

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

STAFF REPORT

ISSUE:

Existing California Infrastructure and Economic Development Bank (“**IBank**”) Resolution No. 16-07, attached hereto as **Attachment A**, provides certain delegations of authority from the IBank’s Board of Directors (the “**Board**”) to IBank’s Executive Director (the “**Executive Director**”) to ensure the timely, efficient and cost-effective delivery of services to the recipients of IBank financial assistance. Staff requests approval of Resolution No. 21-11, which if adopted would (i) supersede IBank Resolution No. 16-07; (ii) restate certain prior delegations; and, (iii) provide additional delegation in relation to IBank’s existing financial assistance programs (the “**Existing Programs**”), including the Infrastructure State Revolving Fund Program (the “**ISRF Program**”), under the ISRF Program’s sub-program, the California Lending for Energy and Environmental Needs Center (the “**CLEEN Center**”) and under the Climate Catalyst Revolving Loan Fund Program (the “**Catalyst Fund**”); as well as any additional programs to be developed in the future to offer financial assistance to eligible borrowers, including direct loans and credit enhancements (the “**Future Programs**” and together with the **Existing Programs**, the “**Direct Financing Programs**”).

DISCUSSION:

Delegation Authority under the IBank Act.

In several provisions, the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “**IBank Act**”) authorizes the delegation by the IBank Board to the Executive Director or his/her assignees the authority to act on behalf of IBank in providing financial assistance to qualified projects and in otherwise conducting the business and affairs of IBank. For example, section 63022 provides, in part, that “... the board may assign to the executive director, by resolution, those duties generally necessary or convenient to carry out its powers and purposes under this chapter...” and “Subject to any conditions that the board may from time to time prescribe, the executive director may exercise any power, function, or duty conferred by law on the bank in connection with the administration, management, and conduct of the business and affairs of the bank ...”

Existing Delegations Resolution.

On March 22, 2016, the Board adopted Resolution No. 16-07, superseding Resolution 12-08, restating certain prior delegated authorities to the Executive Director, and providing additional delegations to the Executive Director with respect to the CLEEN Center which had not been previously addressed (the “**Existing Delegations**”).

New Delegations Resolution.

During the recent low but shifting interest rate environment, IBank’s Loan Servicing Unit Staff have fielded a limited number of inquiries from a few existing borrowers asking whether IBank might be able to reduce the interest rate on the given borrower’s existing

ISRF loan(s). In general, these are older loans that have cleared the 10-year no-prepayment periods, and which have rates higher than those currently available in the market. In at least one case a borrower chose to pay off its loan early, and another borrower repaid its loan as part of a broader debt consolidation refinancing through a private placement.

In an effort to be responsive to its borrower base, Staff believes IBank should be able to consider, on a case-by-case basis, any occasional, economically rational requests from borrowers to refinance loans they have received from the Direct Financing Programs. The ability to consider such requests would also be prudent from the standpoint of protecting the health of our loan portfolios, by avoiding untimely refinancings and pay-offs. Resolution 16-07 does not grant the Executive Director the authority to reduce interest rates on IBank loans, meaning rate reduction requests from borrowers would need to be approved by the Board. For the sake of the Board's convenience, Staff proposes that the Executive Director be granted the authority to reduce interest rates, subject to the following conditions:

- (1) The reduction will not result in a change to the tax-status of IBank's then-outstanding indebtedness; and
- (2) The reduction will not result in a material violation of any agreement or resolution by which IBank is bound.

Any interest rate reduction request will be based on the recommendation of the Loan Servicing Unit, which is the first point of contact with existing borrowers, and will be subject to credit review and approval by IBank executive staff members. This change would not represent a change in IBank's operating philosophy, but rather an effort to accommodate long-standing borrowers in those cases in which it is in our shared interest to consider a rate reduction, subject to the conditions noted above. The Executive Director would report to the Board the month following the granting of any such reductions.

Resolution 21-11, attached hereto as **Attachment B**, supersedes Resolution 16-07, restates certain delegated authorities to the Executive Director with such changes as are reflected in **Attachment C** hereto, including condensing references to the Direct Financing Programs which had previously been repeated by program, and adding the delegation of authority to the Executive Director to, on a case-by-case basis, reduce interest rates for loans in the Direct Financing Programs, subject to the specified conditions.

RECOMMENDATION:

Staff recommends that the Board approve Resolution 21-11 superseding Resolution 16-07, restating certain prior delegations and providing an additional delegation to the Executive Director of authority to consider interest rate reductions existing loans within the Direct Financing Programs.

