

## RESOLUTION NO. 15-17

### RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF TAX-EXEMPT INDUSTRIAL DEVELOPMENT REVENUE OBLIGATIONS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$3,810,000 TO PROVIDE FINANCIAL ASSISTANCE FOR AN ELIGIBLE PROJECT FOR THE BENEFIT OF CAPITAL CORRUGATED INCORPORATED, A CALIFORNIA CORPORATION, PROVIDING THE TERMS AND CONDITIONS FOR SAID TAX-EXEMPT OBLIGATIONS AND OTHER MATTERS RELATING THERETO

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

WHEREAS, Capital Corrugated, Incorporated, a California corporation (the "Borrower") has submitted an application (the "Application") to IBank for assistance to (1) finance and refinance the cost of the acquisition and installation of a new 2015 Manroland 900-Series, 40" x 56" capacity, High-Speed Large Format Sheetfed Six-Color Offset Printing Press with Coater and Extended Delivery to be installed at the Borrower's facility located at 8333 24th Avenue, Sacramento, California 95826 (the "Facility"), and (2) pay certain costs of issuance in connection with the issuance of the Obligations (defined below) and other related costs (collectively, the "Project"); and

WHEREAS, for these purposes, the Borrower has requested IBank to (a) authorize the issuance and delivery of tax-exempt obligations (the "Obligations") to People's Capital and Leasing Corp., a corporation organized under the laws of the State of Connecticut (the "Lender") pursuant to the terms set forth in Exhibit 1 attached hereto (the "Term Sheet"), (b) loan the proceeds of the Obligations to the Borrower to finance and refinance the costs of the Project (the "Borrower Loan"), (c) provide for the payment of the principal of, premium, if any, and interest on the Obligations with revenues derived solely from the Borrower's repayment of the Borrower's Loan, and (d) take and authorize certain other actions in connection with the foregoing (collectively, the "Transaction"); and

WHEREAS, consistent with IBank's policies, the requirement for credit rating by rating agencies may be waived by IBank for obligations (such as the Obligations) that are privately placed in a limited offering or sold directly to qualified sophisticated investors, provided that IBank's conditions for such private placement and direct purchase transactions are met; and

WHEREAS, because the Transaction provides for the Obligations to be placed directly with sophisticated investors in accordance with IBank policy requirements, the Transaction will not be rated by any rating agency; and

WHEREAS, IBank staff have reviewed the Application from the Borrower and drafts of certain of the documents proposed to be entered into in connection with the Transaction, including a Loan Agreement, a Security Agreement and an Indenture (collectively, the "Transaction Documents");

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

Section 1. The above recitals are true and correct.

Section 2. IBank authorizes and approves the issuance, sale and delivery of the Obligations on terms set forth on the Term Sheet and lending the proceeds of the Obligations to the Borrower in order to finance and refinance the costs of the Project pursuant to the terms and provisions of the Transaction Documents as approved by this resolution (this "Resolution").

Section 3. In accordance with IBank's policies on direct purchase and private placement, IBank hereby waives the requirement for a credit rating in connection with the Transaction.

Section 4. The Executive Director or the Executive Director's assignees, each acting alone, is hereby authorized to execute and deliver the Transaction Documents and any and all other agreements, certificates and instruments, including, without limitation, a tax regulatory agreement, a no arbitrage certificate, letters of representations, escrow agreements, assignments and certifications of authority, which they or counsel to IBank may deem necessary or desirable to consummate the issuance and delivery of the Obligations, assign security provided by the Borrower with respect to the Borrower Loan to the Lender as security for the Obligations, consummate the Transaction and otherwise to effectuate the purpose of this Resolution.

Section 5. All actions heretofore taken by the officers and employees of IBank with respect to the approval, issuance and sale of the Obligations are hereby approved, confirmed and ratified. The officers of IBank and their authorized assignees, designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do perform their duties, take actions and to execute and deliver any and all certificates which they or counsel to IBank may deem necessary or advisable in order to (i) consummate the issuance, sale and delivery of the Obligations and the use of the Proceeds of the Obligations to fund the Borrower Loan; (ii) effect the financing of the Project; (iii) facilitate the Transaction; and (iv) otherwise effectuate the purposes of this Resolution.

Section 6. Unless extended by IBank, the Board's approval of this Transaction is conditioned upon its closing within one hundred eighty (180) days from the date of the adoption of this Resolution.

Section 7. This Resolution shall take effect immediately upon its passage.

**PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on November 17, 2015, by the following vote:

AYES: AVDIS, LUCHETTI, ANNIS, ORTEGA

NOES:

ABSENT: GORDON

ABSTAIN:

By:   
Teveia R. Barnes, Executive Director

ATTEST

By:   
Stefan Spich  
Secretary of the Board of Directors

## Exhibit 1

**IBank Term Sheet**  
**Capital Corrugated, Incorporated**  
**Date: November 17, 2015**

**Par Amount:** Not to exceed \$3,810,000; Tax-Exempt

**Type of Offering:** Private Placement

**Lender:** People's Capital and Leasing Corp.

**Credit Enhancement and Expected Credit Rating:** None

**Interest:** Not to exceed Lender's seven-year cost of capital + 1.15%  
(provided that the Transaction Documents may provide for default rates, adjustments, and other contingent increases in interest rates)

**Maturity:** December 15, 2022

**Collateral:** Borrower's personal property pursuant to Security Agreement and UCC-1 Financing Statement

**Closing Date:** December 16, 2015

**Conduit Transaction:** The Obligations are special, limited obligations payable solely from payments made by the Borrower under the Transaction Documents and IBank and the State shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank or the State for any portion of the payments to made pursuant to the Obligations.