RESOLUTION NO. 10-14

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS ON BEHALF OF THE KING CITY JOINT UNION HIGH SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED $16,000,000 FOR THE PURPOSE OF REIMBURSING AN EMERGENCY APPORTIONMENT RECEIVED BY THE DISTRICT FROM THE STATE OF CALIFORNIA, FUNDING AN INCREASE TO THAT EMERGENCY APPORTIONMENT, AND RELATED MATTERS

March 23, 2010

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") is authorized to issue bonds pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (Division 1 of Title 6.7 of the California Government Code, Section 63000 and following, including particularly Section 63049.67 thereof, the "Act"), for the purpose of, among other things, reimbursing all or a portion of the emergency apportionment received by the King City Joint Union High School District (the "District") from the General Fund of the State of California (the "State") and funding an increase to that emergency apportionment (collectively, the "Apportionment");

WHEREAS, pursuant to Chapter 20 of the Statutes of 2009 ("S.B. 130"), the District has received $5,000,000 of the Apportionment from the State (the "Initial Emergency Apportionment") pursuant to Article 2.7 (commencing with Section 41329.50) of Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code and has been further authorized to obtain an increase to the Initial Apportionment in the amount of $8,000,000, through a lease revenue bond financing with the Issuer (the "Apportionment Augmentation");

WHEREAS, the District has requested that the Issuer issue bonds, in an aggregate principal amount not to exceed $16,000,000 (the "Bonds"), to (i) repay the $5,000,000 Initial Emergency Apportionment (including accrued interest) made from the State General Fund to the District ; (ii) fund an Apportionment Augmentation of $8,000,000; (iii) fund capitalized interest for the Bonds; (iv) fund a reserve fund for the Bonds; and (v) pay costs of issuance of the Bonds;

WHEREAS, pursuant to the Act, the Issuer is authorized to issue Bonds and provide the proceeds thereof to the District, and the District has proposed to lease to the Issuer all or a portion of the Greenfield High School (the "Leased Premises");

WHEREAS, pursuant to Sections 63025.1, subdivisions (n) and (aa) and Education Code Section 41329.54, the Issuer is authorized to lease the Leased Premises to the District;

WHEREAS, pursuant to Section 41329.55(a) of the California Education Code, the Controller of the State (the "Controller") is obligated to pay directly to the Trustee (as defined herein), from moneys in Section A of the State School Fund designated for apportionment to the District, amounts necessary to pay all rental payments due from the District to the Issuer;

WHEREAS, there are on file with the Secretary of the Board (the "Secretary") proposed forms of:

(a) a trust agreement to be entered into by and between Issuer and U.S. Bank National Association, as trustee (the "Trustee") providing for the issuance of the Bonds;

(b) a site lease to be entered into by and between the Issuer and the District, providing for the lease of the Leased Premises by the District to the Issuer;

(c) a lease agreement to be entered into by and between the Issuer and the District, providing for the lease of the Leased Premises by the Issuer to District, and the payment by the District of rental payments in an amount sufficient to make payments on the Bonds;

(d) a bond purchase agreement to be entered into by and among the Issuer, the Treasurer of the State (the "Treasurer") and Piper Jaffray & Co. (the "Underwriter"), and approved by the District, providing for the sale of the Bonds;

(e) an official statement to be used by the Underwriter in connection with the sale of the Bonds;

(f) an implementation agreement to be entered into by and among the Issuer, the Controller and the California Department of Education, providing for the implementation of the apportionment of funds to the Trustee as authorized by Section 41329.55 of the California Education Code;

(g) a tax certificate to be entered into by the Issuer concerning the exclusion of interest on the Bonds from gross income for federal income tax purposes; and

(h) a continuing disclosure agreement to be entered into by and among the Issuer, the Treasurer, and U.S. Bank, National Association as the dissemination agent, providing for the disclosure of certain events pertaining to the Bonds;

NOW THEREFORE, be it resolved by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The recitals set forth above are true and correct.

Section 2. Pursuant to California Government Code Section 63049.67(a), the Board of Directors of the Issuer (the "Board") hereby acknowledges that the financing of emergency apportionments upon the request of a school district pursuant to Article 2.7 (commencing with Section 41329.50) of Chapter 3 of Part 24 of the Education Code, is in the public interest and is eligible for financing by the Issuer.

Section 3. The Issuer hereby approves the issuance of the Bonds, pursuant to this resolution and the Trust Agreement (as defined herein), designated as "Lease Revenue Bonds (King City Joint Union High School District Financing)" with appropriate series designations, in an aggregate principal amount not to exceed $16,000,000, to (i) repay the $5,000,000 Initial Emergency Apportionment (including accrued interest) made from the State General Fund to the District; (ii) fund an Apportionment Augmentation in an amount not to exceed $8,000,000; (iii) fund capitalized interest; (iv) fund a reserve fund, and (v) pay costs of issuance of the Bonds.

Section 4. Notwithstanding Section 63074(d) of the Act to the contrary, such sale may take place at any time within one hundred eighty (180) days of the adoption of this resolution or at such later date approved by the Executive Director of the Issuer ("Executive Director") which is not later than the date three hundred sixty (360) days of the adoption of this resolution.

