

RESOLUTION NO. 12-06

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK RELATING TO THE AMENDMENT AND RESTATEMENT OF THE BOND INDENTURES FOR ITS REVENUE BONDS (THE RAND CORPORATION), SERIES 2008A AND SERIES 2008B, AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

August 28, 2012

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 from time to time hereafter be amended or supplemented, the “Act”), for the purpose of, among other things, providing financial assistance for eligible projects located in the State of California; and

WHEREAS, the Issuer has heretofore issued its Revenue Bonds (The RAND Corporation), Series 2008A (the “2008A Bonds”) and Series 2008B (the “2008B Bonds, and, together with the 2008A Bonds, the “Bonds” and each a “Series” of Bonds), the proceeds of which were used to finance and refinance a portion of the costs of the acquisition, construction, furnishing and equipping of a corporate headquarters and related facilities owned and operated by The RAND Corporation (the “Corporation”) located in Santa Monica, California (the “Project); and

WHEREAS, the Corporation has requested the Issuer to amend and restate each of the two Bond Indentures, each originally dated as of May 1, 2008, each between the Issuer and Wells Fargo Bank, National Association, as Bond Trustee, pursuant to one of which the 2008A Bonds were issued (the “2008A Indenture”) and pursuant to the other the 2008B Bonds were issued (the “2008B Indenture,” and, together with the 2008A Indenture, the “Original Indentures”); and

WHEREAS, pursuant to the terms of the Original Indentures, the Bonds of each Series may bear interest at a Commercial Paper Rate, the Daily Rate, the Auction Period Rate, the Weekly Rate and the Long Term Rate, as defined in the Original Indentures;

WHEREAS, the Corporation has requested that the Issuer amend and modify the Original Indentures to provide that the Bonds of each Series may bear interest at another interest rate mode;

WHEREAS, Section 10.01(B)(10) of each of the Original Indentures provides that the provisions of the Original Indentures may be modified or amended from time to time without the necessity of obtaining the consent of any Bondholders for the purpose of making any change to the Original Indentures that will be effective upon the mandatory tender and

remarketing of all the Bonds then Outstanding (as defined in the Original Indentures) in accordance with the terms of the Original Indentures;

WHEREAS, the Bonds are subject to mandatory tender and remarketing pursuant to Section 4.07(B)(4) of each of the Original Indentures at the direction of the Corporation, and the Corporation has determined to cause a mandatory tender and remarketing of the Bonds;

WHEREAS, the Issuer has agreed to amend and modify the Original Indentures in the manner requested by the Corporation subject to the condition that the amendment and restatement of the Original Indentures pursuant to the provisions of an amended and restated bond indenture for each Series (each, an “Amended Indenture” and, together, the “Amended Indentures”) shall become effective only upon the mandatory tender and remarketing of the Bonds pursuant to Section 4.07(B)(4) of each of the Original Indentures;

WHEREAS, upon such mandatory tender and remarketing, the Bonds will no longer be rated and will be purchased by Wells Fargo Municipal Capital Strategies, LLC (the “Initial Purchaser”), an affiliate of Wells Fargo Bank, National Association, in a private placement;

WHEREAS, the Issuer’s policy is to require certain minimum bond ratings which may be waived in the case of a private placement; and

WHEREAS, final approval of the terms of the Amended Indentures 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 proposed form of Amended and Restated Bond Indenture, dated as of August 30, 2012, between the Issuer and Wells Fargo Bank, National Association (the “Trustee”), relating to the 2008A Bonds (the “2008A Amended Indenture”) on file with the Secretary, is hereby approved. The proposed form of Amended and Restated Bond Indenture, dated as of August 30, 2012, between the Issuer and the Trustee, relating to the 2008B Bonds (the “2008B Amended Indenture,” and, together with the 2008A Amended Indenture, the “Amended Indentures”) on file with the Secretary, is hereby approved. With respect to each of the 2008A Amended Indenture and 2008B Amended Indenture, the Executive Director (the “Executive Director”) or the Executive Director’s assignee and the Chair of the Issuer (the “Chair”), or the Chair’s designee, and each of them, acting alone, is hereby authorized and directed for and on behalf and in the name of the Issuer to execute, acknowledge and deliver to the Corporation, the related Amended Indentures in substantially said form, with such changes therein as the official executing the same, with the advice of the Issuer’s counsel, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 2. The Issuer hereby waives the requirement that the Bonds bear a long-term rating of at least an “A3” from Moody’s Investors Service (“Moody’s”) or “A-” from Standard & Poor’s (“S&P”) or Fitch Ratings, Inc. (“Fitch”), and/or a short-term rating of at least

a “VMIG 1” or “P-1” from Moody’s, or “SP-1” or “A-1” from S&P, or “F1” from Fitch (the “Minimum Rating Requirement”), subject to the condition that each purchaser of the Bonds (a) shall deliver to the Issuer an investor letter in the form set forth in the Amended Indentures acceptable to the Issuer prior acquisition of the Bonds, (b) shall constitute (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, and (ii) with respect to future purchasers, other than the Initial Purchaser, a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer, of not less than \$5,000,000,000; and (c) shall purchase the Bonds in a minimum denomination of at least \$100,000. The conditions in the preceding sentence shall not be applicable if the Bonds bear a rating at least equal to the Minimum Rating Requirement (as defined above).

Section 3. The officials of the Issuer and their authorized assignees and designees are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates, including without limitation a supplemental tax certificate for each series of the Bonds, an I.R.S. Form 8038 for each series of the Bonds and such other documents necessary or advisable to in order to consummate the amendment and restatement of the Original Indentures or otherwise to effectuate the purpose of this resolution.

Section 4. The Board hereby delegates to the Executive Director and his assignees the authority to execute all supplemental bond indentures, agreements, contracts, certificates, orders, appointments, notices, waivers, approvals, acknowledgements, consents, written directions, instruments and other documents as may from time to time be requested by the Corporation to effect the transactions contemplated by the Amended Indentures, including, but not limited to, adding or modifying interest rate modes and effecting tenders and redemptions and remarketing of the Bonds, provided that the I-Bank receives an opinion of counsel to the effect that the Amendment (1) is in accordance with the applicable Original Indenture and (2) will not adversely affect the tax-exempt status of interest on the Bonds.

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Section 5. 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 28, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Stanton C. Hazelroth, Executive Director

Attest:

Roma Cristia-Plant
Secretary of the Board of Directors