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**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK
CLEAN WATER STATE REVOLVING FUND REVENUE BONDS
SERIES 2016 (GREEN BONDS)**

BOND PURCHASE AGREEMENT

April [__], 2016

The Honorable John Chiang
Treasurer of the State of California
915 Capitol Mall, Room 110
Sacramento, California 95814

California Infrastructure and
Economic Development Bank
1325 J Street, Suite 1823
Sacramento, California 95814

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC and Piper Jaffray & Co., for themselves and as representatives of [to come, if any] (collectively, the “Underwriters”), offer to enter into this Bond Purchase Agreement (this Bond Purchase Agreement, including the Letter of Representations attached hereto as Exhibit B as well as the other Exhibits, being herein called the “Purchase Agreement”) with the California Infrastructure and Economic Development Bank (the “Infrastructure Bank”) and the Treasurer of the State of California (the “Treasurer”) as agent for sale for the Infrastructure Bank. Upon acceptance hereof and approval by the State Water Resources Control Board (the “State Water Board”), this offer will become binding upon the Treasurer, the Infrastructure Bank and the Underwriters. This offer is made subject to acceptance by delivery of an executed counterpart hereof at or prior to 11:59 p.m., Pacific time, on this date or on such later date as shall have been consented to by the parties hereto with the approval of the State Water Board.

1. Purchase, Sale and Delivery of the Bonds.

(a) Upon the basis of the representations, warranties and agreements herein set forth and subject to the terms and conditions contained herein and in the Letter of Representations, dated the date hereof (the “Letter of Representations”), executed and delivered by the State Water Board and attached hereto as Exhibit B, the Underwriters hereby agree to purchase from the Treasurer on behalf of the Infrastructure Bank, and the Treasurer on behalf of the Infrastructure Bank hereby agrees to sell to the Underwriters, all (but not less than all) of the \$_____ aggregate principal amount of the California Infrastructure and Economic Development Bank Clean Water State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Bonds”), dated April [28], 2016, bearing interest at the rates and maturing on the dates and in the principal amounts, as set forth in Exhibit A hereto. The Underwriters will purchase the Bonds at an aggregate price of \$_____ (being the principal amount of the Bonds

of \$_____, less an underwriters' discount of \$_____, and plus a[n] [net] original issue premium of \$_____).

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in, that certain Master Trust Indenture, dated as of November 1, 2012 (the "Master Trust Indenture"), between the Infrastructure Bank and the Treasurer of the State of California, as trustee (the "Trustee"); and that certain Series 2016 Indenture, dated as of April 1, 2016, between the Infrastructure Bank and the Trustee (the "Series 2016 Indenture," and, together with the Master Trust Indenture, the "Indenture"); and that certain Master Payment and Pledge Agreement, dated as of November 1, 2012 (the "Pledge Agreement"), between the Infrastructure Bank and the State Water Board. Proceeds of the Bonds not used to pay costs of issuance will be applied to the clean water state revolving fund administered by the State Water Board.

The Infrastructure Bank approved the issuance of the Bonds, authorized the execution and delivery of the Series 2016 Indenture and this Purchase Agreement, approved the form of the Preliminary Official Statement (as hereinafter defined) and authorized the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement (as hereinafter defined) pursuant to its Resolution No. 16-__ adopted on March [22], 2016, (the "Infrastructure Bank Resolution"). The State Water Board authorized the execution and delivery of the Letter of Representations, this Purchase Agreement and the Continuing Disclosure Agreement, dated as of April __, 2016 (the "Continuing Disclosure Agreement"), between the State Water Board and the Treasurer of the State of California, as dissemination agent and as Trustee, approved the Indenture, the Preliminary Official Statement and the Official Statement and authorized the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement pursuant to its Resolution No. 2016-___ adopted on March [15], 2016 (the "State Water Board Resolution").

(b) The Infrastructure Bank and the State Water Board will each cooperate in the preparation and delivery to the Underwriters of the Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement, dated March [24], 2016 (the "Preliminary Official Statement"), with only such changes therein as have been accepted by the Underwriters and approved by Hawkins Delafield & Wood LLP ("Bond Counsel") (the Preliminary Official Statement with such changes, and including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto, being herein called the "Official Statement"), reviewed and approved on behalf of the State Water Board by its Executive Director (or such other officers as are acceptable to the Underwriters), in such quantities as the Underwriters shall request. The Infrastructure Bank confirms that the information contained in the Preliminary Official Statement under the caption "THE INFRASTRUCTURE BANK" and under the caption "MISCELLANEOUS—Litigation—IBank" was deemed to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"). The State Water Board will undertake, pursuant to the Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

(c) At 9:00 a.m., Pacific time, on April [28], 2016 or at such other time or on such earlier or later date as may be mutually agreed upon (the "Closing Date"), the Infrastructure Bank will deliver or cause to be delivered to The Depository Trust Company ("DTC") for the account of the Underwriters in New York, New York, or at such other place as may be mutually agreed upon, the Bonds in definitive form, bearing proper CUSIP numbers, duly executed and authenticated, and at the offices of Bond Counsel in Sacramento, California the other documents hereinafter mentioned; and, subject to the conditions of this Purchase Agreement, the Underwriters will accept delivery of the Bonds in Sacramento, California or such other place as shall have been mutually agreed upon by the Underwriters and the

Treasurer and pay the purchase price of the Bonds as set forth in this Section 1 (less the amount of the deposit referred to in Section 1(e) below), plus accrued interest, by wire transfer (in immediately available funds) to the order of the Treasurer, for the account of the State Water Board (or by such other form of payment in immediately available funds as shall have been mutually agreed upon by the Treasurer and the Underwriters) (such delivery and payment being herein referred to as the “Closing”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee of DTC, and will be in the form of a separate single fully-registered Bond for each maturity.

(d) The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Infrastructure Bank contained herein, the representations and warranties of the State Water Board contained in the Letter of Representations and in the Pledge Agreement, the certificates of the Infrastructure Bank, the State Water Board and the Trustee to be delivered pursuant to this Purchase Agreement and the Indenture, and the opinions of Bond Counsel, counsel to the Infrastructure Bank and counsel to the State Water Board required to be delivered pursuant to this Purchase Agreement and the Indenture.

(e) The Treasurer acknowledges receipt of a wire transfer (in immediately available funds) for the account of the State Water Board (or such other form of payment in immediately available funds as shall have been mutually agreed upon by the Treasurer and the Underwriters) in an amount equal to \$_____. Such wire transfer (or other form of payment) has been delivered by the Underwriters as security for the performance by the Underwriters of their obligations to purchase, accept delivery of and pay for the Bonds at Closing. On the Closing Date, the Underwriters shall pay or cause to be paid the purchase price of the Bonds (as specified in this Section 1), less the amount of such deposit, without interest, to the payment of the balance of such purchase price. If the Treasurer, the Infrastructure Bank and the State Water Board do not accept this offer, the Treasurer shall forthwith return the amount of such deposit, without interest, to the Underwriters. Should the Treasurer fail to deliver the Bonds on the Closing Date, or should the Treasurer, the Infrastructure Bank or the State Water Board be unable to satisfy the conditions to the obligations of the Underwriters to accept delivery of and to pay for the Bonds, as set forth in this Purchase Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for a reason permitted by this Purchase Agreement, the Treasurer shall forthwith return the amount of such deposit, without interest, to the Underwriters. The return of such sum shall constitute a full release and discharge of all claims and rights of the Underwriters against the Treasurer and the Infrastructure Bank on account of such failure and a waiver of any right the Underwriters may have to additional damages for such failure. If the Underwriters fail (other than for a reason permitted hereunder) to accept delivery of and pay for any of the Bonds on the Closing as herein provided, such deposit shall be retained by the Treasurer on behalf of the State Water Board as a partial or full payment, as the case may be, to compensate for the amount of damage (if any) suffered by the State Water Board or the Infrastructure Bank for the failure of the Underwriters to accept delivery of and pay for the Bonds.

