RESOLUTION NO. 14-01

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED $5,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND REVENUE BONDS (CATALINA ISLAND MUSEUM PROJECT), SERIES 2014, FOR THE BENEFIT OF CATALINA ISLAND MUSEUM, PROVIDING THE TERMS AND CONDITIONS OF THE SALE AND ISSUANCE OF SAID REVENUE BONDS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Infrastructure 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 Infrastructure Bank is authorized under the provisions of the Act to issue tax-exempt revenue bonds to provide financing or refinancing for certain eligible projects located in the State of California (the "State"); and

WHEREAS, Catalina Island Museum, a nonprofit public benefit corporation (the "Borrower") has submitted an application to the Infrastructure Bank for assistance in financing the acquisition, construction, improvement and development of real property and improvements located at 217 Metropole Avenue, Avalon, California 90704 (the "Facilities"), and paying certain costs of issuance in connection with the issuance of the hereinafter referenced Bonds; and

WHEREAS, for these purposes, the Borrower has requested the Infrastructure Bank to (a) authorize the issuance of its Variable Rate Demand Revenue Bonds (Catalina Island Museum Project), Series 2014, in an aggregate principal amount not to exceed $5,000,000 (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 finance the costs of the Facilities, (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, Infrastructure Bank staff have reviewed and there is now on file with the Secretary (the "Secretary") of the Board of Directors of the Infrastructure Bank (the "Board") the following:

(a) a proposed form of a loan agreement (the "Loan Agreement") to be entered into by and between the Infrastructure 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 Infrastructure Bank and Wells Fargo 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 purchase contract (the "Purchase Contract") to be entered into by and between the Infrastructure Bank, the Treasurer of the State, in its capacity as the Infrastructure Bank's agent for sale of the Bonds (the "Treasurer") and Gates Capital Corporation, as underwriter (the "Underwriter"), 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 Underwriter in connection with the sale of the Bonds (and, collectively with the Loan Agreement, the Indenture and the Purchase Contract, the "Transaction Documents").

NOW, THEREFORE, BE IT RESOLVED by the Board, as follows:

Section 1. The Infrastructure Bank approves the issuance on a tax-exempt basis of not to exceed $5,000,000 aggregate principal amount of the Bonds for financing the Facilities 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, consisting exclusively of payments provided therefor by the Borrower, to be received by the Infrastructure Bank pursuant to the Loan Agreement. Said Bonds shall not be deemed to constitute a debt or liability of the State or the Infrastructure Bank except to the limited extent 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 bear interest at any combination of fixed or variable rate or rates to be determined in accordance with the Indenture, which rates shall not exceed the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 2. The Board hereby authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance the costs of the Facilities.

Section 3. The Executive Director or the Executive Director's assignees, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Infrastructure 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 (this "Resolution") and the Indenture and in the form set forth in the Indenture.

Section 4. The Bonds, when executed as provided in 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 Underwriter in accordance with written instructions executed on behalf of the Infrastructure Bank by the Executive Director or the Executive Director's assignees.

Section 5. The Treasurer, 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, at negotiated sale, at such price and at such initial interest rate as he may determine.

Section 6. The Executive Director or the Executive Director's assignees, each acting alone, 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 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 Infrastructure Bank, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Executive Director or the Executive Director's assignees, each acting alone, is hereby authorized to execute and deliver any and all certificates, agreements and instruments, including, without limitation, a tax certificate and no arbitrage certificate required in connection with the determination of the tax-exempt status of the interest on the Bonds, letters of representations and certifications of authority and incumbency, which they or counsel to the Infrastructure Bank may deem necessary or desirable to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purpose of this Resolution.

Section 8. All actions heretofore taken by the officers and agents of the Infrastructure Bank with respect to the approval, issuance, sale and delivery of the Bonds are hereby approved, confirmed and ratified, and the officials of the Infrastructure 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, facilitate the transaction contemplated by the Transaction Documents and otherwise to effectuate the purposes of this Resolution.

Section 9. 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 February 25, 2014 by the following vote:

AYES: ROSSI, ORTEGA, FOWLER, ANNIS, LUCHETTI

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By _____
Teveia R. Barnes
Executive Director

Attest:

By _____
Ruben J. Rojas
Secretary of the Board of Directors