

AGENDA
ANNUAL BOARD OF DIRECTORS MEETING
OCWD PUBLIC FACILITIES CORPORATION
18700 Ward Street, Fountain Valley (714) 378-3200
Wednesday, January 18, 2017, 5:20 p.m., Conference Room C-2

ROLL CALL

VISITOR PARTICIPATION

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

MATTERS FOR CONSIDERATION

1. MINUTES OF PUBLIC FACILITIES CORPORATION BOARD MEETING HELD OCTOBER 21, 2015

RECOMMENDATION: Approve minutes as presented

2. ELECTION OF OFFICERS

RECOMMENDATION: Elect officers of the Public Facilities Corporation for 2017:

Denis Bilodeau	President
Philip Anthony	Vice President
Shawn Dewane	Secretary
Joel Kuperberg	General Counsel
Randy Fick	Chief Financial Officer

ADJOURNMENT

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: www.ocwd.com.

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3233, by email at jdurant@ocwd.com by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda, and can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office

MINUTES OF MEETING
BOARD OF DIRECTORS, OCWD PUBLIC FACILITIES CORPORATION
October 21, 2015, 5:15 p.m.

The OCWD Public Facilities Corporation Annual Board of Directors meeting was called to order at 5:15 p.m. on October 21, 2015 in Conference Room C-2 at the Orange County Water District.

PFC Directors/Officers

Cathy Green, President
Denis Bilodeau, Vice President
Philip L. Anthony, Secretary
Randy Fick, Chief Financial Officer
Joel Kuperberg, General Counsel

OCWD Staff

Mike Markus, General Manager
John Kennedy, Executive Manager
Judy-Rae Karlsen, Assistant District Secretary

Others present:

Robert Poor – Fieldman, Rolapp & Associates
Doug Brown – Stradling Attorneys at Law

Other Board members present

Shawn Dewane
Jan Flory

Director Anthony requested that Item No. 2 be advanced on the Agenda.

2. Election of Vice President of the Public Facilities Corporation

The Board took the following action electing a new Vice President in light of Vincent Sarmiento's departure from the Board.

MOTION NO. PFC-105
ELECTING PUBLIC FACILITIES CORPORATION OFFICERS

Upon motion by Director Anthony, seconded by Director Green and carried [3-0], Denis Bilodeau is hereby elected to the office of Vice President of the Public Facilities Corporation.

Ayes: Anthony, Bilodeau, Green

1. Minutes of Public Facilities Corporation Board Meeting

MOTION NO. PFC-106
APPROVING MINUTES OF BOARD OF DIRECTORS MEETING

Upon motion by Director Green, seconded by Director Anthony and carried [3-0], the Minutes of the OCWD Public Facilities Corporation Board of Directors meeting held January 21, 2015 are hereby approved as presented.

Ayes: Anthony, Green, Bilodeau

3. Commercial Paper Letter of Credit Substitution

District Treasurer/Chief Financial Officer Randy Fick recalled that OCWD has a Letter of Credit and Reimbursement Agreement with Bayerische Landesbank (BayernLB) to provide credit liquidity for the District's commercial paper program. He stated that BayernLB has indicated that it will not renew the agreement and instead will let it expire by its terms on November 30, 2015. Mr. Fick

further recalled that on September 16, 2015, the Board of Directors approved entering into a Letter of Credit and Reimbursement Agreement with Sumitomo Mitsui Banking Corporation for the commercial paper program for a term of three years. He reviewed the various documents that need to be approved to execute this plan, and the Board took the following action.

Upon motion by Director Anthony, seconded by Director Bilodeau, the following resolution was unanimously carried [3-0].

Ayes: Anthony, Green, Bilodeau

RESOLUTION NO. PFC 15-01-1
SECOND AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF
THE OCWD PUBLIC FACILITIES CORPORATION PROVIDING FOR THE EXECUTION
AND DELIVERY OF ORANGE COUNTY WATER DISTRICT COMMERCIAL PAPER
CERTIFICATES AND THE ENTERING INTO OF VARIOUS AGREEMENTS IN
CONNECTION THEREWITH

WHEREAS, pursuant to Section 53850 of the Government Code of the State of California, the Orange County Water District (the "District") may borrow money and incur indebtedness from time to time for any purpose for which it is authorized to expend moneys, including, but not limited to capital expenditures, investment and reinvestment and the discharge of any obligation or indebtedness of the District; and

WHEREAS, the Board of Directors of the OCWD Public Facilities Corporation (the "Corporation") previously determined in an amended and restated resolution adopted on January 24, 1995 (the "Original Resolution") to accept from the District tax and revenue anticipation notes from time-to-time to continue an existing commercial paper program; and

WHEREAS, the District has determined that in order to maintain the commercial paper program, to reduce interest costs and to provide for credit support with respect to the commercial paper program, it is advisable for the District to enter into a Letter of Credit and Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "Bank"), to provide a source of moneys to pay the principal of and interest with respect to commercial paper certificates at maturity and to make certain other changes with respect to the commercial paper program; and

WHEREAS, the Corporation has agreed to amend and restate the Original Resolution to accommodate the changes to the commercial paper program requested by the District;

NOW THEREFORE, the Board of Directors of the OCWD Public Facilities Corporation finds, determines, declares and resolves as follows:

Section 1. Recitals True and Correct. All of the recitals herein set forth are true and correct, and the Board of Directors of the OCWD Public Facilities Corporation so finds and determines.

Section 2. Definitions and Interpretation.

A. Definitions. Unless the context otherwise requires, all capitalized terms shall have the definitions set forth in the Original Resolution:

Agreement

"Agreement" means that certain Letter of Credit and Reimbursement Agreement, dated as of November 1, 2015, between the Bank and the District, as amended, supplemented, modified or restated from time to

time, providing for the issuance of a letter of credit to support the payment of the principal of and interest with respect to the Certificates, and any agreements executed by the District with the provider of an Alternate Letter of Credit in accordance with Section 9 hereof.

Alternate Letter of Credit

“Alternate Letter of Credit” means a letter of credit or other security or liquidity instrument issued in accordance with Section 9(b) hereof which shall have a term of not less than one year to support the payment of the principal of and interest with respect to the Certificates.

Approving Officer

“Approving Officer” means each of the General Manager, Assistant General Manager or Chief Financial Officer of the District.

Authorization Denominations

“Authorized Denominations” means \$100,000 and any integral multiple of \$100,000 in excess thereof.

Bank

“Bank” means initially Sumitomo Mitsui Banking Corporation, acting through its New York Branch and its successors and assignees, or any provider of an Alternate Letter of Credit.

Bank Obligations

“Bank Obligations” shall mean amounts payable to the Bank under the Agreement and the Fee Agreement.

Board

“Board” means the Board of Directors of the OCWD Public Facilities Corporation.

Bond Counsel

“Bond Counsel” means a firm of nationally-recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Business Day

“Business Day” means any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by law or executive order to close, (b) a day on which the presentation office for drawings under the Letter of Credit is authorized or required by law or executive order to close and (c) a day on which the New York Stock Exchange is closed.

Certificate

“Certificate” means any Series A Certificate and Series B Certificate executed and delivered by the Trustee pursuant to this Resolution that are authenticated and delivered by the Paying Agent under and pursuant to this Resolution.

Code

“Code” means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

Corporation

“Corporation” means the OCWD Public Facilities Corporation, a California non-profit public benefit corporation.