Section 5. The proposed form of trust agreement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board, or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute, acknowledge and deliver to the Trustee, a trust agreement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the trust agreement to carry out the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Trust Agreement"). The Secretary is authorized to attest to this execution of the Trust Agreement.

Section 6. The proposed form of lease agreement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board, or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute, acknowledge and deliver to the District a lease agreement, in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the lease agreement to carry out the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by execution and delivery thereof (as so approved, the "Lease Agreement"). The Secretary is authorized to attest to this execution of the Lease Agreement.

Section 7. The proposed form of site lease on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board, or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute, acknowledge and deliver to the District a site lease in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the site lease to carry out the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by execution and delivery thereof (as so approved, the "Site Lease"). The Secretary is authorized to attest to this execution of the Site Lease.

Section 8. The proposed form of bond purchase agreement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute and deliver to the other parties thereto, a bond purchase agreement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the bond purchase agreement to carry on the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The proposed preliminary form of official statement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to sign and deliver to the Underwriter the final version of such official statement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the official statement to carry on the intent of this resolution, and as the official executing the same, with

the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Official Statement"). The Underwriter is hereby authorized to distribute and deliver copies of said Official Statement to purchasers of the Bonds.

Section 10. The proposed form of tax certificate on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute and deliver to the bond counsel to the Issuer, a tax certificate in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the tax certificate to carry on the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. The proposed form of continuing disclosure agreement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute and deliver to the other parties to the agreement, a continuing disclosure agreement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the continuing disclosure agreement to carry on the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 12. The proposed form of implementation agreement on file with the Secretary is hereby approved. The Executive Director, the Chair of the Board or the Chair's designee, each of them acting alone, is hereby authorized and directed, for, on behalf and in the name of the Issuer, to execute and deliver to the other parties to the agreement, an implementation agreement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the implementation agreement to carry on the intent of this resolution and as the official executing the same, with the advice of the Issuer's counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 13. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Lease Agreement and the Trust Agreement, and said Bonds shall not be deemed to constitute a debt or liability of the State or the Issuer except, as to the Issuer to the limited extent provided in the Trust Agreement. Neither the full faith and credit nor the taxing power of the State is pledged to the payment of the principal or purchase price of, or premium, if any, or interest on, the Bonds. The Bonds shall be dated the date of their issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Trust Agreement. The Bonds shall be in the form and the denominations as provided in the Trust Agreement, mature on the date or dates provided in the Trust Agreement which shall be not later than 20 years from the date of issuance thereof, be subject to redemption as provided in the Trust Agreement, shall carry the registration privileges provided in the Trust Agreement, and shall bear interest at a fixed rate or rates shall not to exceed the lesser of eight percent (8%) per annum or the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 14. The Executive Director, Chair of the Issuer or the Chair's designee, each of them acting alone, is hereby authorized and directed to execute, by manual or facsimile signature, for, 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 terms of this resolution and the Trust Agreement and in the form or forms set forth in the Trust Agreement.

Section 15. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Trust Agreement. The Trustee is hereby requested and directed to authenticate the 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 written instructions executed on behalf of the Issuer by the Chair of the Board, the Chair's designee, or the Executive Director, which instructions said official, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the delivery price thereof.

Section 16. The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized to execute and deliver any and all certificates and instruments, including without limitation letters of representations and certifications of authority, which they or counsel to the Issuer may deem necessary or advisable to consummate the issuance, sale and delivery of the Bonds, and otherwise to effectuate the purpose of this resolution

Section 17. Any of the Executive Director, the Chair of the Board or the Chair's designee, upon consultation with the Issuer's financial advisor, is hereby authorized to determine if the purchase of bond insurance from Assured Guaranty is likely to result in over-all lower costs to the District. If such officer or member of the Issuer determines that the purchase of bond insurance is likely to result in over-all lower costs to the District, that officer or member is hereby authorized and directed to execute such documents, agreements, or certificates, or make such revisions to the Trust Agreement, Site Lease or Lease Agreement, as such officer shall determine are necessary or desirable in connection with the purchase of such bond insurance and in order to carry out the intent of this resolution, such determination to be conclusively evidenced by the execution and delivery thereof. Any cost of such insurance shall be paid as a cost of issuance of the Bonds.

Section 18. All actions heretofore taken by the officials and authorized representatives of the Issuer with respect to the reimbursement and funding of the Apportionment and the sale and issuance of the Bonds are hereby approved, ratified and confirmed. The officers of the Issuer and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to perform their duties, including but not limited to those duties pertaining to the investment of proceeds of the Bonds and revenues pledged to the repayment of the Bonds in permitted investments as set forth in the of Trust Agreement and as authorized under the Issuer's investment policy and those duties pertaining to the purchase of title insurance for the Leased Premises, and to execute and deliver any and all certificates which they or counsel to the Issuer may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, the performance by the Issuer of the obligations on its part contained in the Bonds and the agreements approved by this resolution and otherwise to effectuate the purposes of this resolution.

Section 19. 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 March 23, 2010, by the following vote:

AYES: BRYANT, LUJANO, BERTE, ZUNIGA, RICE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: Stanton C. Hazelroth
Stanton C. Hazelroth, Executive Director

ATTEST:

By: Roma Cristia-Plant
Roma Cristia-Plant, Secretary of the Board