(f) The Underwriters shall execute and return to the Infrastructure Bank, within ten (10) days after the Closing Date, the Target Business Enterprise Professional Bond Services Report required by Section 1899.532 of Article 4 of Subchapter 4 of Chapter 4, Division 2 of Title 2 of the California Code of Regulations.

(g) The Underwriters shall file the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”) within the times and in the manner required by MSRB Rule G-32.

2. Representations, Warranties and Agreements of the Infrastructure Bank.

The Infrastructure Bank represents and warrants to and agrees with the Underwriters that:

(a) The Infrastructure Bank is, and will be at the Closing Date, duly organized and existing under the Constitution and laws of the State of California and has the requisite legal right, power and authority to issue the Bonds, to adopt the Infrastructure Bank Resolution, to enter into the Indenture, the Pledge Agreement, and this Purchase Agreement and to perform its obligations under the Indenture, the Pledge Agreement, and this Purchase Agreement. The Master Indenture and the Pledge Agreement constitute, and when executed and delivered by the respective parties thereto, the Series 2016 Indenture, and this Purchase Agreement will constitute, the legal, valid and binding obligations of the Infrastructure Bank enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws related to or affecting creditors' rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered a proceeding in equity or law, by the exercise of judicial discretion in appropriate cases, by the limitations on legal remedies against governmental entities in the State of California and by matters of public policy;

(b) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and, assuming due authentication by the Trustee, will constitute valid and binding limited obligations of the Infrastructure Bank, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws related to or affecting creditors' rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered a proceeding in equity or law, by the exercise of judicial discretion in appropriate cases, and by the limitations on legal remedies against governmental entities in the State of California and by matters of public policy, and the Bonds shall be entitled to the benefit and security of the Indenture;

(c) By official action of the Infrastructure Bank prior to or concurrently with the acceptance hereof, the Infrastructure Bank has authorized and approved the distribution of the Preliminary Official Statement, approved and authorized the distribution of the Official Statement (provided, however, that such Official Statement shall reflect that neither approval nor authorization of distribution of the Official Statement shall be construed as a representation that the Infrastructure Bank has reviewed or approved the accuracy or completeness of the Official Statement other than information under the caption "THE INFRASTRUCTURE BANK" and under the caption "MISCELLANEOUS—Litigation—IBank"), and authorized and approved the execution and delivery of, and the performance by the Infrastructure Bank of the obligations on its part contained in, the Bonds, the Pledge Agreement, the Indenture, and this Purchase Agreement, and the consummation by the Infrastructure Bank of all other financing transactions on its part contemplated by the Official Statement and this Purchase Agreement;

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending (with service of process against the Infrastructure Bank having been accomplished) or known to the Executive Director of the Infrastructure Bank to be threatened against the Infrastructure Bank, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting any proceedings of the Infrastructure Bank taken concerning the issuance or sale thereof, the adoption of the Infrastructure Bank Resolution, the pledge or application of any moneys or security provided for the payment of the Bonds, or in any way contesting the validity or enforceability of the Bonds, the Indenture, the Pledge Agreement, or this Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, as amended or supplemented, with respect to the caption "THE INFRASTRUCTURE BANK" and under the caption "MISCELLANEOUS—Litigation—IBank," or the existence or powers of the Infrastructure Bank relating to the issuance of the Bonds;

(e) Both at the time of its date and as of the date hereof, the statements and information contained in the Preliminary Official Statement under the caption “THE INFRASTRUCTURE BANK” and under the caption “MISCELLANEOUS—Litigation—IBank” did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading. Both at the time of acceptance hereof by the Infrastructure Bank and at the Closing Date, the statements and information contained in the Official Statement under the caption “THE INFRASTRUCTURE BANK” and under the caption “MISCELLANEOUS—Litigation—IBank” do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading. No such representation, warranty or agreement shall apply to statements or information in or omissions from the Preliminary Official Statement or the Official Statement other than those portions of the Preliminary Official Statement and the Official Statement specified in this section;

(f) The Infrastructure Bank will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and subject to Section 6 hereof, will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Infrastructure Bank be required to take any action which would subject it to general, special or unlimited service of process in any jurisdiction in which it is not now so subject;

(g) The adoption of the Infrastructure Bank Resolution did not, and the execution and delivery by the Infrastructure Bank of the Bonds, the Series 2016 Indenture, and this Purchase Agreement (collectively, the “Infrastructure Bank Documents”) and compliance with the provisions on the Infrastructure Bank’s part contained herein and therein will not, conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Infrastructure Bank is a party or is otherwise bound, which breach or default would have a material adverse effect on the Infrastructure Bank’s ability to perform its obligations under the Infrastructure Bank Documents, the Master Indenture or the Pledge Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien or charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Infrastructure Bank pledged under the Infrastructure Bank Documents, the Master Indenture or the Pledge Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, which lien, charge, security interest or encumbrance would have a material adverse effect on the Infrastructure Bank’s ability to perform its obligations under the Infrastructure Bank Documents, the Master Indenture or the Pledge Agreement;

(h) To the current actual knowledge of the Executive Director of the Infrastructure Bank, the Infrastructure Bank is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable material judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Infrastructure Bank is a party or by which it is otherwise bound, which breach or default would have a material adverse effect on the Infrastructure Bank’s ability to perform its obligations under the Infrastructure Bank Documents, the Master Indenture or the Pledge Agreement, and to the current actual knowledge of the Executive Director of the Infrastructure Bank no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a breach of or a default

or an event of default under any such instrument, which breach or default would have a material adverse effect on the Infrastructure Bank's ability to perform its obligations under the Infrastructure Bank Documents, the Master Indenture or the Pledge Agreement;

(i) If between the date of this Purchase Agreement and up to and including the 25th day following the end of the underwriting period (as such term is defined in Rule 15c2-12) an event occurs, of which the Infrastructure Bank has knowledge, which might or would cause the information under the caption "THE INFRASTRUCTURE BANK" or under the caption "MISCELLANEOUS—Litigation—I Bank" contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, or if the Infrastructure Bank is notified by State Water Board pursuant to the provisions of the Letter of Representations or the Infrastructure Bank is otherwise requested to amend, supplement or otherwise change the Official Statement, the Infrastructure Bank will notify the Underwriters and State Water Board, and if in the reasonable opinion of the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Infrastructure Bank will amend or supplement the Official Statement in a form and in a manner approved by the Underwriters, provided all expenses thereby incurred will be paid by State Water Board pursuant to agreement between the Infrastructure Bank and State Water Board, as set forth in the State Water Board's Letter of Representations; and

(j) For twenty-five (25) days from the date of the end of the underwriting period (as such term is defined in Rule 15c2-12), (i) the Infrastructure Bank will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the State Water Board, the Trustee or the Underwriters shall reasonably object in writing or which shall be disapproved by any of their respective counsel, and (ii) if any event occurs, of which the Infrastructure Bank has knowledge, which might or would cause the information under the caption "THE INFRASTRUCTURE BANK" or under the caption "MISCELLANEOUS—Litigation—I Bank" contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which they were made, not misleading, the Infrastructure Bank will forthwith prepare and furnish to the Underwriters and the State Water Board (at the expense of the State Water Board for twenty-five (25) days from the date of Closing, and thereafter at the expense of the Underwriters) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters and counsel to the Infrastructure Bank) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading at the time the Official Statement is delivered to a purchaser in accordance with Rule 15c2-12. For purposes of this subsection, the Infrastructure Bank will furnish such information with respect to itself as the Underwriters may from time to time reasonably request.