Dealer

“Dealer” means Citigroup Global Markets Inc., or any successor entity which is acting as a dealer in the Certificates and is appointed as such by the District.

Dealer Agreement

“Dealer Agreement” means the Restated Dealer Agreement, dated as of November 1, 2015, executed and delivered by and among the District, the Corporation and the Dealer executed and delivered pursuant to Section 10 of the Resolution, as amended, supplemented, modified or restated from time to time.

District

“District” means the Orange County Water District.

Favorable Opinion of Bond Counsel

“Favorable Opinion of Bond Counsel” means an unqualified opinion of Bond Counsel to the effect that substituting the Letter of Credit with an Alternate Letter of Credit is permitted under this Resolution, complies with this Resolution and will not impair the exclusion of interest with respect to the Tax-Exempt Certificates from gross income for purposes of Federal income taxation or the exemption of interest with respect to the Certificates from personal income taxation under the laws of the State of California (subject to the inclusion of any exceptions contained in the opinion delivered upon original delivery of the Certificates).

Fee Agreement

“Fee Agreement” means the Fee Agreement between the District and the Bank, as amended, supplemented, modified or restated from time to time in accordance with its terms.

Fitch

“Fitch” means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District and approved by the Bank (which shall not be under any liability by reason of such approval).

Independent Certified Public Accountant

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Investment Securities

“Investment Securities” shall mean securities included on Schedule 1 of the Agreement and any other investment approved by the Bank.

Issuing and Paying Agent Agreement

“Issuing and Paying Agent Agreement” means the Second Amended and Restated Issuing and Paying Agent Agreement, dated as of November 1, 2015, by and among the Corporation, the District and the Paying Agent executed and delivered pursuant to Section 16 of this Resolution, as amended, supplemented, modified or restated from time to time.

Letter of Credit

“Letter of Credit” means the irrevocable transferable direct-pay letter of credit, issued by the Bank pursuant to the Agreement, as amended, supplemented, modified or restated from time to time.

Maturity Date

“Maturity Date” means the date, not later than 270 days after the date of issuance of a Certificate, on which the principal of and interest, if any, with respect to a Certificate is due and payable and not later than the maturity date of the related Tax-Exempt TRAN or Taxable TRAN.

Maximum Rate

“Maximum Rate” means, on any day, twelve percent (12%) per annum calculated on the basis of a stated interest rate. If Certificates are sold at a discount with or without a stated interest rate, the Maximum Rate on any day, means the yield to the purchaser of an effective rate of twelve percent (12%).

Moody’s

“Moody’s” means Moody’s Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then

the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District and approved by the Bank (which shall not be under any liability by reason of such approval).

Outstanding

“Outstanding,” when used as of a particular time with reference to Certificates, means all Certificates delivered hereunder except:

- (i) Certificates cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation;
- (ii) Certificates that are paid; and
- (iii) Certificates in lieu of or in substitution for which replacement Certificates shall have been executed by the District and delivered by the Paying Agent hereunder.

Owner

“Owner” means the registered owner of a Certificate.

Paying Agent

“Paying Agent” means U.S. Bank, National Association, which has been appointed pursuant to Section 16 hereof and any successor appointed pursuant to Section 16 hereof.

Payment Funds

“Payment Funds” means the Series A Payment Fund and Series B Payment Fund.

Project Funds

“Project Funds” means the Tax-Exempt Project Fund and the Taxable Project Fund.

Series

“Series” means the Series A Certificates or the Series B Certificates.

Series A Certificates

“Series A Certificates” means the Orange County Water District Commercial Paper Certificates, Series A (Tax-Exempt) created pursuant to Section 3 hereof.

Series A Payment Fund

“Series A Payment Fund” means the fund created pursuant to Section 11(B)(3) hereof.

Series B Certificates

“Series B Certificates” means the Orange County Water District Commercial Paper Certificates, Series B (Taxable) created pursuant to Section 3 hereof.

Series B Payment Fund

“Series B Payment Fund” means the fund created pursuant to Section 11(B)(4) hereof.

Tax and Revenue Anticipation Notes

“Tax and Revenue Anticipation Notes” means the Tax-Exempt TRAN and the Taxable TRAN.

Tax Certificate

“Tax Certificate” means the Tax Certificate dated as of the date on which Series A Certificates are first executed and delivered under this Resolution, as amended, supplemented, modified or restated from time to time upon the issuance of additional Series A Certificates or otherwise.

Tax-Exempt Certificates

“Tax-Exempt Certificates” means Series A Certificates.

Tax-Exempt Project Fund

“Tax-Exempt Project Fund” means the fund of such name created pursuant to Section 11(A) hereof.

Tax-Exempt TRAN

“Tax-Exempt TRAN” means the Orange County Water District 2015-2016 Tax and Revenue Anticipation Note issued by the District in accordance with a Resolution of the District adopted by the Board of Directors of the District on July 15, 2015, and other similarly secured tax-exempt tax and revenue anticipation notes deposited in accordance with Section 11(B)(1) hereof.

Tax-Exempt TRANS Payments

“Tax-Exempt TRANS Payments” means payments of principal of and interest on the Tax Exempt TRAN paid by the District to the Corporation in accordance with the terms of the Tax Exempt TRAN.

Taxable Certificates

“Taxable Certificates” means Series B Certificates.

Taxable Project Fund

“Taxable Project Fund” means the fund of such name created pursuant to Section 11(A) hereof.

Taxable TRAN

“Taxable TRAN” means the Orange County Water District 2015-16 Taxable Tax and Revenue Anticipation Note issued by the District and secured in accordance with a Resolution of the District adopted by the Board of Directors of the District on October 21, 2015, and other similarly secured taxable tax and revenue anticipation notes deposited with the Corporation in accordance with Section 11(B)(2) hereof.

Taxable TRANS Payments

“Taxable TRANS Payments” means payments of principal of and interest on the Taxable TRAN paid by the District to the Corporation in accordance with the terms of the Taxable TRAN.

Trustee

“Trustee” means U.S. Bank, National Association, and any successor appointed pursuant to Section 11 of this Resolution.

B. Interpretation.

(i) In this Resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Resolution, refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons; and

(d) Any headings preceding the text of the several Sections of this Resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

(ii) Whenever in this Resolution the District, the Trustee or the Paying Agent is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the District, the Trustee or the Paying Agent contained in this Resolution shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the District or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Resolution.

(iii) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee or the Paying Agent, including their respective agents, the Bank and the Owners of the Certificates, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof. All the

covenants, stipulations, promises and agreements in this Resolution contained by or on behalf of the District shall be for the sole benefit of the District, the Trustee and the Paying Agent, including their respective agents, the Bank and the Owners of the Certificates.

Section 3. Authorization and Execution and Delivery of Commercial Paper Certificates. Solely for the purposes specified in this Resolution and not pursuant to any common plan of financing, the Trustee shall execute and deliver Series A Certificates and Series B Certificates from time to time in an aggregate principal sum not in excess of \$70,000,000 outstanding at any one time. Any commercial paper certificates executed and delivered hereunder shall be at the time of such execution and delivery designated by the District as either Series A Certificates or Series B Certificates. No more than \$70,000,000 of Tax-Exempt Certificates may be outstanding at any one time, no more than \$70,000,000 of Taxable Certificates may be outstanding at any one time and no more than \$70,000,000 of Certificates may be outstanding at any one time.

