



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
EMERGENCY MEETING OF THE BOARD OF DIRECTORS**

**Friday, March 16, 2012**

**Room 407**

**AGENDA**

- I. **Call to Order (Chairman William Walker)**
  
- II. **Roll Call (Board Secretary)**
  
- III. **Administrative Item**
  1. Approval of Amendment to Resolution #12-33, Section 3(d)(i)
  
- IV. **Adjournment**

Presented and Adopted: March 16, 2012

Subject: Approval of Amendment to Resolution #12-33, Section 3(d)(i)

#12-36  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“Authority”), at a duly called meeting held on March 16, 2012, by a vote of \_\_\_\_\_ ( ) in favor and \_\_\_\_\_ ( ) opposed, approved the following:

**WHEREAS**, pursuant to Resolution No. 12-33 adopted by the Board on March 1, 2012 (the “Original Resolution”), the Authority authorized the issuance of the Series 2012 Subordinate Bonds, as defined therein; and

**WHEREAS**, capitalized words and terms used, but not otherwise defined, in this Resolution shall have the same meaning assigned to them in the Original Resolution; and

**WHEREAS**, Section 3(d)(i) of the Original Resolution stated that the Earliest Optional Redemption Date shall be no later than the tenth anniversary of the date of issuance and delivery of the Fixed Rate Series 2012 Subordinate Bonds; and

**WHEREAS**, the Financial Advisors and the Series 2012 Original Purchasers have recommended that the sale of the Series 2012 Subordinate Bonds would be more financially advantageous to the Authority if the Earliest Optional Redemption Date is on October 1, 2022; and

**WHEREAS**, the Authority has determined to amend the Original Resolution to make the latest permitted Earliest Optional Redemption Date be the eleventh anniversary of the date of issuance and delivery of the Fixed Rate Series 2012 Subordinate Bonds;

**NOW, THEREFORE, BE IT RESOLVED**, that:

Section 1. Amendment of Section 3(d)(i) of the Original Resolution. Section 3(d)(i) is hereby amended to replace the words “tenth anniversary” with “eleventh anniversary.”

Section 2. Effective Date. This Resolution shall take effect immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

Presented and Adopted: March 1, 2012

SUBJECT: Approving the Final Form of Certain Documents Authorizing the Sale and Setting Terms and Details of the Series 2012 Subordinated Bonds

#12-33  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("Authority"), at its meeting on March 1, 2012, by a vote of ten (10) in favor and none (0) opposed, decided to approve the following:

**WHEREAS**, the Authority is authorized pursuant to the *Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996*, as amended, D.C. Code Section 34-2201.01 et seq. (the "WASA Act"), and the *District of Columbia Water and Sewer Authority Act of 1996*, Public Law 104-184; 110 Stat. 1696, to issue revenue bonds for undertakings authorized by the WASA Act, including to finance or refinance any cost, as defined in the WASA Act, D.C. Code Section 34-2202.01(2); and

**WHEREAS**, in accordance with the WASA Act, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee") (its predecessors in that capacity having been Norwest Bank Minnesota, N.A. and Wells Fargo Bank Minnesota, N.A.), entered into the Master Indenture of Trust, dated as of April 1, 1998 (the "Master Indenture" and, as supplemented and amended, the "Indenture"), to provide for financing or refinancing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Indenture) by the issuance of bonds, notes and other obligations payable solely from Net Revenues (as such terms are defined in the Master Indenture); and

**WHEREAS**, the Authority has heretofore entered into twelve (12) supplemental indentures of trust with the Trustee in connection with the issuance of Senior Debt and Subordinate Debt (as defined in the Indenture) or in connection with clarifications of provisions of the Master Indenture; and

**WHEREAS**, the Authority now intends (i) to issue Public Utility Subordinate Lien Revenue Bonds, Series 2012A (the "Series 2012A Subordinate Bonds") as Fixed Rate Series 2012 Subordinate Bonds, and Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B (the "Series 2012B Subordinate Bonds" and, together with the Series 2012A Subordinate Bonds, the "Series 2012A-B Subordinate Bonds") as Variable Rate Series 2012 Subordinate Bonds, to: finance certain Costs of the System; retire Series C Notes; fund a Series 2012A Debt Service Reserve Requirement (as defined herein), if any; fund a Series 2012B Debt Service Reserve Requirement (as defined herein), if any; fund capitalized interest on a portion of the Series 2012A-B

