

RESOLUTION NO. 22-26

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 a water 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 \$2,400,000 for the acquisition of vehicles and miscellaneous equipment (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective five year installment sale financing arrangement at a 3.50% interest rate; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Board of Directors has obtained and disclosed in the information set forth in Exhibit A hereto;

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

SECTION 1. Installment Sale Agreement. The President of the Board of Directors, the District Manager or a designee in writing (each, an "Authorized Officer") is hereby authorized to enter into an Installment Sale Agreement (the "Installment Sale") 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.

SECTION 3. Authorization to Establish Property Acquisition Fund. The Board of Directors hereby authorizes and directs the President of the Board, the General Manager, or a designee in writing to make appropriate arrangements to establish a special fund into which the proceeds of the financing are deposited for the purpose of paying the costs of the Property.

SECTION 4. 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. Such actions are hereby ratified, confirmed, and approved.

SECTION 5. Qualified Tax-Exempt Obligations. The Installment Sale 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 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 6. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 10th day of October, 2022, by the following vote:

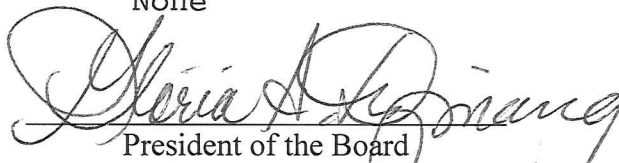
AYES: President Dizmang, Directors Dino, Wilson, Mac Laren-Gomez, Kellerman

NOES: None

ABSTENTIONS: None

ABSENT: None

Approved:


President of the Board

Attest:


Secretary of the Board

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Corporation, which have been provided to the District in good faith:

- (A) True interest cost of the Installment Sale: 3.50%
- (B) Finance charge of the Installment Sale (sum of all costs of issuance and fees/charges paid to third parties): \$7,500
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$2,392,500
- (D) Total payment amount through maturity: \$2,637,008.30