Each Approving Officer is hereby severally authorized to determine the aggregate principal amount of Certificates that shall be Outstanding at any one time which shall not exceed the least of (a) \$70,000,000, (b) an amount which can be drawn under the Letter of Credit to pay the principal of and interest on the Certificates and (c) an amount that does not cause the District to violate contractual obligations of the District in the Agreement. The proceeds of the Certificates shall be used by the District for any lawful purpose, subject to the terms and conditions of the Resolution.

Under no circumstances may Certificates have maturities exceeding 270 days from the date of issue or extending beyond the earliest of (a) the maturity date of the related Tax and Revenue Anticipation Note, (b) the stated expiration date of the Letter of Credit, or (c) the Business Day prior to the effective date of an Alternate Letter of Credit. The Certificates shall not have interest rates in excess of the Maximum Rate, but otherwise Certificates may have such rate or rates of interest and may be sold at such price or prices (including prices below or above the face amount thereof), and with such maturities, each as an Approving Officer shall determine at the time of issuance.

Section 4. Denominations, Medium, Method and Place of Payment and Dating of Certificates. The Certificates of a Series shall be executed and delivered in fully registered form in Authorized Denominations. The principal of and interest with respect to the Certificates of a Series shall be payable in lawful money of the United States of America, each on the Maturity Date, upon surrender of such Certificates at the office of the Paying Agent.

The Paying Agent, the Trustee and the District may treat the Owner of a Certificate as the absolute owner thereof for all purposes, whether or not such Certificate shall be overdue, and the Paying Agent, the Trustee, the Corporation and the District shall not be affected by any knowledge or notice to the contrary; and payment of the principal of and interest with respect to such Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability of such Certificate to the extent of the sum or sums so paid. All Certificates paid pursuant to the provisions of this Section 4 shall be cancelled by the Paying Agent.

The Certificates shall be dated the date of authentication thereof. Interest with respect to Certificates, if any, will be in the amount of interest accrued from and including the date of authentication to but excluding the Maturity Date.

Section 5. Payment of Principal and Interest With Respect to Certificates. The interest with respect to each Certificate shall become due and payable on its respective Maturity Date. The principal of each Certificate shall become due and payable on its respective Maturity Date. The principal of the Certificates and interest with respect thereto shall be payable solely and inclusively from the proceeds of drawings under the Letter of Credit; provided however that under the terms and conditions set forth in Section 6 of the Issuing and Paying Agent Agreement and Section 11 hereof, principal of and interest with respect to a Series of Certificates may be paid from the proceeds of the sale of Certificates of such Series executed and delivered for that purpose, proceeds of the respective

Tax and Revenue Anticipation Note and amounts on deposit in the Series A Payment Fund or Series B Payment Fund, as applicable, all in accordance with Section 11(B) hereof.

Section 6. Calculation and Payment of Interest. Interest payable with respect to the Tax-Exempt Certificates shall be calculated on the basis of a 365/366-day year and actual days elapsed. Interest payable with respect to the Taxable Certificates, if any, shall be calculated on the basis of a 360 day year and actual days elapsed. Interest with respect to Certificates shall not accrue at an interest rate or cost higher than the Maximum Rate.

Section 7. Form of Certificates. The Tax-Exempt Certificates and the Taxable Certificates and the assignment to appear thereon shall each be in substantially the form respectively set forth in Exhibit A and Exhibit B, respectively, attached hereto and incorporated herein, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 8. The Depository Trust Company and Transfer and Exchange Procedures.

A. The Certificates of each Series shall be initially executed and delivered and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York (hereinafter, Cede & Co, and The Depository Trust Company are referred to collectively as "The Depository Trust Company"). Each Approving Officer is hereby authorized and directed to negotiate with The Depository Trust Company a Letter of Representation (the "Letter of Representation") and is authorized to execute and deliver such Letter of Representation in a form acceptable to an Approving Officer and the Paying Agent. Registered ownership of the Certificates of each Series, or any portion thereof, may not thereafter be transferred except as set forth in Section 8B hereof.

B. The Certificates of a Series shall be initially executed and delivered and registered as provided in Section 8A hereof. Registered ownership of such Series of Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (B) ("Substitute Depository"); provided that any successor of The Depository Trust Company or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by an Approving Officer, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by an Approving Officer to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository so selected shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by an Approving Officer to discontinue using a depository.

C. In the case of any transfer pursuant to clause (i) or clause (ii) of Section 8B hereof, upon receipt of all Outstanding Certificates of a Series by the Paying Agent, together with a written request of an Approving Officer to the Paying Agent designating the Substitute Depository, a single new Certificate of such Series for each maturity of Certificates of such Series then Outstanding, which the District shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of such successor or such Substitute Depository, or its nominee, as the case may be, all as specified in such written request of an Approving Officer. In the case of any transfer pursuant to clause (iii) of Section 8B hereof, upon receipt of all outstanding Certificates of a Series by the Paying Agent, together with a written request of an Approving Officer to the Paying Agent, new Certificates, which the Corporation shall prepare or cause the District to prepare, shall be executed and delivered in such

denominations and registered in the names of such persons as are requested in such written request of an Approving Officer, subject to the limitations of Section 8F, provided that the Paying Agent shall deliver such new Certificates of a Series as soon as practicable after the date of receipt of such written request from an Approving Officer.

D. The Corporation, the District, the Trustee and the Paying Agent shall be entitled to treat the person in whose name any Certificate is registered as the Owner thereof for all purposes of this Resolution and for purposes of payment of principal and interest with respect to such Certificate, notwithstanding any notice to the contrary received by the Corporation, the Trustee, the Paying Agent or the District; and the Corporation, the Trustee, the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Certificates. Neither the Corporation, the District, the Trustee nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or any Substitute Depository or its successor except in its capacity as Owner), except to the Owner of any Certificates, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Certificates.

E. Notwithstanding any other provision of this Resolution and so long as all outstanding Certificates are registered in the name of Cede & Co. as nominee of The Depository Trust Company or its registered assigns, the Corporation, the District, the Trustee and the Paying Agent shall cooperate with The Depository Trust Company, as sole registered Owner, and its registered assigns in effecting payment of the principal of and interest with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representation, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

F. In the case of any transfer pursuant to clause (iii) of Section 8B hereof, any Certificate may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in Authorized Denominations of the same Series, upon the books required to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Paying Agent.

Whenever any Certificate shall be surrendered for transfer or exchange, the District shall execute and the Paying Agent shall authenticate, if required, and deliver a new Certificate or Certificates of Authorized Denominations of the same Series for a like aggregate principal amount. The Paying Agent shall require the registered Owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

G. The Paying Agent will keep or cause to be kept, at its principal office in New York, New York, sufficient books for the registration and transfer of the Certificates, which shall at all times be open to inspection by the Corporation and the District. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Certificates as hereinbefore provided.

H. If any Certificate shall become mutilated, the Corporation, at the expense of the Owner of such Certificate, shall execute or cause to be executed, and the Paying Agent shall thereupon authenticate and deliver a new Certificate of like tenor of the same Series bearing a different number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Paying Agent of the Certificate so mutilated. If any Certificate shall be lost, destroyed or stolen, evidence of the ownership thereof, and of such loss, destruction or theft may be submitted to the District and the Paying

Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Corporation, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver a new Certificate of like tenor of the same Series and bearing a different number in lieu of and in substitution for the Certificate so lost, destroyed or stolen (or if any such Certificate shall have matured or shall be about to mature, instead of issuing a substitute Certificate, the District may direct the Paying Agent to pay the same without surrender thereof). The District and Paying Agent may require payment by the registered Owner of a Certificate of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered pursuant to this paragraph and of the expenses which may be incurred by the Corporation, the District, the Trustee and the Paying Agent. Any Certificate executed and delivered under these provisions in lieu of any Certificate alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Corporation or the District whether or not the Certificate so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Certificates secured by this Resolution.

