

RESOLUTION NO. 2011-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SANTA CLARA VALLEY
JOINT POWERS AUTHORITY PROVIDING FOR THE EXECUTION AND DELIVERY OF
CASTAIC LAKE WATER AGENCY COMMERCIAL PAPER NOTES AND ENTERING INTO
VARIOUS AGREEMENTS IN CONNECTION THEREWITH**

Adopted September 28, 2011

WHEREAS, pursuant to Section 53852 of the Government Code of the State of California the Castaic Lake Water Agency (the "Agency") 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 Agency; and

WHEREAS, the Board of Directors of the Agency has determined that it is necessary and in the best interests of the Agency to issue a tax and revenue anticipation note and deposit such note with the Upper Santa Clara Valley Joint Powers Authority (the "Authority") to effect a commercial paper program in an amount not in excess of \$50,000,000 outstanding at any one time; and

WHEREAS, pursuant to Section 6546 of the Government Code of the State of California, the Authority has agreed to cause the execution and delivery of documents necessary to establish the commercial paper program; and

WHEREAS, the Agency has determined that in order to reduce interest costs and to provide for credit support with respect to the commercial paper program it is advisable for the Agency to enter into a Letter of Credit Reimbursement Agreement with Citibank N.A. (the "Bank") to provide a source of moneys to pay the principal of and interest, if any, on the commercial paper notes at maturity;

NOW THEREFORE, the Board of Directors of the Authority 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 Upper Santa Clara Valley Joint Powers Authority 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 below:

"Agency" means the Castaic Lake Water Agency, including any successors thereto.

"Agreement" means that certain Letter of Credit Reimbursement Agreement, by and between Citibank, N.A. and the Agency providing for the issuance of a letter of credit to support the payment of the principal of and interest, if any, on Notes (subject to the terms and conditions set forth in the Letter of Credit), and any additional agreements executed by the Agency and a substitute bank.

"Alternate Letter of Credit" means a letter of credit or other security or liquidity device issued in accordance with Section 9(b) hereof which shall have a term of not less than one year and shall have the same material terms as the Letter of Credit.

"Approving Officer" means each of the General Manager or the Administrative Services Manager of the Agency.

"Authority" means the Upper Santa Clara Valley Joint Powers Authority, a California joint exercise of powers agency, including any successor thereto.

“Authorized Denominations” means \$100,000 and any increment of \$1,000 in excess thereof.

“Bank” means initially Citibank N.A. and thereafter any bank issuing an Alternate Letter of Credit.

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

“Board” means the governing body of the Authority.

“Bond Counsel” means Stradling Yocca Carlson & Rauth, A Professional Corporation, or such other 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 selected by the Agency and approved in writing by the Authority.

“Business Day” means a day other than a Saturday, Sunday, legal holiday or other day on which banks in the City of New York, New York or in the City of Los Angeles, California, are required or authorized by law or executive order to close.

“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.

“CP Payment Fund” means the fund created pursuant to Section 11(b)(ii) hereof.

“CP Project Fund” means the fund created pursuant to Section 11(a)(i) hereof.

“CP Rebate Fund” means the fund created pursuant to Section 11(a)(iii) hereof.

“Dealer” means Citigroup Global Markets Inc. or any replacement firm which is acting as a dealer in the Notes and is appointed as such by the Agency.

“Dealer Agreement” means the Dealer Agreement, dated as of September 1, 2011, executed and delivered by the Agency the Authority and the Dealer pursuant to Section 10 of this Resolution, including a Dealer Agreement with a substitute Dealer entered into in accordance with Section 10 of this Resolution.

“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 on the Notes from gross income for purposes of Federal income taxation or the exemption of interest on the Notes from personal income taxation under the laws of the State of California (subject to the inclusion of any exceptions substantially similar to the exceptions contained in the opinion delivered upon original issuance of the Notes).

“Fitch” means Fitch, Inc., 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 Agency and approved by the Bank (which shall not be under any liability by reason of such approval).

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

“Issuing and Paying Agent Agreement” means the Issuing and Paying Agent Agreement, dated as of September 1, 2011, by and among the Agency, the Authority and the Paying Agent executed and delivered pursuant to Section 16 of this Resolution, including an Issuing and Paying Agent Agreement with a substitute Paying Agent entered into in accordance with Section 16 of this Resolution.

“Letter of Credit” means the irrevocable direct-pay letter of credit, issued by the Bank in accordance with the Agreement.

“Maturity Date” means the date, not later than 270 days after the date of issuance of a Note, on which the principal of and interest, if any, on a Note is payable.

“Maximum Rate” means, on any day, twelve percent (12%) per annum calculated on the basis of a stated interest rate. If Notes 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%).

“Note” and “Notes” means any commercial paper note issued pursuant to, and in accordance with the provisions of, this Resolution, that is authenticated and delivered by the Paying Agent under and pursuant to this Resolution.

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

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

“Owner” means the registered owner of a Note in registered form or the person presenting any Note in bearer form.

“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.