For purposes of subsections (i) and (j) of this Section 2, the Closing shall be deemed to be the end of the underwriting period unless the Underwriters shall inform the Infrastructure Bank and the State Water Board otherwise concurrently with or prior to the Closing.

The execution and delivery of this Purchase Agreement by the Infrastructure Bank shall constitute a representation by the Infrastructure Bank to the Underwriters that the representations, warranties and agreements contained in this Section 2 are true as of the date hereof; provided that as to information furnished by the State Water Board pursuant to this Purchase Agreement and the Letter of Representations or otherwise and in the Preliminary Official Statement and in the Official Statement, the

Infrastructure Bank is relying solely on such information in making the Infrastructure Bank's representations, warranties and agreements; and as to all matters of law the Infrastructure Bank is relying on the advice of Bond Counsel and counsel to the Infrastructure Bank; and provided further that no member of the governing body or officer, employee or agent of the Infrastructure Bank shall be individually liable for the breach of any representation, warranty or agreement contained herein.

3. Conditions to the Obligations of the Underwriters. The obligation of the Underwriters to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriters, (i) to the accuracy in all material respects of the representations, warranties and agreements on the part of the Infrastructure Bank contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Infrastructure Bank made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the Infrastructure Bank of its obligations to be performed hereunder at or prior to the Closing Date; (ii) to the accuracy in all material respects of the representations, warranties and agreements on the part of the State Water Board contained in the Letter of Representations as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the State Water Board made in any certificates or other documents furnished pursuant to the provisions hereof or in the Letter of Representations, and to the performance by the State Water Board of its obligations to be performed hereunder and under the Letter of Representations at or prior to the Closing Date; and (iii) to the following additional conditions:

(a) At the time of Closing, the Indenture, the Pledge Agreement, the Tax Certificate (as defined in the Indenture), the Continuing Disclosure Agreement, and this Purchase Agreement shall be in full force and effect as valid, binding and enforceable agreements between or among the various parties thereto, and this Purchase Agreement, the Indenture, the Pledge Agreement, the Tax Certificate, the Continuing Disclosure Agreement and the Official Statement shall not have been amended, modified or supplemented, except as described herein or as may otherwise have been agreed to in writing by the Underwriters, and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate;

(b) At the Closing Date, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters;

(c) Between the date hereof and the Closing Date, none of the following shall have occurred:

(1) legislation enacted in the Congress or in the legislature of the State of California or a decision rendered by a court established under Article III of the Constitution of the United States or under the Constitution of the State of California, as the case may be, or by the Tax Court of the United States, or an order, ruling, regulation (final or temporary) or official or staff statement issued or made:

(A) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or any agency, commission or instrumentality of the State of California, with the purpose or effect, directly or indirectly, of imposing federal income taxation or State of California personal income taxation, respectively, upon the Pledged Revenues (as that term is defined in the Indenture) as would be received by the Infrastructure Bank or the Trustee or upon such interest as would be received by the holders of the Bonds or obligations of the general character of the Bonds, or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Bonds are not exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), which, in either case, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds;

(2) the declaration of war or the new material outbreak or escalation of existing military hostilities involving the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of or the financial community in the United States, which, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange, or a disruption in securities clearance services, which, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds;

(4) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters, which, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official or staff statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(6) the withdrawal or downgrading of any of the ratings on the Bonds to less than “Aaa”, “AAA,” and “AAA” by Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s Ratings (“S&P”), and Fitch Ratings, Inc. (“Fitch”), respectively;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements or information therein,

in the light of the circumstances under which they were made, not misleading, which, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds; or

(8) any adverse event occurs with respect to the affairs of the Infrastructure Bank, the State Water Board or the Trustee, which, in the reasonable judgment of the Underwriters, would have a material and adverse effect on the market price or marketability, at the initial offering prices set forth in the Official Statement, of the Bonds.

(d) At or prior to the Closing Date, the Underwriters shall have received the following documents:

(1) The Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, the Pledged Project Obligations (access to the Pledged Project Obligations at the office of the State Water Board will be deemed to constitute the physical receipt of thereof) and the State Water Board's outstanding Federal Capitalization Agreements with the United States Environmental Protection Agency (the "Federal Capitalization Agreements") duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriters; provided that changes to the Federal Capitalization Agreements that do not adversely affect the transactions contemplated hereby may be made without such approval;

(2) Three copies of the Official Statement executed on behalf of the State Water Board by its Executive Director;

(3) An approving opinion of Bond Counsel, in substantially the form attached to the Official Statement as Appendix E, together with a reliance letter addressed to the Underwriters, and a supplemental opinion, in substantially the form attached hereto as Exhibit E;

(4) The opinion of Hawkins Delafield & Wood LLP, as Disclosure Counsel, to the effect that during the course of its representation of the Infrastructure Bank with respect to the Bonds, no facts came to the attention of the attorneys in its firm rendering legal services in connection with such representation which caused it to believe that the Official Statement as of its date and as of the Closing Date (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, diagrams, estimates, projections, assumptions or expressions of opinion, or any information about book-entry, tax exemption or DTC included or referred to therein, which may be expressly excluded from the scope of its opinion) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) The opinion of counsel to the Infrastructure Bank, dated the Closing Date and addressed to the Infrastructure Bank and the Underwriters, in substantially the form attached hereto as Exhibit C;

(6) The opinion of the Chief Counsel to the State Water Board, dated the Closing Date and addressed to the Infrastructure Bank and the Underwriters, in substantially the form attached hereto as Exhibit D;

(7) The opinion of Nixon Peabody LLP, counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters, in form and substance acceptable to the Underwriters;

(8) A certificate of the Executive Director, or such other authorized official of the Infrastructure Bank as is reasonably acceptable to the Underwriters, dated the Closing Date, to the effect that:

(A) the Infrastructure Bank has fulfilled or performed each of its obligations contained in the Indenture, the Pledge Agreement, and this Purchase Agreement required to be fulfilled or performed by it as of the Closing Date;

(B) the representations and warranties made by the Infrastructure Bank in the Pledge Agreement and this Purchase Agreement are true and correct in all material respects on the Closing Date, with the same effect as if made on and with respect to the facts as of the Closing Date; and

(C) the issuance of the Bonds will not cause the Infrastructure Bank to exceed any limitations upon indebtedness which it is now authorized to incur under the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Title 6.7 of Division 1 of the Government Code of the State of California (commencing at Section 63000 thereof), as amended;

(9) A certificate of the Executive Director of the State Water Board, or such other authorized official of the State Water Board as is acceptable to the Underwriters, dated the Closing Date, to the effect that:

(A) the representations and warranties made by the State Water Board in the Pledge Agreement and the Letter of Representations are true and correct as of the Closing Date;

(B) no material and adverse change has occurred in the financial condition, assets, properties or results of operation of the State Water Board's Clean Water State Revolving Fund Program which is not described in the Official Statement;

(C) with respect to the State Water Board's Clean Water State Revolving Fund Program, the State Water Board has not offered or issued any bonds, notes or other obligations for borrowed money or incurred any material liabilities, direct or contingent, other than in the ordinary course of business, which are not described in or contemplated by the Official Statement;

