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June 14, 2011

Roberto Barragan
President
Valley Economic Development Center (VEDC)
5121 Van Nuys Blvd, 3rd Floor
Van Nuys, CA 91403

Re: CEDLI partnership

Dear Roberto,

Thank you for the candid discussion with our Committee concerning your proposed CEDLI/VEDC partnership. Based on our conversation, I believe that VEDC and CEDLI have complementary and mutually reinforcing objectives to improve credit access to small and medium-sized businesses throughout California.

For this reason, the Committee will be recommending to the full CEDLI Board of Directors to welcome your offer of an unrestricted grant, to be committed by June 30, 2011. The April 15, 2011 Memorandum of Understanding executed between VEDC and CEDLI is the first step in this partnership. The unrestricted grant will be the next step in a good faith effort by both VEDC and CEDLI to fulfill the goals noted in your March 13, 2011 letter including a future equity investment by December 31, 2011.

We have agreed to retain a 3rd party to help VEDC and CEDLI move through the due diligence process to meet these goals in a timely fashion. Claudia Viek of CAMEO will work with you to identify someone acceptable to both VEDC and CEDLI. CAMEO will also offset a portion of the cost of this assistance.

Throughout this process, our goal is to leverage the missions of both VEDC and CEDLI. The partnership is intended to aid in the fulfillment of the JP Morgan Chase/VEDC investment, develop a statewide lending collaborative to help underserved urban and rural regions, and ensure CEDLI is a performing asset as determined by the applicable regulatory agency and participating CEDLI investors.

I look forward to working with you in the months ahead. Call me anytime if you have questions at 530.893.8732 x 204.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marc Nemanic'. The signature is written in a cursive style and is enclosed within a large, hand-drawn oval.

Marc Nemanic
Ad Hoc Committee Chairperson

cc: Claudia Viek
Kurt Chilcott
Bob Rosecrans
Ray Mendoza