“Permitted Investments” means any of the following which at the time are legal investments under the laws of the State of California and under the Agency’s investment policy for moneys held hereunder and then proposed to be invested therein:

- (i) (a) direct general obligations of the United States of America or any federal agency of the United States of America, or (b) general obligations of the State of California, or (c) obligations the interest on which is, in the opinion of nationally recognized bond counsel, not includable in gross income for federal income tax purposes and which are rated within the top two rating categories by each rating agency then rating the Notes, or (d) obligations the

payment of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(ii) participation certificates and senior debt obligations issued by Federal Land Banks or Federal Intermediate Credit Banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and Banks for Cooperatives established under the Farm Credit Act of 1933, as amended, bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association established under the National Housing Act, as amended, bonds of any Federal Home Loan Bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by the Export-Import Bank of the United States, bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by the Student Loan Marketing Association, bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by the Government National Mortgage Association, bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by the Farmers Home Administration;

(iii) commercial paper rated within the top rating category by each rating agency then rating the Notes and issued by corporations (1) organized and operating within the United States and (2) having total assets in excess of \$500,000,000; provided, however, that eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation, nor exceed 30 percent of the resources of an investment program;

(iv) bankers acceptances issued by a commercial bank (a) the long term general obligations of which are rated within the top rating category or the short term general obligations of which are rated in the top rating category by each rating agency then rating the Notes and (b) which are eligible for purchase by the Federal Reserve System;

(v) negotiable or non-negotiable certificates of deposit, time deposit or other similar banking arrangements issued by a nationally or state-chartered bank, including the Trustee, or savings and loan association or by a state-licensed branch of a foreign bank which, to the extent they are not insured by federal deposit insurance, are collateralized by securities eligible to secure public deposits in the State of California or which are issued by such an institution the general obligations of which are rated within the top rating category by each rating agency then rating the Notes;

(vi) bonds, debentures, and notes issued by corporations organized and operating within the United States and rated within the top two rating categories by each rating agency then rating the Notes;

(vii) interest bearing accounts in the State of California or national banks, including the Trustee, or in the State of California or federal savings and loan associations having principal offices in the State of California which, to the extent they are not insured by federal deposit insurance, are collateralized by securities described in clause (i) hereof, or which are issued by such an institution the general obligations of which are rated within the top two rating categories by each rating agency then rating the Notes;

(viii) deposits in the Local Agency Investment Fund referred to in Section 16429.1 of the California Government Code (but if such investments are held by the Trustee, only in the event the Trustee may deposit and withdraw funds directly in its capacity as Trustee);

(ix) units of any taxable money market fund portfolio composed solely of obligations guaranteed by the full faith and credit of the United States of America, including funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services, and repurchase agreements collateralized by such obligations;

(x) investment agreements or contracts representing the unconditional obligations of entities (a) the secured long-term debt obligations of which are initially rated in either of the two highest long-term rating categories by each rating agency then rating the Notes or (b) the short-term debt obligations of which are initially rated in the highest short-term category of each rating agency then rating the Notes; provided, however, that in the event the initial rating on the obligations described in clause (a) or (b) is reduced or withdrawn below the rating described therein, such obligations will be collateralized at least 105% by obligations described in clause (i)(a) or (d) of this definition; and

(xi) The following municipal obligations: (1) revenue obligations of states or any department, board, agency or authority thereof rated "A1" or better by Moody's, "A+" or better by S&P or "A+" or better by Fitch Ratings, Inc.; (2) general obligations of states rated "A3" or better by Moody's, "A-" or better by S&P or "A-" or better by Fitch Ratings, Inc.; (3) adjustable rate revenue obligations of states or any department, board, agency or authority thereof rated "P-1" or better by Moody's, "A-1+" or better by S&P or "F-1"+ or better by Fitch Ratings, Inc.; (4) fixed rate revenue obligations of any political subdivision of the State or entity owned, operated or controlled by such a political subdivision rated "A1" or better by Moody's, "A+" or better by S&P or "A+" or better by Fitch Ratings, Inc.; or (5) adjustable rate revenue obligations of any political subdivision of the State or entity owned, operated or controlled by such a political subdivision rated "P-1" or better by Moody's, "A-1+" or better by S&P or "F-1+" by Fitch Ratings, Inc..

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill Corp., 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 "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Agency and approved by the Bank (which shall not be under any liability by reason of such approval).

"Tax and Revenue Anticipation Note" or "TRAN" means the initial tax and revenue anticipation note issued by the Agency and secured in accordance with Section 2 of the Agency resolution authorizing the initial Tax and Revenue Anticipation Note and each similarly secured tax and revenue anticipation note deposited from time-to-time with the Authority in accordance with Section 11(b) hereof.

"Tax Certificate" means the Tax Certificate dated as of the date on which Notes are first issued under this Resolution, as supplemented from time to time upon the issuance of additional Notes or otherwise.

"TRANS Payments" means payments of principal of and interest on each Tax and Revenue Anticipation Note paid by the Agency to the Authority in accordance with the terms of such Tax and Revenue Anticipation Note.

“Trustee” means U.S. Bank National Association, which has been appointed pursuant to Section 11 hereof and any successor appointed pursuant to Section 11 hereof.

(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 Agency, 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 Agency, 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 Agency 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 Agency, the Trustee or the Paying Agent, including their respective agents, the Bank and the Owners of the Notes, 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 Agency shall be for the sole benefit of the Agency, the Trustee and the Paying Agent, including their respective agents, the Bank and the Owners of the Notes.

Section 3. Authorization and Execution and Delivery of Commercial Paper Notes. Solely for the purposes specified in this Resolution and not pursuant to any common plan of financing, the Authority shall execute and deliver Notes from time to time in an aggregate principal sum not in excess of \$50,000,000 outstanding at any one time.