I. All Certificates surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled by it. The District may at any time deliver to the Paying Agent for cancellation any Certificates previously authenticated and delivered hereunder which the District may have acquired in any manner whatsoever, and all Certificates so delivered shall promptly be cancelled by the Paying Agent. No Certificate shall be authenticated in lieu of or in exchange for any Certificates cancelled as provided herein, except as expressly permitted hereunder. All cancelled Certificates held by the Paying Agent shall be disposed of as directed by the District.

Section 9. Letter of Credit; Alternate Letter of Credit.

(a) Letter of Credit. The Corporation acknowledges that the District has authorized the execution and delivery of the Agreement and the Fee Agreement with the Bank for and in the name of and on behalf of the District. Pursuant to the Agreement, the Bank shall issue the Letter of Credit which may be drawn upon to pay principal and interest with respect to the Certificates on their respective maturity dates in accordance with Section 11F hereof.

(b) Alternate Letter of Credit. If at any time there shall have been delivered to the Paying Agent (i) an Alternate Letter of Credit in substitution for the Letter of Credit then in effect, (ii) a Favorable Opinion of Bond Counsel, (iii) written evidence from Moody's if the Certificates are rated by Moody's, and Fitch, if the Certificates are rated by Fitch, in each case to the effect that such rating agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit then in effect will not, by itself, result in a reduction, suspension or withdrawal of the rating(s) of the Certificates from those which then prevail, and (iv) written evidence satisfactory to the Bank of the provision for payment of all amounts due it under the Agreement and the Fee Agreement on or before the effective date of such Alternate Letter of Credit, then the Paying Agent shall accept such Alternate Letter of Credit and shall surrender the Letter of Credit then in effect to the Bank. The District shall give the Dealer, the Paying Agent and the Bank written notice of the proposed substitution of an Alternate Letter of Credit for the Letter of Credit then in effect no less than 15 days prior to the date of such substitution.

Section 10. Dealer. The President of the Corporation is hereby authorized and directed to execute and deliver the Dealer Agreement with the Dealer and the District for and in the name of the Corporation. The Dealer Agreement shall be substantially in the form of the Dealer Agreement presented to the Board of the Corporation. Each Approving Officer is hereby severally authorized to negotiate with the Dealer, the interest rate or rates with respect to, or interest costs of, the Certificates (not to exceed the Maximum Rate) and the President or Vice President and Secretary of the Corporation are hereby authorized and directed to execute and deliver the Dealer Agreement to the Dealer, substantially in the form presented at the meeting, and such other documents required to be executed and delivered thereunder, for and in the name and on behalf of the Corporation.

Section 11. Disposition of Proceeds of the Certificates; Disposition of Tax-Exempt TRANS Payments and Taxable TRANS Payments; Trustee. The Corporation has previously agreed to employ the Trustee (the “Trustee”) to perform the functions of the Trustee under this Resolution, all as herein provided and subject to the terms and conditions of this Resolution. In consideration of the compensation herein provided for, the Trustee shall continue the employment above referred to subject to the terms and conditions of this Resolution. The services to be provided by the Trustee shall be those specified in this Section 11. This appointment shall not preclude the Corporation from removing the Trustee and appointing one or more successors thereto, or appointing additional financial institutions to act as Trustee, all without notice to or consent of the Owners of Certificates in accordance with this Section 11. Any such successor Trustee shall be a bank or trust company with offices or banking relationship with other banks in California or New York acceptable to the District and the Bank.

A. Receipt and Disbursement of Funds.

(1) Receipt of Funds. The Corporation shall deposit with the District, and the District shall receive, all funds payable to the Corporation upon the initial execution and delivery of Certificates. The District shall deposit all funds derived from the execution and delivery of Tax-Exempt Certificates in a special fund entitled “Tax-Exempt Project Fund” to be held by the District which fund is hereby pledged to secure the Owners of the Tax-Exempt Certificates and the Bank. The District shall deposit all funds derived from the execution and delivery of Taxable Certificates in a special fund entitled “Taxable Project Fund” to be held by the District which fund is hereby pledged to secure the Owners of the Taxable Certificates and the Bank.

(2) Disbursement of Funds. Before any payment from the Tax-Exempt Project Fund shall be made, the General Manager or Assistant General Manager of the District shall file or cause to be filed with the Chief Financial Officer of the District a requisition in the form of Exhibit C attached hereto and incorporated herein. Upon receipt of a requisition, the Chief Financial Officer of the District shall pay such requisition in accordance with this Section 11.

Before any payment from the Taxable Project Fund shall be made, the General Manager or Assistant General Manager of the District shall file or cause to be filed with the Chief Financial Officer of the District a requisition in the form of Exhibit D attached hereto and incorporated herein. Upon receipt of a requisition, the Chief Financial Officer of the District shall pay such requisition in accordance with this Section 11.

(3) Rebate Fund. The Trustee shall establish a Rebate Fund which shall be established and maintained separately from all other funds and accounts created hereunder. The Trustee shall also otherwise comply with the provisions of Section 17 hereof and shall comply with instructions from an Approving Officer intended to assure compliance with each Tax Certificate.

B. Receipt and Disbursement of Tax-Exempt TRANS Payments and Taxable TRANS Payments.

(1) Tax-Exempt TRAN. The Corporation hereby assigns and transfers to the Trustee without recourse, for the benefit of the owners of the Series A Certificates and the Bank, all of its rights, title, and interest in the Tax-Exempt TRAN including the right to receive Tax-Exempt TRANS Payments from the District, together with any and all of the other rights of the Corporation with respect to the Tax-Exempt TRAN as may be necessary to enforce payment of such Tax-Exempt TRANS Payments when due or otherwise to protect the interests of the Owners of the Series A Certificates and the Bank. Tax-Exempt TRANS Payments are hereby irrevocably pledged and shall be used, upon receipt by the Trustee of instructions from the Issuing and Paying Agent, to reimburse the Bank for drawings on the Letter of Credit or, upon receipt by the Trustee from the Issuing and Paying Agent of notice that the Bank has failed to honor all or

a

portion of a drawing on the Letter of Credit and that Series A Certificate proceeds received by the Issuing and Paying Agent from the Dealer are insufficient to make up the resulting deficiency, for the punctual payment of the Series A Certificates, and the Tax-Exempt TRANS Payments shall not be used for any other purpose while any of the Series A Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Tax-Exempt TRANS Payments in accordance with the terms hereof. All Tax-Exempt TRANS Payments to which the Corporation may at any time be entitled (including income or profit from investments pursuant to Section 11(C)(3)) shall be paid directly to the Trustee pursuant to the terms of the Tax-Exempt TRAN and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof, and the Trustee shall deposit all Tax-Exempt TRANS Payments as and when received in the Series A Payment Fund. All moneys at any time deposited in the Series A Payment Fund shall be held by the Trustee in trust for the benefit of the Owners from time to time of the Tax-Exempt Certificates and the Bank, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes herein set forth.

