

RESOLUTION NO. 13-21

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS INFRASTRUCTURE STATE REVOLVING FUND REVENUE BONDS, SERIES 2014 IN ONE OR MORE SERIES (THE "BONDS"), PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

WHEREAS, the California Infrastructure and Economic Development Bank (the "I-Bank") is duly organized and existing 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 be amended or supplemented (the "Act"); and

WHEREAS, the I-Bank is authorized under the provisions of the Act to provide financing (the "Loans") for certain eligible projects (the "Projects") pursuant to its Infrastructure State Revolving Fund Program (the "ISRF Program"); and

WHEREAS, the I-Bank is also authorized under the Act to issue from time to time its Infrastructure State Revolving Fund Revenue Bonds in one or more series and to incur other obligations from time to time to provide Loans for Projects pursuant to the ISRF Program and to refund previously issued bonds or previously incurred obligations used to provide Loans for Projects pursuant to the ISRF Program; and

WHEREAS, the I-Bank previously issued its Infrastructure State Revolving Fund Revenue Bonds, Series 2004, Infrastructure State Revolving Fund Revenue Bonds, Series 2005 and Infrastructure State Revolving Fund Revenue Bonds, Series 2008 (the "Series 2004 Bonds," the "Series 2005 Bonds," the "Series 2008 Bonds" and, collectively, the "Prior Bonds") for the purposes of the ISRF Program; and

WHEREAS, the Act established the California Infrastructure and Economic Development Bank Fund for the support of the activities of the I-Bank (the "I-Bank Fund"); and

WHEREAS, the Act provides that funds on deposit in the I-Bank Fund are continuously appropriated and thus continuously available for expenditure by the I-Bank for the purposes stated in the I-Bank Act; and

WHEREAS, the I-Bank desires to maintain and strengthen the credit rating on its ISRF Program bonds, whether previously issued or to be issued in the future, and, to that end, it wishes to demonstrate its commitment to the support and growth of the ISRF Program by allocating certain I-Bank funds for ISRF Program purposes; and

WHEREAS, the I-Bank desires to authorize the issuance of its Infrastructure State Revolving Fund Revenue Bonds, Series 2014 in one or more series and as either tax-exempt obligations or taxable obligations or some combination of both (the "Bonds"), in an aggregate principal amount not to exceed \$120,000,000 pursuant to an Indenture (the "2014 Indenture")

between the I-Bank and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by one or more Supplemental Indentures (each a "Supplemental Indenture" and, collectively with the 2014 Indenture, the "Indenture") between the I-Bank and the Trustee for the purposes of the ISRF Program, including, providing Loans for Projects and refunding all or a portion of the Prior Bonds; and

WHEREAS, based on anticipated market conditions, it is expected that the Series 2008 Bonds will remain outstanding after the issuance of the Bonds and will continue to be secured as provided in the indentures associated with the Series 2008 Bonds; and

WHEREAS, repayment of the Bonds will be secured by payments due from the Borrowers on the Loans pledged under the Indenture; and

WHEREAS, final approval of the terms of the issuance of the Bonds and certain documents relating thereto is now sought; and

WHEREAS, I-Bank staff have reviewed and there are now on file with the Secretary (the "Secretary") of the Board of Directors of the I-Bank (the "Board") the following:

- (a) a proposed form of 2014 Indenture;
- (b) a proposed form of Supplemental Indenture;
- (c) a proposed form of one or more Purchase Contracts with respect to the Bonds (each a "Purchase Contract") to be entered into by and among the I-Bank, the Treasurer of the State of California and Piper Jaffray & Co., as representative of itself and the other underwriters of the Bonds (the "Underwriters");
- (d) a proposed form of one or more Official Statements with respect to the Bonds (each an "Official Statement") to be used in connection with the sale of the Bonds; and
- (e) a proposed form of one or more Continuing Disclosure Agreements with respect to the Bonds (each a "Continuing Disclosure Agreement" and collectively with the Indenture, the Supplemental Indentures, the Purchase Contracts and the Official Statements, the "Transaction Documents") to be entered into between the I-Bank and the Trustee.

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

Section 1. The I-Bank approves the issuance of not to exceed \$120,000,000 aggregate principal amount of the Bonds in accordance with the terms of, and to be secured by, the Indenture; provided, however, that prior to the issuance of the Bonds, the Executive Director of the I-Bank (the "Executive Director"), shall have determined in the manner the Executive Director shall deem appropriate under the circumstances, which determination by the Executive Director shall be conclusive, that (i) the issuance of the Bonds will not result in a downgrade of the credit rating of the Series 2008 Bonds by any of the rating agencies rating the Series 2008 Bonds as of the date of the issuance of the Bonds; and (ii) issuance of the Bonds will achieve an aggregate present value savings, for the Prior Bonds being refunded, of at least 3.5%. The I-Bank further authorizes and

approves the loan of the proceeds of the Bonds to eligible borrowers in order to fund Projects in accordance with applicable terms and provisions of the Indenture and the Act. The Bonds are special obligations of the I-Bank and are not a lien or charge upon the funds or property of the I-Bank, except to the extent of the pledge and assignment provided for in the Indenture.