Each Approving Officer is hereby severally authorized to determine the aggregate principal amount of Notes that shall be Outstanding at any one time which shall not exceed the

lesser of (a) \$50,000,000, (b) the principal amount of the current Tax and Revenue Anticipation Note and (c) an amount which can be drawn under the Letter of Credit to pay principal of the Notes (such amount initially being equal to \$45,871,000) and which does not cause the Agency to violate contractual obligations of the Agency in the Agreement. The proceeds of the Notes shall be used by the Agency for any lawful purpose, subject to the terms and conditions of this Resolution and the Tax Certificate. Under no circumstances may a Note have a Maturity Date exceeding 270 days from its date of issue or extending beyond the earlier of (a) the maturity date of the current TRAN or (b) the fifth calendar day prior to the stated expiration date of the Letter of Credit. The Notes shall not have interest rates in excess of the Maximum Rate, but otherwise Notes 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 Notes. The Notes shall be executed and delivered in the form of bearer Notes, or in fully registered form, if required by any depository designated under Section 8 hereof, in Authorized Denominations. The principal of and interest, if any, on the Notes shall be payable in lawful money of the United States of America, each on the Maturity Date, upon surrender of the Notes at the office of the Paying Agent.

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

The Notes shall be dated the date of authentication thereof. Interest, if any, on Notes 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, if any, on Notes. The interest, if any, on each Note shall become due and payable on the Maturity Date of such Note. The principal of each Note shall become due and payable on the Maturity Date of such Note. The principal of the Notes and interest thereon shall be payable solely and exclusively from the proceeds of drawings on 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, if any, on the Notes may be paid from the proceeds of the sale of any Notes executed and delivered for that purpose, the Tax and Revenue Anticipation Note and amounts on deposit in the CP Payment Fund, all in accordance with Section 11(b) hereof.

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

Section 7. Form of Note. The Notes and the assignment to appear thereon shall each be in substantially the form respectively set forth in Exhibit A 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 Notes 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 Notes, or any portion thereof, may not thereafter be transferred except as set forth in Section 8(b) hereof.

(b) The Notes shall be initially executed and delivered and registered as provided in Section 8(a) hereof. Registered ownership of such Notes, 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 8(b) hereof, upon receipt of all Outstanding Notes by the Paying Agent, together with a written request of an Approving Officer to the Paying Agent designating the Substitute Depository, a single new Note for each maturity of Notes then Outstanding, which the Agency 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 8(b) hereof, upon receipt of all outstanding Notes by the Paying Agent, together with a written request of an Approving Officer to the Paying Agent, new Notes, which the Authority shall prepare or cause the Agency 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 8(f), provided that the Paying Agent shall deliver such new Notes as soon as practicable after the date of receipt of such written request from an Approving Officer.

(d) The Authority, the Agency, the Trustee and the Paying Agent shall be entitled to treat the person in whose name any registered Note is registered and any person presenting a bearer Note as the Owner thereof for all purposes of this Resolution and for purposes of payment of principal and interest, if any, on such Note, notwithstanding any notice to the contrary received by the Authority, the Trustee, the Paying Agent or the Agency; and the Authority, the Trustee, the Agency and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the Authority, the Agency, 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 Notes, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Notes.

(e) Notwithstanding any other provision of this Resolution and so long as all outstanding Notes are registered in the name of Cede & Co. as nominee of The Depository Trust Company or its registered assigns, the Authority, the Agency, 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, if any, on the Notes 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 8(b) hereof, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in Authorized Denominations, 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 Note 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 Note shall be surrendered for transfer or exchange, the Agency shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note or Notes of Authorized Denominations 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 Notes, which shall at all times be open to inspection by the Authority and the Agency. 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, Notes as hereinbefore provided.

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

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

(i) All Notes 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 Agency may at any time deliver to the Paying Agent for cancellation any Notes previously authenticated and delivered hereunder which the Agency may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of as directed by the Agency.

Section 9. Credit Support.

(a) Letter of Credit. The Authority acknowledges that the Agency has authorized the execution and delivery of the Agreement with the Bank for and in the name of and on behalf of the Agency. Pursuant to the Agreement, the Bank shall issue the Letter of Credit which may be drawn upon to pay principal of and interest, if any, on the Notes, subject to the terms and conditions set forth in the Letter of Credit.

(b) Alternate Letter of Credit. If on any date which is the Maturity Date for all Outstanding Notes 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 Fitch, if the Notes are rated by Fitch, and S&P, if the Notes are rated by S&P, in each case of the rating(s) to be assigned to the Notes on the date of substitution of the proposed Alternate Letter of Credit for the Letter of Credit then in effect, and (iv) written evidence satisfactory to the Bank of the provision for payment of all amounts due it under the 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 Agency shall give 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 30 days prior to the date of such substitution.

Section 10. Dealer. 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 Notes (not to exceed the Maximum Rate). The President or Vice President of the Authority are hereby authorized and directed to execute and deliver the Dealer Agreement to the Dealer, substantially in the form attached hereto as Appendix A and 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 Authority. Each Approving Office is authorized to execute additional Dealer Agreements with one or more additional dealers, including replacement Dealers without further approval by the Board so long as such Dealer Agreement is substantially in the form of the Dealer Agreement attached hereto as Appendix A and the fees paid to such Dealers do not exceed the fees set forth in the Dealer Agreement attached hereto as Appendix A.

Section 11. Disposition of Proceeds of the Notes; Disposition of TRANS Payments; Trustee.

The Authority has 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 accepts 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 Authority 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 Notes 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 Agency and the Bank.

(a) Receipt and Disbursement of Funds.

(i) Receipt of Funds. The Authority shall deposit with the Agency, and the Agency shall receive, all funds payable to the Authority upon the initial issuance of Notes. The Agency shall deposit all funds in a special fund entitled "CP Project Fund" to be held by the Agency which fund is hereby pledged to secure the Owners of the Notes and the Bank.

