

RESOLUTION NO. 08-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTHERN CALIFORNIA WATER REPLENISHMENT  
FINANCING CORPORATION APPROVING AN  
INSTALLMENT PURCHASE AGREEMENT AND CERTAIN  
OTHER DOCUMENTS, AUTHORIZING THE PREPARATION,  
SALE AND DELIVERY OF CERTIFICATES OF  
PARTICIPATION IN AN AMOUNT NOT TO EXCEED  
\$20,000,000 AND AUTHORIZING CERTAIN ACTIONS IN  
CONNECTION THEREWITH

WHEREAS, the Southern California Water Replenishment Financing Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") with the authority to assist in the financing of the acquisition of certain equipment and property improvements on behalf of the Water Replenishment District of Southern California (the "District");

WHEREAS, the District and the Corporation desire to enter into that certain Installment Purchase Agreement, currently dated as of October 1, 2008 between the District and the Corporation (the "Installment Purchase Agreement"), the form of which has been presented to this Board of Directors at the meeting at which this Resolution has been adopted pursuant to which the District will purchase the Project (defined in the Installment Purchase Agreement) from the Corporation and make certain Installment Payments (as defined in the Installment Purchase Agreement) and pay interest thereon in connection therewith which payments have been pledged to the owners of the Certificates of Participation (defined below) by the Corporation pursuant to a Trust Agreement, currently dated as of October 1, 2008, among U.S. Bank National Association, as trustee (the "Trustee"), the District and the Corporation (the "Trust Agreement"), the form of which has been presented to this Board of Directors at the meeting at which this Resolution has been adopted;

WHEREAS, the Corporation will, in accordance with the Installment Purchase Agreement, appoint the District as its agent to acquire, construct and improve the Acquisition Project (as defined in the Installment Purchase Agreement) component of the Project;

WHEREAS, the Corporation and the District have determined that it would be in the best interests of the Corporation and, the District to authorize the preparation, sale and delivery of Water Replenishment District of Southern California 2008 Revenue Certificates of Participation in aggregate principal amount not to exceed \$20,000,000 (the "Certificates"), which Certificates shall evidence proportionate interests in certain Installment Payments and interest thereon to be made pursuant to the Installment Purchase Agreement;

WHEREAS, the Corporation desires to assign its right to receive the Installment Payments made under the Installment Purchase Agreement and interest thereon from the District to the Trustee pursuant to an Assignment Agreement, dated as of October 1, 2008, by and between the Corporation and the Trustee (the "Assignment Agreement"), the form of which has

been presented to this Board of Directors at the meeting at which this Resolution was adopted; and

WHEREAS, the Board of Directors desires to enter into a Certificate Purchase Agreement (the "Purchase Agreement") among the District, the Corporation and E. J. De La Rosa & Co., Inc. (the "Underwriter"), pursuant to which the Underwriter will agree to buy the Certificates on the terms and conditions set forth therein, the form of which has been presented to this Board of Directors at the meeting at which this Resolution was adopted;

NOW, THEREFORE, the Board of Directors of the Corporation does hereby resolve as follows:

SECTION 1: Certificates. This Board of Directors hereby approves the preparation, sale and delivery of the Certificates in an aggregate principal amount not to exceed \$20,000,000 in accordance with the terms and provisions of the Trust Agreement. The purposes for which the proceeds of the sale of the Certificates shall be expended are to pay the cost of financing the acquisition of certain equipment and property improvements, to fund a reserve fund and to pay the costs of the sale and delivery of the Certificates, including insurance costs, if applicable.

SECTION 2: Certificate Documents. The forms of the Installment Purchase Agreement, the Purchase Agreement, the Trust Agreement and the Assignment Agreement (collectively, the "Agreements") substantially in the form presented at this meeting are approved. The President, Vice President, Directors and Secretary of the Corporation, or the President's designee (each, an "Officer"), are authorized and directed to execute and deliver said Agreements. The Agreements shall be executed substantially in the forms hereby approved, with such additions thereto and changes therein as are recommended or approved by counsel to the Corporation and approved by such officers of the Corporation executing the documents, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3: Other Actions. The President, the Vice President, Directors and the Secretary of the Corporation, or such officer's designee, are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale and delivery of the Certificates and the Installment Purchase Agreement, and otherwise to effectuate the purposes of this Resolution, including without limitation, obtaining insurance with respect to the payment of the interest and principal represented by the Certificates.

SECTION 6: Effect. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED by the Board of Directors of the Southern California Water Replenishment Financing Corporation on \_\_\_\_\_, 2008.

**SOUTHERN CALIFORNIA WATER  
REPLENISHMENT FINANCING  
CORPORATION**

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President

ATTEST:

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Secretary

[CORPORATION CERTIFICATION TO COME]