RESOLUTION NO. 12-07

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPROVING, AUTHORIZING AND DIRECTING THE EXECUTION OF CERTAIN DOCUMENTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT TO THE ISSUANCE OF ITS CLEAN WATER STATE REVOLVING FUND REFUNDING REVENUE BONDS, SERIES 2012

WHEREAS, the California Infrastructure and Economic Development Bank (the "I-Bank"), a State of California (the "State") agency, is duly organized and validly existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, as amended, constituting Division 1 (commencing with Section 63000) of Title 6.7 of the California Government Code (the "Act"); and

WHEREAS, the United States of America, pursuant to the Federal Water Pollution Control Act, as amended by, among other laws and regulations, the Water Quality Act of 1987 (33 U.S.C. Section 1251 *et seq.*) (the "Clean Water Act"), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of such state as a condition to receipt of capitalization grants under the Clean Water Act; and

WHEREAS, the State has, pursuant to Chapter 6.5 (commencing with Section 13475) of Division 7 of the California Water Code, as amended (the "CWSRF Act"), established a water pollution control revolving fund (the "Clean Water SRF") to be used for purposes of the CWSRF Act and the Clean Water Act; and

WHEREAS, pursuant to Chapter 1078, Statutes of 2000 (SB 1571), codified as Article 6 (commencing with Section 63048) of Chapter 2 of the Act, the I-Bank is authorized to issue revenue bonds from time to time and use the proceeds thereof to, among other things, refund bonds previously issued under Article 6; and

WHEREAS, the I-Bank previously issued its $300,000,000 aggregate principal amount of Clean Water State Revolving Fund Revenue Bonds, Series 2002 (the "Series 2002 Bonds") pursuant to the Master Trust Indenture, dated as of August 1, 2002, as supplemented by the Series 2002 Indenture, dated as of August 1, 2002, each by and between the I-Bank and the Treasurer of the State, as trustee; and

WHEREAS, the I-Bank proposes to refinance all or a portion of the outstanding Series 2002 Bonds and assist the State Water Resources Control Board (the "State Water Board") in providing financial assistance to local agencies in the State through the sale, issuance and delivery by the I-Bank of its California Infrastructure and Economic Development Bank Clean Water State Revolving Fund Refunding Revenue Bonds, Series 2012 (the "Bonds") to Piper Jaffray & Co., as representative of the underwriters (the "Underwriters"), pursuant to a bond purchase agreement (the "Bond Purchase Agreement") by and among the Underwriters, the Treasurer of the State, as agent for sale for the I-Bank, and the I-Bank, and approved by the State Water Board; and

WHEREAS, the Bonds are to be issued pursuant to the Master Trust Indenture, dated as of November 1, 2012 (the "Master Indenture"), as supplemented by the Series 2012 Indenture, dated as of November 1, 2012 (the "Series 2012 Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the I-Bank and the Treasurer of the State, as trustee (the "Trustee"); and

WHEREAS, to further secure the Bonds and any bonds that may hereafter be issued under the Indenture, the I-Bank proposes to enter into the Master Pledge and Payment Agreement, dated as of November 1, 2012 (the "Master Pledge Agreement"), by and between the State Water Board and the I-Bank, providing for the assignment of certain Pledged Project Obligations, as defined in the Master Pledge Agreement, from the State Water Board to the I-Bank and the payment by the State Water Board of amounts due thereunder, all in accordance with the provisions hereof and thereof; and

WHEREAS, the funds to redeem all or a portion of the Series 2002 Bonds will be applied pursuant to the Escrow Instructions (the "Escrow Instructions"), from the I-Bank to the Treasurer of the State, as escrow agent thereunder; 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 Board of Directors of the California Infrastructure and Economic Development Bank as follows:

Section 1. The Bonds are authorized to be issued pursuant to the Act in an aggregate principal amount not to exceed $100,000,000.

Section 2. The Treasurer of the State 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 a negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 3. The proposed form of the Master Indenture, the Series 2012 Indenture, the Master Pledge Agreement, the Escrow Instructions and the Bond Purchase Agreement (collectively, the "Bond Documents"), as presented to this meeting, are hereby approved. The Executive Director of the I-Bank (the "Executive Director") and his assignees, as well as the Chair of the I-Bank Board of Directors (the "Chair"), and the Chair's designee (collectively, the "Authorized Signatories"), and each of them acting alone, are hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute, by manual or facsimile signature, and deliver to the Trustee, and the Secretary of the I-Bank is authorized to attest thereto, the Master Indenture, the Series 2012 Indenture, the Master Pledge Agreement, the Escrow Instructions and the Bond Purchase Agreement in substantially the forms presented to this meeting, with such additions thereto and changes therein as the officers executing the same, with the advice of the I-Bank's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of the preliminary official statement relating to the Bonds (the "Preliminary Official Statement"), as presented to this meeting, is hereby approved.

The I-Bank hereby authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds with such additions thereto and changes therein as may be necessary to cause the same to carry out the intent of this Resolution, and as are approved by I-Bank Counsel, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The Authorized Signatories, and each of them acting alone, are hereby authorized and directed, for and in the name and on behalf of the I-Bank, to execute and deliver a certificate to the effect that the section entitled "INFRASTRUCTURE BANK" and under "MISCELLANEOUS – Litigation – I-Bank" of the Preliminary Official Statement, as of its date, is deemed final by the I-Bank, if necessary for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and at the time of sale of the Bonds, the Executive Director or his assignees are hereby authorized and directed to deliver the Preliminary Official Statement as the final official statement for the Bonds, with such additions thereto or changes therein as the Authorized Signatories, and each of them acting alone, may approve upon consultation with the I-Bank's Counsel (the "Official Statement"), such approval to be conclusively evidenced by the delivery thereof. The Underwriters are hereby authorized to distribute copies of the Official Statement to the purchasers of the Bonds.

Section 5. The Authorized Signatories, and each of them acting alone, are hereby authorized and directed to execute, manually or by facsimile, in the name and on behalf of the I-Bank, 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 Series 2012 Indenture.

Section 6. 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 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 I-Bank by the Executive Director, his assignees or Chair, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute and 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 purchase price thereof.

Section 7. All actions heretofore taken by the officers and agents of the I-Bank with respect to the approval, issuance, sale and delivery of the Bonds are hereby approved, confirmed and ratified, and the officers of the I-Bank and their authorized assignees, designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all instruments, certificates and documents, including without limitation a tax certificate, that they or the I-Bank's Counsel may deem necessary or desirable in order to consummate the issuance, sale and delivery of the Bonds, to effect the transactions contemplated by the Bond Documents and otherwise to effectuate the purposes of this Resolution.

Section 8. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on October 9, 2012, by the following vote.

AYES: JIMENEZ, LUJANO, ARMSTRONG, RICE, REYES

NAYS: 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 of Directors