**RESOLUTION NO. 16-11**

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS INFRASTRUCTURE STATE REVOLVING FUND REVENUE BONDS, SERIES 2016 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 ("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 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, IBank 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, in 2014, IBank issued its Infrastructure State Revolving Fund Revenue Bonds, Series 2014A (the "2014 Bonds") in the original aggregate principal amount of $95,960,000 pursuant to an Indenture, dated as of February 1, 2014 (the "Master Indenture"), as supplemented by a First Supplemental Indenture, dated as of February 1, 2014 (the "First Supplemental Indenture," and together with the Master Indenture, the "2014 Indenture"), each between IBank and U.S. Bank National Association, as trustee (the "Trustee') for the purpose of refunding prior bonds, financing and refinancing Loans for Projects, funding a reserve fund and paying certain costs of issuance; and

WHEREAS, in 2015, IBank issued its Infrastructure State Revolving Fund Revenue Bonds, Series 2015A (the "2015 Bonds") in the original aggregate principal amount of $90,070,000 pursuant to the 2014 Indenture, as supplemented by a Second Supplemental Indenture, dated as of June 1, 2015 (the "Second Supplemental Indenture," and together with the 2014 Indenture, the "2015 Indenture"), between IBank and the Trustee for the purpose of refunding prior bonds, financing and refinancing Loans for Projects, funding a reserve fund and paying certain costs of issuance; and

WHEREAS, the Board of Directors of IBank (the "Board") desires to authorize the issuance of its Infrastructure State Revolving Fund Revenue Bonds, Series 2016 in one or more series and as either tax-exempt bonds or taxable bonds or some combination of both (the "Bonds"), in an aggregate principal amount not to exceed $200,000,000 pursuant to one or more

Supplemental Indentures, supplementing and amending the 2015 Indenture (each a "Supplemental Indenture" and, collectively with the 2015 Indenture, the "Indenture") between IBank and the Trustee for the purposes of the ISRF Program, including providing Loans for Projects; 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, IBank staff have reviewed and there are now on file with the Secretary of the Board (the "Secretary") the following:

(a) a proposed form of Supplemental Indenture;

(b) 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 IBank, the Treasurer of the State of California and J.P. Morgan Securities LLC and Piper Jaffray & Co., as representatives of themselves and the other underwriters of the Bonds (the "Underwriters");

(c) 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

(d) a proposed form of one or more Continuing Disclosure Agreements with respect to the Bonds (each a "Continuing Disclosure Agreement" and collectively with the Supplemental Indentures, the Purchase Contracts and the Official Statements, the "Transaction Documents") to be entered into between IBank 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 Board approves the issuance by IBank of not to exceed $200,000,000 aggregate principal amount of the Bonds in accordance with the terms of, and to be secured by, the Indenture; provided that (i) the true interest cost of the Bonds shall not exceed 4% and (ii) the final maturity of the Bonds shall not be later than December 1, 2046. The Board further authorizes and approves the loan of the proceeds of the Bonds by IBank to eligible borrowers in order to fund Projects in accordance with applicable terms and provisions of the Indenture, the Criteria, Priorities and Guidelines for the Selection of Projects for Financing Under the Infrastructure State Revolving Fund (ISRF) Program adopted by the Board on February 23, 2016 (as may thereafter be amended by IBank from time to time) and the Act. The Bonds are special obligations of IBank and are not a lien or charge upon the funds or property of IBank, except to the extent of the pledge and assignment provided for in the Indenture.

**Section 2.** The Executive Director of IBank (the "Executive Director") or any assignee of the Executive Director ("Authorized IBank Official") is hereby authorized and directed to execute, in the name and on behalf of IBank, 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 IBank by an Authorized IBank Official, which instructions said officer is hereby authorized and directed, for and in the name of and on behalf of IBank, 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 3.** Subject to the maximum true interest cost of the Bonds provided in Section 1, 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 4.** The Authorized IBank 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 the Authorized IBank Official, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** 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 the Authorized IBank Official, 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 the Authorized IBank Official, such approval to be conclusively evidenced by delivery thereof to the Underwriters. The Authorized IBank Official is hereby authorized to distribute copies of the final Official Statement to the purchasers of the Bonds.

**Section 6.** The Authorized IBank Official is hereby authorized to negotiate with financial institutions and/or insurance companies, as applicable, and if the Authorized IBank Official determines that it is advantageous to IBank, the Authorized IBank Official is hereby authorized and directed to secure a surety bond or insurance policy, on such terms as the Authorized IBank Official determines are appropriate, in order to insure the Bonds, and the Authorized IBank 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 7.** The Authorized IBank Official is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction or the issuance of the Bonds; without limiting the foregoing, the Authorized IBank 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 IBank Official, without further authorization or direction by the Board. The Authorized IBank 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 IBank Official deems necessary or desirable, in his or her discretion, to further the purposes of this Resolution.

**Section 8.** All actions heretofore taken by the officers and agents of IBank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officials of IBank 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, including the obtaining of a municipal bond insurance policy securing the payment of principal and interest on the Bonds, and otherwise to effectuate the purposes of this Resolution.

**Section 9.** 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 May 24, 2016, by the following vote:

AYES: LUCHETTI, ANNIS, ORTEGA, GORDON, AVDIS

NOES:

ABSENT:

ABSTAIN:

By: Teveia R. Barnes
Teveia R. Barnes, Executive Director

Attest:

By: William D. Pahland, Jr.
William D. Pahland, Jr., Secretary of the Board of Directors