Attachment A – Resolution 16-07

RESOLUTION NO. 16-07

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK), SUPERCEDING RESOLUTION 12-08, RESTATING CERTAIN PRIOR RESOLUTIONS DELEGATING TO THE EXECUTIVE DIRECTOR OF IBANK CERTAIN AUTHORITY TO ACT ON BEHALF OF IBANK, AND PROVIDING ADDITIONAL DELEGATION IN RELATION TO THE CALIFORNIA LENDING FOR ENERGY AND ENVIRONMENTAL NEEDS CENTER (CLEEN CENTER) AND CLEEN CENTER BONDS

WHEREAS, the California Infrastructure and Economic Development Bank (“**IBank**”) is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “**Act**”), for the purpose of providing financial assistance to eligible projects in the State of California (the “**State**”) through a variety of financing mechanisms, which include, among other things, bonds and various forms of credit enhancement, as well as direct loans and financing transactions that are made under IBank’s Infrastructure State Revolving Fund Program (the “**ISRF Program**”) and the California Lending for Energy and Environmental Needs Center (the “**CLEEN Center**”);

WHEREAS, the Act provides that the board of directors of IBank (the “**Board**”) may assign to the executive director of IBank (the “**Executive Director**”), by resolution, those duties generally necessary or convenient to carry out its powers and purposes of the Act, and subject to any conditions that the Board may from time to time prescribe, the Executive Director may exercise any power, function, or duty conferred by law on IBank in connection with the administration, management, and conduct of the business and affairs of IBank, the infrastructure bank fund and the guarantee fund. The Act further provides that the Executive Director may assign such authority to others;

WHEREAS, on October 9, 2012, the Board adopted Resolution No. 12-08, which delegated to the Executive Director and his assignees the authority to act on behalf of IBank in a number of areas related to (a) providing financial assistance to eligible projects, (b) amendments of bond related documents, (c) using the proceeds of tax-exempt bonds, (d) the redemption of bonds or prepayment of the obligations of others to IBank, (e) the substitution of a credit facility or liquidity facility associated with an IBank financing, (f) the appointment, removal or substitution of any agent involved in any IBank financing, (g) the post-bond issuance consummation of transactions, (h) the Board’s approval of any loan to be made pursuant to the ISRF Program, (i) amending or modifying the financing documents associated with a loan under the ISRF Program, (j) seeking grants or other funds, (k) receive and serve as conduit for receipt of funds from various sources, (l) charge costs and expenses associated with IBank financing transactions and services, and (m) otherwise conducting the business and affairs of IBank (the “**Existing Delegations**”);

WHEREAS, staff has determined that there is one area of delegation, having to do with CLEEN Center bonds, loans and other transactions contemplated in the Criteria, Priorities, and Guidelines for the Selection of Projects for IBank Financing Under the California Lending for Energy and Environmental Needs Center approved by the Board on August 25, 2015 (the “**CLEEN Criteria**”), that is not within the scope of the Existing Delegations to the Executive Director, but the Board believes that delegations specifically with respect to the CLEEN Center would be in furtherance of IBank’s goals to help enhance the quality of life of the citizens of the State of California by promoting and stimulating economic growth, creating clean energy jobs, protecting and caring for the environment, and revitalizing communities;

WHEREAS, the Board has determined that it should explicitly provide for delegations of authority to the Executive Director as to CLEEN Center bond, loans and other transactions in accordance with the CLEEN Criteria and that such delegations should be included in this resolution (this “**New Delegations Resolution**”);

WHEREAS, the Board has determined that restating the Existing Delegations, from Resolution No. 12-08, in this New Delegations Resolution and allowing and requiring that this New Delegations Resolution supersedes Resolution 12-08 would be beneficial in that this New Delegations Resolution would compile, in one place, a comprehensive list of all the delegations from the Board to the Executive Director;

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

Section 1. The Board hereby finds that the above recitals are true and correct.

Section 2. The Board hereby delegates to the Executive Director in connection with any proposed amendment of bond related documents (an “**Amendment**”), the authority to execute and deliver all agreements, contracts, certificates, orders, appointments, notices, waivers, approvals, acknowledgements, consents, written directions, instruments and other documents (“**IBank Documents**”) necessary or convenient to effect such Amendment; provided that, IBank receives an opinion of counsel to the effect (1) that the Amendment is in accordance with the associated transaction documents and (2) where bonds were issued as tax-exempt bonds, that the Amendment will not adversely affect the tax-exempt status of interest on the bonds.

Section 3. The Board hereby delegates to the Executive Director, in connection with any instance where any portion of the proceeds of tax-exempt bonds are expected to be used to reimburse costs incurred prior to the issuance of such bonds (a “**Reimbursement**”), the authority to execute all certificates or documents evidencing the official intent of IBank to authorize such Reimbursement pursuant to applicable federal tax law then in effect.