Subordinate Bonds subject to specified limitations; and pay certain costs of issuance; (ii) to issue Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2012C (the "Series 2012C Subordinate Refunding Bonds" and, together with the Series 2012A-B Subordinate Bonds, the "Series 2012 Subordinate Bonds"), as Fixed Rate Series 2012 Subordinate Bonds or Variable Rate Series 2012 Subordinate Bonds, or a combination thereof, to: advance refund some or all of the Authority's outstanding Series 2003 Subordinated Bonds; fund a Series 2012C Debt Service Reserve Requirement, (as defined herein), if any; and pay certain costs of issuance; (iii) to designate the Series 2012 Subordinate Bonds as Subordinate Debt for purposes of the Indenture; and (iv) to secure the Series 2012 Subordinate Bonds by a pledge of Net Revenues subordinate to the pledge of Net Revenues that secures Senior Debt and on a parity with the pledge of Net Revenues that secures other Subordinate Debt, including, without limitation, other Subordinate Debt that the Authority may issue from time to time in the future; and

**WHEREAS**, the General Manager, the Chief Financial Officer, the Chief Engineer and the General Counsel of the Authority have informed the Board that their offices have established "due diligence" procedures for reviewing the documents authorized by this Resolution with the Authority's bond counsel, financial advisors, underwriters and other consultants and advisors, with a view to ensuring the accuracy of disclosure; and

**WHEREAS**, the Finance and Budget Committee met on February 23, 2012, to review the issuance of the Series 2012 Subordinate Bonds and has recommended approval of this Resolution by the Board;

**NOW, THEREFORE, BE IT RESOLVED**, that:

Section 1. Definitions and Interpretations. Unless otherwise defined herein and unless the context indicates otherwise, the terms used herein and defined in the Indenture (including the Thirteenth Supplemental Indenture as hereby approved) shall have the meanings assigned to them therein. In addition, the following terms used as defined terms in this Resolution shall have the meaning ascribed to them in this Section:

"Authorized Officials" means the Chairman and Vice Chairman of the Board and the General Manager and Chief Financial Officer of the Authority, provided that any official other than the Chairman shall be designated by the Chairman as his designee for the purpose of executing and delivering any document authorized hereunder.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Authority and the Series 2012 Original Purchasers, dated as of the same date as the Certificate of Award.

"Certificate of Award" means the certificate of an Authorized Official awarding the Series 2012 Subordinate Bonds to the Series 2012 Original Purchasers and specifying terms of the Series 2012 Subordinate Bonds, as provided for in Section 5 of this Resolution.

**"Continuing Disclosure Agreement"** means the Continuing Disclosure Agreement executed by the Authority and the Trustee, dated as of the same date as the date of issuance and delivery of the Series 2012 Subordinate Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

**"Escrow Agreement"** means the Escrow Agreement, dated the same date as the Series 2012C Subordinate Refunding Bonds, between the Authority and the Trustee as Escrow Agent, providing for the Refunded Bonds to be deemed paid and no longer Outstanding under the Indenture.

**"Financial Advisor"** means, collectively, Public Financial Management and G~Entry Principle, P.C.

**"Fixed Rate Series 2012 Subordinate Bonds"** means the Series 2012 Subordinate Bonds designated as such in the applicable Certificate of Award.

**"Interest Payment Dates"** means: (i) for the Fixed Rate Series 2012 Subordinate Bonds, each April 1 and October 1, commencing on the April 1 or October 1 specified in the Certificate of Award as the first Interest Payment Date, and thereafter during the time the Series 2012 Subordinate Bonds are Outstanding; and (ii) for the Variable Rate Series 2012 Subordinate Bonds, the "Interest Payment Date" as defined for Variable Rate Series 2012 Subordinate Bonds in the Thirteenth Supplemental Indenture.

**"Refunded Bonds"** means any Outstanding Series 2003 Subordinated Bonds to be caused to be deemed paid and no longer Outstanding under the Indenture as the result of the deposit of proceeds of the Series 2012C Subordinate Refunding Bonds and any other funds in escrow under the Escrow Agreement and identified as the Refunded Bonds in the applicable Certificate of Award.

