

RESOLUTION NO. 20180604-3

**A RESOLUTION OF THE DEL PASO MANOR WATER DISTRICT
AUTHORIZING THE EXECUTION AND DELIVERY BY THE
DISTRICT OF AN INSTALLMENT PURCHASE CONTRACT AND
AUTHORIZING THE EXECUTION OF OTHER NECESSARY
DOCUMENTS AND RELATED ACTIONS**

WHEREAS, the Del Paso Manor Water District (the “District”) is a special district duly organized and validly existing under the laws of the State of California; and

WHEREAS, the District is authorized to sell and purchase its property to finance and refinance public capital improvements; and

WHEREAS, the District desires to provide funds to refinance its Revenue Certificates of Participation (Phase I Improvement Project), Series 2010 (the “2010 Certificates”) executed and delivered in the aggregate principal amount of \$5,615,000 in order to finance the acquisition and construction of certain water system improvements by the District; and

WHEREAS, to provide funds necessary to refinance the 2010 Certificates, the District desires to enter into that certain Installment Purchase Contract (the “Installment Purchase Contract”) with CSDA Finance Corporation (the “Corporation”) in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

WHEREAS, the Corporation intends to assign without recourse certain of its rights under and pursuant to the Installment Purchase Contract to City National Bank (the “Bank”), pursuant to an Assignment Agreement, between the Bank and the Corporation; and

WHEREAS, there have been presented at this meeting the forms of Installment Purchase Contract and Escrow Agreement (defined below) relating to such action; and

WHEREAS, the District desires to appoint Brandis Tallman LLC, as placement agent (“Placement Agent”), and Nossaman LLP, as special counsel (“Special Counsel”), in connection with the refinancing of the 2010 Certificates; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the Board of Directors wishes to designate the Installment Purchase Contract as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

Section 1. All of the recitals herein contained are true and correct and the Board of Directors so finds.

Section 2. The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board of Directors as the President may designate, the General Manager of the District, and such other officers of the District as the General Manager of the District may designate (each an “Authorized Officer”) are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel and Special Counsel, such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not exceed July 1, 2040, the interest rate with respect to the Installment Payments does not exceed 5.15%, and the principal amount of the Installment Payments does not exceed \$4,875,000.

Section 3. The form of Escrow Agreement currently dated as of June 1, 2018 (the “Escrow Agreement”), between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent, as presented to the District at this meeting, is hereby approved. Each of the Authorized Officers or any other officers duly designated by the District are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Escrow Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Authorized Officers may require or approve, with the advice and approval of counsel to the District, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Board of Directors hereby appoints the firm of Brandis Tallman LLC, as Placement Agent and Nossaman LLP, as Special Counsel, in connection with the refinancing

of the 2010 Certificates. The Board of Directors hereby authorizes the General Manager to execute and deliver an agreement with said firms for their respective services. Payment of fees and expenses with respect to such agreements shall be contingent upon the execution of the Installment Purchase Contract.

Section 5. The Installment Purchase Contract is hereby designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. The Board of Directors hereby finds and determines that the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2018 is not expected to exceed \$10,000,000.

Section 6. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a special meeting held on June 4, 2018.

Richard Allen, Board President

ATTEST:

Debra Sedwick, Board Secretary

I, hereby certify that the foregoing Resolution No. 20180604-03 was passed and adopted at a special meeting of said Board on the 4th day of June 2018, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June 2018.

District Secretary