Section 4. The Board hereby delegates to the Executive Director, in connection with any proposed redemption of bonds or prepayment of the obligations of others to IBank (a “**Redemption**”), the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to accomplish such Redemption.

Section 5. The Board hereby delegates to the Executive Director, in connection with the substitution of a credit facility or liquidity facility associated with an IBank financing (a “**Facility Substitution**”), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Facility Substitution; provided that IBank receives (1) an opinion of bond counsel to the effect that the Facility Substitution (i) is in accordance with the associated transaction documents; and (ii) where bonds were issued as tax-exempt bonds, the Facility Substitution will not adversely affect the tax-exempt status of interest on such bonds; and (2) written evidence from the rating agencies specified in the transaction documents that the Facility Substitution will not result in a rating lower than the rating required by the transaction documents.

Section 6. The Board hereby delegates to the Executive Director, in connection with the appointment, removal or substitution of any agent involved in an IBank financing, including but not limited to, bond trustee, broker-dealer, marketing agent, title insurance provider, paying agent, remarketing agent, bond registrar, escrow agent, verification agent and tender agent (an “**Agent Substitution**”), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Agent Substitution; provided that IBank receives an opinion of counsel to the effect that (i) the Agent Substitution is in accordance with the associated transaction documents, and (ii) where bonds were issued as tax-exempt bonds, the Agent Substitution will not adversely affect the tax-exempt status of interest on the bonds.

Section 7. The Board hereby delegates to the Executive Director, in connection with any proposed post-bond issuance consummation of transactions contemplated in the documents associated with the original issuance of IBank bonds (“**Contemplated Transactions**”), including but not limited to interest rate mode change, mandatory tender, conversion and remarketing of IBank bonds, the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to consummating such Contemplated Transactions. This authority includes a delegation to the Executive Director of the authority, in instances where a remarketing of bonds is done in the form of a limited offering or private placement, to waive IBank rating requirement upon determining that any applicable IBank private placement or limited offering conditions have been satisfied.

Section 8. The Board hereby delegates to the Executive Director, in connection with its approval of any loan or other financing transaction to be made pursuant to the ISRF Program (an “**ISRF Program Loan**”), the authority to execute and deliver the appropriate IBank financing agreements in substantially the form in use by IBank at the time of the ISRF Program Loan, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the ISRF Program Loan. The Board further delegates to the Executive Director the authority to execute and deliver all other IBank Documents necessary or convenient to effect such ISRF Program Loan.

Section 9. The Board hereby delegates to the Executive Director, in connection with any ISRF Program Loan, the authority to amend or modify the financing documents associated with the ISRF Program Loan (an “**ISRF Loan Amendment**”) so long as such ISRF Loan Amendment is consistent with the intent of the Board resolution that approved the ISRF Program Loan; provided, however that any of the following proposed Loan Amendments are not

delegated to the Executive Director: (1) any increase in the principal amount of the ISRF Program Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the ISRF Program Loan; and (4) any decrease in the interest rate.

Section 10. The Board hereby delegates to the Executive Director, in connection with its approval of any loan or other financing transaction to be made pursuant to the CLEEN Center (a “**CLEEN Center Loan**”), the authority to execute and deliver the appropriate IBank financing agreements in substantially the form in use by IBank at the time of the CLEEN Center Loan, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the CLEEN Center Loan. The Board further delegates to the Executive Director the authority to execute and deliver all other IBank Documents necessary or convenient to effect such CLEEN Center Loan.

Section 11. The Board hereby delegates to the Executive Director, in connection with any CLEEN Center Loan, the authority to amend or modify the financing documents associated with the CLEEN Center Loan (a “**CLEEN Center Loan Amendment**”) so long as such CLEEN Center Loan Amendment is consistent with the intent of the Board resolution that approved the CLEEN Center Loan; provided, however that any of the following proposed CLEEN Center Loan Amendments are not delegated to the Executive Director: (1) any increase in the principal amount of the CLEEN Center Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the CLEEN Center Loan; and (4) any decrease in the interest rate.

Section 12. The Board hereby delegates to the Executive Director, in connection with any IBank effort to seek grants, contributions, subventions, dedicated taxes, appropriations, advances, guarantees, financial enhancements in money, property, labor and other things of value from the federal government, the State, any agency of the State, public and private pension funds and any other sources (“**Funding Sources**”), the authority to apply for, receive, accept and deposit any such funds or other things of value from such Funding Sources, all as permitted by the provisions of the Act (“**Funding Efforts**”); provided, however that (1), prior to acceptance, the Board must approve the conditions associated with any award of funds; and (2) no delegation is made as to the use of any funds received. The Board further delegates to the Executive Director the authority to execute and deliver all IBank Documents necessary or convenient to effect such Funding Efforts.

