

RESOLUTION NO. 11-05

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO A LOAN AGREEMENT, DATED AS OF DECEMBER 1, 2007, AMONG BANC OF AMERICA PUBLIC CAPITAL CORP, THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AND APPLIED AEROSPACE STRUCTURES, CORP. FOR THE PURPOSE OF FINANCING AN ECONOMIC DEVELOPMENT FACILITY

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) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Issuer is authorized to issue tax-exempt obligations to provide financing for economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, on November 20, 2007, the Issuer adopted Resolutions No. 07-30 (the "Resolution"), which approved a tax-exempt loan from Banc of America Public Capital Corp (the "Lender") to the Issuer in an amount not to exceed \$6,500,000 (the "Issuer Loan") and a loan of the proceeds of the Issuer Loan from the Issuer to Applied Aerospace Structures, Corp. (the "Borrower"), for the purpose of (a) financing (i) the design, development, construction and installation of an approximately 30,000 square foot manufacturing facility and related improvements on real property located at 3437 South Airport Way, Stockton, California 95206 (the "Property"), and (ii) the acquisition and installation of manufacturing equipment within the various manufacturing buildings located on the Property (collectively, the "Project") and (b) paying certain costs of issuance in connection with the Issuer Loan and the loan of the proceeds thereof; and

WHEREAS, pursuant to the Resolution, the Issuer entered into a Loan Agreement, dated as of December 1, 2007 (the "Original Loan Agreement"), among the Lender, the Issuer and the Borrower, providing for a loan of the proceeds of the Issuer Loan from the Issuer to the Borrower (the "Borrower Loan" and, together with the Issuer Loan, the "Loan") for the purpose of financing the Project and paying costs of issuance in connection with the Loan; and

WHEREAS, the Original Loan Agreement provides that proceeds of the Loan remaining undisbursed to the Borrower on December 10, 2010 shall be used to prepay the outstanding principal amount of the Loan; and

WHEREAS, the Borrower has represented that it has not used all of the proceeds of the Loan in part due to the recent economic downturn, and, as a result, there is approximately \$865,169.88 of unexpended proceeds of the Loan currently remaining in the Project Fund (as defined in the Original Loan Agreement); and

WHEREAS, the Borrower has further represented that customer orders have recently been increasing and in particular, orders have been received that would require the originally projected expansion and equipment acquisition and thus the expenditure of the remaining Loan proceeds during 2011; and

WHEREAS, the Borrower has requested that the Lender and the Issuer enter into an amendment to the Original Loan Agreement which would result in an extension of the period for the expenditure of the proceeds of the Loan pursuant to the Original Loan Agreement from December 10, 2010 to December 31, 2011; and

WHEREAS, pursuant to Section 13.07 of the Original Loan Agreement, the Issuer, the Lender and the Borrower may amend, supplement or modify the provisions of the Original Loan Agreement by a written instrument signed by all of the parties; and

WHEREAS, the Loan is currently outstanding in the approximate principal amount of \$4,693,941.08; and

WHEREAS, there has been presented to this meeting and is now on file with the Secretary of the Board of Directors (the "Secretary") a proposed form of the First Amendment to Loan Agreement (the "First Amendment"), to be entered into by and among the Lender, the Issuer and the Borrower.

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

Section 1. The above recitals are true and correct.

Section 2. The Issuer hereby approves the amendment of the terms of the Issuer Loan and Borrower Loan to extend the period for the expenditure of the proceeds of the Loan. The other terms of the Issuer Loan and Borrower Loan, are hereby approved, confirmed and ratified.

Section 3. The proposed form of the First Amendment on file with the Secretary is hereby approved and the Chair of the Board of Directors, the Chair's designee, or the Executive Director, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Issuer, to execute and deliver the First Amendment in substantially said form, with such changes and insertions therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Issuer's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof (as so approved, the "First Amendment to the Loan Agreement"). The Secretary is authorized to attest to the execution of the First Amendment to the Loan Agreement.

Section 4. The Chair of the Board of Directors, the Chair's designee or the Executive Director, each acting alone, is hereby authorized to execute all certificates and instruments which they, with the advice of counsel to the Issuer, deem necessary or appropriate to this transaction and to effectuate the purposes of this resolution, including, but not limited to, a letters of representations, certifications of authority and bring-down certificates.

Section 5. All actions heretofore taken by the officers, employees and agents of the Issuer with respect to the actions contemplated by this resolution are hereby approved, confirmed and ratified, and 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 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 extension of the period for the expenditure of the proceeds of the Loan and otherwise to effectuate the purposes of this resolution.

Section 6. This resolution shall take effect from and after its adoption.

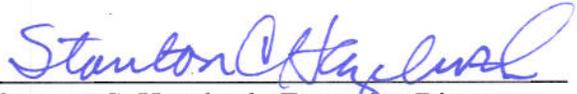
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on March 29, 2011, by the following vote:

AYES: REYES, LUJANO, JIMENEZ, CABALLERO, RICE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By 
Stanton C. Hazelroth, Executive Director

Attest:

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