Section 2. The Board authorizes the transfer of an amount not to exceed \$45,000,000 from available cash on deposit in the I-Bank Fund for deposit with the Trustee for the following ISRF Program purposes: (i) funding loans made under the ISRF Program; (ii) paying debt service on any ISRF Program bonds or other forms of indebtedness; (iii) funding or replenishing reserves associated with ISRF Program bonds or other forms of indebtedness; (iv) paying costs and fees associated with ISRF Program bonds or other forms of indebtedness; (v) any other lawful purpose explicitly authorized by the Board; provided, however that so long as these funds are on deposit with the Trustee, they may not be used to pay operating costs of the I-Bank. The Board directs the Executive Director to take all actions necessary or desirable to cause such transfer and deposit.

Section 3. The Executive Director or any assignee of the Executive Director (“Authorized I-Bank Official”) is hereby authorized and directed to execute, in the name and on behalf of the I-Bank, by manual or facsimile signature, the Bonds in accordance with and in the form set forth in the Indenture. The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds so delivered by executing the certificates of authentication appearing thereon and to deliver the Bonds, when duly executed and authenticated, to the Underwriters in accordance with written instructions executed on behalf of the I-Bank by an Authorized I-Bank Official, which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of the I-Bank, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriters upon payment of the purchase price therefor.

Section 4. The Bonds shall bear interest at the rate or rates determined in accordance with the provisions of, mature and be subject to redemption as provided in, and be in the forms set forth in the Indenture. The Treasurer of the State of California, as agent for sale of the Bonds, is hereby authorized and requested to sell the Bonds, at any time within one hundred eighty (180) days of the adoption of this resolution (this “Resolution”), at negotiated sale, at such price and at such initial interest rate as he may determine.

Section 5. The Authorized I-Bank Official is hereby authorized to execute and deliver the Transaction Documents in substantially the forms thereof on file with the Secretary, with such changes, deletions and insertions therein as may be necessary or desirable to cause the same to carry out the intent of this Resolution and as are approved by counsel to the I-Bank, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The Underwriters are hereby authorized to distribute copies of the Official Statement in preliminary form in connection with the offering of the Bonds with such changes, deletions and insertions therein as may be necessary or desirable to cause the same to carry out the intent of this Resolution and as are approved by counsel to the I-Bank, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The preparation and delivery of the Official Statement in final form and its use by the Underwriters in connection with the sale of the Bonds is hereby approved. The final Official Statement shall be in the form of the preliminary

Official Statement with such changes, deletions and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the I-Bank, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The Authorized I-Bank Official is hereby authorized to distribute copies of the final Official Statement to the purchasers of the Bonds.

Section 7. The Authorized I-Bank Official is hereby authorized to negotiate with financial institutions and/or insurance companies, as applicable, and if the Authorized I-Bank Official, with the advice of the I-Bank's financial advisor, determines that it is advantageous to the I-Bank, the Authorized I-Bank Official is hereby authorized and directed to secure a surety bond or insurance policy, on such terms as the Authorized I-Bank Official, with the advice of the I-Bank's financial advisor, determines are appropriate, in order to insure the Bonds, and the Authorized I-Bank Official is hereby authorized and directed to execute and deliver, and authorize any changes appropriate with respect to, all documents necessary in connection with such surety bond or insurance policy.

Section 8. The Authorized I-Bank Official is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction, the issuance of the Bonds and the refunding of all or a portion of the Prior Bonds; without limiting the foregoing, the Authorized I-Bank Official is hereby authorized to take all actions necessary or desirable to direct investment of funds under the Indenture. All approvals, consents, directions, notices, orders, requests, and other similar actions permitted or required by any of the Transaction Documents, whether given or taken before or after the issuance of the Bonds (including, without limitation, any amendment of any of the Transaction Documents or other agreement related to the Bonds; any investment of proceeds of the Bonds; the addition, substitution, or replacement of underwriters; any agreements with paying agents; and the removal or replacement of the Trustee) may be given or taken by the Authorized I-Bank Official, without further authorization or direction by the Board. The Authorized I-Bank Official is hereby authorized and directed to give any such approval, consent, direction, notice, order, or request and take such other actions and execute such documents that the Authorized I-Bank Official deems necessary or desirable, in his or her discretion, to further the purposes of this Resolution.

Section 9. All actions heretofore taken by the officers and agents of the I-Bank with respect to the approval, issuance and sale of the Bonds and the refunding of all or a portion of the Prior Bonds are hereby approved, confirmed and ratified, and the officials of the I-Bank and their authorized assignees, each acting alone, are hereby authorized and directed to do any and all things and to execute and deliver any and all certificates and documents that they or bond counsel may deem necessary or desirable in order to consummate the issuance, sale and delivery of the Bonds and the refunding of all or a portion of the Prior Bonds, including the obtaining of a municipal bond insurance policy securing the payment of principal and interest on the Bonds and the execution and delivery of any escrow agreements for any of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution.

Section 10. This Resolution shall take effect from and after its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on December 17, 2013, by the following vote:

AYES: ORTEGA, FOWLER, LUCHETTI, ANNIS, ROSSI

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: 
Teveia R. Barnes, Executive Director

Attest: 
By: _____
Ruben Rojas, Secretary of the
Board of Directors