(2) Taxable TRAN. The Corporation hereby assigns and transfers to the Trustee without recourse, for the benefit of the owners of the Series B Certificates and the Bank, all of its rights, title, and interest in the Taxable TRAN including the right to receive Taxable TRANS Payments from the District, together with any and all of the other rights of the Corporation with respect to the Taxable TRAN as may be necessary to enforce payment of such Taxable TRANS Payments when due or otherwise to protect the interests of the Owners of the Series B Certificates and the Bank. Taxable TRANS Payments are hereby irrevocably pledged and shall be used, upon receipt by the Trustee of instructions from the Issuing and Paying Agent, to reimburse the Bank for drawings under the Letter of Credit or, upon receipt by the Trustee from the Issuing and Paying Agent of notice that the Bank has failed to honor all or a portion of a drawing on the Letter of Credit and that Series B Certificate proceeds received by the Issuing and Paying Agent from the Dealer are insufficient to make up the resulting deficiency, for the punctual payment of the Series B Certificates, and the Taxable TRANS Payments shall not be used for any other purpose while any of the Series B Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Taxable TRANS Payments in accordance with the terms hereof.

All Taxable TRANS Payments to which the Corporation may at any time be entitled (including income or profit from investments pursuant to Section 11(C)(3)) shall be paid directly to the Trustee pursuant to the terms of the Taxable TRAN and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof, and the Trustee shall deposit all Taxable TRANS Payments as and when received in the Series B Payment Fund. All moneys at any time deposited in the Series B Payment Fund shall be held by the Trustee in trust for the benefit of the Owners from time to time of the Taxable Certificates and the Bank, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes herein set forth.

(3) Series A Payment Fund. There is hereby established with the Trustee the Series A Payment Fund which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Series A Certificates remain unpaid or any amounts remain owing to the Bank under the Agreement or the Fee Agreement.

The Trustee shall deposit in the Series A Payment Fund the proceeds of the sale of Series A Certificates executed and delivered to repay maturing Series A Certificates and unreimbursed drawings due and owing the Bank under the Agreement received from the Paying Agent in accordance with Section 5 of the Issuing and Paying Agent Agreement and all Tax-Exempt TRANS Payments received from the District in accordance with the District Resolution immediately upon receipt thereof. Promptly upon receipt by the Trustee of notice from the Issuing and Paying Agent that a drawing on the Letter of Credit has been honored by the Bank, the Trustee shall transfer to the Bank from amounts on deposit in the Series A Payment Fund to reimburse the Bank for drawings on the Letter of Credit an amount equal to the lesser of

the amount of such drawing honored by the Bank and the amount on deposit in the Series A Payment Fund. Promptly upon receipt by the Trustee of notice from the Paying Agent that the Bank dishonored all or a portion of a drawing on the Letter of Credit and that Series A Certificate proceeds received by the Issuing and Paying Agent from the Dealer are insufficient to make up the resulting deficiency, the Trustee shall transfer to the Paying Agent from amounts on deposit in the Series A Payment Fund an amount equal to the amount requested by the Paying Agent in accordance with Section 6 of the Issuing and Paying Agent Agreement to make up such deficiency to the extent available in the Series A Payment Fund.

(4) Series B Payment Fund. There is hereby established with the Trustee the Series B Payment Fund which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Series B remain unpaid or any amounts remain owing to the Bank.

The Trustee shall deposit in the Series B Payment Fund the proceeds of the sale of Series B Certificates executed and delivered to repay maturing Series B Certificates and unreimbursed drawings owed to the Bank under the Agreement received from the Paying Agent in accordance with Section 5 of the Issuing and Paying Agent Agreement and all Taxable TRANS Payments received from the District in accordance with the District Resolution immediately upon receipt thereof. Promptly upon receipt by the Trustee of notice from the Issuing and Paying Agent that a drawing on the Letter of Credit has been honored by the Bank, the Trustee shall transfer to the Bank from amounts on deposit in the Series B Payment Fund to reimburse the Bank for drawings on the Letter of Credit an amount equal to the lesser of the amount of such drawing honored by the Bank and the amount on deposit in the Series B Payment Fund. Promptly upon receipt by the Trustee of notice from the Paying Agent that the Bank dishonored all or a portion of a drawing on the Letter of Credit and that Series B Certificate proceeds received by the Issuing and Paying Agent from the Dealer are insufficient to make up the resulting deficiency, the Trustee shall transfer to the Paying Agent from amounts on deposit in the Series B Payment Fund an amount equal to the amount requested by the Paying Agent in accordance with Section 6 of the Issuing and Paying Agent Agreement to make up such deficiency to the extent available in the Series B Payment Fund.

C. Terms and Conditions of Duties.

(1) Access to Records. Subject to reasonable security and notice requirements of the Trustee, the Trustee shall permit the Corporation or the District, or the duly authorized representatives, attorneys or auditors thereof, to inspect the books and records maintained by the Trustee pursuant hereto at such reasonable times as the Corporation or the District may reasonably request.

(2) Performance of Duties Generally. At all times, whether or not a default by the District or the Corporation shall have occurred and be continuing, the Trustee shall perform only such actions as are expressly set forth herein, and no implied duties or responsibilities shall be imposed upon the Trustee. Without limiting the foregoing, the Trustee shall have no right or power to exercise any remedies on behalf of the Corporation, the holders of the Certificates or any other party arising from any default by the District or the Corporation. No provision hereof shall be construed to relieve the Trustee from liability to the Corporation or the District for the Trustee's own negligent action, negligent failure to act or its own willful misconduct, subject to the following:

(i) The Trustee may consult with counsel and the reasonable advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith reliance upon and in accordance with such advice or opinion of counsel.

(ii) The Trustee shall not be liable with respect to any action taken, suffered or omitted by it in good faith (a) reasonably believed by it to be authorized or within the discretion or rights or powers conferred on it by this Resolution or (b) in accordance with any written direction or request of the Corporation or the District.

(iii) In the absence of willful misconduct or negligence on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein,

upon any requisition, note, notice, resolution, consent, facsimile, certificate, affidavit, letter, telegram, teletype message, statement, order or other document which appears on its fact to be genuine and correct and to have been signed or sent by the proper person or persons.

(iv) The Trustee shall not be liable or responsible for forgeries, fraud, impersonations, or determining the scope of authority of any Approving Officer.

(v) No provisions of this Section 11 shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its authority, unless the Trustee believes that repayment or adequate indemnity against prior risk or liability is assured.

(vi) In no event shall the Trustee be personally liable for any taxes or other governmental charges imposed upon or in respect of any funds held therein or upon the income or other distributions thereon. The Trustee shall be reimbursed and indemnified by the District for all such taxes and charges, for any tax or charge against the Trustee and for any expenses, including counsel fees and expenses (including, without limitation, reasonable, allocated costs of in-house counsel and disbursements), which the Trustee may sustain or incur with respect to such taxes or charges.

(vii) The Trustee shall not be liable for losses on investments made at the direction of the District or otherwise made in accordance with this Resolution.

(viii) Before taking any action hereunder, the Trustee shall have the right, but not the obligation, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required as a condition to such action, deemed desirable by the Trustee in establishing the necessity or appropriateness of such action.

(ix) The Trustee may rely and be protected in relying on any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party, and shall not be required to make any investigation into the facts or matters contained therein. If it chooses to make such inquiry, the Trustee shall have access to the books, records or premises of the District and the Corporation, personally or through agents of the Trustee or attorneys, at any reasonable time upon reasonable notice.

