RESOLUTION NO. 12-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, APPROVING AN INSTALLMENT PURCHASE AGREEMENT TO REFUND THE DISTRICT'S REFUNDING REVENUE CERTIFICATES OF PARTICIPATION SERIES 1998 AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID INSTALLMENT PURCHASE AGREEMENT AND RELATED DOCUMENTS

WHEREAS, the Palmdale Water District, a California irrigation district organized and existing under the laws of the State of California (the "District"), is authorized to enter into agreements and to finance the acquisition and construction of improvements to the District's water system (the "System"); and

WHEREAS, the District and the Palmdale Water District Public Facilities Corporation (the "Corporation") have previously entered into that certain Amended and Restated Installment Purchase Agreement, dated as of March 1, 1998 (the "1998 Installment Purchase Agreement"), for the purpose of refinancing the cost of acquiring various improvements to the System through the execution and delivery of the $21,925,000 Refunding Revenue Certificates of Participation Series 1998 (the "1998 Certificates"); and

WHEREAS, the District and the Corporation now desire to enter into an Installment Purchase Agreement (the "2012 Installment Purchase Agreement") for the purpose of prepaying the remaining installment payments due under the 1998 Installment Purchase Agreement and, in turn, prepaying the outstanding 1998 Certificates in order to reduce the District's borrowing costs; and

WHEREAS, to obtain the funds required to prepay the 1998 Certificates, the Corporation will assign certain of its rights under the 2012 Installment Purchase Contract to the Bank of Nevada (the "Purchaser") in accordance with the terms of that certain Assignment Agreement (the "Assignment Agreement") between the Corporation and the Purchaser; and

WHEREAS, for this financing there has been presented to the District the forms of the 2012 Installment Purchase Agreement, the Assignment Agreement and an agreement for services from bond counsel to the District (the "Agreement for Services") for approval;

WHEREAS, the 2012 Installment Purchase Agreement, the Assignment Agreement and the Agreement for Services are necessary to accomplish the prepayment of the 1998 Certificates;

NOW, THEREFORE, the Board of Directors of the Palmdale Water District does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. The forms of the 2012 Installment Purchase Agreement and the Agreement for Services are hereby approved and each of the President of the District, the General Manager of the District or their written designees (the "Authorized Officers"), acting alone, is hereby authorized

and directed to execute and deliver the 2012 Installment Purchase Agreement (subject to the limitations set forth in the following sentence) and the Agreement for Services in the name of and on behalf of the District, in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall be deemed necessary, desirable or appropriate by the Authorized Officer or Authorized Officers executing the same, such approval to be conclusively evidenced by the execution and delivery thereof by one or more of the Authorized Officers. The 2012 Installment Purchase Agreement shall be executed only if the total principal components due thereunder do not exceed $12,800,000, the maximum interest rate for the interest components due thereunder shall not exceed 3.1% per annum and the net present value savings to the District, as calculated by the District's financial advisor, shall not be less than 5% of the outstanding principal amount of the 1998 Certificates.

Section 3. The District hereby consents to the assignment by the Corporation of certain of the Corporation's rights under the 2012 Installment Purchase Agreement, including the right to receive the Installment Payments thereunder, to the Purchaser and hereby approves the form of the Assignment Agreement by and between the Corporation and the Purchaser provided that the consideration paid by the Purchaser pursuant to the Assignment Agreement is in an amount sufficient to provide for the prepayment of the 1998 Certificates and the costs of issuance related to the execution and delivery of the 2012 Installment Purchase Agreement.

Section 4. The President of the Board of Directors, the Secretary of the Board of Directors, the General Manager and any other proper officer of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by this Resolution.

ADOPTED, SIGNED and APPROVED at a regular meeting of the District this 14th day of November, 2012.

President

ATTEST:

Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Robert Alvarado, Secretary of the Palmdale Water District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the members of said District duly and regularly held at the regular meeting thereof on the 14th day of November, 2012, of which meeting all of the members of said District had due notice and at which a majority thereof was present; and that at said meeting said Resolution was adopted by the following vote:

AYES: Gordon Dexter, Gloria Dizmang, Kathy Mac Laren, Robert Alvarado, Steve Cordova

NOES: None.

ABSENT: None.

I further certify that I have carefully compared the foregoing Resolution with the original minute of said meeting on file and of record in my office; that said Resolution is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Robert E. Alvarado

Secretary, Palmdale Water District

(SEAL)