(D) no event affecting the State Water Board has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement concerning the State Water Board or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein concerning the State Water Board not misleading in any material respect;

(E) there are no actions, suits or proceedings which have been served on the State Water Board or, to the knowledge of State Water Board, are otherwise pending or threatened against the State Water Board (i) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Pledged Revenues (as such term is defined in the Indenture) pledged under the Pledge Agreement or the Indenture or any payments to be made by the State Water Board pursuant to the Pledge Agreement; (ii) in any way contesting or affecting the issuance or delivery of the Bonds or the validity of the Bonds, the Indenture, the Pledge Agreement, the Purchase Agreement, the Letter of Representations or the collection of Pledged Revenues pledged under the Pledge Agreement or the Indenture; (iii) in any way contesting the existence or powers of the State Water Board; and (iv) which, if determined adversely to it, might materially adversely affect the consummation of the transactions contemplated by the Purchase Agreement, the Pledge Agreement, the Letter of Representations, the Continuing Disclosure Agreement or the Tax Certificate or the financial condition, assets or properties of the State Water Board's Clean Water State Revolving Fund Program; and

(F) (i) The Operating Agreement of November 2012, by and between the United States Environmental Protection Agency, Region IX, and State Water Board has not been amended, modified or supplemented, and is in full force and effect, and (ii) The Federal Capitalization Agreements have not been amended, modified or supplemented and are in full force and effect as of the Closing Date;

(10) The Blanket Issuer Letter of Representations of the Infrastructure Bank, addressed to DTC, together with evidence that the Bonds have been deposited with and received by DTC or such other evidence, satisfactory to the Underwriters, that the Bonds have been duly accepted by the Trustee, as agent under DTC's Fast Automated Securities Transfer program;

(11) A certified copy of the Infrastructure Bank Resolution;

(12) A certified copy of the State Water Board Resolution;

(13) The Tax Certificate duly executed by the parties thereto and an Internal Revenue Service Form 8038 executed by the Infrastructure Bank;

(14) Satisfactory evidence that the Bonds have been rated "Aaa" by Moody's, "AAA" by S&P and "AAA" by Fitch;

(15) Evidence satisfactory to the Infrastructure Bank to indicate that the State Water Board has retained the services of a rebate consultant for the Bonds; and

(16) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Infrastructure Bank and the State Water Board with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Infrastructure Bank contained herein and of the State Water Board contained in the Pledge Agreement and the Letter of Representations, and the due performance or satisfaction by the Infrastructure Bank and the State Water Board at or prior to such time

of all agreements then to be performed and all conditions then to be satisfied by the Infrastructure Bank and the State Water Board.

If the Treasurer, the Infrastructure Bank or the State Water Board shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted herein, this Purchase Agreement shall terminate, and none of the Underwriters, the State Water Board, the Treasurer or the Infrastructure Bank shall have any further obligation hereunder except: (i) the good faith deposit referred to in Section 1(e) of this Purchase Agreement shall immediately be returned to the Underwriters by the Treasurer and (ii) the respective obligations of the Infrastructure Bank, the Treasurer and the Underwriters set forth in Section 5 of this Purchase Agreement.

4. Conditions to the Obligations of the Infrastructure Bank.

The obligations of the Infrastructure Bank to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the Infrastructure Bank, to the performance by the Underwriters of their obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) The Series 2016 Indenture, the Tax Certificate, the Continuing Disclosure Agreement, and this Purchase Agreement, respectively, shall have been executed by the other parties thereto;

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or issuance of the Bonds as contemplated hereby or by the Official Statement; and

(c) The documents contemplated by Section 3(d), the forms of which are set forth herein, shall have been delivered substantially in the forms set forth herein, and the other documents contemplated by Section 3(d) shall have been delivered to the Infrastructure Bank in form and substance satisfactory to Bond Counsel and the Infrastructure Bank.

5. Expenses. All reasonable expenses, fees and costs of the Infrastructure Bank incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including printing costs of outside printing companies incurred in connection with printing the Bonds and preparing the Preliminary Official Statement and the Official Statement, fees and expenses of consultants, fees and expenses of State Water Board's counsel, if any, fees and expenses of the Trustee and of the Trustee's counsel (if any), fees of DTC, fees and expenses of rating agencies, fees and expenses of the Treasurer, insurance policy premiums, if any, any out-of-pocket disbursements of the Infrastructure Bank and the Treasurer, and fees and expenses of Bond Counsel, Disclosure Counsel and Underwriters' counsel shall be paid by the State Water Board. All fees and expenses to be paid by the State Water Board pursuant to this Purchase Agreement may be paid from Bond proceeds to the extent permitted by the Indenture and the Tax Certificate. All expenses of selling the Bonds, all out-of-pocket expenses of the Underwriters, including travel and other expenses, CUSIP Service Bureau charges, California Debt and Investment Advisory Commission fees, any fees charged by the MSRB, and blue sky fees, if any, shall be paid by the Underwriters.

6. Termination. This Purchase Agreement may be terminated by the Underwriters if any of the conditions specified herein shall not have been fulfilled by the Closing upon written notice of such termination to the Treasurer, the Infrastructure Bank and the State Water Board.

The Treasurer or the Infrastructure Bank may terminate this Purchase Agreement if the Underwriters shall fail, by the Closing, to perform their obligations contained herein, upon written notice of such termination to the Underwriters. The Infrastructure Bank may also terminate this Purchase Agreement if any of the conditions specified in Section 4 hereof shall not have been fulfilled by the Closing, upon written notice of such termination to the Underwriters.

Any notice of termination pursuant to this Section 6 shall be given in the manner provided in Section 9 hereof. If this Purchase Agreement shall be terminated as provided in the first paragraph of this Section 6, such termination shall be without liability of the Treasurer, the Infrastructure Bank, the Underwriters or the State Water Board except with respect to the expenses in Section 5 above.

7. Relationship of Underwriters. The Treasurer, the Infrastructure Bank, the State Water Board and the Underwriters acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length, commercial transaction among the Treasurer, the Infrastructure Bank, the State Water Board, and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as an agent, advisor or fiduciary of the Infrastructure Bank or the Treasurer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Infrastructure Bank or the Treasurer with respect to this Purchase Agreement, the offering of the Bonds and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or any affiliate of an Underwriter have provided other services or are currently providing other services to the Infrastructure Bank or the Treasurer on other matters); (iii) the only contractual obligations the Underwriters have to the Infrastructure Bank and the Treasurer with respect to the transactions contemplated hereby are those set forth in this Purchase Agreement; (iv) the Underwriters have financial and other interests that differ from those of the Infrastructure Bank and the Treasurer; and (v) the Infrastructure Bank, the Treasurer and the Underwriters have consulted with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriters' obligations of fair dealing under MSRB Rule G-17.

8. Reserved.

9. Notices. Any notice or other communication to be given to the Treasurer under this Purchase Agreement may be given by delivering the same in writing at the address of the Treasurer set forth above; any notice or other communication to be given to the Infrastructure Bank may be given by delivering the same in writing to the California Infrastructure and Economic Development Bank, 1325 J Street, Suite 1823, Sacramento, CA 95814, to the attention of the Executive Director; any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Morgan Stanley & Co. LLC, 555 California Street, Suite 2200, San Francisco, CA 94104, Attention: John Sheldon, Managing Director, and Piper Jaffray & Co., 2525 E. Camelback Road, Ste. 925, Phoenix, AZ 85016, Attention: Greg Swartz, Senior Vice President; and any such notice or other communication to be given to the State Water Board may be given by delivering the same in writing to the State Water Resources Control Board, 1001 I Street, 16th Floor, Sacramento, CA 95814, Attention: [Elizabeth Haven], Deputy Director, Division of Financial Assistance.