Section 13. The Board hereby delegates to the Executive Director the authority to determine, impose and collect from recipients of IBank’s financial assistance the costs and expenses associated with IBank financing transactions and services or that are otherwise incurred in the exercise of the powers and duties conferred on IBank by the Act (**IBank Charges**). The Board further delegates to the Executive Director the authority to execute and deliver all IBank Documents necessary or convenient in connection with the determination, imposition and collection of such IBank Charges. IBank Charges are to be distinguished, under the Act, from “fees” which IBank may also impose pursuant to the Act, but which are not covered by this resolution.

Section 14. This New Delegations Resolution shall supersede Resolution 12-08 in its entirety and shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on March 22, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Teveia R. Barnes, Executive Director

Attest:

By _____
Fritz Pahland
Secretary of the Board of Directors

Attachment B - Resolution 21-11

Attachment B – Resolution 21-11

RESOLUTION NO. 21-11

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA
INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (“IBANK”)
SUPERCEDING RESOLUTION 16-07 AND DELEGATING CERTAIN
AUTHORITIES TO THE EXECUTIVE DIRECTOR TO ACT ON BEHALF OF
IBANK**

WHEREAS, IBank is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “**Act**”), for the purpose of, among other things, providing financial assistance to eligible projects in the State of California (the “**State**”) through a variety of financing mechanisms, which include issuing bonds, offering credit enhancement, and making direct loans and financing transactions, including those made under IBank’s Infrastructure State Revolving Fund Program (the “**ISRF Program**”), under the ISRF Program’s sub-program, the California Lending for Energy and Environmental Needs Center (the “**CLEEN Center**”), and under the Climate Catalyst Revolving Loan Fund Program (the “**Catalyst Fund**”);

WHEREAS, in addition to the ISRF Program, CLEEN Center, and Catalyst Fund (the “**Existing Programs**”), IBank in the future may develop additional programs offering financial assistance to eligible borrowers, including direct loans and credit enhancements (the “**Future Programs**” and together with the Existing Programs, the “**Direct Financing Programs**”),

WHEREAS, the Act provides that the board of directors of IBank (the “**Board**”) may assign to the executive director of IBank (the “**Executive Director**”), by resolution, those duties generally necessary or convenient to carry out its powers and purposes of the Act, and subject to any conditions that the Board may from time to time prescribe, the Executive Director may exercise any power, function, or duty conferred by law on IBank in connection with the administration, management, and conduct of the business and affairs of IBank. The Act further provides that the Executive Director may assign such authority to others;

WHEREAS, on March 22, 2016, the Board adopted Resolution No. 16-07, which delegated to the Executive Director and his assignees the authority to act on behalf of IBank in a number of areas related to (1) bond issuance and administration, (2) financing transactions under the ISRF Program and CLEEN Center, and (3) conducting the business and affairs of IBank (the “**Existing Delegations**”);

WHEREAS, the Existing Delegations were made prior to the enabling legislation creating the Catalyst Fund and the Existing Delegations did not delegate to the Executive Director the authority to decrease the interest rate of a loan made under the ISRF Program L or

CLEEN Center;

WHEREAS, the Board has determined that it is in the best interest of IBank to delegate to the Executive Director, and his or her designees, the authority to provide IBank's consent for lowering the interest rates associated with any financial assistance provided under a Direct Financing Program, subject to certain limitations as set forth herein;

WHEREAS, the Board has determined that restating the Existing Delegations, from Resolution No. 16-07, in this Resolution No. 21-____ and allowing and requiring that this Resolution No. 21-__ supersedes Resolution No. 16-07 would be beneficial in that this Resolution No. 21-__ would compile, in one place, a comprehensive list of all the delegations from the Board to the Executive Director;

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

Section 1. The Board hereby finds that the above recitals are true and correct.

Section 2. The Board hereby delegates to the Executive Director in connection with any proposed amendment of bond related documents (an "Amendment"), the authority to execute and deliver all agreements, contracts, certificates, orders, appointments, notices, waivers, approvals, acknowledgements, consents, written directions, instruments and other documents ("**IBank Documents**") necessary or convenient to effect such Amendment; provided that, IBank receives an opinion of counsel to the effect (1) that the Amendment is in accordance with the associated transaction documents and (2) where bonds were issued as tax-exempt bonds, that the Amendment will not adversely affect the tax-exempt status of interest on the bonds.

Section 3. The Board hereby delegates to the Executive Director, in connection with any instance where any portion of the proceeds of tax-exempt bonds are expected to be used to reimburse costs incurred prior to the issuance of such bonds (a "**Reimbursement**"), the authority to execute all certificates or documents evidencing the official intent of IBank to authorize such Reimbursement pursuant to applicable federal tax law then in effect.

