

## RESOLUTION 19-04

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT AND SCHEDULE NO. 1 THERETO, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER SUPPORTING DOCUMENTS, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE ACQUISITION AND INSTALLATION OF CERTAIN WATER IMPROVEMENTS

**WHEREAS**, the Twentynine Palms Water District is a County water District (the "Lessee"), and is a public agency duly organized and existing under and pursuant to the laws of the State of California;

**WHEREAS**, Lessee desires to provide for financing in a principal amount not-to-exceed \$2,000,000.00 for the acquisition and installation of certain equipment and improvements, consisting of new water meters and related infrastructure, capital expenses and costs (collectively, the "Equipment");

**WHEREAS**, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease/Purchase Agreement (the "Lease") with Bank of America, National Association (or one of its affiliates), as lessor (the "Lessor"), substantially in the form presented to the Lessee's Board of Directors (the "Board") at this meeting and on file in the offices of the Lessee, and Schedule of Property No. 1, substantially in the form attached to the Agreement, and to further enter into that certain Escrow and Account Control Agreement, between Lessee and Lessor acting as Escrow Agent (the "Escrow Agreement"); and

**WHEREAS**, the Board deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Escrow Agreement, the Lease, and Form of Schedule of Property No. 1 relating thereto from time to time as provided in the Lease (the "Financing Documents") for the acquisition, financing and leasing of the Equipment to be therein described on the terms and conditions therein and herein provided, and now wishes to approve the financing contemplated therein and approve the forms of the Financing Documents;

**WHEREAS**, Government Code section 5852.1 requires disclosure of certain good faith estimates to be included with the authorization of the Financing Documents, and the Board wishes to include such and the Board wishes to make such disclosures as a part of this Resolution;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Twentynine Palms Water District does hereby resolve as follows:

1. Incorporation of Recitals; Findings. All recitals set forth above are true and correct, and are incorporated herein by this reference. It is hereby found and determined that the terms of the Financing Documents (including the form of Schedule of Property No. 1 and the form of Rental Payment Schedule, both attached to the Lease), in the forms presented to the Board at this meeting and on file with the Secretary of the Lessee, are in the best interests of the Lessee for the acquisition financing and leasing of the Equipment.

2. Financing Approval; Good Faith Estimates. The Board of Directors hereby approves and authorizes the District, as Lessee, to enter into the Financing Documents for the purpose of financing the Equipment. In accordance with Government Code section 5852.1, the

Board makes the following disclosures, which were obtained as good faith estimates from Lessor and/or Lessee's financial adviser:

- a. True Interest Cost: 3.05%
- b. Finance Charge: \$0.00
- c. Amount of Proceeds Received: \$2,000,000.00
- d. Total Payment Amount: \$2,319,695.71

3. Approval of Forms of Financing Documents. The form, terms and provisions of the Financing Documents (including the form of Schedule of Property No. 1 and the form of Rental Payment Schedule, both attached to the Lease), are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the President of the Board or the General Manger of the Lessee, or his or her designee, in consultation with General Counsel of the Lessee, (the "*Authorized Officials*"), the execution of such documents being conclusive evidence of such approval. The Authorized Officials are each hereby authorized and directed to sign and deliver on behalf of the Lessee the Financing Documents, and any related exhibits attached thereto if and when required; *provided, however,* that, without further authorization from the Board, (a) the aggregate principal component of Rental Payments (as such term is defined in the Lease) under the Lease and Schedule of Property No. 1 entered into pursuant to the Lease shall not exceed \$2,000,000.00; (b) the maximum term shall not exceed ten years; and (c) the maximum interest rate used to determine the interest component of Rental Payments shall not exceed 3.05% per annum. The Authorized Officials may sign and deliver the Financing Documents, including any exhibits thereto, to the Lessor on behalf of the Lessee on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above.

4. No General Liability. Nothing contained in this Resolution, the Financing Documents, or any other instrument relating thereto shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Financing Documents, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Schedule entered into pursuant to the Lease are limited obligations of the Lessee, subject to annual appropriation, as provided in the Lease.

5. Attestations. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of the President of the Board of Directors, the General Manager or of such other person or persons as may have been designated by the President of the Board of Directors or the General Manager, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Financing Documents.

6. Other Actions. The President of the Board of Directors, the General Manager and other officers of the District are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Financing Documents. Such actions are hereby ratified, confirmed and approved. If necessary, the Board of Directors hereby authorizes and directs the President of the Board, the General Manager or a designee in writing to make appropriate arrangements to establish any funds or accounts deemed necessary for the Equipment into which the proceeds of the Financing Documents are deposited for the purpose

of paying the costs of the Equipment, or for any other purpose provided for and authorized under the Financing Documents.

7. Qualified Tax-Exempt Obligations. The Lease is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Lessee, together with all subordinate entities of the Lessee, do not reasonably expect to issue during the calendar year in which the Lease is to be issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

9. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

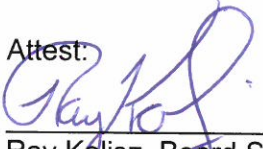
10. Effect. This Resolution shall take effect immediately upon its passage.

**PASSED, APPROVED AND ADOPTED** this 12th day of March, 2019, by the following vote:

Ayes:	Directors Coghill, Horn, Leazer, and Giannini
Noes:	None
Abstain:	None
Absent:	None

  
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Carol Giannini, President  
Board of Directors

Attest:

  
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Ray Kolisz, Board Secretary  
Twentynine Palms Water District