10. Miscellaneous. This Purchase Agreement is made solely for the benefit of the Treasurer, the Infrastructure Bank, the State Water Board and the Underwriters, and no other person shall acquire or have any right hereunder or by virtue hereof except as expressly provided herein. All representations, warranties and agreements of the Treasurer, the Infrastructure Bank and the State Water Board in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds. This Purchase Agreement may be executed in several counterparts, each of which shall be

regarded as an original and all of which shall constitute one and the same agreement. This Purchase Agreement shall be governed by and interpreted under the laws of the State of California. Any action arising out of this Purchase Agreement shall be filed and maintained in Sacramento County Superior Court, Sacramento, California, unless the Infrastructure Bank, with consent of the State Water Board, shall waive this requirement in writing.

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Underwriters the enclosed duplicate hereof whereupon it will become a binding agreement among the Treasurer, the Infrastructure Bank, the State Water Board and the Underwriters.

MORGAN STANLEY & CO. LLC
PIPER JAFFRAY & CO.
[CO-MANAGERS TO COME?]

MORGAN STANLEY & CO. LLC
as Representative, on behalf of the Underwriters,
including itself

PIPER JAFFRAY & CO.
as Representative, on behalf of the Underwriters,
including itself

By: _____
Authorized Representative

By: _____
Authorized Representative

Accepted and Agreed to:

**TREASURER OF THE STATE
OF CALIFORNIA**

**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

By: _____
Deputy Treasurer
For California State Treasurer John Chiang

By: _____
Teveia R. Barnes
Executive Director

Accepted and Approved:

**STATE WATER RESOURCES
CONTROL BOARD**

By: _____
Thomas Howard
Executive Director

Exhibit A

\$ _____

**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK
CLEAN WATER STATE REVOLVING FUND REVENUE BONDS
SERIES 2016 (GREEN BONDS)**

Principal Amounts, Maturity Dates, Interest Rates, and Yields.

<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$	%	%	%

Exhibit B

LETTER OF REPRESENTATIONS

April [__], 2016

Treasurer of the State of California
915 Capitol Mall, Room 261
Sacramento, CA 95814

California Infrastructure and Economic Development Bank
1325 J Street, Suite 1823
Sacramento, CA 95814

Morgan Stanley & Co. LLC
As Representative of the Underwriters
555 California Street, Suite 2200
San Francisco, CA 94104

Piper Jaffray & Co.
As Representative of the Underwriters
2525 E. Camelback Road, Suite 925
Phoenix, AZ 85016

Ladies and Gentlemen:

**Re: California Infrastructure and Economic Development Bank Clean Water
State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds)**

The California Infrastructure and Economic Development Infrastructure Bank (the “Infrastructure Bank”) and the State Water Resources Control Board (the “State Water Board”) have entered into a Master Payment and Pledge Agreement, dated as of November 1, 2012 (the “Pledge Agreement”). Pursuant to a Bond Purchase Agreement, dated the date hereof (the “Purchase Agreement”), with Morgan Stanley & Co. LLC, Piper Jaffray & Co., [Co-Managers?], (collectively, the “Underwriters”), which the State Water Board has approved, the Treasurer of the State of California (the “Treasurer”) on behalf of the Infrastructure Bank proposes to sell \$_____ aggregate principal amount of California Infrastructure and Economic Development Bank Clean Water State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Bonds”). Capitalized terms used herein and not defined herein shall have the respective meanings set forth in the Purchase Agreement.

The offering of the Bonds is described in a preliminary official statement, dated March [24], 2016 (the “Preliminary Official Statement”), and an official statement dated the date hereof (the “Official Statement”). Certain revenues and other moneys and contractual rights received by the Infrastructure Bank pursuant or with respect to the Pledge Agreement have been pledged to secure the payment of the Bonds, including the interest thereon, pursuant to a Master Trust Indenture, dated as of November 1, 2012 (the “Master Trust Indenture”), between the Infrastructure Bank and the Treasurer of the State of California, as trustee (the “Trustee”), a Series 2012 Indenture, dated as of November 1, 2012 (the “Series 2012 Indenture”) and a Series 2016 Indenture, dated as of April 1, 2016 (the “Series 2016

Indenture,” and, together with the Series 2012 Indenture and the Master Trust Indenture, the “Indenture”) between the Infrastructure Bank and the Trustee.

In order to induce you to enter into the Purchase Agreement and to make the sale and purchase and reoffering of the Bonds therein contemplated, the State Water Board hereby represents, warrants and agrees with each of you as follows:

(1) The State Water Board is an agency of the State of California, duly organized and validly existing under the laws of the State of California. The State Water Board has or at the Closing Date, as applicable, will have requisite legal right, power and authority to enter into this Letter of Representations (this “Letter of Representations”), a Continuing Disclosure Agreement, dated as of April 1, 2016 (the “Continuing Disclosure Agreement”), between the State Water Board and the Trustee, and a Tax Certificate (the “Tax Certificate”), dated the Closing Date of the State Water Board and the Infrastructure Bank (collectively the “Financing Documents”), to approve the Purchase Agreement, the Official Statement, the Indenture and the Bonds and to carry out and consummate all transactions contemplated by the Financing Documents, the Pledge Agreement, the Indenture, the Purchase Agreement and the Official Statement and by a resolution of the State Water Board has duly authorized the execution and delivery of the Financing Documents, and the approval of the Purchase Agreement, the Official Statement, the Indenture and the Bonds, and the distribution of the Preliminary Official Statement and the Official Statement.

(2) The officers of the State Water Board executing the Financing Documents and approving the Purchase Agreement and the Official Statement are duly and properly in office and fully authorized to execute and approve the same.

(3) The approval of the Purchase Agreement and review and approval of the Official Statement by officers of the State Water Board has been authorized by the State Water Board; this Letter of Representations has been duly authorized, executed and delivered by the State Water Board; the execution and delivery of the other Financing Documents has been duly authorized and at the Closing (as such term is defined in the Purchase Agreement) such documents will have been duly executed and delivered by the State Water Board; the Pledge Agreement assigned to the Trustee pursuant to the terms of the Indenture, constitutes the legal, valid and binding obligation of the State Water Board to the Trustee enforceable against the State Water Board in accordance with its terms for the benefit of the holders of the Bonds and any rights of the Infrastructure Bank and obligations of the State Water Board not so assigned to the Trustee constitute the legal, valid and binding obligations of the State Water Board enforceable by the Infrastructure Bank against the State Water Board in accordance with their terms; except as enforcement of each of the above-referenced documents may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.

(4) The State Water Board is not (i) in violation of any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, which violation would materially adversely affect the financial position or operations of the State Water Board with respect to its Clean Water State Revolving Fund Program or (ii) in default under any loan agreement, pledge agreement, indenture, bond, note, resolution, agreement or other instrument to which the State Water Board is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial position or operations of the State Water Board.

(5) The execution and delivery of the Financing Documents by the State Water Board, the State Water Board's approval of the Purchase Agreement and the Official Statement, the consummation by the State Water Board of the transactions herein, therein and in the Indenture and the Pledge Agreement contemplated, and the State Water Board's fulfillment of or compliance with the terms and conditions hereof, thereof and in the Pledge Agreement and the Indenture do not and will not (a) conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under (i) the statutes applicable to the creation of the State Water Board, (ii) any bylaws, orders or regulations of the State Water Board, (iii) any indenture, mortgage, deed of trust, loan agreement, pledge agreement, contract, lease or other agreement or instrument to which the State Water Board is a party or by which it or its properties are otherwise subject or bound, or (iv) any law or administrative rule or regulation or any court or administrative decree or order applicable to the State Water Board, or (b) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the State Water Board, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents, the Pledge Agreement, the Indenture, the Purchase Agreement or the Official Statement, or the financial condition, assets, properties or operations of the State Water Board.

