

RESOLUTION NO. 11-2

AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE ACQUISITION OF VEHICLES AND EQUIPMENT

WHEREAS, the Palmdale Water District (the "District") is an Irrigation District duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the District desires to provide for financing in the approximate amount of \$1,500,000 for the acquisition of vehicles and equipment (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective five year installment sale financing arrangement at a 3.85% interest rate.

NOW, THEREFORE, it is resolved by the Board of Directors of the Palmdale Water District as follows:

SECTION 1. Installment Sale Agreement and Acquisition Fund Agreement. The President of the Board of Directors, the General Manager or a designee in writing (each, an "Authorized Officer") is hereby authorized to enter into an Installment Sale Agreement and an Acquisition Fund Agreement with the Corporation to finance the Property, subject to approval as to form by the District's legal counsel.

SECTION 2. Attestations. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of the Authorized Officer, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Installment Sale Agreement and the Acquisition Fund Agreement.

SECTION 3. Other Actions. The Authorized Officer and other officers of the District are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Installment Sale Agreement. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Installment Sale Agreement is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year in which the Installment Sale Agreement is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Reimbursement of Prior Expenditures. The District declares its official intent to be reimbursed from the proceeds of the Installment Sale approved hereby for a maximum principal amount of \$1,500,000 of Property expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 6. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 23rd day of February, 2011, by the following vote:


AYES: Directors Dexter, Cordova, Godin, and Storm

NOES: None

ABSTENTIONS: None

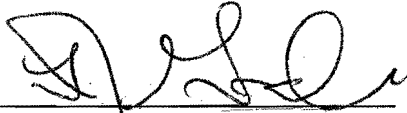
ABSENT: Director Figueroa

Approved:



President of the Board

Attest:



Treasurer of the Board