Section 4. The Board hereby delegates to the Executive Director, in connection with any proposed redemption of bonds or prepayment of the obligations of others to IBank (a "**Redemption**"), the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to accomplish such Redemption.

Section 5. The Board hereby delegates to the Executive Director, in connection with the substitution of a credit facility or liquidity facility associated with an IBank financing (a "**Facility Substitution**"), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Facility Substitution; provided that IBank receives (1) an opinion of bond counsel to the effect that the Facility Substitution (i) is in accordance with the associated transaction documents; and (ii) where bonds were issued as tax-exempt bonds, the Facility Substitution will not adversely affect the tax-exempt status of interest on such bonds; and (2) written evidence from the rating agencies specified in the transaction documents that the Facility

Substitution will not result in a rating lower than the rating required by the transaction documents.

Section 6. The Board hereby delegates to the Executive Director, in connection with the appointment, removal or substitution of any agent involved in an IBank financing, including but not limited to, bond trustee, broker-dealer, marketing agent, title insurance provider, paying agent, remarketing agent, bond registrar, escrow agent, verification agent and tender agent (an “**Agent Substitution**”), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Agent Substitution; provided that IBank receives an opinion of counsel to the effect that (i) the Agent Substitution is in accordance with the associated transaction documents, and (ii) where bonds were issued as tax-exempt bonds, the Agent Substitution will not adversely affect the tax-exempt status of interest on the bonds.

Section 7. The Board hereby delegates to the Executive Director, in connection with any proposed post-bond issuance consummation of transactions contemplated in the documents associated with the original issuance of IBank bonds (“**Contemplated Transactions**”), including but not limited to interest rate mode change, mandatory tender, conversion and remarketing of IBank bonds, the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to consummating such Contemplated Transactions. This authority includes a delegation to the Executive Director of the authority, in instances where a remarketing of bonds is done in the form of a limited offering or private placement, to waive IBank rating requirement upon determining that any applicable IBank private placement or limited offering conditions have been satisfied.

Section 8. The Board hereby delegates to the Executive Director, or his or her assignee, in connection with its approval of any loan or other financing transaction to be made by IBank under a Direct Financing Program (a “**Program Financing**”), the authority to execute and deliver the appropriate IBank financing agreements in substantially the form in use by IBank at the time of the Program Financing, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the Program Financing. The Board further delegates to the Executive Director, or his or her assignee the authority to execute and deliver all other IBank Documents necessary or convenient to effect such Program Financing.

Section 9. The Board hereby delegates to the Executive Director, in connection with any Program Financing, the authority to amend or modify the financing documents associated with the Program Financing (a “**Financing Amendment**”) so long as such Financing Amendment is consistent with the intent of the Board resolution that approved the Program Financing. Provided, however that any of the following proposed Financing Amendments are not delegated to the Executive Director: (1) any increase in the principal amount of the Program Financing; (2) any extension of the final maturity date; and (3) any change in the security pledged to repay the Program Financing. Provided, further, that the Board hereby delegates to the Executive Director the authority to agree to reduce the interest rate of a Program Financing so long as (1) the reduction will not result in change to the tax-status of IBank’s then-outstanding indebtedness; and (2) the reduction will not result in a material violation of any agreement or resolution by which IBank is bound.

Section 10. The Board hereby delegates to the Executive Director, in connection with any IBank effort to seek grants, contributions, subventions, dedicated taxes, appropriations, advances, guarantees, financial enhancements in money, property, labor and other things of value from the federal government, the State, any agency of the State, public and private pension funds and any other sources (“**Funding Sources**”), the authority to apply for, receive, accept and deposit any such funds or other things of value from such Funding Sources, all as permitted by the provisions of the Act (“**Funding Efforts**”); provided, however that (1), prior to acceptance, the Board must approve the conditions associated with any award of funds; and (2) no delegation is made as to the use of any funds received. The Board further delegates to the Executive Director the authority to execute and deliver all IBank Documents necessary or convenient to effect such Funding Efforts.

Section 11. The Board hereby delegates to the Executive Director the authority to determine, impose and collect from recipients of IBank’s financial assistance the costs and expenses associated with IBank financing transactions and services or that are otherwise incurred in the exercise of the powers and duties conferred on IBank by the Act (“**IBank Charges**”). The Board further delegates to the Executive Director the authority to execute and deliver all IBank Documents necessary or convenient in connection with the determination, imposition and collection of such IBank Charges. IBank Charges are to be distinguished, under the Act, from “fees” which IBank may also impose pursuant to the Act, but which are not covered by this resolution.