(6) No consent or approval of any trustee or holder of any indebtedness of the State Water Board, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings) is necessary in connection with the execution and delivery of this Letter of Representations, the execution and delivery of the other Financing Documents at the Closing, the approval of the Series 2016 Indenture, the Purchase Agreement or the Official Statement, or the consummation of any transaction contemplated herein or therein or in the Pledge Agreement or the Indenture, except in all such cases as have been obtained or made and as are in full force and effect.

(7) There are no actions, suits or proceedings which have been served on the State Water Board or, to the knowledge of State Water Board, are otherwise pending or threatened against the State Water Board:

(a) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Pledged Revenues (as such term is defined in the Indenture) pledged under the Indenture or any payments to be made or asset to be pledged by the State Water Board pursuant to the Pledge Agreement;

(b) in any way contesting or affecting the issuance or delivery of the Bonds or the validity when executed and delivered of the Bonds, the Series 2016 Indenture, the Purchase Agreement or the Financing Documents or the collection of Pledged Revenues pledged under the Indenture or the Pledged Project Obligations pledged under the Pledge Agreement; or

(c) in any way contesting the existence or powers of the State Water Board;

which, if determined adversely to it, might materially adversely affect the consummation of the transactions contemplated by the Financing Documents, the Indenture and the Pledge Agreement or the financial condition, assets or properties of the State Water Board's Clean Water State Revolving Fund Program.

(8) The financial and statistical data concerning the State Water Board's Clean Water State Revolving Fund Program contained in the Official Statement presents fairly, in all material respects, the financial position of the State Water Board's Clean Water State Revolving Fund Program

and the State Water Board has not incurred any material liability, direct or contingent, nor has there been any material adverse change in the financial position, results of operation or condition, financial or otherwise, which is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business of the State Water Board.

(9) Except with respect to one late payment by the City of Chico, no event of default, or event that with the passage of time or the giving of notice or both would constitute an event of default, has occurred or is continuing under any Pledged Program Obligation or under any Program Obligation of a Recipient which is a Recipient under any Pledged Program Obligation.

(10) Between the date hereof and the Closing, the State Water Board will not, without the prior written consent of the Underwriters, except as described in or contemplated by the Official Statement, incur any material liabilities, direct or contingent, other than in the ordinary course of business relating to its Clean Water State Revolving Fund Program.

(11) The State Water Board will deliver, or cause to be delivered, to the Underwriters, within seven (7) business days after acceptance hereof, and in any event not later than two business days before the Closing Date, copies of the Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement, with only such changes therein as have been accepted by the Underwriters, signed on behalf of the State Water Board by its Executive Director (or such other officers as are acceptable to the Underwriters), in such quantities as the Underwriters shall request; provided, however, that such quantity shall not exceed 100. The State Water Board confirms that it deemed the information contained in the Preliminary Official Statement (excluding any information regarding the IBank or DTC) to be final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for any information permitted to be omitted therefrom by Rule 15c2-12. The Preliminary Official Statement, as of its date, and Official Statement, as of its date and as of the Closing Date, as such Official Statement may be amended or supplemented pursuant to the Purchase Agreement or this Letter of Representations, if applicable, did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except, with respect to the Preliminary Official Statement, any information permitted to be omitted therefrom by Rule 15c2-12, and, with respect to both the Preliminary Official Statement and the Official Statement, any information regarding the IBank, DTC or DTC’s book-entry system, as to which no representation is made.

(12) If between the date hereof and up to and including the 25th day following the end of the underwriting period (as such term is defined in Rule 15c2-12), any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the State Water Board shall notify the Infrastructure Bank and the Underwriters and if in the opinion of the State Water Board, the Infrastructure Bank or the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the State Water Board will request the Infrastructure Bank to cause the Official Statement to be amended or supplemented in a form and in a manner approved by the Underwriters, provided all expenses thereby incurred will be paid by the State Water Board pursuant to this Letter of Representations.

(13) For twenty-five (25) days from the date of the end of the underwriting period (as defined in Rule 15c2-12), (a) the State Water Board will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, any of you shall reasonably object in writing or which shall be disapproved by your respective counsel and (b) if any event

relating to or affecting the Infrastructure Bank or the State Water Board or its present or proposed facilities shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriters or the Infrastructure Bank, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the State Water Board will forthwith prepare and furnish to the Underwriters and the Infrastructure Bank (at the expense of the State Water Board for twenty-five (25) days from the date of Closing, and thereafter at the expense of the Underwriters) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters and counsel to the Infrastructure Bank) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. For the purposes of this subsection, the State Water Board will furnish such information with respect to itself, and the present and proposed Clean Water State Revolving Fund Program of the State Water Board as any of you may from time to time reasonably request.

(14) The State Water Board hereby agrees to pay the expenses described as payable by it in the Purchase Agreement and expenses incurred in amending or supplementing the Official Statement pursuant to requirements and limitations in the Purchase Agreement or this Letter of Representations.

(15) To the best knowledge of the State Water Board, no written information, exhibit or report containing current or historical information furnished by the State Water Board to the Infrastructure Bank in connection with the Pledge Agreement and the consummation of the transactions contemplated thereby and by the Purchase Agreement, as such information, exhibit or report may have been corrected by the State Water Board, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(16) The State Water Board acknowledges and agrees that the relationship between itself and the Underwriters is an arms-length commercial relationship and specifically acknowledges and agrees that the Underwriters have not assumed any express or implied fiduciary relationship with the State Water Board whether arising under the Purchase Agreement, any other agreements relating to the offering and sale of the Bonds, or under any advisory relationship that preceded such offering and sale.

(17) The State Water Board will enter into the Continuing Disclosure Agreement and, unless otherwise described in the Official Statement or set forth below, the State Water Board has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

The representations, warranties, agreements and indemnities herein shall survive the Closing under the Purchase Agreement and any investigation made by or on behalf of any of you or any person who controls any of you of any matters described in or related to the transactions contemplated hereby and by the Purchase Agreement, the Official Statement, the Pledge Agreement, the Tax Certificate, the Continuing Disclosure Agreement and the Indenture.

This Letter of Representations shall be binding upon the State Water Board and inure solely to the benefit of each of you and, to the extent set forth herein, persons controlling any of you, and their respective past, present and future directors, members, officers, employees, agents and personal representatives, successors and assigns, and no other person or firm shall acquire or have any right under or by virtue of this Letter of Representations. No recourse under or upon any obligation, covenant or

agreement contained in this Letter of Representations shall, under any circumstances, exist or be had against any officer, agent, employee or director of the State Water Board as individuals.

This Letter of Representations may be executed in any number of counterparts and all such counterparts shall together constitute one and the same instrument.

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding of the agreement between us, kindly sign and return to the State Water Board the duplicates of this Letter of Representations.

