

RESOLUTION OF THE BOARD OF DIRECTORS
of
BURNEY WATER DISTRICT
BURNEY, CALIFORNIA
APPROVING COBANK GRANT ANTICIPATION NOTE FINANCING

WHEREAS, the BURNEY WATER DISTRICT (the “Borrower”), under the California Government Code and its organizational documents (the “Organizational Documents”), has full power and authority to borrow money, to secure the same with its own property and property delivered to it for marketing or otherwise and to perform all obligations associated therewith.

WHEREAS, Borrower has received grants from the California State Water Resources Control Board (“SWRCB”) pursuant to the terms of the Fiscal Agreement Nos. SWRCB000000000D1 901 02300 and SWRCB000000000D1 901 026 by and between the Borrower, as Recipient, and the SWRCB for the purpose of the PROJECT NO. C-06-8108-310, Burney Water District Collection System Improvement Project and C-06-81 08-210, Burney Water District Wastewater Treatment Plant Improvement Project (the “Grant Agreements”) for certain capital improvement projects described therein. There have been delays in SWRCB disbursement of grant funds under these Grant Agreements. Borrower therefore has determined that it is appropriate to issue grant anticipation notes and borrow money pursuant to California Government Code sections 53859-53859.08.

WHEREAS, the Borrower has determined that it is in the best interest of the Borrower to enter into a grant anticipation note transaction with CoBank, ACB (“Lender”) as described in this Resolution.

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner, with Borrower having full power and authority under the California Government Code and Organizational Documents to adopt this Resolution and legally bind the Borrower to the terms hereof.

NOW, THEREFORE, BE IT RESOLVED, that Borrower approves and authorizes the loan of money from Lender in a principal sum not to exceed \$1,500,000 and the issuance of a Grant Anticipation and Revolving Credit Promissory Note to provide short-term financing relating to the capital project work funded by the Grant Agreements.

RESOLVED FURTHER that execution, delivery, and performance by the Borrower of the Grant Anticipation and Revolving Credit Promissory Note will not: (A) violate any known provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, charter documents, bylaws or other governing documents, as applicable, of the Borrower, or any agreement, indenture, mortgage, or other instrument to which the Borrower is a party or by which the Borrower or any of its properties is bound; or (B) be in conflict with, result in a breach of, or constitute with the giving of notice or passage of time, or both, a default under any Borrower resolution, agreement, indenture, mortgage, or other instrument.

RESOLVED FURTHER that any one (1) of the following persons or positions *President, District Manager, Secretary* (each, an “Authorized Signatory”) of the Borrower are hereby individually authorized and empowered to execute the Instruction Letter, Credit Agreement No. 00143687SLA, Grant Anticipation and Revolving Credit Promissory Note No. 00143687S01, General Closing and Incumbency Certificate and any other loan documents to obtain short-term financing relating to the capital project work funded by

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the Grant Agreements (“Loan Transaction”). for such purposes: (1) to execute and deliver such application or applications (including exhibits, amendments or notes thereto) as may be required for such Loan Transaction and all borrowings thereunder; (2) to obligate the Borrower to repay all amounts borrowed and pay such rate or rates of interest as shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by Lender; (3) to obligate the Borrower to such other terms and conditions as any of the Authorized Signatories so acting shall deem proper; (5) to pledge, grant a security interest or lien in, or assign all of its system revenues, all grant funds payable by the SWRCB pursuant to the Grant Agreement, and to execute and deliver to Lender or its nominee all such security agreements, pledges, mortgages, deeds of trust, financing statements and other documents as may be required by Lender in connection therewith; (7) to reborrow from time to time all or any part of the amounts repaid to Lender under the Loan Transaction made pursuant hereto (whether for the same or a different purpose); (8) to execute and deliver to Lender such agreements, addenda, documents or instruments as may be required by Lender in the event that the Borrower elects to use Lender’s electronic banking system (the “System”); (9) to execute and deliver to Lender any agreements, addenda, authorization forms and other documents or instruments as may be required by Lender in the event that the Borrower elects to use any services or products related to the Loan Transaction that are offered by Lender now or in the future, including without limitation an automated clearing house (ACH) service; (10) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of Loan Transaction authorized herein, and to direct Lender to deliver any property of the Borrower at any time held by Lender; and (11) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees and to direct the proceeds of advances to authorized accounts. In the absence of any direction or delegation authorized in (10) or (11) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to Loan Transaction authorized herein.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby individually authorized to: (1) establish a Cash Investment Services Account with Lender; (2) make such investments therein as any Authorized Signatory shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby individually authorized and directed to do or cause to be done, from time to time, all things which may be necessary or proper to carry out the terms and intent of this Resolution.

RESOLVED FURTHER, that every act and action of any person heretofore executing any document or instrument delivered to Lender or its designee or required to create, make, enter into, perform, amend or confirm any obligation of the Borrower to or in favor of Lender, is hereby ratified, approved, adopted and confirmed as if it had been validly and lawfully authorized upon and as of the date of such act or action, notwithstanding any invalidity, defect or insufficiency that may exist or may have existed in the power or authority of such person then executing such document or instrument, and every such person and each of the Authorized Signatories is hereby jointly and severally delegated all necessary power and authority to effect the foregoing.

RESOLVED FURTHER, that this Resolution shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by Lender; provided that no such revocation or amendment shall affect the validity of any action

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or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation. In addition, all authorities herein granted shall apply with equal force and effect to the successors in office of the Authorized Signatories herein named.

RESOLVED FURTHER, that effective on the date when this Resolution is delivered to Lender, any and all prior resolutions authorizing and empowering Authorized Signatories of the Borrower to take actions as described herein are hereby revoked; provided that no such revocation shall affect the validity of any action or actions made or taken by Lender prior to the effective date of revocation.

RESOLVED FURTHER, that the Secretary of the Borrower is hereby authorized and directed to certify to Lender a copy of this Resolution, the names and specimen signatures of the Authorized Signatories, and if and when any change is made in the personnel of any Authorized Signatories, the fact of such change and the name and specimen signatures of the new Authorized Signatories. Lender shall be entitled to rely on any such certification until a new certification is actually received by Lender.

CERTIFICATE

The undersigned, Secretary of the Burney Water District, a California county water district (the "Borrower"), hereby certifies that: (a) the Board of Directors of the Borrower, at a special meeting duly called, noticed, convened and held on the 25th day of July, 2022, did adopt the foregoing resolutions in accordance with applicable law and the Organizational Documents of the Borrower; (b) all approvals and authorizations required to effect the foregoing resolutions (including without limitation board, member, or stockholder approval, as applicable) have been obtained and remain in full force and effect; and (c) said resolutions are in full force and effect on the date hereof and have not been revoked or amended in any way.

Dated this July 25, 2022.

By: _____

Printed Name: _____

Title: Secretary