**"Refunding Savings Threshold"** means that, as the result of the advance refunding of the Refunded Bonds with proceeds of Series 2012C Subordinate Refunding Bonds and any other legally available funds, the Authority will achieve an aggregate reduction in bond service charges that has a present value at the time of sale of the Series 2012C Subordinate Refunding Bonds equal to at least three percent (3%) of the aggregate principal amount of the Refunded Bonds and will fulfill any other standards that any Authorized Official executing the Certificate of Award deems appropriate.

**"Remarketing Agent"** means any Remarketing Agent designated for Variable Rate Series 2012 Subordinate Bonds under the Thirteenth Supplemental Indenture.

**"Remarketing Agreement"** means any Remarketing Agreement entered into for Variable Rate Series 2012 Subordinate Bonds under the Thirteenth Supplemental Indenture.

**"Series 2012 Debt Service Reserve Requirement"** means a required fund balance, if any, in the Series 2012 Debt Service Reserve Account or Accounts

established under the Thirteenth Supplemental Indenture, the amount of which shall be specified in the Certificate of Award, but which shall not exceed the maximum amount permitted to constitute a "reasonably required reserve or replacement fund" under the size limitation set forth in Section 1.148-2(f)(2) of the Treasury Regulations promulgated under the Code (taking into account any moneys in any other fund or account that may be required to be included in such computation) unless the Authority furnishes to the Trustee an opinion of nationally recognized bond counsel to the effect that the required balance in the Series 2012 Debt Service Reserve Account does not exceed the amount that qualifies as a "reasonably required reserve or replacement fund" within the meaning of Section 148(d) of the Code and the Treasury Regulations thereunder and that the existence of a balance in the Series 2012 Debt Service Reserve Account in the amount of the required fund balance will not cause the interest on any Series 2012 Subordinate Bonds that had been excluded from gross income for federal income tax purposes to cease to be so.

"Series 2012 Original Purchasers" for the Series 2012 Subordinate Bonds means the purchasers identified as such in the Bond Purchase Agreement for the Series 2012 Subordinate Bonds.

"Thirteenth Supplemental Indenture" means the Thirteenth Supplemental Indenture of Trust by and between the Authority and the Trustee, dated as of the same date as and relating to the Series 2012 Subordinate Bonds.

"Variable Rate Series 2012 Subordinate Bonds" means the Series 2012 Subordinate Bonds designated as such in the applicable Certificate of Award.

Any reference to the Authority or the Board, or to their members or officers, or to other public officers, boards, commissions, departments, institutions, agencies, bodies or entities, shall include those who or which succeed to their functions, duties or responsibilities by operation of law and also those who or which at the time may legally act in their place.

**Section 2. Authorization, Designation and Purposes of Series 2012 Subordinate Bonds.**

(a) **Series 2012A-B Subordinate Bonds.** The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, not to exceed (except as provided below) Three Hundred Million Dollars (\$300,000,000) principal amount of bonds that shall constitute Subordinate Debt under the Indenture, which shall be designated "Public Utility Subordinate Lien Revenue Bonds, Series 2012A" if they are Fixed Rate Series 2012 Subordinate Bonds, or "Public Utility Subordinate Lien Multimodal Revenue Bonds, Series 2012B" if they are Variable Rate Series 2012 Subordinate Bonds, for the following purposes: (i) financing certain Costs of the System, including, without limitation, capitalized interest on a portion of the Series 2012A-B Subordinate Bonds to be specified in the Certificate of Award and for a period to be specified in the Certificate of Award, but subject to such restrictions as may apply under the Code to cause such capitalized interest to be consistent with the tax-exempt

status of the Series 2012A-B Subordinate Bonds; (ii) retiring a portion of the Series C Notes specified in the Certificate of Award; (iii) funding a Series 2012A Debt Service Reserve Requirement, if any, or a Series 2012B Debt Service Reserve Requirement, if any; and (iv) paying issuance costs of the Series 2012A-B Subordinate Bonds. The proceeds from the sale of the Series 2012A-B Subordinate Bonds shall be allocated and deposited for those purposes and as provided in the Thirteenth Supplemental Indenture. If and to the extent that (i) any Series 2012A-B Subordinate Bonds are issued to fund a Series 2012A Debt Service Reserve Requirement or a 2012B Debt Service Reserve Requirement, or (ii) any Series 2012 Subordinate Bonds are sold to the Series 2012 Original Purchasers at an original issue discount, then the aggregate principal amount of Series 2012A-B Subordinate Bonds hereby authorized may exceed \$300,000,000 by the aggregate principal amount of the Series 2012A-B Subordinate Bonds to be issued to fund such debt service reserve requirements and by the amount of such original issue discount.

