

RESOLUTION NO. 2010-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT ACCEPTING A LOAN AS EVIDENCED BY THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE IN THE PRINCIPAL AMOUNT OF \$5,000,000, AND AUTHORIZING THE EXECUTION OF DOCUMENTS AND ACTIONS RELATED THERETO

(2010 Promissory Note)

WHEREAS, this Board desires to finance the District's share of certain design and construction costs related to the expansion of the Recycled Water Facilities Project (the "Project");

WHEREAS, in order to finance the Project, the District desires to borrow \$5,000,000 by obtaining a bank loan;

WHEREAS, Bank of America, N.A. (the "Bank") has agreed to make such a loan, the loan to be evidenced by a promissory note to be executed and delivered by the District;

WHEREAS, in furtherance of the execution and delivery of the note, there has been submitted to this Board, for its consideration and approval, a form of the following:

- (a) the loan agreement (the "Loan Agreement"); and
- (b) the form of the promissory note (the "2010 Note").

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

WHEREAS, each of the documents which is now before this Board is in appropriate form and is an appropriate document to be executed and delivered for the purpose intended;

NOW, THEREFORE, BE IT FOUND, DETERMINED and ORDERED, that:

Section 1. The above recitals are true and correct and this Board so finds.

Section 2. The form and substance of the Loan Agreement, including the 2010 Note attached thereto, are approved. The President and Secretary of this Board, and the General Manager, and such other officers of the District as the President may designate, are each referred to herein as an "Authorized Officer", and any one of them

is authorized and directed, for and in the name of the District, to execute and deliver the Loan Agreement and the 2010 Note in the forms submitted to this Board, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution thereof by such Authorized Officer; provided that such changes, insertions and omissions shall not authorize a principal amount to be borrowed under the Loan Agreement in excess of \$5,000,000 or a maturity of the 2010 Note beyond 2015.

Section 3. The District reasonably anticipates that the amount of obligations to be issued by the District, the interest on which is to be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, during calendar year 2010, including the 2010 Note, will not exceed \$30,000,000.

Section 4. Sidley Austin LLP has been retained as bond counsel to the District in conjunction with the 2010 Note. Its letter, dated March 18, 2010, heretofore submitted to the Board, governing its engagement by the District, is approved. The Board authorizes the General Manager, for and in the name of the District, to agree to and accept the engagement letter, fees and expenses payable thereunder, to be paid as a cost of issuance of the 2010 Note.

Section 5. Any Authorized Officer is authorized and directed to execute and deliver any and all documents and to do and cause to be done any and all acts necessary or proper for carrying out the execution and delivery of the 2010 Note and the transactions contemplated by this Resolution and the documents herein approved.

Section 6. All actions heretofore taken by any Authorized Officers with respect to the execution and delivery of the Loan Agreement and 2010 Note, are ratified, confirmed, and approved in all respects.

ADOPTED, SIGNED AND APPROVED this 26 day of March, 2010.



Blair Ball, President
Beaumont-Cherry Valley Water District
and of the Board of Directors thereof

ATTEST:



Ryan Woll, Secretary
Beaumont-Cherry Valley Water District
and of the Board of Directors thereof

I hereby certify that the foregoing resolution was passed and adopted by the Board of Directors of the Beaumont-Cherry Valley Water District, Riverside County, California, at a meeting thereof held on the 26 day of March, 2010, by the following vote:

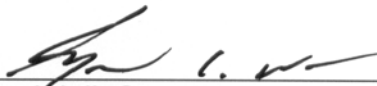
AYES: Halliwill, Parks, Ross, Woll and Ball

NOES:

ABSTAIN:

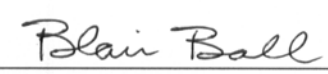
ABSENT:

VACANCY:



Ryan Woll, Secretary
Beaumont-Cherry Valley Water District
and of the Board of Directors thereof

ATTEST:



Blair Ball, President
Beaumont-Cherry Valley Water District
and of the Board of Directors thereof

