direct fulltime positions.

Attachment A

City of San Leandro

Civic Center, 835 E. 14th Street
San Leandro, California 94577



June 16, 2008

Ms. Paula Connors
Executive Director
California Enterprise Development Authority
550 Bercut Drive, Suite G
Sacramento, CA 95814

Re: Rogers Family Coffee Project

Dear Ms. Connors:

The City of San Leandro has been made aware that Rogers Family Coffee, currently located in San Leandro, is in the process of acquiring a facility in the City of Lincoln, Placer County, and may eventually relocate operations to Lincoln. Further, it is our understanding that Rogers Family Coffee is seeking to utilize industrial development bonds to finance a portion of the costs associated with acquiring and equipping this facility.

This letter is to verify that there is no objection to the issuance of the bonds for the benefit of the Rogers Family Coffee.

Please do not hesitate to call if you have any questions regarding this correspondence.

Very truly yours,

A handwritten signature in cursive script that reads "Cynthia Battenberg".

Cynthia Battenberg
Business Development Manager

Tony Santos, Mayor

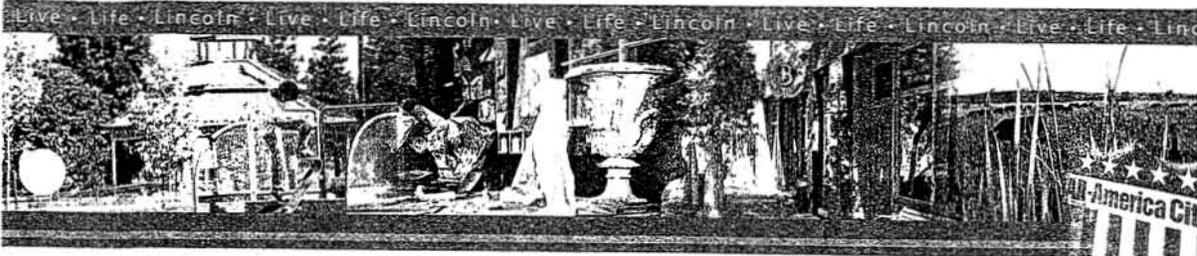
City Council:

Surlene G. Grant;
Diana M. Souza;

Michael J. Gregory;
Joyce R. Starosciak;

Jim Prola;
Bill Stephens

Attachment B



600 Sixth Street
Lincoln, CA 95648
www.ci.lincoln.ca.us

Main City Phone
916-434-2400

City Manager's Office
916-434-2490

Community Development
916-434-2470

Parks & Recreation
916-645-5298

Public Works
916-434-2450

Administrative Services
916-434-2430

Fire
916-434-9568

Library
916-434-2410

Police
916-645-4040

Ms. Paula Connors
Executive Director
California Enterprise Development Authority
550 Bercut Drive, Suite G
Sacramento, CA 95814
(916) 448-8252 Ext. 102//Fax: (916) 448-3811

Re: JBR, Inc. d/b/a Rogers Family Company Project

Dear Ms. Connors:

The City of Lincoln is pleased that JBR, Inc. d/b/a Rogers Family Company ("JBR") has made the decision to locate and expand its headquarters and manufacturing operations in our community. Lincoln supports this project and JBR's application for Industrial Development Bond ("IDB") financing.

The availability of low-interest rate IDB financing was an important factor in JBR's decision to acquire a site in Lincoln and retain its operations in California. We encourage the California Enterprise Development Authority and the California Industrial Development Financing Advisory Commission to approve JBR's application for IDB financing as quickly as possible to avoid any possible delays with the project and the company's future expansion plans.

JBR will be reusing an exiting, vacant building located at 1731 Aviation Boulevard in Lincoln. This building previously housed a high-tech distribution and servicing business and is zoned for light industrial and manufacturing uses. This location is well suited for JBR's operations and no zoning or land use approvals are required to accommodate JBR.

JBR's commitment to job retention and creation has come at a critical time. Recently, Lincoln and Placer County have been hard hit by the downturn in the high-technology sector. Several large corporations with distribution and servicing operations in the area have made the decision to close these facilities. As a result, hundreds of jobs for our local residents were eliminated and numerous large industrial buildings are now vacant. While JBR will bring high wage jobs to the area and provide important health insurance benefits to their employees and families, perhaps, and more importantly, the company will be putting down permanent roots and making

Rogers Family Co Lincoln Ltr 1

Attachment C



June 16, 2008

Jon B. Rogers
President
JBR, Inc.
1933 Davis Street, Suite 308
San Leandro, CA 94577

Re.: Welfare-to-Work Hiring Program
JBR, Inc. dba Rogers Family Company Project

Dear Mr. Rogers:

Thank you for taking time to discuss your expansion plans in Placer County and expressing a desire to identify job candidates from individuals' participating in our CalWorks/Welfare-to-Work program. I would like to acknowledge your commitment to posting jobs that become available with Rogers Family Coffee for referral of Welfare to Work and Workforce Investment Act program candidates. In addition we can assist you in posting position openings on the CalJOBS system. Your ongoing commitment to considering job candidates from Welfare-to-Work is appreciated.

I will call you in the coming weeks to schedule a meeting to discuss your hiring plans in greater detail. Please do not hesitate to call if you have any questions regarding our programs.

Sincerely,

A handwritten signature in cursive script that reads "Susanne McCabe".

Susanne McCabe
Program Supervisor
Placer County
Business Advantage Network
175 Fulweiler Avenue
Auburn, CA 95603
530.889.4061