Section 12. The Board hereby confirms the Act provisions stating that, subject to any conditions that the Board may from time to time prescribe, the Executive Director may exercise any power, function, or duty conferred by law on IBank in connection with the administration, management, and conduct of the business and affairs of IBank, and, to the extent necessary, delegates to the Executive Director the power to do so.

Section 13. This Resolution No. 21-11 shall supersede Resolution 16-07 in its entirety and shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on June 24, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Scott Wu
Executive Director

Attest:

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

Attachment C – Redline Resolution 16-07

Attachment C – Redline Resolution 16-07

RESOLUTION NO. ~~16-07~~21-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA INFRASTRUCTURE AND

~~ECONOMIC DEVELOPMENT BANK (“IBANK”),~~ SUPERCEDING RESOLUTION ~~12-08, RESTATING CERTAIN PRIOR RESOLUTIONS 16-07 AND DELEGATING CERTAIN AUTHORITIES TO THE EXECUTIVE DIRECTOR OF IBANK CERTAIN~~ AUTHORITY TO ACT ON BEHALF OF ~~IBANK, AND PROVIDING IBANK~~ ADDITIONAL DELEGATION IN RELATION TO THE CALIFORNIA LENDING FOR ENERGY AND ENVIRONMENTAL NEEDS CENTER (CLEEN CENTER) AND CLEEN CENTER BONDS

WHEREAS, ~~the California Infrastructure and Economic Development Bank (“IBank”)~~ is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “Act”), for the purpose of, among other things, providing financial assistance to eligible projects in the State of California (the “State”) through a variety of financing mechanisms, which include, ~~among other things, issuing bonds and various forms of, offering credit enhancement, as well as and making direct loans and financing transactions that are, including those~~ made under IBank’s Infrastructure State Revolving Fund Program (the “~~ISRF Program~~”) and the California Program”), under the ISRF Program’s sub-program, the California Lending for Energy and Environmental Needs Center (the “~~CLEEN Center~~”), and under the Climate Catalyst Revolving Loan Fund Program (the “~~Catalyst Fund~~”);

WHEREAS, in addition to the ISRF Program, CLEEN Center, and Catalyst Fund (the “~~Existing Programs~~”), IBank in the future may develop additional programs offering financial assistance to eligible borrowers, including direct loans and credit enhancements (the “~~Future Programs~~” and together with the Existing Programs, the “~~Direct Financing Programs~~”);

WHEREAS, the Act provides that the board of directors of IBank (the “~~Board~~”) may assign to the executive director of IBank (the “~~Executive Director~~”), by resolution, those duties generally necessary or convenient to carry out its powers and purposes of the Act; and subject to any conditions that the Board may from time to time prescribe; ~~the Executive Director may exercise any power, function, or duty conferred by law on IBank in connection with the administration, management, and conduct of the business and affairs of IBank, the infrastructure bank fund and the guarantee fund. The Act further provides that the Executive Director may assign such authority to others;~~

WHEREAS, the Act further provides that the Executive Director may assign such authority to others;

WHEREAS, on ~~October 9, 2012~~March 22, 2016, the Board adopted Resolution No. ~~12-08~~16-07, which

delegated to the Executive Director and his assignees the authority to act on behalf of IBank in a number of areas related to ~~(a) providing financial assistance to eligible projects, (b) amendments of~~ 1) bond related documents, (c) using the proceeds of tax exempt bonds, (d) the redemption of bonds or prepayment of the obligations of others to IBank, (e) the substitution of a credit facility or liquidity facility associated with an IBank financing, (f) the appointment, removal or substitution of any agent involved in any IBank financing, (g) the post bond issuance consummation of and administration, (2) financing transactions, (h) the Board's approval of any loan to be made pursuant to the ISRF Program, (i) amending or modifying the financing documents associated with a loan under the ISRF Program, (j) seeking grants or other funds, (k) receive and serve as conduit for receipt of funds from various sources, (l) charge costs and expenses associated with IBank financing transactions and services, and (m) otherwise CLEEN Center, and (3) conducting the business and affairs of IBank (the "Existing Delegations");

WHEREAS, ~~staff has determined that there is one area of delegation, having to do with~~ CLEEN Center bonds, loans and other transactions contemplated in the Criteria, Priorities, and Guidelines for the Selection of Projects for IBank Financing Under the California Lending for Energy and Environmental Needs Center approved by the Board on August 25, 2015 (the "CLEEN Criteria"), that is not within the scope of the the Existing Delegations to the Executive Director, but the Board believes that delegations specifically with respect to the CLEEN Center would be in furtherance of IBank's goals to help enhance the quality of life of the citizens of the State of California by promoting and stimulating economic growth, creating clean energy jobs, protecting and caring for the environment, and revitalizing communities; were made prior to the enabling legislation creating the Catalyst Fund;