(x) The Trustee shall bear no responsibility for the recitals contained herein and in the Certificates, which recitals are made only by the District and the Corporation, except those recitals expressly attributed to the Trustee. The Trustee makes no representation regarding the validity or sufficiency of this Resolution, the Certificates, the security for the Certificates or the tax status of interest with respect thereto.

(xi) The Trustee and its officers and employees may acquire and hold Certificates with the same effect as if U.S. Bank, National Association were not Trustee.

(xii) The Trustee may execute any of its trusts or powers or perform its duties through attorneys, agents or receivers.

(xiii) The Trustee shall be under no obligation to exercise any of the rights or powers vested in the Trustee by this Resolution unless the District shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by the Trustee in compliance with such request or direction.

(3) Investments. Moneys in the Series A Payment Fund, the Series B Payment Fund, the Tax-Exempt Project Fund and the Taxable Project Fund shall be invested by the Trustee in accordance with Section 18 hereof.

(4) Instructions. The Trustee shall be entitled to conclusively rely and act upon and in compliance with the written instructions of the District.

D. Successor Trustee.

- (1) Merger. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets or any part thereof, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become a successor Trustee hereunder and vested with all of the trusts, powers, discretions, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.
- (2) Resignation. The Trustee and any successor Trustee may at any time resign by giving 90 days' written notice by registered or certified mail to the Corporation, the District and the Bank. The Corporation shall exercise its best efforts to appoint a successor Trustee. Such resignation shall take effect only upon the effective date of the appointment of a successor Trustee by the Corporation and the acceptance by such successor Trustee of its duties hereunder, and the acceptance and acknowledgment thereof by the District and the Bank in writing, and the transfer of any funds held in the Project Fund or otherwise in connection with this Section 11 to such successor. If no successor has been appointed within 90 days following removal or resignation of the Trustee, the Trustee shall be entitled to petition a court of competent jurisdiction for the appointment of a successor.
- (3) Removal. The Trustee may be removed at any time upon thirty (30) days' written notice by an instrument or concurrent instruments in writing delivered to the Trustee signed by the Corporation and approved in writing by the District. Such removal shall take effect only upon the effective date of the later of thirty (30) days or the appointment of a successor Trustee by the Corporation, and the acceptance by such successor Trustee of its duties hereunder and the acceptance and acknowledgment thereof by the District and consent thereto by the Bank in writing and the delivery of any funds held in the Project Fund or otherwise in connection with this Resolution to such successor.
- (4) Acceptance by Successor. Every temporary or permanent successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor an instrument in writing accepting such appointment hereunder, whereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, duties and obligations of its predecessors. Such predecessor shall, nevertheless, on the written request of the Corporation or the District, execute and deliver an instrument transferring to such successor all the estates, properties, rights and powers of such predecessor hereunder. Upon payment of any compensation or other amounts due or to become due hereunder to it, every predecessor Trustee shall deliver any funds held in the Series A Payment Fund, the Series B Payment Fund, the Tax-Exempt Project Fund and the Taxable Project Fund or otherwise in connection with its undertakings hereunder as the Trustee to its successor. Should any instrument in writing from the Corporation or the District be reasonably required by a successor Trustee for more fully and certainly vesting in such successor the estates, properties, rights, powers, duties and obligations hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, at the request of the temporary or permanent successor Trustee, be forthwith executed and acknowledged by the Corporation or the District, as the case may be, and delivered to such temporary or permanent Trustee.

E. Fees and Expenses; Indemnification. The Trustee shall receive fees, payable by the District for acting as Trustee hereunder in accordance with the Fee Schedule approved by the Resolution. Such fees shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust.

To the extent permitted by law, the District hereby agrees to indemnify the Paying Agent and its officers, employees and agents against any loss, liability, action, suit, judgment, demand or cost (each a "Liability") and to pay or reimburse the Paying Agent for any reasonable expense (including counsel fees and

disbursements and reasonable, allocated costs of in-house counsel) which may be incurred by the Paying Agent or any officer, employee or agent thereof by reason of, or in connection with, the sale of the Certificates or the Paying Agent's appointment and its duties as Paying Agent, except such Liability as shall result from Paying Agent's negligence or willful misconduct in the performance of its other obligations and duties hereunder. The obligation of the District under this paragraph 11E shall survive payment of the Certificates or the resignation or removal of the Paying Agent.

Section 12. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of the interest or principal with respect to any Certificates which remains unclaimed for two (2) years after the date when the payments on such Certificates have become payable, if such money was held by the Paying Agent on such date, or for two (2) years after the date of deposit of such money if deposited with the Paying Agent after the date when the interest and principal with respect to such Certificates have become payable, shall upon written notice from the District be repaid by the Paying Agent to the District as its absolute property free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the interest or principal with respect to such Certificates; provided that before being required to make any such payment to the District, the Paying Agent shall, at the expense of the District, publish once in The Wall Street Journal that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of the earliest publication of such notice, the Paying Agent shall promptly pay to the Bank so much of such money as the Bank certifies to the Paying Agent that the District owes to the Bank with respect to any Certificate or under this Resolution, and the balance of such money then unclaimed will be returned to the District.

Section 13. Execution and Authentication of Certificates. The Certificates shall be executed by and in the name of the Trustee, as trustee under this Resolution, by the manual signature of an authorized officer or signatory of the Trustee and shall be delivered to the Paying Agent. The Paying Agent is hereby authorized to cause the blank spaces in Exhibit A hereto to be filled in as may be appropriate and to deliver the Certificates to the Dealer in accordance with the terms and provisions of the Dealer Agreement.

Section 14. Covenant of Further Assurances. It is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution are true and correct and that the Board and that the Corporation, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for collection of TRANS Payments in accordance with law and for carrying out the provisions of this Resolution.

Section 15. District as Agent for the Corporation. The Corporation hereby appoints the District as its agent for the responsibilities given the District under this Resolution.

Section 16. Paying Agent. The Corporation hereby agrees to employ the Paying Agent to perform the functions of the Paying Agent under this Resolution, all as herein provided and subject to the terms and conditions of this Resolution. In consideration of the compensation herein provided for, the Paying Agent accepts the employment above referred to subject to the terms and conditions of this Resolution, The President of the Corporation is hereby authorized and directed to execute and deliver an issuing and paying agent agreement with the District and the Paying Agent for and in the name of and on behalf of the Corporation. This Issuing and Paying Agent Agreement shall be substantially in the form of the Issuing and Paying Agent Agreement presented to the Board of the Corporation. The Corporation hereby directs and authorizes the payment by the Paying Agent of the interest and principal with respect to the Certificates when such become due and payable, from the funds held by the Paying Agent. This appointment shall not preclude the Corporation with the written consent of the District from removing the Paying Agent and appointing one or more successors thereto, or appointing additional financial institutions to act as Paying Agent, all without notice to or the consent of the

Owners of the Certificates but with written notice to and consent of the Bank; provided however, that the resignation or removal of the Paying Agent shall not be effective until the conditions set forth in Section 14 of the Issuing and Paying Agent Agreement have been satisfied. Any such successor paying agent shall be a commercial bank with trust powers or a trust company in either case with offices or banking relationships with other banks in New York, New York acceptable to the District and the Bank. The Paying Agent is also appointed as registrar and hereby is directed to authenticate Certificates upon the direction of an Approving Officer or upon the request of any Owner for the transfer or exchange of Certificates in accordance with the provisions hereof.

Section 17. Rebate Fund.

