

RESOLUTION NO. 15-85

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE PRELIMINARY OFFICIAL STATEMENT FOR CERTIFICATES OF PARTICIPATION, SERIES B, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$21,500,000; AUTHORIZING AND DIRECTING DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT; AND AUTHORIZING AND DIRECTING MARKETING OF THE CERTIFICATES WITH SALE THEREOF SUBJECT TO APPROVAL OF A PURCHASE AGREEMENT

WHEREAS, the Lake Arrowhead Community Services District (the "District") has heretofore financed construction and acquisition of certain public facilities for the transmission, treatment and disposal of sewage, waste and wastewaters by causing the issuance and sale of \$10,700,000 Installment Purchase Certificates, Series A (the "Series A Certificates"); and

WHEREAS, the District proposes to finance construction and acquisition of certain additional public facilities for the transmission, treatment and disposal of sewage, waste and wastewaters; and

WHEREAS, the District proposes to cause the issuance and sale of not to exceed \$21,500,000 Installment Purchase Certificates, Series B (the "Series B Certificates") to accomplish an advance refunding of the Series A Certificates and to provide financing to complete construction and acquisition of the original facilities and additional facilities (the "Project").

WHEREAS, the Board of Directors has determined that it is in the best interests and for the common benefit of the residents and landowners of the District that the Project be constructed and financed as follows:

- (a) The Project shall be constructed by and acquired from the Independent Public Facilities Corporation (the "Corporation"), pursuant to an Installment Purchase Agreement by and between the District and Corporation;
- (b) The construction of the Project shall be supervised by the District, pursuant to an Agency Agreement by and between the District and Corporation;
- (c) The Installment Purchase Agreement shall be assigned to Security Pacific National Bank (the "Bank"), pursuant to an Assignment Agreement by and between the Corporation and Bank;
- (d) The Series B Certificates shall be issued by the Bank, pursuant to a Trust Agreement by and among the District, Corporation and Bank;
- (e) The interest and principal on the Series B Certificates shall be paid by Installment Payments to be made by the District to the Bank from any lawfully available revenues of the District;
- (f) The Bank will act as Trustee for and on behalf of the owners of the Series B Certificates and the net proceeds from the sale of the Series B Certificates will be disbursed by the Bank, pursuant to written requisition, for the construction and acquisition of the Project as set forth in the Installment Purchase Agreement; and
- (g) The payment of interest and principal on the Series A Certificates will be secured by monies deposited,

pursuant to an Escrow Deposit and Trust Agreement by and between the District and Bank.

WHEREAS, the Board of Directors has received and reviewed a Preliminary Official Statement on the proposed issuance of the Series B Certificates; and

WHEREAS, the Board of Directors desires to approve and authorize distribution of the Preliminary Official Statement and to authorize and direct marketing of the Series B Certificates with the sale thereof subject to approval of a Purchase Contract therefor:

NOW, THEREFORE, the Board of Directors of the Lake Arrowhead Community Services District does hereby RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The above recitals are all true and correct.

Section 2. The Board of Directors declares its intention to cause Series B Certificates to be issued in the aggregate principal amount not to exceed and designated as:

\$21,500,000, Series B
Certificates of Participation

Section 3. The Board of Directors hereby approves the Preliminary Official Statement on the proposed issuance of the Series B Certificates, and authorizes and directs execution by its officers, copies of which are on file with the Secretary and available for public inspection.

Section 4. The Board of Directors hereby authorizes and directs Kelling & Co., Inc. and Merrill Lynch Capital Markets (the "Underwriters") to distribute the Preliminary Official


Statement to potential purchasers of the Series B Certificates.

Section 5. The Board of Directors hereby authorizes and directs the Underwriters to market the Series B Certificates, with the sale thereof subject to approval of the Purchase Agreement by and among the District, Underwriter and Security Pacific National Bank, as Trustee.

Section 6. The Board of Directors hereby authorizes and directs its officers, staff and consultants to render such assistance and take such actions as may be appropriate to accomplish the purposes of this resolution.

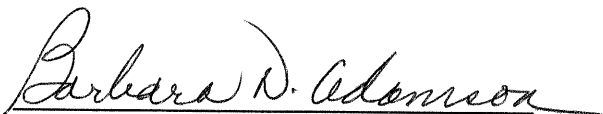
Section 7. This Resolution shall take effect upon adoption.

ADOPTED this 22nd day of August, 1985.



President

ATTEST:



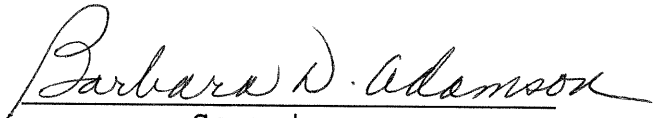
Secretary

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, BARBARA ADAMSON, Secretary of the Board of Directors of the Lake Arrowhead Community Services District DO HEREBY CERTIFY that the foregoing resolution, being Resolution No. 15-85, was duly passed, approved and adopted at a duly called meeting of this Board of Directors held on the 22nd day of August, 1985, by the following vote:

AYES: DIRECTORS: Kirk, Furness, Neville, Haase
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS: Longthorne


Secretary

(SEAL)