(ii) Disbursement of Funds. Before any payment from the CP Project Fund shall be made, the General Manager of the Agency shall file or cause to be filed with the Administrative Services Manager of the Agency a requisition in the form of Exhibit B attached hereto and incorporated herein. Upon receipt of a requisition, the Administrative Services Manager of the Agency shall pay such requisition in accordance with this Section 11.

(iii) CP Rebate Fund. The Trustee shall establish a CP Rebate Fund which shall be established and maintained separately from the CP Payment Fund. 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 TRANS Payments.

(i) Tax and Revenue Anticipation Note. The Authority hereby assigns and transfers to the Trustee without recourse, for the benefit of the owners of the Notes and the Bank, all of its rights, title, and interest in each Tax and Revenue Anticipation Note including the right to receive TRANS Payments from the Agency, together with any and all of the other rights of the Authority with respect to such Tax and Revenue Anticipation Notes as may be necessary to enforce payment of such TRANS Payments when due or otherwise to protect the interests of the Owners of the Notes and the Bank. TRANS Payments are hereby irrevocably pledged and shall be paid by the Agency and used, upon receipt by the Trustee of notice from the Issuing and Paying Agent that a drawing on the Letter of Credit had been honored, 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 Note 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 Notes, and the TRANS Payments shall not be used for any other purpose while any of the Notes remain Outstanding. This pledge shall constitute a first and exclusive lien on the TRANS Payments in accordance with the terms hereof.

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

If at any time no Notes are outstanding, the Bank has not wrongfully dishonored a drawing under the Letter of Credit and the Bank certifies in writing to the Trustee, the Authority and the Agency that amounts due to the Bank by the Agency under the Agreement remain unpaid, the Trustee is hereby directed to assign its right, title and interest in and to the TRAN, and any proceeds thereof on deposit in any fund and account created hereunder, to the Bank to secure such unpaid amounts. Such assignment shall terminate upon payment in full of all amounts owed by the Agency to the Bank under the Agreement.

(ii) CP Payment Fund. There is hereby established with the Trustee the CP 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 Notes remain unpaid or any amounts remain owing to the Bank.

The Trustee shall deposit in the CP Payment Fund the proceeds of the sale of Notes executed and delivered to repay maturing Notes received from the Paying Agent in accordance with Section 5 of the Issuing and Paying Agent Agreement and all TRANS Payments received from the Agency promptly 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 CP 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 CP Payment Fund; and if the amount on deposit in the CP Payment Fund is insufficient to fully reimburse the Bank, the Trustee shall notify the Agency of such deficiency and demand payment under the TRAN. 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 Note 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 CP 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 CP Payment Fund.

(c) Terms and Conditions of Duties.

(i) Access to Records. Subject to reasonable security and notice requirements of the Trustee, the Trustee shall permit the Authority, the Bank, or the Agency, 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 Authority, the Bank, or the Agency may reasonably request.

(ii) Performance of Duties Generally. At all times, whether or not a default by the Agency or the Authority 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 Authority, the Bank, the holders of the Notes or any other party arising from any default by the Agency or the Authority except that the Trustee shall collect, and exercise all remedies necessary to collect, the TRANS Payments when due and owing (subject to the provisions of Section 11(e)). No provision hereof shall be construed to relieve the Trustee from liability to the Authority or the Agency for the Trustee's own negligent action, negligent failure to act or its own willful misconduct, subject to the following:

(A) 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.

(B) 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 Authority or the Agency.

(C) 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.

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

(E) 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.

(F) 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 Agency 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.

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

(H) 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.

(I) 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 Agency and the Authority, personally or through agents of the Trustee or attorneys, at any reasonable time upon reasonable notice.

(J) The Trustee shall bear no responsibility for the recitals contained herein and in the Notes, which recitals are made only by the Agency and the Authority, except those recitals expressly attributed to the Trustee. The Trustee makes no representation regarding the validity or sufficiency of this Resolution, the Notes, the security for the Notes or the tax status of interest thereon.

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

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

(M) The Trustee shall be under no obligation to exercise any of the rights or powers vested in the Trustee by this Resolution unless the Agency 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.

(iii) Investments. Moneys in the CP Payment Fund shall be invested by the Trustee in accordance with Section 18 hereof.

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

(d) Successor Trustee.

(i) 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.

(ii) 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 Authority, the Agency and the Bank. The Authority 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 Authority and the acceptance by such successor Trustee of its duties hereunder, and the acceptance and acknowledgment thereof by the Agency and the Bank in writing, and the transfer of any funds held in the CP 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.

(iii) 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 Authority and approved in writing by the Agency. 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 Authority, and the acceptance by such successor Trustee of its duties hereunder and the acceptance and acknowledgment thereof by the Agency and consent thereto by the Bank in writing and the delivery of any funds held in the CP Project Fund or otherwise in connection with this Resolution to such successor.

(iv) 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 Authority or the Agency, 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 CP Payment Fund and the CP Project Fund or otherwise in connection with its undertakings hereunder as the Trustee to its successor. Should any instrument in writing from the Authority or the Agency 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 Authority or the Agency, as the case may be, and delivered to such temporary or permanent Trustee.

