

## **RESOLUTION NO. 12-08**

### **RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK SUPERCEDING PRIOR RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR OF THE INFRASTRUCTURE BANK CERTAIN AUTHORITY TO ACT ON BEHALF OF THE INFRASTRUCTURE BANK, RESTATING PRIOR DELEGATIONS WITHOUT CHANGE AND PROVIDING ONE ADDITIONAL DELEGATION IN RELATION TO INFRASTRUCTURE BANK BONDS**

**WHEREAS**, the California Infrastructure and Economic Development Bank (the "I-Bank") is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the "Act"), for the purpose of providing financial assistance to eligible projects in the State of California (the "State") through a variety of financing mechanisms, which include, among other things, bonds and various forms of credit enhancement, as well as direct loans that are currently made pursuant to the I-Bank's Infrastructure State Revolving Fund Program (the "ISRF Program");

**WHEREAS**, from time to time, recipients of I-Bank financial assistance may request changes to certain financing agreements or other financing related documents ("Requests");

**WHEREAS**, the Act provides that "Subject to any conditions that the board may from time to time prescribe, the executive director may exercise any power, function, or duty conferred by law on the [I-Bank] in connection with the administration, management, and conduct of the business and affairs of the [I-Bank], the infrastructure bank fund and the guarantee fund" and the Act further provides that the executive director of the I-Bank may assign such authority to others;

**WHEREAS**, on September 27, 2011, the I-Bank Board of Directors (the "Board") previously adopted Resolution No. 11-24 which delegated to the I-Bank's Executive Director and his assignees (the "Executive Director") the authority to act on behalf of the I-Bank in a number of areas related to providing financial assistance to eligible projects and otherwise conducting the business and affairs of the I-Bank;

**WHEREAS**, since the adoption of Resolution 11-24 in September of 2011, the Executive Director acted on a number of matters pursuant to his delegated authority and reported back to the Board, at the earliest practicable opportunity, as to the nature of the actions taken;

**WHEREAS**, by acting on the delegated authority, the Executive Director facilitated the timely, efficient and cost-effective delivery of I-Bank services to its patrons with respect to matters that were related to providing financial assistance to eligible projects, but ancillary to the issuance of bonds or the making of loans.

**WHEREAS**, staff has determined that there is one area of delegation, having to do with transactions already contemplated in the documents associated with the original issuance of I-

Bank bonds, that is arguably within the scope of the existing delegations, but that was not explicitly stated in Resolution 11-24 and the Board believes that a delegation in this area would be helpful to the I-Bank's goals of being highly responsive to the needs of the recipients of I-Bank financial assistance;

**WHEREAS**, the Board has determined that it should explicitly provide for a delegation of authority to the Executive Director as to post bond issuance transactions that were contemplated in the documents associated with the original issuance of I-Bank bonds and that such a delegation should be included in this resolution (the "New Delegation Resolution");

**WHEREAS**, the Board has determined that restating the existing delegations, from Resolution No. 24, in New Delegation Resolution and allowing the New Delegation Resolution to supersede Resolution 11-24 would be beneficial in that this New Delegation Resolution would compile, in one place, a comprehensive list of all the delegations from the Board to the Executive Director;

**WHEREAS**, the Act authorizes the I-Bank to receive, serve as the conduit for receipt of and accept from sources, including but not limited to, the federal government, the State, any agency of the State, public and private pension funds and any other sources ("Funding Sources"), any grants, contributions, subventions, dedicated taxes, appropriations, advances, guarantees, financial enhancements in money, property, labor and other things of value;

**WHEREAS**, the Board has determined that seeking, securing and receiving funds from Funding Sources would augment the I-Bank's ability to provide financial assistance to eligible projects and to further the purposes of the Act;

**WHEREAS**, the Act authorizes the I-Bank to charge and equitably apportion, among recipients of I-Bank financial assistance, those costs and expenses associated with I-Bank financing transactions and services or that are otherwise incurred in the exercise of the powers and duties conferred on the I-Bank by the Act ("I-Bank Charges") and where such I-Bank Charges are to be distinguished, under the Act, from "fees" which the I-Bank may also impose pursuant to the Act but which are not covered by this resolution; and

**WHEREAS**, the Board has determined that authorizing the Executive Director to determine, impose and collect I-Bank Charges would enhance the I-Bank's ability to provide financial assistance to eligible projects and to further the purposes of the Act;

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

**Section 1.** The Board hereby finds that the above recitals are true and correct.

**Section 2.** The Board hereby delegates to the Executive Director in connection any proposed amendment of bond related documents (an "Amendment"), the authority to execute and deliver all agreements, contracts, certificates, orders, appointments, notices, waivers, approvals, acknowledgements, consents, written directions, instruments and other documents ("I-Bank Documents") necessary or convenient to effect such Amendment; provided that, the I-Bank

receives an opinion of counsel to the effect (1) that the Amendment is in accordance with the associated transaction documents and (2) where bonds were issued as tax-exempt bonds, that the Amendment will not adversely affect the tax-exempt status of interest on the bonds.

