

**RESOLUTION NO. 19-14**

**RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (“IBANK”) BOARD OF DIRECTORS APPROVING MODIFICATIONS TO THE PAYMENT TERMS OF ENTERPRISE FUND INSTALLMENT SALE AGREEMENT NUMBER CIEDB-BC08-077 BETWEEN IBANK AND THE PARADISE IRRIGATION DISTRICT**

**WHEREAS**, the California Infrastructure and Economic Development Bank (“IBank”) is established and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following), for the purpose of, among other things, providing financial assistance to eligible projects; and

**WHEREAS**, the IBank Board of Directors (the “Board”) adopted previously Resolution No. 07-13, approving an Infrastructure State Revolving Fund Program financing to the Paradise Irrigation District (the “District”) in an amount not to exceed \$2,000,000 for the District’s Magalia Reservoir Bypass Project; and

**WHEREAS**, following the adoption of Resolution No. 07-13, IBank and the District entered into Enterprise Fund Installment Sale Agreement CIEDB-07-077 dated as of September 1, 2007 (the “Original ISA”); and

**WHEREAS**, to satisfy Federal tax law in connection with IBank’s sale of its \$48,375,000 California Infrastructure and Economic Development Bank Infrastructure State Revolving Fund Revenue Bonds, Series 2008, IBank and the District replaced the Original ISA by entering into Enterprise Fund Installment Sale Agreement CIEDB-BC08-077, dated as of October 1, 2008 (the “Replacement ISA”); and

**WHEREAS**, the Replacement ISA contained substantially identical terms to the Original ISA; and

**WHEREAS**, the outstanding balance due under the Replacement ISA as of August 1, 2019 will be \$1,053,095.22 (the “Outstanding Balance”); and

**WHEREAS**, in 2018, the Camp Fire destroyed the majority of the Town of Paradise and surrounding communities; and

**WHEREAS**, the District’s service area encompasses the Town of Paradise along with some of the surrounding communities and the Camp Fire destroyed the majority of the residences, businesses, and other facilities and improvements owned by the District’s ratepayers, along with a portion of the District’s water system; and

**WHEREAS**, as a result of the destruction caused by the Camp Fire, the District’s customers are no longer purchasing water and consequently the District’s revenues have declined greatly; and

**WHEREAS**, the District has determined that it will not achieve significant revenues until a significant portion of the residences, businesses, and other facilities and improvements within the District's service area are re-built; and

**WHEREAS**, the District has requested that IBank modify the Replacement ISA as follows: (1) for a five year period (a) waive all interest and the IBank annual fee of 0.30% of the outstanding principal amount due under the Replacement ISA, and (b) require no principal payments; (2) at the end of such five year period, amortize the Outstanding Balance over a 10 year term at a rate of 1% simple interest per annum; and (3) permit prepayment and/or repayment of all or part of the Outstanding Balance at any time, without penalty or premium (collectively, the "Modification Terms"); and

**WHEREAS**, IBank is willing to amend the Replacement ISA to incorporate the Modification Terms.

**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.** Pursuant to this resolution (this "Resolution"), the Board authorizes and approves amending the Replacement ISA to incorporate the Modification Terms, together with any additional amendments necessary to effect the intent of this Resolution.

**Section 3.** All actions heretofore taken by the officers and employees of IBank with respect to the consideration and approval of amending the Replacement ISA to incorporate the Modification Terms are hereby approved, confirmed and ratified. IBank's Executive Director, IBank's Chief Deputy Executive Director, or their respective assignees, each acting alone, are hereby authorized and directed, jointly and severally, to perform their duties, provide funding, take actions, and execute and deliver an amendment to the Replacement ISA and any and all other financing documents and instruments they may deem necessary or desirable in order to (i) incorporate the Modification Terms, and (ii) otherwise effectuate the purposes of this Resolution.

**Section 4.** This Resolution shall not be construed as an unconditional commitment to amend the Replacement ISA, but rather IBank's approval pursuant to this Resolution is conditioned upon entry by IBank and the District into an amendment to the Replacement ISA, in form and substance satisfactory to IBank, within 30 days from the date of its adoption. Such satisfaction is conclusively evidenced by IBank's execution and delivery of the same.

**Section 5.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED, AND ADOPTED** at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on July 24, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
Nancee Robles, Acting Executive Director

ATTEST

By: \_\_\_\_\_  
Stefan R. Spich,  
Secretary of the Board of Directors