A. Establishment. The District shall establish a separate account for the Series A Certificates designated the “Rebate Fund.” Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Series A Certificates will not be adversely affected, the District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Series A Certificates shall be governed by this Section and the Tax Certificate for the Series A Certificates, unless and to the extent that the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Series A Certificates will not be adversely affected if such requirements are not satisfied.

(i) Annual Computation. Within 55 days of the end of each Bond Year (as such term is defined in the Tax Certificate), the District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, an amount shall be deposited to the Rebate Fund from funds legally available for such purpose, if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with (i) of this Subsection A. In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, the District shall withdraw the excess from the Rebate Fund and then credit the excess to the Series A Payment Fund.

(iii) Payment to the Treasury. The District shall pay, to the United States Treasury, out of amounts in the Rebate Fund,

(A) Not later than 60 days after the end of (X) the fifth Bond Year, and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all the Series A Certificates, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such

payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this Subsection A shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after prepayment and payment of the Series A Certificates and the payments described in Subsection A above being made may be withdrawn by the District and utilized in any manner by the District.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Series A Certificates.

Section 18. Investment of Moneys in Funds. The Trustee shall, upon the direction of the District, invest in Investment Securities as instructed in writing by an Approving Officer. If the Trustee receives no such direction, or is unable to invest such proceeds in Investment Securities, the Trustee will invest such proceeds in a money market or sweep account approved in writing by an Approving Officer and the Bank. All Investment Securities in which proceeds of the Certificates are invested shall be acquired subject to the limitations set forth in Section 19 hereof.

All interest, profits and other income received from the investment of moneys in the Rebate Fund shall be deposited when received in such fund. All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to this Resolution shall be retained in such fund or account and after any fund or account is closed, any moneys in such fund or account, including investment earnings which would be allocated thereto shall be transferred when received to the District or as otherwise specified by the District pursuant to the Tax Certificate. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Investment Securities acquired as an investment of moneys in any fund or account established under this Resolution shall be credited to such fund or account, and shall be valued by the Trustee (but only in respect to funds and accounts which it maintains) at amortized cost. For the purpose of determining the amount in any such fund or account, all Investment Securities credited to such fund or account shall be valued on the last day of February of each year at market.

In the absence of any contrary instruction pursuant to Section 19 hereof, the Trustee and the District, as the case may be, may commingle any of the funds or accounts established pursuant to this Resolution in a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee and the District hereunder shall be accounted for separately as required by this Resolution. Notwithstanding the foregoing, the Trustee and the District shall not commingle any funds or accounts created with respect to the Taxable Certificates with any funds or accounts created with respect to the Tax-Exempt Certificates. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee shall sell at the best price reasonably obtainable by it, or present for prepayment, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. The Trustee shall not be responsible for any tax, fee or other charge in connection with any investment, reinvestment or the liquidation thereof.

Section 19. Tax Covenants. Notwithstanding any other provision of this Resolution, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the

Series A Certificates will not be adversely affected for federal income tax purposes, the District and the Corporation covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenant, without limiting the generality of the foregoing, as follows:

A. Private Activity. The District and the Corporation will not take or omit to take any action or make any use of the proceeds of the Series A Certificates or of any other moneys or property which would cause the Series A Certificates to be “private activity bonds” within the meaning of Section 141 of the Code.

B. Arbitrage. The District and the Corporation will make no use of the proceeds of the Series A Certificates or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Series A Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Code.

C. Federal Guarantee. The District and the Corporation will make no use of the proceeds of the Series A Certificates or take or omit to take any action that would cause the Series A Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

D. Information Reporting. The District or the Corporation will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

E. Hedge Bonds. The District and the Corporation will make no use of the proceeds of the Series A Certificates or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Series A Certificates to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District or the Corporation takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest with respect to the Series A Certificates for federal income tax purposes.

F. Miscellaneous. The District and the Corporation will take no action, or omit to take any action, inconsistent with its expectations stated in any Tax Certificate executed with respect to the Series A Certificates and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District and the Corporation from executing and delivering, Series A Certificates the interest with respect to which has been determined by Special Counsel to be subject to federal income taxation.

Section 20. Benefits of This Resolution Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Bank, the Corporation, the District, the Paying Agent, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of the Corporation or the District shall be for the sole and exclusive benefit of the Bank, the Trustee, the Paying Agent and the Owners.

Section 21. Successor Deemed Included in All References to Predecessor. Whenever the Bank, the Corporation, the District, the Trustee, the Paying Agent or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Bank, the Corporation, the Trustee, the District, the Paying Agent or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Bank, the Corporation, the District, the Trustee, the Paying Agent or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 22. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more

instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Paying Agent may accept which it may deem sufficient.

Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Corporation, the Trustee, the District or Paying Agent in good faith and in accordance therewith.

Section 23. Waiver of Personal Liability. No member of the Board of Directors of the District or the Corporation or officer or employee of the Corporation or the District shall be individually or personally liable for the payment of the interest or principal with respect to the Certificates, but nothing contained herein shall relieve any member of the Board of Directors of the District or the Corporation or, officer or employee of the Corporation or the District from the performance of any official duty provided by any applicable provision of law or hereby.

Section 24. Acquisition of the Certificates by the Corporation or the District. All Certificates acquired by the Corporation or the District, whether by purchase or gift or otherwise, shall be surrendered to the Paying Agent for cancellation.

Section 25. Notice by Mail. Any notice required to be given hereunder by mail to the Owners shall be given by mailing a copy of such notice, first class postage prepaid, to the Owners of all the Certificates at their addresses appearing in the books required to be kept by the Paying Agent pursuant to the provisions of this Resolution.

Section 26. Funds. Any fund required to be established and maintained herein by the Trustee or the Paying Agent may be established and maintained in the account records of the Paying Agent either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Certificates.

Section 27. Partial Invalidity. If any one or more of the conditions, covenants or terms contained herein or required herein to be observed or performed by or on the part of the Corporation, the District, the Paying Agent, the Trustee or the Bank shall be contrary to law, then such condition or conditions, such covenant or covenants, or such term or terms shall be null and void and shall be deemed separable from the remaining conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Corporation and the District declare that they would have executed and delivered this Resolution and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 28. Reference to Bank. Notwithstanding any provisions contained herein to the contrary, after the expiration or termination of the Letter of Credit under the Agreement and after all obligations owed to the Bank pursuant to the Agreement (other than the right to indemnification and other rights which purport to survive satisfaction of present payment obligations) and the Fee

Agreement have been paid in full or discharged, all references to the Bank contained herein shall be null and void and of no further force and effect.

Section 29. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 30. Notices. All written notices to be given hereunder shall be given by first-class mail, postage prepaid to the party or parties entitled thereto at the address set forth below, or at such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the Corporation:

OCWD Public Facilities Corporation
18700 Ward Street
Fountain Valley, CA 92708
Attn: Chief Financial Officer
Telephone No: (714) 378-3271
Telecopy No.: (714) 378-3372

If to the District:

Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708
Attn: Chief Financial Officer
Telephone No: (714) 378-3271
Telecopy No.: (714) 378-3372

If to the Paying Agent:

U.S. Bank, National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Corporate Trust
Telecopy No. (212) 361-6153
Telephone No. (212) 951-8512

If to the Trustee:

U.S. Bank, National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Corporate Trust
Telecopy No. (212) 361-6153
Telephone No. (212) 951-8512

If to Moody's:

Moody's Investors Service
99 Church Street
New York, NY 10007
Attention: Public Finance Department/Rating Desk/C.P.

