RESOLUTION NO. 13-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH MUNICIPAL FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING A MASTER LEASE, AND AUTHORIZING AND APPROVING RELATED DOCUMENTS AND ACTIONS

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

WHEREAS, the District previously entered into a Master Lease with GOWEST LEASING for the acquisition of certain computer equipment (the "Equipment Lease"); and

WHEREAS, the District desires to prepay and refinance the Equipment Lease in order to realize interest savings; and

WHEREAS, the District is authorized to refund the Equipment Lease pursuant to the laws of the State of California, particularly Section 53570 et seq. and Section 53580 et seq. of the California Government Code; and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective Loan refinancing arrangement at a 3.25% interest rate for a principal amount not to exceed $750,000 over a term not to exceed 4 years;

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

SECTION 1. Loan Agreement. The President of the Board of Directors, the General Manager or a designee in writing is hereby authorized to execute a Loan Agreement (the "Loan") with the Corporation to refinance and prepay the Equipment Lease, 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 President of the Board of Directors or of such other person or persons as may have been designated by the President of the Board of Directors, 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 Loan.

SECTION 3. Other Actions. The President of the Board of Directors 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 Loan. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Loan 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 Loan 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. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 27th day of February, 2013, by the following vote:

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

NOES: None

ABSTENTIONS: None

ABSENT: None

Approved: _____
President of the Board

Attest: _____
Secretary of the Board