

**RESOLUTION NO. 2011-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CALISTOGA PUBLIC FACILITIES CORPORATION  
APPROVING FORMS OF AND AUTHORIZING EXECUTION OF AN  
INSTALLMENT PURCHASE AGREEMENT AND A TRUST AGREEMENT  
IN CONNECTION WITH THE EXECUTION AND DELIVERY OF  
NOT TO EXCEED \$3,750,000 2011 CERTIFICATES OF PARTICIPATION  
(USDA WATER LOAN) AND AUTHORIZING AND  
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

1           WHEREAS, the Calistoga Public Facilities Corporation (the "Corporation")  
2 is a nonprofit public benefit corporation duly organized and existing under and by virtue  
3 of the laws of the State of California, organized with the power and authority to assist  
4 the City of Calistoga, California (the "City"), with the refinancing or financing of certain  
5 public capital improvements for the use, benefit and enjoyment of the public;

6           WHEREAS, the City has requested the assistance of the Corporation to  
7 cause certificates of participation to be delivered to the United States Department of  
8 Agriculture Rural Development (the "USDA") in the aggregate principal amount of not to  
9 exceed \$3,750,000 and at an interest rate of not to exceed 2.625% to provide  
10 permanent long-term financing for certain improvements to the City's water system (the  
11 "Project"), reimburse the City for certain costs relating to the Project and pay the costs  
12 of execution and delivery of the Certificates and incidental and related expenses;

13           WHEREAS, it is proposed that pursuant to a Trust Agreement (the "Trust  
14 Agreement"), by and between the Corporation, the City and the City acting as Trustee,  
15 the 2011 Certificates of Participation (USDA Water Loan) (the "Certificates") will be  
16 delivered;

17           WHEREAS, the Certificates will be sold to the USDA pursuant to  
18 Resolution No. 2009-087 adopted by the City Council of the City on October 6, 2009, in  
19 which the City Council of the City approved the sale of long-term evidences of  
20 indebtedness to the USDA under the terms of a letter of conditions, dated August 10,  
21 2009 (the "Commitment Letter");

22           WHEREAS, it is in the best interest and in the public benefit that the  
23 Corporation authorize and direct execution of the Trust Agreement, the Installment  
24 Purchase Agreement and certain other documents necessary or desirable; and

25           WHEREAS, the documents below specified have been filed with the  
26 Corporation and the members of the Board of the Corporation, with the aid of its staff,  
27 have reviewed said documents and desire to approve each document and authorize  
28 and direct the execution of such documents and the consummation of such financing;

29           **NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF**  
30 **DIRECTORS OF THE CALISTOGA PUBLIC FACILITIES CORPORATION AS**  
31 **FOLLOWS:**

1 SECTION 1. The below enumerated documents (collectively, the  
2 "Transaction Documents"), in substantially the forms submitted to the Board of  
3 Directors, are hereby approved, and an Authorized Officer (as defined below) is hereby  
4 authorized and directed to execute the Transaction Documents in substantially the  
5 forms hereto presented, with such revisions, amendments and completions as shall be  
6 approved by such Authorized Officer, such approval to be conclusively evidenced by the  
7 execution and delivery by such Authorized Officer; provided that the aggregate principal  
8 amount of the Certificates shall not exceed \$3,750,000 and the interest rate shall not  
9 exceed 2.625%. An "Authorized Officer" shall include any member of the Board of  
10 Directors, the chief executive officer, the chief financial officer or any other officer of the  
11 Corporation designated by any of the foregoing officers and the Secretary is hereby  
12 authorized and directed to attest to such official signature as necessary. The Secretary  
13 of the Corporation is directed to file a copy of the Transaction Documents with the  
14 minutes of this meeting.

15 (a) the Installment Purchase Agreement, pursuant to which the City will  
16 make Installment Payments to the Corporation as required thereunder; and

17 (b) the Trust Agreement, pursuant to which the Certificates will be  
18 delivered.

19 SECTION 2. Any Authorized Officer of the Corporation, and each of them,  
20 is hereby authorized and directed to execute and deliver the Transaction Documents  
21 and any and all other documents, agreements and instruments and to do and cause to  
22 be done any and all acts and things necessary or proper to carry out the transactions  
23 contemplated by this Resolution. The signature of only one Authorized Officer shall be  
24 sufficient to evidence execution by the Corporation of a document approved hereunder.

25 SECTION 3. This Resolution shall take effect immediately after its final  
26 passage.

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28 **PASSED, APPROVED, AND ADOPTED** by the Calistoga Public Facilities  
29 Corporation at a special meeting held this 21st day of June, 2011, by the following vote:

30 **AYES:**  
31 **NOES:**  
32 **ABSTAIN:**  
33 **ABSENT:**

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**Jack Gingles, Chair**

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38 **ATTEST:**

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**Susan Sneddon, Secretary**