



RESOLUTION 2012-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT RESOLUTION TO OBTAIN CREDIT WITH BANK OF AMERICA

WHEREAS, the Monterey Peninsula Water Management District currently has an established Line of Credit Agreement with Bank of America; and,

WHEREAS, the Monterey Peninsula Water Management District has a need to continue using the Line of Credit and desires to renew the existing Line of Credit Agreement; and,

WHEREAS, in order to renew the Line of Credit Agreement with Bank of America, the Monterey Peninsula Water Management District needs to adopt a Resolution to Obtain Credit (see Attachment 1);

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Monterey Peninsula Water Management District hereby determines that it has a need to continue using Line of Credit from Bank of America and in order to renew the Agreement, the District needs to adopt a Resolution to Obtain Credit (see Attachment 1) with Bank of America.

On motion of Director Pendergrass, and second by Director Brower, the foregoing resolution is duly adopted this 20th day of August 2012 by the following votes:

AYES: Directors Pendergrass, Brower, Byrne, Lehman, Lewis, Markey and Potter
NAYS: None
ABSENT: None

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 20th day of August 2012.

Witness my hand and seal of the Board of Directors this 23rd day of August 2012.


David J. Stoldt, Secretary to the Board

Attachment 1



**RESOLUTIONS TO OBTAIN CREDIT
(CORPORATION)**

RESOLVED, that this corporation, MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, may:

1. borrow money from BANK OF AMERICA, N.A. ("Bank");
2. obtain for the account of this corporation commercial and standby letters of credit issued by Bank;
3. obtain for the account of this corporation Bank's acceptance of drafts and other instruments; and
4. discount with or sell to Bank notes, acceptances, drafts, receivables and other evidences of indebtedness, and assign or otherwise transfer to Bank any security interest or lien for such obligations;

from time to time, in such amount or amounts as in the judgment of the Authorized Officer (as hereinafter defined) this corporation may require (the credit facilities described in the first part of this resolution are collectively referred to herein as the "Credit Facilities").

RESOLVED FURTHER, that this corporation is authorized to enter into one or more agreements with Bank or an affiliate of Bank that provide for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, securities puts, calls, collars, options or forwards or any combination of, or option with respect to, these or similar transactions, which agreements may be oral or in writing (collectively, "Hedge Agreements") and to execute and deliver any master agreement and the related schedule, confirmation or other agreement or certificate as Bank or its affiliate may require relating to such Hedge Agreements, including, without limitation, any security or other collateral documentation as Bank or its affiliate may require in connection therewith.

RESOLVED FURTHER, that the Authorized Officer is hereby authorized and directed, as security for any obligation or obligations of this corporation to Bank, whether arising pursuant to these Resolutions or otherwise, to grant in favor of Bank a security interest in or lien on any real or personal property belonging to or under the control of this corporation.

RESOLVED FURTHER, that Suresh Prasad, the Chief Financial Officer of this corporation, acting individually (the "Authorized Officer"), is hereby authorized and directed, in the name of this corporation, to execute and deliver to Bank, and Bank is requested to accept:

- a. the notes, credit agreements, advance account agreements, acceptance agreements, letter of credit applications and agreements, purchase agreements, sale agreements or other instruments, agreements and documents which evidence the obligations of this corporation under the Credit Facilities obtained or to be obtained pursuant to these resolutions;
- b. any and all security agreements, deeds of trust, mortgages, financing statements, fixture filings or other instruments, agreements and documents with respect to any security interest or lien authorized to be given pursuant to these resolutions;
- c. any master agreement and the related schedule, confirmation or other agreement or

Attachment 1

certificate as Bank may require relating to Hedge Agreements; and

d. any other instruments, agreements and documents as Bank may require and the Authorized Officer may approve.

RESOLVED FURTHER, that the Authorized Officer is hereby authorized and directed, in the name of this corporation, to endorse, assign to Bank, and deliver to Bank, any and all notes, acceptances, drafts, receivables and other evidences of indebtedness discounted with or sold to Bank, together with any security interest or lien for such obligations, and to guarantee the payment of the same to Bank.

RESOLVED FURTHER, that any and all of the instruments, agreements and documents referred to above may contain such recitals, covenants, agreements and other provisions as Bank may require and the Authorized Officer may approve, and the execution of such instruments, agreements and documents by the Authorized Officer shall be conclusive evidence of such approval, and that the Authorized Officer is authorized from time to time to execute renewals or extensions of any and all such instruments, agreements and documents.

RESOLVED FURTHER, that Bank is authorized to act upon the foregoing resolutions until written notice of revocation is received by Bank, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the Authorized Officer.

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Attachment 1
CORPORATE SECRETARY'S CERTIFICATE

I, David J. Stoldt, Secretary to the Board of Directors of Monterey Peninsula Water Management District, a corporation organized and existing under the laws of the State of California (the "Corporation"), hereby certify that the foregoing is a full, true and correct copy of resolutions of the Board of Directors of the Corporation, duly and regularly adopted by the Board of Directors of the Corporation in all respects as required by law and the by-laws of the Corporation at a meeting at which a quorum of the Board of Directors of the Corporation was present and the requisite number of such directors voted in favor of said resolutions, or by the unanimous consent in writing of all members of the Board of Directors of the Corporation to the adoption of said resolutions.