(e) Fees and Expenses; Indemnification. The Trustee and Paying Agent shall receive fees, payable by the Agency for acting as Trustee and Paying Agent hereunder in accordance with a fee schedule separately approved by the Agency. 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 Agency hereby agrees to indemnify the Paying Agent and Trustee and their respective 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 and Trustee 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 Trustee or any officer, employee or agent of either thereof by reason of, or in connection with, the sale of the Notes or the Paying Agent's appointment and its duties as Paying Agent, or the Trustee's appointment and its duties as Trustee, except such Liability as shall result from

Paying Agent's or Trustee's negligence or willful misconduct in the performance of its other obligations and duties hereunder. The obligation of the Agency under this paragraph 11(e) shall survive payment of the Notes or the resignation or removal of the Paying Agent or Trustee.

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 principal of or interest, if any, on any Notes which remains unclaimed for two (2) years after the date when the payments on such Notes 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 Notes have become payable, shall upon written notice from the Agency be repaid by the Paying Agent to the Agency 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 Agency for the payment of the principal of or interest, if any, on such Notes; provided that before being required to make any such payment to the Agency, the Paying Agent shall, at the expense of the Agency, publish a notice once in The Wall Street Journal stating 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 Agency owes to the Bank under the Agreement, and the balance of such money then unclaimed will be returned to the Agency; and upon the date set forth in such notice, the Paying Agent shall proceed as described in the notice.

Section 13. Execution and Authentication of Notes. The Notes shall be executed by and in the name of the Authority, by the manual or facsimile signature of the President or Vice President of the Authority and shall be delivered to the Paying Agent. Subject to the requirements of Section 8 of this Resolution and the procedures of The Depository Trust Company, 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 Notes 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 Authority, 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. Agency as Agent for the Authority. The Authority hereby appoints the Agency as its agent for the responsibilities given the Agency under this Resolution.

Section 16. Paying Agent. The Authority hereby agrees to employ the Paying Agent to perform the functions of the Paying Agent under this Resolution and the Issuing and Paying Agreement, all as provided herein and in the Issuing and Paying Agreement and subject to the terms and conditions of this Resolution and the Issuing and Paying Agreement. 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 Authority is hereby authorized and directed to execute and deliver an issuing and paying agent agreement with the Agency and the Paying Agent for and in the name of and on behalf of the Authority. This Issuing and Paying Agent Agreement shall be substantially in the form of the Issuing and Paying Agent Agreement attached hereto as Appendix B.

The Authority hereby directs and authorizes the payment by the Paying Agent of the principal of and interest, if any, on the Notes when such become due and payable, from the funds held by the Paying Agent.

This appointment shall not preclude the Authority with the written consent of the Agency 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 Notes 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 Agency and the Bank. Each Approving Office is hereby authorized to execute an Issuing Paying Agent Agreement with such successor paying agent without further approval by the Board so long as such Issuing and Paying Agent Agreement is substantially in the form of the Issuing Paying Agent Agreement attached hereto as Appendix B.

The Paying Agent is also appointed as registrar and hereby is directed to authenticate Notes upon the direction of an Approving Officer or upon the request of any Owner for the transfer or exchange of Notes in accordance with the provisions hereof.

Section 17. CP Rebate Fund.

(a) The Authority shall establish and maintain with the Trustee a fund separate from any other fund established and maintained hereunder designated as the CP Rebate Fund. Within the CP Rebate Fund, the Trustee shall maintain such accounts as the Agency shall direct. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the CP Rebate Fund shall be held by the Trustee in trust, to the extent determined by the Agency to be required to satisfy the Rebate Amount (as defined in the Tax Certificate), for payment to the government of the United States of America. The Authority, the Trustee, the Agency, and the Owners shall have no rights in or claim to such money. All amounts deposited into or on deposit in the CP Rebate Fund shall be governed by this Section 17, by Section 19 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Agency, including supplying all necessary information in the manner provided in the Tax Certificate and requested by the Agency, and shall have no liability or responsibility to enforce compliance by the Authority or the Agency with the terms of the Tax Certificate.

(b) Upon the Agency's written direction, an amount shall be deposited to the CP Rebate Fund by the Trustee from deposits by the Agency if and to the extent required, so that the balance of the CP Rebate Fund after such deposits shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished by or on behalf of the Authority and the Agency in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 17, other than from moneys held in the CP Rebate Fund or from other moneys provided to it by the Agency.

(d) The Trustee shall invest all amounts held in the CP Rebate Fund in Permitted Investments as directed in writing by the Agency. Money shall not be transferred from the CP Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the Agency's written directions, the Trustee shall remit part or all of the balances in the CP Rebate Fund to the United States, as so directed. In addition, if the Agency so directs the Trustee will deposit moneys into or transfer moneys out of the CP Rebate Fund from or into such accounts or funds as directed by the Agency's written directions; provided, however, that the Agency may only direct transfers of amounts in excess of the Rebate Amount out of the CP Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the CP Rebate Fund after prepayment and payment of all of the Notes and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Administrative Services Manager, shall be applied to pay any amounts certified by the Bank to the Trustee, the Authority and the Agency as remaining unpaid under the Agreement and thereafter shall be withdrawn and remitted to the Agency.

(f) Notwithstanding any other provision of this Resolution, the obligation to remit the Rebate Amounts to the United States and to comply with all other requirements of this Section 17, Section 19 hereof and the Tax Certificate shall survive the defeasance or payment in full of the Notes.

Section 18. Investment of Moneys in Funds. The Agency shall invest any moneys on deposit in any fund or account under this Resolution held by the Agency in Permitted Investments. The Trustee shall, upon the direction of the Agency, invest moneys on deposit in any Trustee held fund or account under this Resolution in Permitted Investments as instructed in writing by an Approving Officer, except as otherwise provided in Section 11(c)(iii). If the Trustee receives no such direction, or is unable to invest such proceeds in Permitted Investments, the Trustee will invest such proceeds in a money market or sweep account approved in writing by an Approving Officer and the Bank. All Permitted Investments in which proceeds of the Notes 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 CP 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 Agency or as otherwise specified by the Agency pursuant to the Tax Certificate. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account for the credit of which such Permitted Investment was acquired.