WHEREAS, ~~the Existing Delegations did not delegate to the Executive Director the authority to decrease the interest rate of a loan made under the ISRF Program or CLEEN Center;~~

WHEREAS, ~~the Board has determined that it should explicitly is in the best interest of IBank to delegate to the Executive Director, and his or her designees, the authority to provide for delegations of authority to the Executive Director as to CLEEN Center bond, loans and other transactions in accordance with the CLEEN Criteria and that such delegations should be included in this resolution (this "New Delegations Resolution"); IBank's consent for lowering the interest rates associated with any financial assistance provided under a Direct Financing Program, subject to certain limitations as set forth herein;~~

WHEREAS, ~~the Board has determined that restating the Existing Delegations, from Resolution No. 12-0816-07, in this New Delegations Resolution No. 21-11 and allowing and requiring that this New Delegations Resolution No. 21-11 supersedes Resolution 12-08No. 16-07 would be beneficial in that this New Delegations Resolution No. 21-11 would compile, in one place, a comprehensive list of all the delegations from the Board to the Executive Director;~~

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

~~Section 1.~~ **Section 1.** The Board hereby finds that the above recitals are true and correct.

~~Section 2.~~ **Section 2.** The Board hereby delegates to the Executive Director in connection with any proposed amendment of bond related documents (an "**Amendment**"), the authority to execute and deliver all agreements, contracts, certificates, orders, appointments, notices, waivers, approvals, ~~acknowledgements~~ acknowledgments, consents, written directions, instruments and other documents ("**IBank Documents**") necessary or convenient to effect such Amendment; provided that, IBank receives an opinion of counsel to the effect (1) that the Amendment is in accordance with the associated

transaction documents, and (2) where bonds were issued as tax-exempt bonds, that the Amendment will not adversely affect the tax-exempt status of interest on the bonds.

Section 3. The Board hereby delegates to the Executive Director, in connection with any instance where any portion of the proceeds of tax-exempt bonds are expected to be used to reimburse costs incurred prior to the issuance of such bonds (a “**Reimbursement**”), the authority to execute all certificates or documents evidencing the official intent of IBank to authorize such Reimbursement pursuant to applicable federal tax law then in effect.

Section 4. The Board hereby delegates to the Executive Director, in connection with any proposed redemption of bonds or prepayment of the obligations of others to IBank (a “**Redemption**”), the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to accomplish such Redemption.

Section 5. The Board hereby delegates to the Executive Director, in connection with the substitution of a credit facility or liquidity facility associated with an IBank financing (a “**Facility Substitution**”), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Facility Substitution; provided that, IBank receives (1) an opinion of bond counsel to the effect that the Facility Substitution: (i) is in accordance with the associated transaction documents, and (ii) where bonds were issued as tax-exempt bonds, the Facility Substitution will not adversely affect the tax-exempt status of interest on such bonds; and (2) written evidence from the rating agencies specified in the transaction documents that the Facility Substitution will not result in a rating lower than the rating required by the transaction documents.

Section 6. The Board hereby delegates to the Executive Director, in connection with the appointment, removal or substitution of any agent involved in an IBank financing, including but not limited to, bond trustee, broker-dealer, marketing agent, title insurance provider, paying agent, remarketing agent, bond registrar, escrow agent, verification agent and tender agent (an “**Agent Substitution**”), the authority to execute and deliver all IBank Documents necessary or convenient to effect such Agent Substitution; provided that, IBank receives an opinion of counsel to the effect that (i) the Agent Substitution is in accordance with the associated transaction documents, and (ii) where bonds were issued as tax-exempt bonds, the Agent Substitution will not adversely affect the tax-exempt status of interest on the bonds.

Section 7. The Board hereby delegates to the Executive Director, in connection with any proposed post-bond issuance consummation of transactions contemplated in the documents associated with the original issuance of IBank bonds (“**Contemplated Transactions**”), including but not limited to interest rate mode change, mandatory tender, conversion and remarketing of IBank bonds, the authority to take all actions and execute and deliver all IBank Documents necessary or convenient to consummating such Contemplated Transactions. This authority includes a delegation to the Executive Director of the authority, in instances where a remarketing of bonds is done in the form of a limited offering or private placement, to waive IBank rating requirement upon determining that any applicable IBank private placement or limited offering conditions have been satisfied.