If to Fitch:

Fitch Ratings, Inc.
33 Whitehall Street
New York, NY 10004
Attention: Public Finance Department/Commercial Paper

If to the Bank:

Sumitomo Mitsui Banking Corporation
 New York Branch
 277 Park Avenue
 New York, NY 10172
 Attention: Public and Infrastructure Finance
 Telephone: (212) 224-4000
 Telecopy: (212) 224-5227

Section 31. Notices to Rating Agencies. The Trustee shall give immediate notice to Moody's and Fitch in the event:

- (a) The Paying Agent or Trustee resigns or is replaced,
- (b) This Resolution is amended or supplemented provided the Trustee shall have received written notice thereof.
- (c) The Agreement expires or is terminated, substituted or extended.
- (d) The Agreement or the Issuing and Paying Agent Agreement terminates or is amended or supplemented.
- (e) Appointment of a Dealer other than the initial Dealer.
- (f) Defeasance of all or any portion of the Certificates.

Section 32. Next Succeeding Business Day. Unless otherwise noted in this Resolution, in the event that the day on which any act or function is to be performed or done is not a Business Day, such act or function will be performed or done on the next succeeding Business Day (and if such function is the making of a payment then no interest shall accrue for the intervening period).

Section 33. General Authorization. All actions heretofore taken by the officers and agents of the Corporation or the Board and Approving Officers with respect to the sale and issuance of the Certificates are hereby approved, confirmed and ratified, and the officers and agents of the Corporation and the Board and Approving Officers are hereby authorized and directed, for and in the name and on behalf thereof, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Certificates in accordance with this Resolution.

Section 34. Modification or Amendment of this Resolution.

A. Amendments Permitted.

(i) This Resolution and the rights and obligations of the Corporation, the District, the Owners of the Certificates, the Paying Agent and of the Trustee may be modified or amended from time to time and at any time by a resolution or resolutions supplemental thereto, which the Corporation may adopt with the written consent of the Bank, the District, the Trustee and the Paying Agent and with the written consent of the Owners of a majority in aggregate principal amount of all Certificates then Outstanding on file with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Certificates, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto, without the consent of the Owner of each Certificate so affected, or (2) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to affect any such modification or amendment, or (3) permit the creation of any lien on the Tax-Exempt TRANS Payments or the Taxable TRANS Payments and other assets pledged under this Resolution, without the consent of the Owners of all of the Certificates then Outstanding and, with respect to clause (3), the consent of the Bank. It shall not be necessary for the consent of the Certificate Owners to approve the particular form of any supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the adoption by the Corporation and written consent thereto by the District of any supplemental Resolution pursuant to this clause (i), the Trustee shall mail a notice, setting forth in general terms the substance of such supplemental Resolution, to each

Rating Agency and the Owners of the Certificates at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

(ii) This Resolution and the rights and obligations of the Corporation, the District, the Trustee, the Paying Agent and the Owners of the Certificates may also be modified or amended from time to time and at any time by a supplemental Resolution, which the Corporation may adopt with the written consent of the District and the Bank, the Trustee and the Paying Agent but without the consent of any Certificate Owners for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Corporation or the District in this Resolution contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Corporation or the District;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Resolution, or in regard to matters or questions arising under this Resolution, as the Corporation may deem necessary or desirable and to which the District consents in writing; or

(c) to modify, amend or supplement this Resolution in such manner as to cause interest with respect to the Certificates to remain excludable from gross income under the Code.

(iii) The Trustee and the Paying Agent may shall not be obligated to consent to any such supplemental Resolution authorized by subsections (a) or (b) of this Section 34 which materially adversely affects the Trustee's or the Paying Agent's own rights, duties or immunities under this Resolution or otherwise.

(iv) Prior to the Trustee consenting to any supplemental Resolution hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such supplemental Resolution has been adopted in compliance with the requirements of this Resolution and that the adoption of such supplemental Resolution will not, in and of itself, adversely affect the exclusion of interest with respect to the Certificates from federal income taxation.

B. Effect of Supplemental Resolution.

Upon the adoption of any supplemental Resolution pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Corporation, the District, the Trustee and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such supplemental Resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes. The Bank shall be notified in writing of the adoption of any supplemental Resolution pursuant to this Section.

C. Endorsement of Certificates; Preparation of New Certificates.

Certificates delivered after the adoption of any supplemental Resolution pursuant to this Section 34 may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by an Approving Officer as to any modification or amendment provided for in such supplemental Resolution, and, in that case, upon demand on the Owner of any Certificates Outstanding at the time of such execution and presentation of Certificates for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Certificates. If the supplemental Resolution shall so provide, new Certificates so modified as to conform, in the opinion of the Corporation, to any modification or amendment contained in such supplemental Resolution, shall be prepared and executed by the Corporation and authenticated by the Trustee, and upon demand on the Owners of any Certificates then Outstanding shall be exchanged at the office of the Trustee, without cost to any Certificate owner, for Certificates then Outstanding, upon surrender for cancellation of such Certificates, in equal aggregate principal amount of the same maturity.

D. Amendment of Particular Certificates.

The provisions of this Section shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by such Owner.

Section 35. Defeasance. Whenever the Corporation shall deposit or cause to be deposited with the Trustee lawful moneys of the United States of America or any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, the principal of and interest on which when due will provide moneys (as set forth in a verification report prepared by an Independent Certified Public Accountant) in an amount equal to the principal and interest due with respect to all or a portion of the outstanding Certificates upon the maturity thereof, the obligations of the Corporation hereunder shall, with respect to all or such portion of Certificates as have been so provided, thereupon cease, terminate, become void and be completely discharged and satisfied.

Section 36. Effect of Original Resolution. On and after the date of this Amended and Restated Resolution, approval hereof by the Bank and the owners of any Certificates issued under the Original Resolution and remaining outstanding, the Original Resolution shall be of no further force and effect.

Section 37. Effective Date. This Amended and Restated Resolution shall take effect from and after its date of adoption.

ADJOURNMENT

There being no further business to come before the PFC Board, the meeting was adjourned at 5:28 p.m.

Denis Bilodeau, President

AGENDA ITEM SUBMITTAL

MEETING DATE: January 18, 2017

Budgeted: N/A

Budgeted Amount: N/A

Cost Estimate: N/A

TO: OCWD Public Facilities Corporation
Board of Directors

Funding Source: N/A

Program/Line Item No.: N/A

General Counsel Approval: N/A

FROM: Mike Markus

Engineers/Feasibility Report Approved: N/A

CEQA Compliance: N/A

Staff Contact: M. Markus

**SUBJECT: ANNUAL ELECTION OF PUBLIC FACILITIES CORPORATION (PFC)
OFFICERS**

SUMMARY

The Public Facilities Corporation bylaws (PFC) require that it meet annually. At this meeting the PFC elects its officers who consist of a President, Vice President and Secretary. These officers are the same officers serving on the Orange County Water District Board. The PFC also appoints a General Counsel and a Chief Financial Officer. The District's General Counsel Joel Kuperberg and Treasurer Randy Fick are appointed to serve in this capacity.

RECOMMENDATION

Elect officers of the Public Facilities Corporation for 2017:

Denis Bilodeau
Philip Anthony
Shawn Dewane

President
Vice President
Secretary

Joel Kuperberg
Randy Fick

General Counsel (reappointment)
Chief Financial Officer (reappointment)

PRIOR RELEVANT BOARD ACTION(S) Annual