Permitted Investments 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 Agency or the Trustee (but only in respect to funds and accounts which Trustee maintains) at amortized cost. For the purpose of determining the amount in any such fund or account, all Permitted Investments credited to such fund or account shall be valued on the last day of June of each year at amortized cost.

The Agency may, and in the absence of any contrary instruction pursuant to Section 19 hereof, the Trustee 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 Agency hereunder shall be accounted for separately as required by this Resolution. 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 Permitted Investments 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 Permitted Investment 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. The Authority and the Agency covenant that each shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest payable on the Notes under Section 103 of the Code. The Authority or the Agency shall not directly or indirectly use or permit the use of any proceeds of the Notes or any other funds of the Authority and the Agency, or take or omit to take any action that would cause any Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Code. To that end, the Authority and the Agency shall comply with all requirements of Section 148 of the Code to the extent applicable to the Notes. In the event that at any time the Authority or the Agency is of the opinion that for purposes of this Section 19 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Resolution or otherwise, the Authority and the Agency shall so instruct the Trustee in writing, and the Trustee shall act in accordance with such instructions.

Without limiting the generality of the foregoing, the Authority and the Agency agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Notes from time to time. This covenant shall survive payment in full of the Notes. The Authority and the Agency specifically covenants to pay or cause to be paid to the United States, at the times and in the amounts determined pursuant to the Tax Certificate, the Rebate Amounts, as described in the Tax Certificate. The Trustee shall comply with all instructions of the Agency which the Agency declares to be given in accordance with the Tax Certificate.

Notwithstanding any provision of this Section 19, if an Approving Officer shall provide to the Trustee an opinion of Bond Counsel to the effect that any action required under this Section, Section 17 hereof and the Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest payable on the Notes pursuant to Section 103 of the Code, the Authority, the Agency and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

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 Authority, the Agency, the Paying Agent, the Trustee, the Owners and the Bank 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 Authority or the Agency shall be for the sole and exclusive benefit of the Trustee, the Paying Agent, the Owners and the Bank. The Bank shall be entitled, but not obligated, to enforce any provisions of this Resolution related to the Letter of Credit, or the security for, or the payment of, amounts owed to the Bank hereunder or under the Agreement.

Section 21. Successor Deemed Included in All References to Predecessor. Whenever the Authority, the Agency, the Trustee, the Paying Agent, the Bank 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 Authority, the Trustee, the Agency, the Paying Agent, the Bank or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Authority, the Agency, the Trustee, the Paying Agent, the Bank 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 Note shall bind all future Owners of such Note with respect to anything done or suffered to be done by the Authority, the Trustee, the Agency 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 Agency or the Board of Directors of the Authority or officer or employee of the Authority or the Agency shall be individually or personally liable for the payment of the principal of or interest, if any, on the Notes.

Section 24. 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 Notes at their addresses appearing in the books required to be kept by the Paying Agent pursuant to the provisions of this Resolution.

Section 25. 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 Trustee or 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 Notes.

Section 26. 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 Authority, the Agency, 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 Notes, and the Owners and the Bank shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Authority and the Agency 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 issuance of the Notes 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 27. 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) have been paid in full or discharged, (and are no longer subject to being set aside or otherwise required to be repaid by the Bank under applicable law), all references to the Bank contained herein shall be null and void and of no further force and effect.

Section 28. Governing Law. THIS RESOLUTION SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 29. 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 Authority:

Upper Santa Clara Valley Joint Powers Authority
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Attn: Treasurer
Telephone No: (661) 297-1600
Telecopy No: (661) 297-1610

If to the Agency:

Castaic Lake Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Attn: Administrative Services Manager
Telephone No: (661) 297-1600
Telecopy No: (661) 297-1610

If to the Paying Agent:

US Bank Corporate Trust Services
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Corporate Trust Services
Telephone No: (212) 361-6140
Telecopy No: (212) 509-4529

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services
Telecopy No:
Telephone No:

If to Moody's:

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

If to S&P:

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Attention: Municipal Finance Department

If to the Bank:

Citibank, N.A., Delaware
1615 Brett Rd., OPS 3
New Castle, DE 19720
Attention: Adriene Jackson
Telephone: (302) 323-5888
Facsimile: (212) 994-0849
E-Mail: adriene.jackson@citi.com

Section 30. Notices to Rating Agencies. To the extent that it has actual knowledge of any of the following, the Trustee shall give immediate notice to Moody's and S&P 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 or the Issuing and Paying Agent Agreement terminates or is amended or supplemented.
- (d) Appointment of a Dealer other than the initial Dealer.
- (e) Defeasance of all or any portion of the Notes.

Section 31. 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 32. General Authorization. All actions heretofore taken by the officers and agents of the Authority or the Board and Approving Officers with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and the officers and agents of the Authority 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 Notes in accordance with this Resolution.

Section 33. Modification or Amendment of this Resolution.

(a) Amendments Permitted.