(b) Series 2012C Subordinate Bonds. The Authority is authorized to issue, sell and deliver, as provided in this Resolution and the Certificate of Award, bonds in an aggregate principal amount not greater than the amount determined in the Certificate of Award to be sufficient to accomplish the purposes for which their issuance is authorized, which shall be designated "Public Utility Subordinate Lien Revenue Refunding Bonds, Series 2012C," and constitute Subordinate Debt under the Indenture, for the following purposes: (i) advance refunding the Refunded Bonds and causing them to be deemed paid and no longer Outstanding for purposes of the Indenture, (ii) funding a Series 2012C Debt Service Reserve Requirement, if any; and (iii) paying issuance costs of the Series 2012C Subordinate Bonds; provided, however, that before an Authorized Official executes a Certificate of Award applicable to the Series 2012C Subordinate Refunding Bonds, the Authority's Financial Advisor shall have given the Authority a written certification that identifies the Refunded Bonds (consistently with the Certificate of Award) and determines that the Authority's issuance and sale of the Series 2012C Subordinate Refunding Bonds on the terms set forth in the Certificate of Award and the application of the proceeds of the Series 2012C Subordinate Refunding Bonds and any other legally available funds to advance refund the Refunded Bonds identified in the Financial Advisor's certificate, will meet the Refunding Savings Threshold. The proceeds from the sale of the Series 2012C Subordinate Refunding Bonds shall be allocated and deposited for those purposes and as provided in the Thirteenth Supplemental Indenture.

**Section 3. Terms and Provisions Applicable to Fixed Rate Series 2012 Subordinate Bonds.**

(a) Form, Transfer and Exchange. The Fixed Rate Series 2012 Subordinate Bonds: (i) shall initially be issued only in fully registered form and substantially in the form or forms attached as Exhibits to the Thirteenth Supplemental Indenture; (ii) shall initially be issued only to a Depository for holding in a book entry system, and shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository, and (iii) shall not be transferable or exchangeable except as provided in the Thirteenth Supplemental Indenture.

(b) Denominations and Dates. The Fixed Rate Series 2012 Subordinate Bonds shall be dated as of the date of issuance and delivery, but in no event later than December 31, 2012, and there shall be a single Series 2012 Bond representing each interest rate for each maturity of the Fixed Rate Series 2012 Subordinate Bonds bearing the same series or subseries designation.

(c) Principal Maturities and Interest Rates. The Fixed Rate Series 2012 Subordinate Bonds shall bear interest on their unpaid principal amount payable on each Interest Payment Date, commencing on the first Interest Payment Date specified in the Certificate of Award, at such fixed rates per annum as set forth in the Certificate of Award as provided in Section 5(c) hereof, provided, however, that the "true interest cost" (i.e., interest cost on bonds defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective interest and principal payment dates to the purchase price received for the bonds) on the Fixed Rate Series 2012 Subordinate Bonds shall not exceed six and one half percent (6.50%) per annum. The principal of the Fixed Rate Series 2012 Subordinate Bonds shall be paid in such amounts on each principal retirement date (whether at stated maturity date or a mandatory redemption date) as set forth in the Certificate of Award, provided that the final principal retirement date shall be no later than December 31, 2044.

(d) Optional and Mandatory Redemption.

(i) *Optional* - The Fixed Rate Series 2012 Subordinate Bonds maturing on or before any date specified in the Certificate of Award as the Earliest Optional Redemption Date (which shall be no later than the tenth anniversary of the date of issuance and delivery of the Fixed Rate Series 2012 Subordinate Bonds), are not subject to prior optional redemption. Any Fixed Rate Series 2012 Subordinate Bond maturing after the Earliest Optional Redemption Date shall be subject to redemption at the option of the Authority, prior to their stated maturities on or after the Earliest Optional Redemption Date in whole or in part (in whole multiples of \$5,000) on any date, at redemption prices specified in the Certificate of Award, provided that no such redemption price (not including accrued interest) shall exceed 102% of the principal amount of the Fixed Rate Series 2012 Subordinate Bonds to be redeemed.

