

RESOLUTION NO. 06-33

**FINAL APPROVING RESOLUTION OF THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
RELATING TO THE REFINANCING OF NOTES FOR
THE SALVATION ARMY**

August 22, 2006

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following), as now in effect and as it may be amended or supplemented (the "Act"), for the purpose of, among other things, providing financial assistance for design, construction, financing and development of "economic development facilities" (as such term is defined in the Act) located in the State of California (the "State"); and

WHEREAS, The Salvation Army (the "Borrower") has requested the Issuer to issue refunding revenue bonds in an aggregate principal amount not to exceed \$82,000,000 (the "Bonds") in order to effect a current refunding of the Issuer's Tax-Exempt Commercial Paper Notes, Series 2001 (Salvation Army Western Territory) (the "Notes") for the Borrower that financed capital projects which qualify as economic development facilities under the Act (the "Project"); and

WHEREAS, final approval of the terms of the Bonds and certain documents relating to the Bonds is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Infrastructure and Economic Development Bank as follows:

SECTION 1. The Issuer hereby determines as follows:

- a. The refinancing and loan contemplated by this resolution is for a project and use in the State of California.
- b. Based upon the fact that the Bonds will be insured, the Borrower is capable of meeting the obligations incurred under the agreements approved by this resolution.
- c. The payments to be made by the Borrower to the Issuer under the Loan Agreement approved herein are adequate to pay the current expenses of the Issuer in connection with the financing and to make all the payments on the Bonds approved herein.

- d. The proposed re-financing is appropriate for the Project.
- e. The Project is consistent with existing local and regional comprehensive plans.
- f. The Project demonstrates clear evidence of a defined public benefit.

SECTION 1. The Bonds in an aggregate principal amount not to exceed \$82,000,000 are authorized to be issued pursuant to the Act.

SECTION 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized and requested to sell the Bonds, at any time within one hundred eighty (180) days of receipt of a certified copy of this resolution, at private sale, at such prices and at such interest rate or rates as he may determine.

SECTION 3. The form of Loan Agreement (the "Loan Agreement") between the Issuer and the Borrower, on file with the Secretary of the Issuer, is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement to the Borrower, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

SECTION 4. The form of the Indenture (the "Indenture") between the Issuer and The Bank of New York Trust Company, N.A., as Trustee thereunder (the "Trustee"), on file with the Secretary of the Issuer, is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Indenture to the Trustee, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The principal amount of the Bonds, dates, maturity date or dates, interest rate or rates and payment dates, denominations, forms, registration privileges, place or places of payment, and other terms of the Bonds shall be as provided in said Indenture, as finally executed.

SECTION 5. The proposed form of Bond Purchase Agreement or other similar agreement (the "Bond Purchase Agreement") among the Treasurer, the Issuer, the Borrower and Banc of America Securities LLC (the "Underwriter"), on file with the Secretary of the Issuer, is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair's designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Bond Purchase Agreement, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

SECTION 6. The proposed form of Escrow Agreement (the "Escrow Agreement") among the Issuer, the Borrower and The Bank of New York Trust Company, N.A.,

as paying agent for the Notes (the “Paying Agent”), on file with the Secretary of the Issuer, is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair’s designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Escrow Agreement, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

SECTION 7. The proposed form of the Preliminary Official Statement relating to the Bonds (the “Official Statement”), on file with the Secretary of the Issuer, is hereby approved, and the Executive Director and the Chair of the Issuer, or the Chair’s designee, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Indenture to the Trustee, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement to the purchasers and prospective purchasers of the Bonds, as appropriate.

SECTION 8. The Executive Director of the Issuer is hereby authorized and directed to execute, for and in the name and on behalf of the Issuer, the Bonds in an aggregate principal amount not to exceed the amount authorized hereunder, in accordance with the Indenture and in the form set forth in the Indenture.

SECTION 9. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate such Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York (the “Depository”) on behalf of the purchasers thereof in accordance with the Indenture.

SECTION 10. The officials of the Issuer and its authorized representatives are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all related and subordinate agreements, documents and certificates, including, without limitation, a tax certificate which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, and otherwise to effectuate the purpose of this resolution.

SECTION 11. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on August 22, 2006, by the following vote:

AYES: FISH, LUJANO, SHEEHAN, MARIN AND RICE
NOES: None
ABSENT: None
ABSTAIN: None


Stanton C. Hazelroth, Executive Director

Attest:


Roma Cristia – Plant, Acting Assistant Executive Director