**STATE WATER RESOURCES
CONTROL BOARD**

By: _____
Thomas Howard
Executive Director

Accepted and Agreed to:

**CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

By: _____
Teveia R. Barnes
Executive Director

Approved:

MORGAN STANLEY & CO. LLC, as
Representative of the Underwriters, including
itself

By: _____
Authorized Representative

PIPER JAFFRAY & CO., as Representative
of the Underwriters, including itself

By: _____
Authorized Representative

California Infrastructure and Economic Development Bank
Clean Water State Revolving Fund Revenue Bonds Series
2016 (Green Bonds)

Exhibit C

[Form of opinion of Counsel to the Infrastructure Bank]

[Letterhead of Infrastructure Bank]

[Closing Date]

California Infrastructure and
Economic Development Bank
1325 J Street, Suite 1823
Sacramento, California 95814

Morgan Stanley & Co. LLC
As Representative of the Underwriters
555 California Street, Suite 2200
San Francisco, California 94104

Piper Jaffray & Co.
As Representative of the Underwriters
2525 E. Camelback Road, Suite 925
Phoenix, Arizona 85016

**Re: California Infrastructure and Economic Development Bank Clean Water
State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds)**

Ladies and Gentlemen:

In my capacity as the General Counsel of the California Infrastructure and Economic Development Bank (the “Infrastructure Bank”) and in connection with the above described bonds (the “Bonds”) and pursuant to Section 3(d)(5) of the Purchase Agreement (as defined below), I have examined the laws pertaining to the Infrastructure Bank; copies of that certain Master Trust Indenture, dated as of November 1, 2012 (the “Master Trust Indenture”), between the Infrastructure Bank and the Treasurer of the State of California, as trustee (the “Trustee”); that certain Series 2012 Indenture, dated as of November 1, 2012, between the Infrastructure Bank and the Trustee (the “Series 2012 Indenture;” that certain Series 2016 Indenture (the “Series 2016 Indenture,” and, together with the Master Trust Indenture and the Series 2012 Indenture, the “Indenture”); that certain Master Payment and Pledge Agreement, dated as of November 1, 2012 (the “Pledge Agreement”), between the Infrastructure Bank and the State Water Resources Control Board (the “SWRCB”); and that certain Bond Purchase Agreement relating to the Bonds, dated April [__], 2016, among the Infrastructure Bank, the Treasurer of the State of California, as agent for sale of the Bonds, Morgan Stanley & Co. LLC and Piper Jaffray & Co. and approved by the SWRCB (the “Purchase Agreement”), (the Series 2016 Indenture and the Purchase Agreement are hereinafter referred to as the “Financing Documents”).

In connection with the issuance and delivery of the Bonds, I have also examined, among other things, the Infrastructure Bank’s Resolution No. 16-[__] adopted March [22], 2016, (the “Resolution”; the certificates of officers of the Infrastructure Bank and the SWRCB; and such other information and documents as I have considered necessary to render the opinions set forth herein. I have not undertaken to verify through independent investigation the accuracy of the representations and certifications of the SWRCB.

I have assumed, without investigation, (i) the genuineness of all documents and signatures presented to me (whether as originals or as copies) (ii) the due authorization and execution thereof by and (iii) the validity against, any parties other than the Infrastructure Bank. I have assumed compliance with all covenants and agreements contained in the Financing Documents.

Based upon the foregoing, I am of the opinion that:

(a) The Infrastructure Bank is a public body, and a public instrumentality of the State of California validly existing pursuant to the laws of the State of California.

(b) The Resolution was duly adopted by the Infrastructure Bank.

(c) The Infrastructure Bank has the power and authority to execute and deliver the Financing Documents and the Bonds.

(d) The Financing Documents and the Bonds have been duly authorized and executed on behalf of the Infrastructure Bank.

(e) The Financing Documents, the Indenture, the Pledge Agreement and the Bonds are valid and binding obligations of the Infrastructure Bank enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws or by legal or equitable principles relating to or affecting the enforcement of creditors rights generally, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against agencies of the State of California. I express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Financing Documents, the Indenture, the Pledge Agreement or the Bonds.

(f) To my current actual knowledge, after reasonable investigation, there is no action, suit or proceeding pending before or by any court for which service of process has been duly completed as to the Infrastructure Bank nor, to my current actual knowledge, without having undertaken any investigation, is any action, suit or proceeding before any court threatened against the Infrastructure Bank or any proceeding, inquiry or investigation threatened by or pending before any public body against the Infrastructure Bank (1) contesting the issuance and delivery of the Bonds as contemplated by the Financing Documents; (2) contesting the creation, organization, existence or powers of the Infrastructure Bank with respect to the issuance of the Bonds; (3) seeking to enjoin or restrain the issuance, sale and delivery of the Bonds; or (4) contesting any authority for the issuance of the Bonds or validity or enforceability of the Bonds, the Indenture, the Pledge Agreement or the Financing Documents.

(g) To my current actual knowledge, after reasonable investigation, the statements and information contained in the Official Statement under the captions "THE INFRASTRUCTURE BANK" and "MISCELLANEOUS — Litigation — IBank," solely as such statements and information relate to the Infrastructure Bank, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) To my current actual knowledge, without any investigation, the execution and delivery of the Financing Documents and the Bonds by the Infrastructure Bank and compliance by the Infrastructure Bank with the provisions thereof and the provisions of the Indenture and the Pledge Agreement, under the circumstances contemplated thereby, do not and will not constitute on the part of the Infrastructure Bank a material breach of or default under any agreement or other instrument to which

the Infrastructure Bank is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Infrastructure Bank is subject.

I am admitted to the practice of law only in the State of California and my opinion is limited to matters governed by the laws of the State of California and federal law. I express no opinion regarding any federal or state securities or tax law.

The opinions expressed herein are as of the date of this letter, based on those documents, assumptions and other matters referred to herein; and therefore may be affected by actions taken or events occurring after the date hereof. I specifically disclaim any responsibility to determine or inform you of any changes that may occur, or the effects of such changes, subsequent to the date of this letter.

This letter is being furnished to you and is solely for your benefit. This letter is not intended to, and may not, be relied upon by any person to whom it is not specifically addressed without prior written consent.

Very truly yours,

Marilyn Munoz
General Counsel

Exhibit D

[Form of Opinion of the Chief Counsel to the State Water Board]

[Letterhead of the Chief Counsel to the State Water Board]

[Closing Date]

California Infrastructure and Economic Development Bank
1325 J Street, Suite 1823
Sacramento, CA 95814

State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 16th Floor
Sacramento, CA 95814

Morgan Stanley & Co. LLC
As Representative of the Underwriters
555 California Street, Suite 2200
San Francisco, CA 94101

Piper Jaffray & Co.
As Representative of the Underwriters
2525 E. Camelback Road, Suite 925
Phoenix, AZ 85016

**Re: California Infrastructure and Economic Development Clean Water State
Revolving Fund Revenue Bonds, Series 2016 (Green Bonds)**

Ladies and Gentlemen:

I am Chief Counsel to the State Water Resources Control Board (hereinafter the “State Water Board”) in connection with the California Infrastructure and Economic Development Bank Clean Water State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Bonds”). This opinion is delivered pursuant to Section 3(d)(6) of the Bond Purchase Agreement relating to the Bonds, dated April [___], 2016, among the Infrastructure Bank, the Treasurer of the State of California (the “State Treasurer”), Morgan Stanley & Co. LLC and Piper Jaffray & Co. and approved by the State Water Board, including the Letter of Representations attached thereto and executed by the State Water Board (the “Purchase Agreement”). Capitalized terms not otherwise defined herein will have the meanings ascribed thereto in the Purchase Agreement. In connection therewith, I have examined the laws pertaining to the State Water Board, originals of the Master Trust Indenture, dated as of November 1, 2012 (the “Master Indenture”), between the California Infrastructure and Economic Development Bank (the “Infrastructure Bank”) and the State Treasurer, the Series 2012 Indenture, dated as of November 1, 2012 (the “Series 2012 Indenture”), between the Infrastructure Bank and the State Treasurer, the Series 2016 Indenture, dated as of April 1, 2016 (the “Series 2016 Indenture” and, together with the Master Indenture and the Series 2012 Indenture, the “Indenture”), between the Infrastructure Bank and the State Treasurer, the Continuing Disclosure Agreement, dated as of April 1, 2016 (the “Continuing Disclosure Agreement”), between the State Water Board and the State Treasurer, as dissemination agent, the Master Payment and Pledge Agreement, dated as of November 1, 2012 (the “Pledge Agreement”), between the Infrastructure Bank and the State Water Board, the Purchase Agreement, the State Water Board’s resolution adopted on