(ii) *Mandatory Sinking Fund Redemption* - Any Fixed Rate Series 2012 Subordinate Bonds may be designated in the Certificate of Award as Term Bonds and be subject to mandatory sinking fund redemption by lot on specified principal retirement dates at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(e) Redemption Provisions. Redemption of Fixed Rate Series 2012 Subordinate Bonds shall be effected in accordance with Article IV of the Master Indenture, provided, however, that notices of redemption of Fixed Rate Series 2012 Subordinate Bonds sent pursuant to Section 402 of the Master Indenture may specify that the redemption is conditional upon the Authority's depositing the funds needed to effect that redemption prior to the specified redemption date.



(f) Places and Manner of Payment. The principal of and the interest and any redemption premium on the Fixed Rate Series 2012 Subordinate Bonds shall be payable at the places and in the manner specified in the Thirteenth Supplemental Indenture.

(g) Execution. The Authorized Officials are, and each of them is, authorized and directed to execute the Fixed Rate Series 2012 Subordinate Bonds, and the Secretary of the Board is authorized and directed to affix the seal of the Authority to the Fixed Rate Series 2012 Subordinate Bonds and to deliver them to the Trustee for authentication in accordance with the Indenture.

Section 4. Terms and Provisions Applicable to Variable Rate Series 2012 Subordinate Bonds. All capitalized words and terms used in this Section 4 not elsewhere defined herein are used with the definitions assigned to them in Section 102(b) of the Thirteenth Supplemental Indenture.

(a) Authorized Maximum Principal Amount. The aggregate principal amount of the Series 2012B Subordinate Bonds shall not exceed \$100,000,000, subject, however, to the last sentence in Section 2(a). The aggregate principal amount of the Series 2012C Subordinate Refunding Bonds that are Variable Rate Series 2012 Subordinate Bonds shall not, when added to the aggregate principal amount of the Series 2012C Subordinate Refunding Bonds that are Fixed Rate Series 2012 Subordinate Bonds, exceed the authorized principal amount of the Series 2012C Subordinate Refunding Bonds.

(b) Interest Rates and Interest Rate Periods for the Variable Rate Series 2012 Subordinate Bonds. The Variable Rate Series 2012 Subordinate Bonds shall initially be issued as Index Rate Bonds and, as such, shall bear interest at the SIFMA Index Rate or the LIBOR Index Rate, as determined in the Certificate of Award, during the Initial Period. The Variable Rate Series 2012 Subordinate Bonds initially may be issued in multiple subseries, as determined in the Certificate of Award, each with its own initial Index Rate Bonds Purchase Date, none of which Index Rate Bonds Purchase Dates shall be later than December 31, 2017. After the Initial Period, the Variable Rate Series 2012 Subordinate Bonds may bear interest at Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates, or a Fixed Rate, or may continue to bear interest at an Index Rate, all determined in accordance with the Thirteenth Supplemental Indenture, and shall be subject to conversion between Interest Rate Periods on the terms, in the manner, and subject to the conditions set forth in the Thirteenth Supplemental Indenture.

(c) Tender, Purchase, Remarketing and Optional Redemption of Variable Rate Series 2012 Subordinate Bonds. During the Initial Period, the Variable Rate Series 2012 Subordinate Bonds shall be subject to mandatory tender (either as Hard Tender Index Rate Bonds or Soft Tender Index Rate Bonds, as defined in the Thirteenth Supplemental Indenture and as designated in the Certificate of Award) by the Holders for purchase on the respective Initial Index Rate Bonds Purchase Dates applicable to Variable Rate Series 2012 Subordinate Bonds. During any Subsequent Index Rate Period, the Variable Rate Series 2012 Subordinate Bonds may be subject to

optional and mandatory tender by the Holders for purchase and remarketing, all on the terms, in the manner, and subject to the conditions set forth in the Thirteenth Supplemental Indenture. For the purpose of effecting the provisions of the Thirteenth Supplemental Indenture relating to the tender, purchase and remarketing of the Variable Rate Series 2012 Subordinate Bonds, the Authority shall appoint or engage the Tender Agent and Remarketing Agent at the times, in the manner, and subject to the conditions set forth in the Thirteenth Supplemental Indenture. During any Index Rate Period, the Variable Rate Series 2012 Subordinate Bonds shall be subject to redemption at the option of the Authority in accordance with the Thirteenth Supplemental Indenture in whole or in part (in whole multiples of their Authorized Denominations) on such date or dates specified in the applicable Certificate of Award or Notice of Conversion, as the case may be, at a redemption price equal to the principal amount of the Variable Rate Series 2012 Subordinate Bonds to be redeemed plus interest accrued to the redemption date.

