

RESOLUTION NO. PPUA 2

A RESOLUTION OF THE PERRIS PUBLIC UTILITY AUTHORITY
DECLARING ITS OFFICIAL INTENT TO REIMBURSE
EXPENDITURES FOR THE ACQUISITION OF THE McCANNA
RANCH WATER SYSTEM FROM THE PROCEEDS OF TAX
EXEMPT OBLIGATIONS

WHEREAS, the Perris Public Utility Authority (the "Authority") desires to finance the acquisition and construction of the facilities described in detail below (collectively the "Project"); and

WHEREAS, the Redevelopment Agency of the City of Perris, the Authority and/or the City of Perris have expended and will be expending funds for the acquisition of the Project; and

WHEREAS, the Authority reasonably expects to reimburse such expenditures by authorizing the sale and delivery of one or more series of bonds, as described below:

NOW, THEREFORE, the Authority hereby resolves as follows:

SECTION 1. This Resolution is a declaration of official intent to reimburse expenditures pursuant to Treasury Regulations Section 1.150-2.

SECTION 2. The Authority desires to finance the acquisition of a water system known as the McCanna Ranch Water System and located in the vicinity of Ramona Expressway and Rider Street and serving the Villages of Avalon and Amelia Court developments (the "Project").

SECTION 3. The Authority reasonably expects to reimburse the expenditures through the sale and delivery of one or more series of bonds (the "Bonds"), the interest component on which is excludable from gross income under Section 103 of the Internal Revenue Code. The maximum principal amount of bonds expected to be issued for the Project is \$13,000,000.

SECTION 4. The reimbursement allocation to be made with respect to the expenditures will occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is paid, or (ii) the date on which the Project is placed in service, but in no event more than 3 years after the expenditure is paid.

SECTION 5. This Resolution expresses the Authority's expectations as of this date with respect to the financing of the Project. Future events or extraordinary circumstances beyond the control of the Authority may result in the Project being financed in a manner other than as described in this Resolution, and nothing contained herein constitutes an irrevocable commitment by the Authority to issue the Bonds.

SECTION 6. The Secretary shall certify to the passage and adoption of this resolution, and the same shall thereupon take effect and be in force.

PASSED AND ADOPTED this 27th day of January, 2009.

PERRIS PUBLIC UTILITY AUTHORITY

Chairman, Daryl R. Busch

Attest:

Secretary, Judy L. Haughney

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } ss.
CITY OF PERRIS }

I, Judy L. Haughney, Secretary of the Perris Public Utility Authority, does hereby certify that the foregoing resolution was adopted at a regular meeting of the Perris Public Utility Authority held on January 27, 2009, by the following vote:

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| AYES: | MEMBERS: | Landers, Evans, Rogers, Yarbrough, Busch |
| NOES: | MEMBERS: | None |
| ABSENT: | MEMBERS: | None |
| ABSTAIN: | MEMBERS: | None |

Secretary, Judy L. Haughney