Section 8. The Board hereby delegates to the Executive Director, or his or her assignee, in connection with its approval of any loan or other financing transaction to be made pursuant to the ISRF by IBank under a Direct Financing Program (an “ISRF-a Program Loan Financing”), the authority to execute and deliver the appropriate IBank financing agreements in substantially the form in use by IBank at the time of the ISRF Program Loan Financing, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the ISRF Program Loan Financing. The Board further delegates to the Executive Director, or his or her assignee, the

authority to execute and deliver all other IBank Documents necessary or convenient to effect such ~~ISRF Program Loan Financing.~~

~~Section 9.~~ The Board hereby delegates to the Executive Director, in connection with any ~~ISRF Program Loan Financing~~, the authority to amend or modify the financing documents associated with the ~~ISRF Program Loan~~ (an ~~“ISRF Loan Financing (a “Financing Amendment”)~~”) so long as such ~~ISRF Loan Financing~~ Amendment is consistent with the intent of the Board resolution that approved the ~~ISRF Program Loan; provided Financing. Provided, however,~~ that any of the following proposed ~~Loan Financing~~ Amendments are not delegated to the Executive Director: (1) any increase in the principal amount of the ~~ISRF Program Loan; Financing~~, (2) any extension of the final maturity date; and (3) any change in the security pledged to repay the ~~ISRF Program Loan; and (4) any decrease in the interest rate.~~

~~Financing. Provided, further, that the Section 10. The Board hereby delegates to the Executive Director, in connection with its approval of any loan or other financing transaction to be made pursuant to the CLEEN Center (a “CLEEN Center Loan”), the authority to execute and deliver the appropriate IBank financing agreements in substantially the form in use by IBank at the time of the CLEEN Center Loan, with such changes or insertions as may be necessary or convenient to cause the same to carry out the intent of the Board resolution approving the CLEEN Center Loan. The Board further delegates to the Executive Director the authority to execute and deliver all other IBank Documents necessary or convenient to effect such CLEEN Center Loan.~~

~~Section 11.~~ The Board hereby delegates to the Executive Director, in connection with any ~~CLEEN Center Loan~~, the authority to amend or modify the financing documents associated with the ~~CLEEN Center Loan (a “CLEEN Center Loan Amendment”)~~ so long as such ~~CLEEN Center Loan Amendment~~ is consistent with the intent of the Board resolution that approved the ~~CLEEN Center Loan; provided, however~~ that any of the following proposed ~~CLEEN Center Loan Amendments~~ are not delegated to the Executive Director: (1) any increase in the principal amount of the ~~CLEEN Center Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the CLEEN Center Loan; and (4) any decrease in the interest rate.~~

~~Section 12.~~ Board hereby delegates to the Executive Director the authority to agree to reduce the interest rate of a Program Financing so long as (1) the reduction will not result in change to the tax-status of IBank’s then-outstanding indebtedness, and (2) the reduction will not result in a material violation of any agreement or resolution by which IBank is bound.

Section 10. The Board hereby delegates to the Executive Director, in connection with any IBank effort to seek grants, contributions, subventions, dedicated taxes, appropriations, advances, guarantees, financial enhancements in money, property, labor and other things of value from the federal government, the State, any agency of the State, public and private pension funds and any other sources (“**Funding Sources**”), the authority to apply for, receive, accept and deposit any such funds or other things of value from such Funding Sources, all as permitted by the provisions of the Act (“**Funding Efforts**”); provided, however that (1) ; prior to acceptance, the Board must approve the conditions associated with any award of funds; ; and (2) no delegation is made as to the use of any funds received. The Board further delegates to the Executive Director the authority to execute and deliver all IBank Documents necessary or convenient to effect such Funding Efforts.

~~Section 1311.~~ The Board hereby delegates to the Executive Director the authority to determine, impose and collect from recipients of IBank’s financial assistance the costs and expenses associated with IBank financing transactions and services or that are otherwise incurred in the exercise of the powers and duties conferred on IBank by the Act (~~(“IBank Charges”).~~). The Board further delegates to the Executive

Director the authority to execute and deliver all IBank Documents necessary or convenient in connection with the determination, imposition and collection of such IBank Charges. IBank Charges are to be distinguished, under the Act, from “fees” which IBank may also impose pursuant to the Act, but which are not covered by this resolution.

~~Section 14.~~ 12. The Board hereby confirms the Act provisions stating that, subject to any conditions that the Board may from time to time prescribe, the Executive Director may exercise any power, function, or duty conferred by law on IBank in connection with the administration, management, and conduct of the business and affairs of IBank, and, to the extent necessary, delegates to the Executive Director the power to do so.

Section 13. This ~~New Delegations~~ Resolution No. 21-11 shall supersede Resolution ~~12-08~~16-07 in its entirety and shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on ~~March 22, 2016~~June 23, 2021, by the following vote:

_____ AYES: ____

_____ NOES:

_____ ABSENT:

_____ ABSTAIN:

- _____ By _____

Teveia R. Barnes, Scott Wu
Executive Director

Attest:

By _____

~~Fritz Pabland~~
Stefan R. Spich
Secretary of the Board of Directors