**Section 5. Sale of Series 2012 Subordinate Bonds.**

(a) **General.** The Series 2012 Subordinate Bonds shall be awarded and sold to the Series 2012 Original Purchasers in accordance with the Bond Purchase Agreement and the Certificate of Award, at a purchase price of not less than ninety-five percent (95%) of the aggregate of the products from multiplying the principal amount of each Series 2012 Bond times the percentage of such principal amount at which such Series 2012 Bond shall be initially offered to the public, after subtracting from the aggregate of such products the premium payable for any municipal bond insurance policy applicable to the Series 2012 Subordinate Bonds.

(b) **Bond Purchase Agreement.** The Authorized Officials are, and each of them is, authorized and directed to execute and deliver the Bond Purchase Agreement between the Authority and the Series 2012 Original Purchasers, substantially in the form presented to this Authority, but with such changes not inconsistent with the Indenture and this Resolution and not substantially adverse to the Authority as may be approved by the Authorized Official executing the same on behalf of the Authority. The approval of any such changes by such Authorized Official and the determination by such Authorized Official that no such change is substantially adverse to the Authority shall be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Official. The price for and terms of the Series 2012 Subordinate Bonds and the sale thereof, all as provided in this Resolution, the Bond Purchase Agreement, the Certificate of Award, and the Thirteenth Supplemental Indenture, are hereby approved and determined to be in the best interests of the Authority.

(c) **Certificate of Award.** Such sale and award shall be further evidenced by the Certificate of Award executed by an Authorized Official. The terms of the Series 2012 Subordinate Bonds approved in the Certificate of Award shall be incorporated into the Thirteenth Supplemental Indenture. The Certificate of Award, subject to the restrictions set forth herein, shall: (i) state, with respect to each series and subseries of the Series 2012 Subordinate Bonds, whether it shall be Fixed Rate Series 2012 Subordinate Bonds or Variable Rate Subordinate Bonds and specify as to each the aggregate principal amount, the purchase price, the Interest Payment Dates, the interest

rate or rates (or, with respect to Variable Rate Series 2012 Subordinate Bonds, the initial interest rate mode), the principal retirement dates, the mandatory sinking fund requirements (if any), the redemption dates, and the redemption prices thereof; (ii) specify whether a municipal bond insurance policy, letter of credit, or other credit or liquidity facility shall be obtained with respect to the Series 2012 Subordinate Bonds and, if so, from whom and on what terms; (iii) specify the amount, if any, of the Series 2012 Debt Service Reserve Requirement and determine whether it shall be met entirely with (X) cash and Permitted Investments; (Y) a Qualified Reserve Credit Facility (as defined in the Indenture); or (Z) a specified combination of (X) and (Y); and (iv) include any additional information that may be required or permitted to be stated therein by the terms of this Resolution and the Bond Purchase Agreement.

(d) Authorization of Bond Insurance and Qualified Reserve Credit Facilities. The submission of applications to: (i) recognized providers of municipal bond insurance requesting the issuance of one or more municipal bond insurance policies to insure the Authority's obligation to make payments of principal of and interest on the Series 2012 Subordinate Bonds, and (ii) potential providers of Qualified Reserve Credit Facilities, is hereby ratified and approved. The Authorized Officials are, and each of them is, hereby authorized to specify in the Certificate of Award that the Authority shall accept one or more commitments for insurance from such providers, and one or more commitments for a Qualified Reserve Credit Facility. There is hereby authorized to be paid from the moneys deposited in the Series 2012 Costs of Issuance Subaccount such amount as is required to pay the premium and expenses for such insurance policies and Qualified Reserve Credit Facilities relating to the Series 2012 Subordinate Bonds. The Authorized Officials are, and each of them is, hereby further authorized to enter into a reimbursement agreement with the provider of any Qualified Reserve Credit Facility to provide for the Authority's reimbursement of the provider for any amounts drawn under the Qualified Reserve Credit Facility in a manner consistent with the Indenture. Any determination of the Authorized Officials under this paragraph shall be based on the written advice of the Financial Advisor.

(e) Certificates. The General Manager and Chief Financial Officer of the Authority are authorized and directed, in their official capacities, to execute and deliver to the Series 2012 Original Purchasers the certificates required by the Bond Purchase Agreement to be executed on behalf of the Authority.