(i) This Resolution and the rights and obligations of the Authority, the Agency, the Owners of the Notes, 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 Authority may adopt with the written consent of the Bank, the Agency, the Trustee and the Paying Agent and with the written consent of the Owners of a majority in aggregate principal amount of all Notes then Outstanding on file with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Notes, or reduce the amount of principal thereof, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Note so affected, or (2) reduce the aforesaid percentage of Notes 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 TRANS Payments and other assets pledged under this Resolution, without the consent of the Owners of all of the Notes then Outstanding. It shall not be necessary for the consent of the 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 Authority and written consent thereto by the Agency 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 Notes 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 Authority, the Agency, the Trustee, the Paying Agent and the Owners of the Notes may also be modified or amended from time to time and at any time by a supplemental Resolution, which the Authority may adopt with the written consent of the Agency, the Trustee, the Paying Agent and the Bank but without the consent of any Owners for any one or more of the following purposes:

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

(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 Authority may deem necessary or desirable and to which the Agency consents in writing;

(C) to modify, amend or supplement this Resolution in such manner as to cause interest, if any, on the Notes to remain excludable from gross income under the Code; or

(D) to conform the operating procedures under this Resolution to the operating procedures of The Depository Trust Company as such operating procedures may be in effect from time-to-time.

(iii) The Trustee and the Paying Agent shall not be obligated to consent to any such supplemental Resolution authorized by subsections (A) or (B) of this Section 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, if any, on the Notes from federal income taxation.

(v) In the event of a conflict between the provisions of this Resolution and the provisions of the Agreement, the Issuing and Paying Agent Agreement and the Dealer Agreement, the provisions of the Agreement, the Issuing and Paying Agent Agreement or the Dealer Agreement, as the case may be, shall be controlling without any conforming amendment to this Resolution being required.

(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 Authority, the Agency, the Trustee, the Bank (if any) and all Owners of Notes 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 Notes: Preparation of New Notes.

Notes delivered after the adoption of any supplemental Resolution pursuant to this Section 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 Notes Outstanding at the time of such execution and presentation of Notes 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 Notes. If the supplemental Resolution shall so provide, new Notes so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such supplemental Resolution, shall be prepared and executed by the Authority and upon demand on the Owners of any Notes then

Outstanding shall be exchanged at the office of the Trustee, without cost to any Owner, for Notes then Outstanding, upon surrender for cancellation of such Notes, in equal aggregate principal amount of the same maturity.

(d) Amendment of Particular Notes.

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

Section 34. Defeasance. Whenever the Authority shall deposit or cause to be deposited with the Trustee lawful moneys of the United States of America or Permitted Investments described in clause (i) or (ii) of the definition thereof, the principal of and the interest, if any, on which when due will provide money (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 Notes upon the maturity thereof, the obligations of the Authority hereunder, with respect to all or such portion of Notes as have been so provided, shall thereupon cease, terminate, become void and be completely discharged and satisfied.

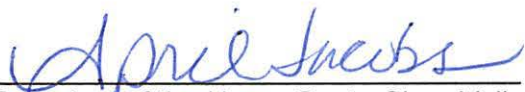
Effective Date. This Resolution shall take effect from and after its date of adoption.

ADOPTED this 28th day of September, 2011.



President of the Upper Santa Clara Valley Joint Powers Authority and the Board of Directors thereof

ATTEST:



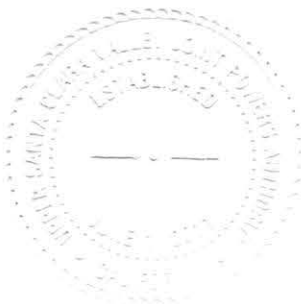
Secretary of the Upper Santa Clara Valley Joint Powers Authority and the Board of Directors thereof

(SEAL)

The rights, duties and obligations of the Agency set forth herein are hereby acknowledged and agreed to by the Agency this 28th day of September, 2011.

CASTAIC LAKE WATER AGENCY

By: _____



STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, April Jacobs, Secretary of the Upper Santa Clara Valley Joint Powers Authority, DO HEREBY CERTIFY that the foregoing Resolution No. 2011-03, was adopted at a regular Board Meeting on September 28, 2011, of said Authority by the following vote:

AYES: 9
NOES: 0
ABSTAIN: 0
ABSENT: 2



Secretary

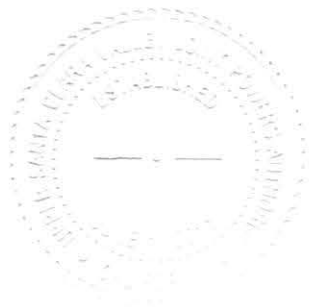


EXHIBIT A

[FORM OF NOTE]
Registered
No. _____

Registered
\$ _____

CASTAIC LAKE WATER AGENCY
COMMERCIAL PAPER NOTE

DATE OF
ORIGINAL ISSUE

MATURITY
DATE

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

This is to certify that the registered owners of this Castaic Lake Water Agency Commercial Paper Note is the owner of an undivided interest in the right to receive certain principal and interest payments on tax and revenue anticipation notes (the "TRANS Payments") received from time to time by the Upper Santa Clara Valley Joint Powers Authority (the "Authority") from the Castaic Lake Water Agency (the "Agency") under a Resolution of the Authority, adopted on September 28, 2011 (the "Resolution"). The Authority's right to receive the TRANS Payments have been assigned to U.S. Bank National Association, as Trustee (the "Trustee"). The Registered Owner is entitled to receive, at the corporate trust office of U.S. Bank National Association in New York, New York (the "Paying Agent"), the Principal Amount specified above on the Maturity Date specified above, upon its presentation and surrender as provided in the Resolution, and to receive interest, if any, on such Principal Amount on the Maturity Date described herein. Interest is calculated on the basis of a 365/66 day year and actual days elapsed, as specified in the Resolution.

