

RESOLUTION NO. 06-17

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPROVING AN INCREASE IN INFRASTRUCTURE STATE REVOLVING FUND PROGRAM FINANCING FOR THE BEAR VALLEY COMMUNITY SERVICES DISTRICT IN THE AMOUNT OF \$150,000

WHEREAS, The Board of Directors (“Board”) of the California Infrastructure and Economic Development Bank (“I-Bank”) passed, approved and adopted Resolution No. 03-17 at its June 27, 2003, meeting authorizing a Infrastructure State Revolving Fund (“ISRF”) Program financing in the amount of \$510,000 for the Bear Valley Community Services District (“District” or “Borrower”) for the Wastewater System Improvement Project (“Project”) pursuant to Government Code Section 63000 *et seq.* (the “Act”); and,

WHEREAS, the District entered into an Installment Sale Agreement (“Agreement”) with the I-Bank dated June 27, 2003, for the Project; and,

WHEREAS, the District has determined that additional funds are needed to complete the Project due to escalating costs of construction and materials; and

WHEREAS, the District has determined that the Project needs to be amended to delete the construction of the sewage effluent pond portion of the Project and to extend the authorized time for completion of the remainder of the Project (the “Amended Project”); and,

WHEREAS, the District has requested an increase to the ISRF Program financing amount of \$150,000 which will increase the total ISRF Program financing for the Amended Project from \$510,000 to \$660,000; and,

WHEREAS, I-Bank Staff has determined that the Amended Project meets all eligibility requirements contained in the Act and the Criteria, Priorities and Guidelines for the ISRF Program; and,

WHEREAS, the 2005 Series Indenture by and between CIEDB and Wells Fargo Bank, National Association together with the 2004 Master Indenture by and between the CIEDB and Wells Fargo Bank, National Association (collectively the “Indenture”) relating to the 2005 Bonds secured, in part, by the Agreement, requires prior notice of any amendments to the payment schedule be sent to the trustee and rating agencies related to the 2005 Bonds;

WHEREAS, the Borrower may pay certain expenditures (the “Reimbursable Expenditures”) in connection with the Amended Project prior to the issuance by the I-Bank of indebtedness for the purpose of financing costs associated with the amended Project on a long-term basis; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of the I-Bank as follows:

Section 1. Based upon information presented at the meeting where adoption of this resolution was presented and the Staff Report presented to the Board, the Board finds that the findings set forth in Section 1 of Resolution 03-17 still apply with regard to the Amended Project components.

Section 2. The provision of ISRF Program funds to the Borrower consistent with the terms and conditions specified in Attachment A to this resolution is hereby approved. The Chair or the Executive Director and the Secretary are authorized to execute all documents, certificates and other written agreements reasonably necessary to effectuate the described amendments, including the delivery of a certificate and/or other documentation to be in compliance with the Indenture. The authority to execute the amendments shall expire automatically two hundred and ten (210) days from the adoption of this resolution.

Section 3. This resolution does not constitute a commitment to finance the Amended Project, but instead sets forth the terms and conditions that shall be contained in an amendment to the Agreement with the Borrower. It is understood that the amendment will require conditions and agreements on the part of the Borrower in order to adequately protect the interests of the I-Bank. Attachment A is meant solely to call out terms and conditions specific to this amendment, and is not meant as a listing of conditions of sufficient specificity to constitute a commitment to finance the Amended Project.

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

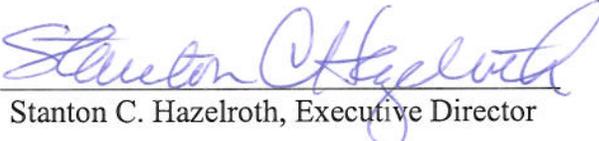
PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on April 25, 2006, by the following vote:

AYES: KELLEY, LUJANO, SHEEHAN, MARIN

NOES: None

ABSENT: None

ABSTAIN: None

By: 
Stanton C. Hazelroth, Executive Director

ATTEST

By: 
Blake Fowler, Secretary

ATTACHMENT A

Staff recommends approval of Resolution 06-17 authorizing the First Amendment to the Installment Sale Agreement between the Bear Valley Community Services District and the California Infrastructure and Economic Development Bank subject to the following conditions:

1. The Project description, budget and financing amount will be amended to include the increase the financing amount by \$150,000 to \$660,000.
2. Extensions to the period to start construction and complete disbursement period.
3. A new amortization schedule will be prepared showing the increased amount.
4. Other minor technical amendments.