(f) Delivery of Bonds. The Authorized Officials are, and each of them is, authorized and directed to make the necessary arrangements with the Series 2012 Original Purchasers to establish the date, location, procedure and conditions for the delivery of the Series 2012 Subordinate Bonds to the Series 2012 Original Purchasers. The Authorized Officials are, and each of them is, further authorized and directed to make the necessary arrangements for the printing of the Series 2012 Subordinate Bonds, and the execution, authentication and delivery of the Series 2012 Subordinate Bonds to DTC for the accounts of the Series 2012 Original Purchasers in accordance with this Resolution and the Indenture, and upon the receipt of payment of the purchase price, to cause such amount to be applied in accordance with the terms and provisions of this Resolution and the Indenture.

**Section 5. Allocation of Proceeds of the Series 2012 Subordinate Bonds; Tax Covenants.**

(a) **Allocation of Proceeds of the Series 2012 Subordinate Bonds.** The proceeds from the sale of the Series 2012 Subordinate Bonds, including any accrued interest, shall be allocated, deposited and credited for the purposes approved in this Resolution and as specified in the Thirteenth Supplemental Indenture.

(b) **Tax Covenants.** The Board authorizes the Authorized Officials to approve the tax covenants, authorizations and agreements necessary to achieve and maintain the tax-exempt status of the Series 2012 Subordinate Bonds.

**Section 6. Thirteenth Supplemental Indenture, Escrow Agreement, Remarketing Agreement and Other Documents.** The Authorized Officials are, and each of them is, authorized in connection with the issuance of the Series 2012 Subordinate Bonds, to execute, acknowledge and deliver in the name of and on behalf of the Authority, the Thirteenth Supplemental Indenture and the Escrow Agreement, substantially in the respective forms thereof submitted to the Authority at or prior to this meeting, but with such changes therein as may be permitted by the Indenture and this Resolution and approved by the Authorized Officer executing the document on behalf of the Authority. The approval of those changes shall be conclusively evidenced by the execution of the document by an Authorized Official.

If any of the Series 2012 Subordinate Bonds are designated to be Variable Rate Series 2012 Subordinate Bonds, the Authorized Officials are, and each of them is, authorized at the time required under the Thirteenth Supplemental Indenture to designate the Remarketing Agent and to execute, acknowledge and deliver, in the name of and on behalf of the Authority, the Remarketing Agreement in a form determined by the Authorized Officer executing the document on behalf of the Authority to be consistent with the Indenture and this Resolution. The determination of such consistency shall be conclusively evidenced by the execution of the document by an Authorized Official.

The Authorized Officials and any other member, officer or employee of the Authority are each authorized to execute and deliver, on behalf of the Authority, such other certificates, documents and instruments related to the Series 2012 Subordinate Bonds as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or the Authority pursuant to the Indenture, the Thirteenth Supplemental Indenture, the Bond Purchase Agreement and this Resolution.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Board or officer, employee or agent of the Authority in his or her individual capacity, and neither the members of the Board nor any officer of the Authority executing the Series 2012 Subordinate Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Board or officer, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Resolution or the Indenture or

any other document authorized by this Resolution, provided such member, officer, employee, agent or advisor acts in good faith.

**Section 7. Official Statement; Continuing Disclosure.** The Authorized Officials shall cause to be prepared and issued on behalf of the Authority, an official statement (the "Official Statement") relating to the original issuance of the Series 2012 Subordinate Bonds. The Authorized Officials are, and each of them is, authorized to execute the Official Statement on behalf of the Authority, which shall be in substantially the form of the Official Statement submitted to the Authority at this meeting, with such changes as the Authorized Official who executes it may approve, the execution thereof on behalf of the Authority by an Authorized Official to be conclusive evidence of such authorization and approval (including approval of any such changes), and copies thereof are hereby authorized to be prepared and furnished to the Series 2012 Original Purchasers for distribution to prospective purchasers of the Series 2012 Subordinate Bonds and other interested persons. The preliminary Official Statement shall be "deemed substantially final" by the Authority within the meaning of Rule 15c2-12 of the Securities Exchange Commission, subject to completion as provided below.

The distribution by the Authority and by the Series 2012 Original Purchasers of the preliminary Official Statement and the Official Statement, in such form and with any changes as may be approved in writing by an Authorized Official, is hereby authorized and approved.

