

RESOLUTION NO. 20-19

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE ISSUANCE OF ITS INFRASTRUCTURE STATE REVOLVING FUND REVENUE BONDS, SERIES 2020 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 “Existing Master Indenture”), as supplemented by a First Supplemental Indenture, dated as of February 1, 2014 (the “First Supplemental Indenture,” and together with the Existing 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 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 and paying certain costs of issuance; and

WHEREAS, in 2016, IBank issued its Infrastructure State Revolving Fund Revenue Bonds, Series 2016A (the “2016 Bonds”) in the original aggregate principal amount of \$141,600,000 pursuant to the 2015 Indenture, as supplemented by a Third Supplemental Indenture, dated as of June 1, 2016 (the “Third Supplemental Indenture,” and together with the 2015

Indenture, the “2016 Indenture”), between IBank and the Trustee for the purpose of financing and refinancing Loans for Projects 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 at one or more times, 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 \$420,000,000 for the purposes of the ISRF Program, including some or all of the following: (i) refunding all or a portion of the currently outstanding principal amount of the 2014 Bonds, 2015 Bonds and 2016 Bonds (collectively, the “Prior Bonds”), including establishing one or more defeasance escrows for all or a portion of the Prior Bonds, (ii) funding a reserve fund, (iii) providing money to reimburse IBank for, or to fund, Loans made for Projects pursuant to the ISRF Program, (iv) providing money for the administration and operation of the ISRF Program, and/or (v) paying costs of issuance; and

WHEREAS, any Bonds issued for the purpose described in clause (i) of the preceding paragraph and related purposes including, to the extent applicable, the related purposes described in clauses (ii) and (v) of the preceding paragraph are referred to herein as “Refunding Bonds”; and

WHEREAS, any Bonds issued for the purposes described in clauses (iii) and/or (iv) of the preceding paragraph and related purposes, including, to the extent applicable, the related purposes described in clauses (ii) and (v) of the preceding paragraph are referred to herein as “New Money Bonds”; and

WHEREAS, if all of the Prior Bonds are refunded, IBank proposes to issue the Bonds pursuant to an Indenture (the “New Master Indenture”), as supplemented by one or more Supplemental Indentures (each a “New Indenture Supplement” and, collectively with the New Master Indenture, the “New Indenture”), each between IBank and the Trustee; and

WHEREAS, if less than all of the Prior Bonds are refunded, IBank will issue the Bonds pursuant to the 2016 Indenture, as supplemented by one or more Supplemental Indentures (each an “Existing Indenture Supplement” and, collectively with the 2016 Indenture, the “Existing Indenture”) between IBank and the Trustee; and

WHEREAS, if the Bonds are issued under the Existing Indenture, the IBank proposes to amend the Existing Indenture in the manner set forth in the proposed form of Existing Indenture Supplement described below and in compliance with the terms of the Existing Indenture for the purpose of updating the Existing Indenture to be consistent with any or all of the proposed provisions of the New Indenture; and

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

WHEREAS, final approval of the terms of the issuance of the Bonds and approval of proposed forms of 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 the New Master Indenture;
- (b) a proposed form of New Indenture Supplement;
- (c) a proposed form of Existing Indenture Supplement;
- (d) 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 Sandler & Co., as representatives of themselves and the other underwriters of the Bonds (the “Underwriters”); and
- (e) a proposed form of one or more Official Statements with respect to the Bonds (each an “Official Statement” and collectively with the New Master Indenture, the New Indenture Supplements, the Existing Indenture Supplements and the Purchase Contracts, the “Transaction Documents”) to be used in connection with the sale of the Bonds.

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 \$420,000,000 aggregate principal amount of the Bonds at one or more times and in one or more series in accordance with the terms of, and to be secured by, the New Indenture or the Existing Indenture, as applicable; provided that (i) any issuance of Refunding Bonds shall result in a net present value savings of at least 3.00% of the principal amount of the Prior Bonds refunded by such Refunding Bonds, as required by IBank’s 2017 Debt Policy, dated October 24, 2017; (ii) the arbitrage yield of any New Money Bonds shall not exceed 2.10%; and (iii) the final maturity of the Bonds shall not be later than 2055. 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 New Indenture or the Existing Indenture, as applicable.

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 New Indenture or the Existing Indenture, as applicable. 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 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 New Indenture or the Existing Indenture, as applicable. The Treasurer of the State of California (the “Treasurer”), as agent for sale of the Bonds, is hereby authorized and requested to sell the Bonds, at any time, and at one or more times, within three

hundred sixty (360) days of the adoption of this resolution (this “Resolution”), at negotiated sale, at such prices and at such initial interest rates as the Treasurer may determine.

Section 4. The Authorized IBank Official is hereby authorized to determine whether all or a portion of the Prior Bonds will be refunded and 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 determination and approval to be conclusively evidenced by the execution and delivery thereof. The Authorized IBank Official is hereby further authorized to execute and deliver such supplements, amendments, or substantially similar additional Transaction Documents as are necessary to issue Bonds at multiple times.

Section 5. The Underwriters are hereby authorized to distribute copies of one or more Official Statements at one or more times 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 one or more Official Statements at one or more times in final form and the use thereof by the Underwriters in connection with the sale of the Bonds is hereby approved. Any 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 any 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/or satisfy all or a portion of any reserve fund requirement related to 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, the issuance of the Bonds and the refunding of all or a portion of the Prior 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 New Indenture and the Existing Indenture, as applicable. 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 and the refunding of all or a portion of the Prior 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 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, the execution and delivery of any escrow agreements for any of the Prior Bonds, and the execution and delivery of one or more continuing disclosure certificates or agreements relating to the Bonds, and otherwise to effectuate the purposes of this Resolution.

Section 9. This Resolution shall take effect from and after its adoption.

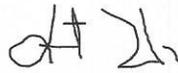
PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on October 28 2020, by the following vote:

AYES: Dombrowski, Ma, Miller, Jimenez, Steinorth

NOES:

ABSENT:

ABSTAIN:

By:  _____
Scott Wu, Executive Director

Attest:

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