

RESOLUTION NO. 13-09

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$210,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK REFUNDING REVENUE BONDS (CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION PROJECT) SERIES 2013 FOR THE BENEFIT OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION, PROVIDING THE TERMS AND CONDITIONS OF THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the “I-Bank”) 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, among other things, providing financial assistance to eligible projects; and

WHEREAS, the I-Bank is authorized to issue tax-exempt revenue bonds to provide financing for eligible projects located in the State of California (the “State”) and for other purposes in the public interest; and

WHEREAS, the California Independent System Operator Corporation (the “Borrower”) has submitted an application to the I-Bank for assistance to (i) advance refund all or a portion of the I-Bank’s outstanding Revenue Bonds (California Independent System Operator Corporation Project) 2009 Series A (the “2009A Bonds”), and (ii) to pay certain costs of issuance incurred in connection with the issuance of the Bonds (as defined below); and

WHEREAS, the 2009A Bonds were issued to pay or reimburse costs incurred by the Borrower in designing and constructing a new headquarters building for the Borrower, acquiring or developing computer hardware and software systems, acquiring office equipment (collectively

the “2009A Project”), to pay initial interest on the 2009A Bonds, to pay costs of issuing the 2009A Bonds, and to fund a debt service reserve account for the 2009A Bonds.

WHEREAS, the Borrower has requested the I-Bank to (a) authorize the issuance of its Refunding Revenue Bonds (California Independent System Operator Corporation Project) Series 2013 in an aggregate principal amount not to exceed \$210,000,000 (the “Bonds), (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds to the Borrower to advance refund all or a portion of the 2009A Bonds, (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the Borrower’s repayment of that loan, and (e) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, there is now on file with the Secretary (the “Secretary”) of the Board of Directors of the I-Bank (the “Board”) the following documents:

(a) a proposed form of a loan agreement (the “Loan Agreement”) to be entered into by and between the I-Bank and the Borrower providing for the loan of the proceeds of the Bonds to the Borrower;

(b) a proposed form of an indenture (the “Indenture”) to be entered into between the I-Bank and U.S. Bank National Association, as trustee (the “Trustee”), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of a bond purchase contract (the “Bond Purchase Contract”) to be entered into by and among the I-Bank, the Treasurer of the State (the “Treasurer”) and RBC Capital Markets, LLC (the “Representative”), as representative of itself and Citigroup Global

Markets Inc., as underwriters (the “Underwriters”), and approved by the Borrower, providing for the sale of the Bonds; and

(d) a proposed form of official statement (the “Official Statement”) to be used by the Underwriters in connection with the sale of 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 above recitals are true and correct.

Section 2. The I-Bank authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance or refinance costs of the 2009A Project pursuant to the terms and provisions of the Loan Agreement as approved by this resolution (this “Resolution”). The proposed form of Loan Agreement on file with the Secretary of the I-Bank (the “Secretary”) is hereby approved, and the Executive Director of the I-Bank (the “Executive Director”), the Executive Director’s assignees, the Chair of the Board (the “Chair”), or the Chair’s designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute, acknowledge and deliver the Loan Agreement to the Borrower in substantially said form, with such insertions and changes therein as may be necessary or desirable 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 I-Bank’s counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Secretary is authorized to attest to the execution of the Loan Agreement.

Section 3. The proposed form of Indenture on file with the Secretary is hereby approved, and the Executive Director, the Executive Director's designees, the Chair, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute, acknowledge and deliver the Indenture to the Trustee in substantially said form, with such insertions and changes therein as may be necessary or desirable 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 I-Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Secretary is authorized to attest to the execution of the Indenture.

Section 4. The proposed form of Bond Purchase Contract on file with the Secretary is hereby approved, and the Executive Director, the Executive Director's assignees, the Chair, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, to execute and deliver to the Representative and the Treasurer a Bond Purchase Contract in substantially said form, with such insertions and changes therein as may be necessary or desirable 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 I-Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. At the request of the Borrower, the Underwriters are appointed as underwriters for the Bonds. The Treasurer, as agent for sale of the I-Bank's bonds, is hereby requested to sell the Bonds at negotiated sale, at such prices and at such interest rates as he may determine in accordance with the Indenture. Notwithstanding the more generally applicable rule set forth in Section 63074(d) of the Act, 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 not later than the date three hundred sixty (360) days of the adoption of this Resolution as approved by the Executive Director or the Executive Director's assignees.

Section 5. The proposed preliminary form of Official Statement on file with the Secretary is hereby approved, and the Executive Director, the Executive Director's assignees, the Chair, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the I-Bank, to execute a certificate or certificates in a form or forms which, with the advice of the I-Bank's counsel, is or are acceptable to the officer or official executing the same, to the effect that the portions of the Official Statement in either its preliminary or final form under the caption "THE INFRASTRUCTURE BANK" and "NO LITIGATION – The Infrastructure Bank" are "deemed final" as of their respective dates and to deliver the Official Statement in substantially said form, with such insertions and changes therein as may be necessary or desirable 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 I-Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the delivery thereof. The Underwriters are hereby severally authorized to distribute copies of the official statement in preliminary form to the prospective purchasers of the Bonds and the Official Statement in final form in connection with the sale of the Bonds.

Section 6. The I-Bank approves the issuance on a tax-exempt basis of not to exceed \$210,000,000 aggregate principal amount of the Bonds for the advance refunding of all or a portion of the 2009A Bonds in accordance with the terms of and to be secured by the Indenture. 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 I-Bank pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the I-Bank except as limited obligations as provided in the Indenture. Neither the full faith and credit nor the taxing power of the State is pledged to the payment of the principal of, 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 Indenture. The Bonds shall be in the form and the denominations as provided in the Indenture, mature on the date or dates provided in the Indenture, be subject to redemption as provided in the Indenture, shall carry the registration privileges provided in the Indenture and shall bear interest at a rate or rates to be determined in accordance with the Indenture, which rate or rates shall not exceed the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 7. The Executive Director, the Executive Director's assignees, the Chair, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the I-Bank, to execute, by manual or facsimile signature, the Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the terms of this Resolution and the Indenture and in the form set forth in the Indenture.

Section 8. The Bonds, when executed as provided in Section 7 of this Resolution, 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, the Executive Director's assignees, the Chair, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the I-Bank, 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 purchase price therefor.

Section 9. The Executive Director, the Executive Director's assignees, the Chair 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, tax certificates and certifications of authority, which they or counsel to the I-Bank may deem necessary or desirable to (i) consummate the issuance, sale and delivery of the Bonds, the recording of a deed of trust to be granted by the Borrower, (ii) facilitate the transactions contemplated by the documents related to the Bonds, and (iii) otherwise to effectuate the purpose of this Resolution.

Section 10. All actions heretofore taken by the officers and employees of the I-Bank with respect to the approval, issuance and sale of the Bonds and the redemption of the 2009A Bonds are hereby approved, confirmed and ratified. The officers of the I-Bank and their authorized assignees, designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do perform their duties and to execute and deliver any and all certificates which they, their counsel, bond counsel or special tax counsel may deem necessary or desirable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 11. 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 July 23, 2013 by the following vote:

AYES: DYER, ANNIS, CARROLL

NOES:

ABSENT: RICE

ABSTAIN: ROSSI

By 
Teveia Barnes
Executive Director

Attest:

By 
Roma Cristia-Plant
Secretary of the Board of Directors