The Authority shall make sufficient copies of the Official Statement, with any supplements, available to the Series 2012 Original Purchasers to sell book entry interests in the Series 2012 Subordinate Bonds, and will provide copies as appropriate to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access.

The Authorized Officials are each hereby authorized to furnish such information, to execute such instruments and to take such other action in cooperation with the Series 2012 Original Purchasers as may be reasonably requested to qualify the Series 2012 Subordinate Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Series 2012 Original Purchasers; provided, however, that the Authority shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the Authority is not now subject to such service.

The Authorized Officials are each hereby further authorized: (i) to supplement and complete the "deemed substantially final" preliminary Official Statement by affixing thereto or inserting therein information to identify the Series 2012 Original Purchasers and to specify the final principal amount, interest rates and redemption provisions of the Series 2012 Subordinate Bonds, the price of the Series 2012 Subordinate Bonds to the general public, any credit enhancement provisions with respect to the Series 2012 Subordinate Bonds and any change in ratings of the Series 2012

Subordinate Bonds resulting from such credit enhancement, and such other information as is necessary to supplement and complete the Official Statement with the approved and agreed upon terms of Series 2012 Subordinate Bonds, and (ii) to make such other changes to the preliminary Official Statement or the Official Statement as are, in the judgment of an Authorized Official, necessary and appropriate in order to make the preliminary Official Statement or the Official Statement not materially misleading and to comply with applicable securities laws or otherwise to enable the Authority to fulfill its obligations regarding the preliminary Official Statement or the Official Statement under the Bond Purchase Agreement.

The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution or the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Holder of Series 2012 Subordinate Bonds may, and the Trustee may (and, at the request of the Holders of at least 25% in aggregate principal amount of Outstanding Series 2012 Subordinate Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this paragraph. The Authorized Officials are, and each of them is, hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form submitted to the Authority at or prior to this meeting with such changes therein as may be approved by the officer executing the Continuing Disclosure Agreement. The approval of those changes shall be conclusively evidenced by the execution of the Continuing Disclosure Agreement by an Authorized Official.

Section 8. General. The appropriate officers and employees of the Authority will do all things necessary and proper to implement and carry out the orders and agreements set forth or approved in this Resolution for the proper fulfillment of the purposes thereof. The Authority shall furnish to the Series 2012 Original Purchasers of the Series 2012 Subordinate Bonds a true and certified transcript of all proceedings relating to the authorization and issuance of the Series 2012 Subordinate Bonds along with other information as is necessary or proper with respect to the Series 2012 Subordinate Bonds.

Section 9. Multiple Series. Notwithstanding anything herein to the contrary, the Series 2012 Subordinate Bonds may be issued in one or more separate series or subseries (including, without limitation, one or more separate series for the Series 2012A-B Subordinate Bonds and the Series 2012C Subordinate Refunding Bonds), each bearing a distinctive designation, provided that each Series 2012 Subordinate Bond of each series, and the Series 2012 Subordinate Bonds of all series in the aggregate, must satisfy the requirements and comply with the restrictions of this Resolution and the Indenture. Separate series and subseries of Series 2012 Subordinate Bonds may be issued at the same or different times and so may have different dates of issuance. The Series 2012 Subordinate Bonds of each series and subseries shall be designated as provided in the applicable Certificate of Award. A separate Certificate of Award may be delivered for each series or subseries, and each

reference in this Resolution to the Certificate of Award shall refer to each and all such Certificates of Award. A separate Supplemental Trust Indenture may be entered into for each series or subseries, and each reference in this Resolution to the Thirteenth Supplemental Indenture shall refer to each and all such Supplemental Trust Indentures, but any Supplemental Trust Indenture subsequent to the Thirteenth Supplemental Indenture shall bear a different designation. A separate Bond Purchase Agreement and Continuing Disclosure Agreement may be entered into for each series or subseries, and each reference in this Resolution to the Bond Purchase Agreement or to the Continuing Disclosure Agreement shall refer to each and all such Bond Purchase Agreements or Continuing Disclosure Agreements, respectively. A separate Official Statement may be prepared for each series or subseries, and each reference in this Resolution to the Official Statement shall refer to each and all such Official Statements.

Section 10. Effective Date. This Resolution shall take effect immediately.

  
Secretary to the Board of Directors