I further certify that said resolutions are still in full force and effect and have not been amended or revoked, and that the specimen signatures appearing below are the signatures of the officers authorized to sign for the Corporation by virtue of such resolutions.

Date: August 20, 2012

AUTHORIZED SIGNATURES


Suresh Prasad, Chief Financial Officer


David J. Stoldt, Secretary to the Board

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EXHIBIT 2-B



AMENDMENT NO. 1 TO AMENDED AND RESTATED LOAN AGREEMENT

This Amendment No. 1 to Amended and Restated Loan Agreement (the "Amendment") dated as of July 18, 2012, is between Bank of America, N.A. (the "Bank") and Monterey Peninsula Water Management District (the "Borrower").

RECITALS

A. The Bank and the Borrower entered into a certain Amended and Restated Loan Agreement dated as of June 8, 2010 (together with any previous amendments, the "Agreement"). The current commitment amount of the Facility No. 1 Commitment is \$1,500,000.00.

B. The Bank and the Borrower desire to amend the Agreement.

AGREEMENT

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Agreement.

2. Amendments. The Agreement is hereby amended as follows:

2.1 In Paragraph 1.1(a), the amount of "One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00)" is changed to "Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00)".

2.2 In Paragraph 1.2, the date "May 10, 2011" is changed to "April 30, 2013".

2.3 The following Paragraph 6.2(c) is hereby added:

"(c) Within 270 days of the fiscal year end, the annual budget of Borrower, certified and dated by an authorized financial officer, commencing on February 28, 2013. The budget shall be prepared on a consolidated basis."

2.4 The following Paragraph 6.2(d) is hereby added:

"(d) Within 60 days of the period's end (excluding the last period in each fiscal year), the quarterly financial statements of Borrower, certified and dated by an authorized financial officer. These statements shall be prepared on a consolidated basis and may be company-prepared."

2.5 The following Paragraph 6.18 is hereby added:

"6.18 Out of Debt Period. To reduce the amount of advances outstanding under the Facility No. 1 Commitment to not more than One Million and No/100 Dollars (\$1,000,000.00) for a period of at least thirty (30) consecutive days in each Line-Year. 'Line-Year' means the period between the date of this Agreement and March 1, 2013, and each subsequent one-year period (if any). For the purposes of this paragraph, 'Advances' includes overdrafts in the Borrower's accounts."

3. Representations and Warranties. When the Borrower signs this Amendment, the Borrower represents and warrants to the Bank that: (a) there is no event which is, or with notice or lapse of time or both would be, a default under the Agreement except those events, if any, that have been disclosed in writing to the Bank or waived in writing by the Bank; (b) the representations and warranties in the

Agreement are true as of the date of this Amendment as if made on the date of this Amendment; (c) this Amendment does not conflict with any law, agreement, or obligation by which the Borrower is bound; and (d) if the Borrower is a business entity or a trust, this Amendment is within the Borrower's powers, has been duly authorized, and does not conflict with any of the Borrower's organizational papers.

4. Conditions. This Amendment will be effective when the Bank receives the following items, in form and content acceptable to the Bank:

4.1 If the Borrower or any guarantor is anything other than a natural person, evidence that the execution, delivery and performance by the Borrower and/or such guarantor of this Amendment and any instrument or agreement required under this Amendment have been duly authorized.

4.2 Payment by the Borrower of a renewal fee in the amount of Five Thousand and No/100 Dollars (\$5,000.00).

4.3 Payment by the Borrower of all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by the Bank in connection with this Amendment.

4.4 Evidence, in form and content acceptable to Bank, that Proposition 218 was passed by the Borrower's Board of Directors on June 12, 2012.

4.5 Delivery to the Bank by the Borrower of the final reimbursement contract by and between the Borrower and California American Water for the Aquifer Storage & Recovery Project Phase 2 and approval of such contract by the Bank in its sole and absolute discretion.

5. Effect of Amendment. Except as provided in this Amendment, all of the terms and conditions of the Agreement, including, but not limited to, the Dispute Resolution Provision, shall remain in full force and effect.

6. Counterparts. This Amendment may be executed in counterparts, each of which when so executed shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

7. FINAL AGREEMENT. BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS DOCUMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF; (B) THIS DOCUMENT SUPERSEDES ANY COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY; (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES; AND (D) THIS DOCUMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

This Amendment is executed as of the date stated at the beginning of this Amendment.

Bank of America, N.A.

By _____
Authorized Signer

Monterey Peninsula Water Management District

By  _____
Suresh Prasad, Chief Financial Officer

COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Resolution No. 2012-11 duly adopted on the 20th day of August 2012.



David J. Stoldt, Secretary to the Board

8.24.12
Date