

RESOLUTION NO. 2014-26

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE
AGREEMENT, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION
WITH THE ACQUISITION AND CONSTRUCTION OF A SOLAR POWER PROJECT

WHEREAS, the Phelan Piñon Hills Community Services District (the "District") is a community services district duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the District desires to provide for financing in the amount of \$5,000,000.00 for the acquisition and construction of a solar power project (the "Project"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective twenty year installment sale financing arrangement at a 3.75% interest rate;

WHEREAS, a form of Installment Sale Agreement (the "Installment Sale Agreement"), dated as of September 26, 2014, by and between the District and Municipal Finance Corporation has been presented to the Board of Directors, and the Corporation will assign its rights to Installment Payments payable under the Installment Sale Agreement to City National Bank; and

WHEREAS, the Board of Directors desires to designate the Installment Payments payable under the Installment Sale Agreement as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT AS FOLLOWS:

SECTION 1. Recitals. Each of the above recitals is true and correct.

SECTION 2. Approval of Installment Sale Agreement. The execution and delivery of the Installment Sale Agreement, with aggregate Installment Payments in a principal amount of \$5,000,000 is hereby authorized. The Installment Sale Agreement in the form presented at this meeting is hereby approved, with such changes therein as the President of the Board of Directors, the General Manager or a designee in writing (each an "Authorized Representative"), in consultation with the District's legal counsel, shall approve, such requirement or approval to be conclusively evidenced by the execution of the Installment Sale Agreement by such Authorized Representative. Each Authorized Representative, acting singly, is hereby authorized to execute and attest the Installment Sale Agreement.

SECTION 3. Final Terms of the Installment Sale Agreement. Each Authorized Representative, acting singly, upon such advice of staff as each may deem necessary, are hereby authorized and directed to establish and determine (i) the final aggregate principal amount of the Installment Payments, which amount shall not exceed \$5,000,000, (ii) the final amounts of the principal portion of the Installment Payments payable each year, the final payment date of which to be no later than October 1, 2034, (iii) the

final interest rate on the 2014 Bonds, which rate shall not exceed three and three quarters percent (3.75%) per annum for each principal component of the Installment Payments, and (iv) the terms of prepayment of the Installment Payments for the period through the final Installment Payment date as provided in the Installment Sale Agreement, which prepayment terms may include a prepayment premium not to exceed 1% of the principal amount prepaid.

SECTION 4. 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 Installment Sale.

SECTION 5. Authorization to Establish Project Fund. The Board of Directors hereby authorizes and directs the President of the Board, the General Manager or a designee in writing to make appropriate arrangements to establish a special fund (the "Project Fund") into which the proceeds of the financing are deposited for the purpose of paying the costs of the Project.

SECTION 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 Installment Sale Agreement, including the execution of a tax certificate. Actions previously taken by the employees of the District are hereby ratified, confirmed and approved.

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

SECTION 8. Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations.

The Board authorizes the General Manager and the Administrative Services Manager to approve Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations, in such form as each acting singly shall approve, after consultation with counsel to the District, such requirement or approval to be conclusively evidenced by the execution of the Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations by such officer. The General Manager and the Administrative Services Manager are, and each of them is, hereby further authorized and directed, for and in the name of the District, to amend and update the Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations from time to time, with such changes therein as District counsel or Bond Counsel may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations by such officer.

SECTION 9. Effect. This Resolution shall take effect immediately upon its adoption.


PASSED, APPROVED AND ADOPTED this 17th day of September, 2014, by the following vote:

AYES: Brandon, Morrissette, Pace, Roberts, Whalen

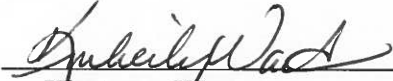
NOES:

ABSENT:

ABSTENTIONS:

By: 
Alex Brandon, President of the Board

ATTEST:

By: 
Kimberly Ward,
Executive Secretary/HR Specialist

CERTIFICATION OF RESOLUTION

The undersigned hereby states and certifies:

(1) I am the duly qualified and acting Executive Secretary of the Phelan Piñon Hills Community Services District (the "Purchaser"), and, as such, am familiar with the facts herein certified and am fully authorized to certify the same.

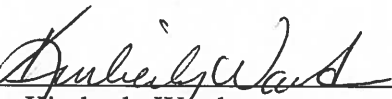
(2) Attached hereto is a true, correct and complete copy of the resolution (the "Resolution") of the governing body of the Purchaser authorizing the execution and delivery of an Enterprise Fund Installment Sale Agreement, dated as of September 26, 2014, by and between the District and Municipal Finance Corporation adopted on September 17, 2014, at a meeting thereof duly held on the date set forth in such Resolution, of which meeting all of the members of said governing body had due notice and at which a quorum was present and acting throughout.

(3) I further certify that I have carefully compared the attached copy of the Resolution with the original minutes of said meeting on file and of record in my office; that said copy is a true, correct and complete copy of the original Resolution duly adopted by said governing body at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since its adoption and is in full force and effect as of the date hereof.

(4) I further certify that in accordance with applicable open meeting laws, the agenda of the meeting contained a brief description of the Resolution to be considered at the meeting, and a copy thereof was posted in accordance with the requirements of such laws, and at least seventy-two (72) hours before the meeting in a location freely accessible to members of the public.

Dated: September 17, 2014

PHELAN PIÑON HILLS COMMUNITY SERVICES
DISTRICT

By 

Kimberly Ward
Executive Secretary/HR Specialist