**Section 3.** The Board hereby delegates to the Executive Director, in connection with any instance where any portion of the proceeds tax-exempt bonds are expected to be used to reimburse costs incurred prior to the issuance of such bonds (a “Reimbursement”), the authority to execute all certificates or documents evidencing the official intent of the I-Bank to authorize such Reimbursement pursuant to applicable federal tax law then in effect.

**Section 4.** The Board hereby delegates to the Executive Director, in connection with any proposed redemption of bonds or prepayment of the obligations of others to the I-Bank (a “Redemption”), the authority to take all actions and execute and deliver all I-Bank Documents necessary or convenient to accomplishing such Redemption.

**Section 5.** The Board hereby delegates to the Executive Director, in connection with the substitution of a credit facility or liquidity facility associated with an I-Bank financing (a “Facility Substitution”), the authority to execute and deliver all I-Bank Documents necessary or convenient to effect such Facility Substitution; provided that the I-Bank receives (1) an opinion of counsel to the effect that the Facility Substitution (i) is in accordance with the associated transaction documents; and (ii) where bonds were issued as tax-exempt bonds, the Facility Substitution will not adversely affect the tax-exempt status of interest on such bonds; and (2) written evidence from the rating agencies specified in the transaction documents that the Facility Substitution will not result in a rating lower than the rating required by the transaction documents.

**Section 6.** The Board hereby delegates to the Executive Director, in connection with the appointment, removal or substitution of any agent involved in an I-Bank financing, including but not limited to, bond trustee, broker-dealer, marketing agent, title insurance provider, paying agent, remarketing agent, bond registrar, escrow agent and tender agent (an “Agent Substitution”), the authority to execute and deliver all I-Bank Documents necessary or convenient to effect such Agent Substitution; provided that the I-Bank receives an opinion of counsel to the effect that (i) the Agent Substitution is in accordance with the associated transaction documents, and (ii) where bonds were issued as tax-exempt bonds, the Agent Substitution will not adversely affect the tax-exempt status of interest on the bonds.

**Section 7.** The Board hereby delegates to the Executive Director, in connection with any proposed post-bond issuance consummation of transactions contemplated in the documents associated with the original issuance of I-Bank bonds (“Contemplated Transactions”), including but not limited to interest rate mode change, mandatory tender, conversion and remarketing of I-Bank bonds, the authority to take all actions and execute and deliver all I-Bank Documents necessary or convenient to consummating such Contemplated Transactions. This authority includes a delegation to the Executive Director of the authority, in instances where a remarketing of bonds is done in the form of a limited offering or private placement, to waive the I-Bank rating requirement upon determining that any applicable I-Bank private placement or limited offering conditions have been satisfied.

**Section 8.** The Board hereby delegates to the Executive Director, in connection with its approval of any loan to be made pursuant to the ISRF Program (an “ISRF Program Loan”), the authority to execute and deliver the appropriate I-Bank financing agreements in substantially the form in use by the I-Bank at the time of the ISRF Program Loan, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the ISRF Program Loan, and as are approved by counsel to the I-Bank, such approval to be conclusively evidenced by the delivery thereof. The Board further delegates to the Executive Director the authority to execute and deliver all other I-Bank Documents necessary or convenient to effect such ISRF Program Loan.

**Section 9.** The Board hereby delegates to the Executive Director, in connection with any ISRF Program Loan, the authority to amend or modify the financing documents associated with the ISRF Program Loan (a “Loan Amendment”) so long as such Loan Amendment is consistent with the intent of the Board resolution that approved the ISRF Program Loan and as approved by counsel to the I-Bank; provided, however that any of the following proposed Loan Amendments are not delegated to the Executive Director: (1) any increase in the principal amount of the ISRF Program Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the ISRF Program Loan; and (4) any change in the interest rate.

**Section 10.** The Board hereby delegates to the Executive Director, in connection with any I-Bank effort to seek grants or other funds from Funding Sources, the authority to apply for, receive, accept and deposit any such funds or other things of value from such Funding Sources, all as permitted by the provisions of the Act (“Funding Efforts”); provided, however that (1), prior to acceptance, the Board must approve the conditions associated with any award of funds; and (2) no delegation is made as to the use of any funds received. The Board further delegates to the Executive Director the authority to execute and deliver all I-Bank Documents necessary or convenient to effect such Funding Efforts.

**Section 11.** The Board hereby delegates to the Executive Director the authority to determine, impose and collect I-Bank Charges. The Board further delegates to the Executive Director the authority to execute and deliver all I-Bank Documents necessary or convenient in connection with the determination, imposition and collection of such I-Bank Charges.

**Section 12.** This New Delegation Resolution shall supersede Resolution 11-24 in its entirety and shall take effect immediately upon its adoption.

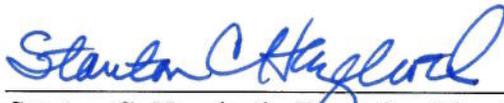
**PASSED, APPROVED, AND ADOPTED** at a meeting of the California Infrastructure and Economic Development Bank on October 9, 2012, by the following vote:

AYES: JIMENEZ, REYES, LUJANO, ARMSTRONG, RICE

NOES : NONE

ABSENT: NONE

ABSTAIN: NONE

By   
Stanton C. Hazelroth, Executive Director

Attest:   
By \_\_\_\_\_  
Roma Cristia-Plant,  
Secretary of the Board of Directors