Unless this note is presented by an authorized representative of The Depository Trust Company ("DTC") to the Trustee or its agent for registration of transfer, exchange or payment, and any note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized officer of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the Registered owner hereof, CEDE & CO., has an interest herein.

The Note is one of a duly authorized issue of commercial paper notes executed and delivered by the Authority under and by authority of the Resolution. All Notes executed and delivered under the Resolution are payable from drawings on a letter of credit issued by Citibank N.A. (the "Bank"), or, to the extent the Bank wrongfully dishonors a drawing of said Letter of Credit, from the proceeds of Notes executed and delivered for such purpose and from TRANS Payments and from no other source. The Agency hereby designates the obligation of the Agency to make the TRANS Payment to be a general obligation of the Agency and is additionally payable from Net Revenues (as such term is defined in Resolution No. 2011-03 adopted on September 28, 2011 by the Agency) of the Agency's wholesale system. This Note

does not constitute an obligation of the Authority or any other public agency (including the Agency) in contravention of any constitutional or statutory debt limitations or restriction.

By acceptance of this Note the Registered Owner consents to all the terms and conditions hereof, and of the Resolution, a copy of which is on file with the Trustee.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Paying Agent described above, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be executed and delivered to the transferees in exchange herefor.

The Authority, the Agency, the Trustee and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due with respect hereto and for all other purposes and neither the Authority, the Agency, the Trustee nor the Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the certificate of registration hereon shall have been signed by the Paying Agent.

THE AUTHORITY HAS CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Note has been executed by the manual or facsimile signature of an authorized officer or signatory of the Authority.

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

By: _____
President

Execution date:

CERTIFICATE OF REGISTRATION

This is one of the Notes described in the within-mentioned Resolution, which Note has been registered on the date set forth below and is one of the Castaic Lake Water Agency Commercial Paper Notes.

Date of Registration:

U.S. BANK NATIONAL ASSOCIATION,
Paying Agent

By: _____
Authorized Signatory

EXHIBIT B

**REQUISITION FORM
FOR PAYMENT FROM
THE PROJECT FUND ACCOUNT**

WHEREAS, pursuant to Resolution No. 2011-03, adopted by the Upper Santa Clara Valley Joint Powers Authority (the "Authority") on September 28, 2011 (the "Resolution"), the Authority has appointed Castaic Lake Water Agency (the "Agency") as its agent for the responsibilities given the Agency under the Resolution, including responsibilities concerning disbursements for the CP Project Fund; and

WHEREAS, the Agency now wishes to withdraw certain funds for the payment of such permissible expenditures.

NOW, THEREFORE, the Agency hereby requisitions a withdrawal as follows:

\$ _____

- (i) Name and number of project:
- (ii) Item number of the payment from this account:
- (iii) (a) The name of the project involved:
(b) The person to whom the payment is to be made [or the amount being requisitioned is for reimbursement of the Agency for costs of project theretofore paid by the Agency]:
- (iv) The purpose for which the obligation to be satisfied by such payment was incurred:
- (v) The amount requested has been incurred by the Agency and is presently due and payable and each item thereof is a proper charge against the above specified account and has not heretofore been previously paid therefrom;
- (vi) There has not been filed with or served upon the Agency any notice of lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation (other than materialmen's or mechanics' liens accruing by mere operation of law.

IN WITNESS WHEREOF, the Agency has caused this requisition to be signed by the General Manager thereunto duly authorized:

CASTAIC LAKE WATER AGENCY

By: _____
General Manager

APPENDIX A

[FORM OF DEALER AGREEMENT]

APPENDIX B

[FORM OF PAYING AGENT AGREEMENT]

Table of Contents

	<u>Page</u>
Section 1. Recitals True and Correct.....	1
Section 2. Definitions and Interpretation.....	1
Section 3. Authorization and Execution and Delivery of Commercial Paper Notes	6
Section 4. Denominations, Medium, Method and Place of Payment and Dating of Notes.....	7
Section 5. Payment of Principal and Interest, if any, on Notes.....	7
Section 6. Calculation and Payment of Interest	7
Section 7. Form of Note.....	7
Section 8. The Depository Trust Company and Transfer and Exchange Procedures.....	8
Section 9. Credit Support.	10
Section 10. Dealer.....	10
Section 11. Disposition of Proceeds of the Notes; Disposition of TRANS Payments; Trustee.	11
Section 12. Unclaimed Money	16
Section 13. Execution and Authentication of Notes	16
Section 14. Covenant of Further Assurances	16
Section 15. Agency as Agent for the Authority.....	16
Section 16. Paying Agent	16
Section 17. CP Rebate Fund.....	17
Section 18. Investment of Moneys in Funds	18
Section 19. Tax Covenants	19
Section 20. Benefits of This Resolution Limited to Parties	19
Section 21. Successor Deemed Included in All References to Predecessor.....	20
Section 22. Execution of Documents by Owners	20
Section 23. Waiver of Personal Liability.....	20
Section 24. Notice by Mail	20

Table of Contents
(continued)

	<u>Page</u>
Section 25. Funds	20
Section 26. Partial Invalidity.....	20
Section 27. Reference to Bank.....	21
Section 28. Governing Law	21
Section 29. Notices	21
Section 30. Notices to Rating Agencies.....	22
Section 31. Next Succeeding Business Day	22
Section 32. General Authorization	23
Section 33. Modification or Amendment of this Resolution.	23
Section 34. Defeasance	25
EXHIBIT A FORM OF DEALER AGREEMENT.....	A-1
EXHIBIT B FORM OF PAYING AGENT AGREEMENT.....	B-1