

RESOLUTION NO. 126-96

APRIL 18, 1996

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF IT'S
REFUNDING WATER AND WASTEWATER REVENUE BONDS,
SERIES 1996, THE EXECUTION AND DELIVERY OF AN
INDENTURE OF TRUST AND PURCHASE CONTRACT, AND
APPROVING THE PREPARATION AND DISTRIBUTION OF AN
OFFICIAL STATEMENT, AND AUTHORIZING OTHER
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Vandenberg Village Community Services District (the "District"), is authorized under Articles 10 and 11, Division 2, Title 5 (commencing with Section 53570) of the California Government Code, as amended (the "Act"), to issue revenue bonds in connection with the refinancing of certain public capital improvements;

WHEREAS, the District desires to issue, sell and deliver its Refunding Water and Wastewater Revenue Bonds, Series 1996, in the principal amount set forth, herein in order to refinance certain outstanding obligations of the District, which Bonds shall be payable solely from payments to be made by the District under and pursuant to an indenture of trust, all under and in accordance with the Constitution and laws of the State of California, including the Act;

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to

such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the Board of Directors hereby represents that:

- (1) said Bonds are not "private activity bonds" within the meaning of Section 141 of the Code;
- (2) the District, together with all of its subordinate entities, has heretofore not issued any obligations (other than those obligations described in Paragraph (4) below) in calendar year 1996 the interest on which is exempt from federal income tax under Section 103 of the Code;
- (3) the District reasonably anticipates that it, together with its subordinate entities, will issue during the remainder of calendar year 1996 obligations (other than those obligations described in Paragraph (4) below) the interest on which is exempt from federal income tax under Section 103 of the Code which, when aggregated with all obligations described in Paragraph (2) above, will not exceed an aggregate principal amount of \$10,000,000;
- (4) notwithstanding Paragraphs (2) and (3) above, the District and its subordinate entities may have issued in calendar year 1996 and may continue to issue during the remainder of calendar year 1996 private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code; and

WHEREAS, the Board wishes to designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Vandenberg Village Community Services District, as follows:

SECTION 1. Pursuant to the Act, revenue bonds of the District tentatively designated as the "Vandenberg Village Community Services District Refunding Water and Wastewater Revenue Bonds, Series 1996" (the "Bonds") in an aggregate principal amount not to exceed \$4,350,000 are hereby authorized to be issued.

SECTION 2. The officers and staff designated by the Board (the "Authorized Officer") is hereby authorized to sell the Bonds, in such aggregate amount and at such prices and under such conditions as the Authorized Officer may determine, so long the Bonds satisfy the parameters established by the Board.

SECTION 3. The proposed form of Indenture of Trust, currently dated as of April 1, 1996 (the "Indenture"), between the District and State Street Bank and Trust Company of California, as trustee (the "Trustee"), as presented to this meeting is hereby approved. An Authorized Officer is hereby authorized and directed, for and on behalf of the District, to execute and deliver the Indenture, in substantially the form presented to this meeting, with such changes therein as such officers may require or approve, with the advice and approval of counsel to the District ("District Counsel") and Nossaman, Guthner, Knox & Elliott, LLP, bond counsel to the District ("Bond Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date, method of calculating the interest rate or rates, interest payment dated, denominations, forms, restrictions, privileged, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

SECTION 4. The proposed form of the Purchase Contract between the District and Grigsby Brandford & Co., Inc. (the "Underwriter") (the "Purchase Contract"), as presented to this meeting is hereby approved. An Authorized Officer is hereby authorized and directed, for and on behalf of the District, to execute and deliver the Purchase Contract in substantially the form presented to this meeting, with such changes therein as such Officers may require or approve, with the advise and approval of District Counsel and Bond Counsel, such approval to be evidenced by the execution and delivery thereof.

SECTION 5. The Bonds are to be executed by the manual or facsimile signature of President, Vice-President or Authorized Officer of the District, and attested to by the manual or facsimile signature of the Secretary of the District, or such other officer or employee as may be designated by the President, in the form set forth in and otherwise in accordance with the Indenture, as finally executed.

SECTION 6. The Bonds, when so executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication

appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the Underwriter in accordance with the Purchase Contract.

SECTION 7. The Secretary or Assistant Secretary of the District is hereby authorized and directed to attest to the signatures of the Officers or employees as may be required in connection with the execution and delivery of the Indenture, the Purchase Contract and the Bonds in accordance with this Resolution.

SECTION 8. The District authorizes a preliminary official statement and a final official statement of the District relating to the Bonds to be prepared by Bond Counsel. The draft Preliminary Official Statement, in substantially the form presented hereto, is hereby approved. An Authorized Officer is hereby authorized and directed to execute, approve and deliver the final Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. An Authorized Officer is authorized, upon completion of the Preliminary Official Statement, to execute a certificate "deeming final" such Preliminary Official Statement, as required by Rule 15c2-12 of the Securities and Exchange Commission. When the form of said preliminary official statement has been approved by an Authorized Officer, such Authorized Officer may authorize the distribution thereof, including the mailing by the Underwriter to prospective purchasers for the Bonds of copies of said Preliminary Official Statement, the cost of printing and mailing said documents to be borne by the District. The use and distribution of said Preliminary Official Statement and final Official Statement in connection with the sale of the Bonds is hereby ratified and approved.

SECTION 9. The Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Board hereby find and determine that the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 1996 is not expected to exceed \$10,000,000.

SECTION 10. The Authorized Officers are hereby authorized and directed, jointly and severally, to perform any and all actions and to execute and deliver any and all certificates, opinions and documents, including an Escrow Agreement and Ongoing Disclosure Agreement, which they deem necessary

and advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby and thereby, and any such actions previously taken by such Authorized Officers are hereby ratified and affirmed.

SECTION 11. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 18th day of April, 1996:

On the Motion of Director Small

Second Director Buttler

Roll call vote, to wit:

AYES: Directors Buttler, Nash, Picciuolo, Small and White
NOES: None
ABSENT: None
ABSTAIN: None

VANDENBERG VILLAGE COMMUNITY
SERVICES DISTRICT

Jon C. Picciuolo
President, Board of Directors

ATTEST:

Reina Paxton
Secretary, Board of Directors

Resolution No. 126-96
April 18, 1996
Page 6

SECRETARY'S CERTIFICATE

I, Reina Paxton, Secretary of the Board of Directors of the Vandenberg Village Community Services District, hereby certify that the foregoing is a true and correct copy of Resolution No.126-96 passed and adopted by the Board of Directors of the Vandenberg Village Community Services District at a Special Meeting held on the 18th day of April, 1996 .

Reina Paxton
Secretary, Board of Directors