

BOARD OF DIRECTORS  
OF THE  
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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RESOLUTION NO. 22

A Resolution of the Board of Directors of the  
Vandenberg Village Community Services  
District Setting the Time and Place for the  
Sale of \$3,800,000 Principal Amount of  
Vandenberg Village Community Services  
District Water Revenue Bonds, Series 1988,  
and \$1,600,000 Principal Amount of Vandenberg  
Village Community Services District Sewer  
Revenue Bonds, Series 1988, and Directing a  
Notice of Sale of Said Bonds to Be Given, and  
Approving a Preliminary Official Statement for Said  
Bonds, and Ratifying Other Actions Related to  
the Sale of Said Bonds

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Adopted October 26, 1988

BOARD OF DIRECTORS  
OF THE  
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

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RESOLUTION NO. 22

A Resolution of the Board of Directors of the Vandenberg Village Community Services District Setting the Time and Place for the Sale of \$3,800,000 Principal Amount of Vandenberg Village Community Services District Water Revenue Bonds, Series 1988, and \$1,600,000 Principal Amount of Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988, and Directing a Notice of Sale of Said Bonds to Be Given, and Approving a Preliminary Official Statement for Said Bonds, and Ratifying Other Actions Related to the Sale of Said Bonds

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WHEREAS, the Board of Directors of the Vandenberg Village Community Services District (the "District") has duly authorized the issuance of \$3,800,000 principal amount of Vandenberg Village Community Services District Water Revenue Bonds, Series 1988, and \$1,600,000 principal amount of Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988, and it is desirable that said bonds be offered for public sale in one lot at this time;

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

Section 1. The Vandenberg Village Community Services District Water Revenue Bonds, Series 1988, and the Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988, shall be offered for public sale in one lot by the Board of Directors of the District on Wednesday, November 16, 1988, and the Secretary of the Board of Directors of the District is hereby authorized and directed to cause a notice of sale of said bonds to be published once at least seven (7) days prior to said sale date in the Lompoc Record, a newspaper of general circulation published in the District, which notice shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein.

Section 2. The Board of Directors of the District hereby approves the form of preliminary official statement relating to said bonds which was submitted to this meeting by Bank of America National Trust and Savings Association, Financial Advisor to the District for said bonds, and the Secretary of the Board of Directors of the District is hereby directed to file a copy of said preliminary official statement with the minutes of this meeting, and said Financial Advisor is hereby authorized and directed to cause to be mailed to prospective bidders for said bonds copies of said preliminary official statement in substantially the form thereof so submitted together with copies of the attached notice of sale of said bonds.

Section 3. The Board of Directors of the District hereby authorizes the publication of a notice of intention to sell said bonds once at least fifteen (15) days prior to said sale date in the Western Edition of The Wall Street Journal, a financial publication generally circulated throughout the State of California, which such notice shall be substantially in the form set forth in Exhibit B attached hereto and incorporated herein; and the Board of Directors of the District hereby ratifies the giving of written notice of the proposed sale of said bonds to the California Debt Advisory Commission.

Section 4. This resolution shall be forthwith entered upon the minutes of the Board of Directors of the District and shall take effect immediately upon adoption.

PASSED AND ADOPTED this 26th day of October 1988, by  
the following vote:

AYES: Directors

NOES:

ABSENT:

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President of the Board of  
Directors of Vandenberg Village  
Community Services District

[SEAL]

Attest:

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Secretary of the Board of  
Directors of Vandenberg Village  
Community Services District

OFFICIAL NOTICE OF SALE

\$3,800,000 VANDENBERG VILLAGE COMMUNITY SERVICES  
DISTRICT WATER REVENUE BONDS, SERIES 1988

AND

\$1,600,000 VANDENBERG VILLAGE COMMUNITY SERVICES  
DISTRICT SEWER REVENUE BONDS, SERIES 1988

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a representative of the Board of Directors of the Vandenberg Village Community Services District (the "District") at the office of Orrick, Herrington & Sutcliffe, 600 Montgomery Street, Twelfth Floor, San Francisco, California 94111, on

