

RESOLUTION NO. 17-85

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DIRECTING ISSUANCE AND DELIVERY OF NOT TO EXCEED \$21,500,000 INSTALLMENT PURCHASE CERTIFICATES, SERIES B; EXECUTION OF DOCUMENTS; AND ACTIONS NECESSARY FOR THE CLOSING INCIDENT TO THE SALE OF CERTIFICATES

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 Certificates and the net proceeds from the sale of the 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 heretofore accepted a proposal to purchase the Series B Certificates:

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 hereby authorizes and directs the issuance and delivery of not to exceed \$21,500,000 Installment Purchase Certificates, Series B, to the purchaser thereof in accordance with the terms and conditions set forth in the Installment Purchase Agreement and Trust Agreement.

Section 3. The Board of Directors hereby authorizes and directs its officers to execute the agreements specified as follows:

- (a) Agency Agreement
- (b) Assignment Agreement
- (c) Installment Purchase Agreement
- (d) Trust Agreement
- (e) Escrow Deposit and Trust Agreement

in substantially the form on file with the Secretary and authorizes minor modifications to be made in the foregoing agreements up to the time of delivery of the Series B Certificates.

Section 4. The Board of Directors hereby authorizes and directs:


- (a) The appropriate officers of the District to execute all closing documents in connection with the Series B Certificates;

- (b) The appropriate officers of the District, jointly and severally, for and in the name of and on behalf of this District, to execute and deliver any and all things and to take any and all actions which may be necessary or advisable in their discretion to fulfill the actions heretofore approved by this Board of Directors; and
- (c) The appropriate officers of the District to make such additional filings, amendments, consents, undertakings or agreements as may be required to affect and maintain the qualifications or exemptions existing or to be obtained under the laws of the State of California.

Section 5. The Board of Directors hereby ratifies and confirms all actions heretofore taken by this Board of Directors in connection with the authorization, issuance and sale of the Series B Certificates.

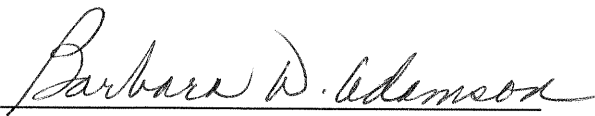
Section 6. This Resolution shall take effect upon its adoption.

ADOPTED this 22nd day of August, 1985.



President

ATTEST:



Secretary

(SEAL)

STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

)
) ss.
)

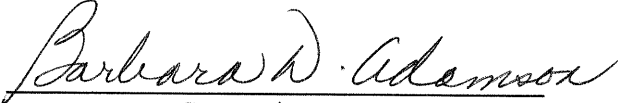
I, BARBARA ADAMSON, Secretary of the Board of Directors of the Lake Arrowhead Community Services District DO HEREBY CERTIFY that the foregoing resolution, being Resolution No. 17-85, was duly passed, approved and adopted at a duly called meeting of this Board of Directors held on the 22nd day of August, 1985, by the following vote:

AYES: DIRECTORS: Kirk, Furness, Neville, Haase

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS: Longthorne


Barbara D. Adamson
Secretary

(SEAL)