March [15], 2016 (the “State Water Board Resolution”), and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

I have assumed without investigation (i) the genuineness of all documents and signatures presented to me (whether as originals or as copies), (ii) the due authorization and execution thereof by and (iii) the validity against, any parties other than the State Water Board. Based on the foregoing, it is my opinion that:

- a. The State Water Board is an agency of the State of California duly organized, validly existing under the laws of the State of California, has the requisite legal right, power and authority to execute and deliver the Purchase Agreement, the Letter of Representations and the Continuing Disclosure Agreement (collectively, the “State Water Board Documents” and the Official Statement and to carry out and consummate all transactions contemplated by the State Water Board Documents, the Pledge Agreement, the Indenture and the Official Statement.
- b. The State Water Board Resolution has been duly adopted at a meeting of the Board which was called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the State Water Board Resolution was adopted. The State Water Board Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.
- c. To the best of my knowledge and based upon a reasonable investigation, all proceedings required by law or under the regulations or bylaws of the State Water Board to be taken by the State Water Board in connection with the authorization of the State Water Board Documents and the transactions contemplated by and related thereto and to the Pledge Agreement, the Indenture and the Official Statement, and all such approvals, authorizations, consents or other orders of or filings or registrations with such public boards or bodies, if any, as may be legally required to be obtained by the State Water Board prior to the date hereof with respect to all or any of such matters have been taken or obtained and are in full force and effect, except that no opinion is expressed as to any approvals, obligations or proceedings which may be required under any federal securities laws or state blue sky or securities laws.
- d. To the best of my knowledge and based upon a reasonable investigation, the approval and distribution of the Preliminary Official Statement, the execution and delivery of the State Water Board Documents and the review and approval and execution of the Official Statement by the State Water Board and the consummation of the transactions therein, in the Pledge Agreement and in the Indenture contemplated will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under (i) the statutes creating the State Water Board or any amendments thereto, (ii) the regulations, orders or bylaws of the State Water Board, (iii) any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the State Water Board is a party or by which it or its properties are otherwise subject or bound or (iv) any applicable law or administrative regulation or any applicable court or administrative decree or order.
- e. To the best of my knowledge and based upon a reasonable investigation, except as may be disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court of federal, state, municipal or other governmental authority pending or threatened against or affecting the State Water Board’s Clean Water State Revolving Fund Program or the assets, properties or operations of the State Water Board relating to its Clean Water State Revolving Fund Program which, if determined adversely to the State Water Board or

its interests would result in any material change in the assets or financial condition of the State Water Board, and the State Water Board is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental agency which default might have consequences that would materially and adversely affect the financial condition of State Water Board.

- f. No facts have come to my attention which lead me to believe that the Official Statement, as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein (other than the statements regarding the IBank or DTC and the book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.
- g. The State Water Board Documents have been duly authorized, executed and delivered and, assuming due authorization, execution and delivery of by the other parties thereto, the State Water Board Documents and the Pledge Agreement constitute legal, valid and binding obligations of the State Water Board enforceable against the State Water Board in accordance with their respective terms, subject to the laws relating to bankruptcy, insolvency, moratorium, reorganization or creditors' rights generally, and to the application of equitable principles, if equitable remedies are sought, and by any legal or equitable limitation on remedies against agencies of the State of California.
- h. The Official Statement has been duly authorized to be executed and delivered by the State Water Board.

I am admitted to the practice of law only in the State of California and my opinion is limited to matters governed by the laws of the State of California and federal law. I express no opinion regarding any federal or state securities or tax law.

The opinions expressed herein are as of the date of this letter, based on those documents, assumptions and other matters referred to herein; and therefore may be affected by actions taken or events occurring after the date hereof. I specifically disclaim any responsibility to determine or inform you of any changes that may occur, or the effects of such changes, subsequent to the date of this letter.

This letter is being furnished to you and is solely for your benefit. This letter is not intended to, and may not, be relied upon by any person to whom it is not specifically addressed without prior written consent.

Very truly yours,

Michael A.M. Lauffer
Chief Counsel
State Water Resources Control Board

Exhibit E

[SUPPLEMENTAL OPINION OF BOND COUNSEL]

[Closing Date]

Morgan Stanley & Co. LLC
As Representative of the Underwriters
555 California Street, Suite 2200
San Francisco, CA 94101

Piper Jaffray & Co.
As Representative of the Underwriters
2525 E. Camelback Road, Suite 925
Phoenix, AZ 85016

Ladies and Gentlemen:

We have acted as bond counsel to the California Infrastructure and Economic Development Bank (the “Infrastructure Bank”) and are this day rendering our final approving opinion in connection with the issuance of \$_____ in aggregate principal amount of Clean Water State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Bonds”). You are entitled to rely on such opinion as if the same were addressed to you. The Bonds are issued under the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing at Section 63000 thereof), and pursuant to a Master Trust Indenture, dated as of November 1, 2012 (the “Master Trust Indenture”), by and between the Infrastructure Bank and the Treasurer of the State of California, as Trustee (the “Trustee”) and a Series 2016 Indenture, dated as of April [___], 2016, by and between the Infrastructure Bank and the Trustee (the “Series Indenture” and, together with the Master Trust Indenture, the “Indenture”). This opinion is being rendered in connection with the delivery of the Bonds to Morgan Stanley & Co. LLC and Piper Jaffray & Co., as representatives of the Underwriters named in the Bond Purchase Agreement for the Bonds, dated April [___], 2016 (the “Purchase Agreement”). In rendering this opinion, we have reviewed records of the action taken by the Infrastructure Bank, including a record of proceedings relating to the Bonds, the Official Statement dated April [___], 2016 relating to the Bonds (the “Official Statement”) and such other resolutions, documents, instruments or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

On the basis of the foregoing examination, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Infrastructure Bank and the Treasurer of the State of California (the “State Treasurer”), constitutes a legal, valid and binding obligation of the Infrastructure Bank and the State Treasurer and, assuming due execution by the Underwriters and acceptance by the Board, is enforceable against the Infrastructure Bank and the State Treasurer in accordance with its terms.
2. The information contained in the Official Statement under the captions “Security and Source of Payment for Bonds” (except under the subcaptions “Pledged Project Obligations” and

“Flow of Funds Diagram”), “The Series 2016 Bonds,” “Tax Matters,” and “Miscellaneous - Continuing Disclosure” and in Appendices C, D and E in so far as they purport to summarize the Bonds, the Indenture, the Payment and Pledge Agreement and the Continuing Disclosure Agreement and the exclusion from gross income for Federal income tax purposes of interest on the Bonds and exemption from present State of California personal income taxes of interest on the Bonds, are accurate in all material respects.

3. The execution and delivery of the Official Statement has been duly authorized by the Infrastructure Bank.

4. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

The foregoing opinions are qualified to the extent that the enforceability of the Purchase Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors’ rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law).

Very truly yours,