WEDNESDAY, NOVEMBER 16, 1988

at the hour of 10:00 o'clock A.M. for the purchase in one lot of \$3,800,000 principal amount of water revenue bonds of the District designated "Vandenberg Village Community Services District Water Revenue Bonds, Series 1988" (the "Water Revenue Bonds") and \$1,600,000 principal amount of sewer revenue bonds of the District designated "Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988" (the "Sewer Revenue Bonds") (which Water Revenue Bonds and Sewer Revenue Bonds are collectively the "Bonds") more particularly described below. The Bonds were authorized at elections held in the District on June 28, 1988, and are issued pursuant to the Revenue Bond Law of 1941 of the State of California and pursuant to the provisions of Resolution No. 21 adopted by the Board of Directors of the District on October 26 1988, authorizing the issuance of the Water Revenue Bonds (the "Water Resolution") and Resolution No. 20 adopted by the Board of Directors of the District on October 26, 1988, authorizing the issuance of the Sewer Revenue Bonds (the "Sewer Resolution") (which Water Resolution and Sewer Resolution are collectively the "Resolutions"). The Bonds are more particularly described in the Resolutions, which are incorporated herein by reference.

ISSUE AND DENOMINATIONS: \$3,800,000 principal amount of Water Revenue Bonds and \$1,600,000 principal amount of Sewer Revenue Bonds, consisting of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof (but not to exceed the principal amount of Water Revenue Bonds or Sewer Revenue Bonds, as the case may be, maturing in any one year).

DATE: The Bonds are dated November 1, 1988.

MATURITIES: The Water Revenue Bonds mature on November 1 in each of the years, as follows:

Maturity Date November 1	Principal Amount	Maturity Date November 1	Principal Amount
1989	\$ 95,000	1997	\$155,000
1990	100,000	1998	170,000
1991	105,000	1999	180,000
1992	115,000	2000	195,000
1993	120,000	2001	205,000
1994	130,000	2002	220,000
1995	135,000	2003	240,000
1996	145,000	2008	1,490,000

The Sewer Revenue Bonds mature on November 1 in each of the years, as follows:

Maturity Date November 1	Principal Amount	Maturity Date November 1	Principal Amount
1989	\$ 40,000	1997	\$ 65,000
1990	40,000	1998	70,000
1991	45,000	1999	75,000
1992	50,000	2000	80,000
1993	50,000	2001	85,000
1994	55,000	2002	95,000
1995	60,000	2003	100,000
1996	60,000	2008	630,000

SINKING FUNDS: The Water Resolution creates a Series 1988 Sinking Fund Account to be used for the redemption and payment of the Water Revenue Bonds maturing on November 1, 2008, and the District is required to deposit sinking fund payments into such Series 1988 Sinking Fund Account during the years ending on the dates and in the amounts as set forth in the following schedule:

Year Ending November 1	Sinking Fund Payment	Year Ending November 1	Sinking Fund Payment
2004	\$255,000	2007	\$320,000
2005	275,000	2008	345,000
2006	295,000		

The Sewer Resolution creates a Series 1988 Sinking Fund Account to be used for the redemption and payment of the Sewer Revenue Bonds maturing on November 1, 2008, and the District is required to deposit sinking fund payments into such Series 1988 Sinking Fund Account during the years ending

on the dates and in the amounts as set forth in the following schedule:

<u>Year Ending November 1</u>	<u>Sinking Fund Payment</u>	<u>Year Ending November 1</u>	<u>Sinking Fund Payment</u>
2004	\$110,000	2007	\$135,000
2005	115,000	2008	145,000
2006	125,000		

REDEMPTION: Bonds of each issue maturing by their terms on November 1, 2008, are subject to mandatory redemption prior to their maturity date on any November 1 on or after November 1, 2004, in part in integral multiples of \$5,000, solely from sinking fund payments deposited into the respective sinking fund account established by the Resolutions for each issue, upon mailed notice as provided in the Resolutions, at the principal amount of each Bond or the portion thereof so redeemed and accrued interest thereon to the date of redemption. Bonds of each issue maturing by their terms on or after November 1, 1998, are subject to redemption prior to their fixed maturity dates, at the option of the District, as a whole or in part in integral multiples of \$5,000 in inverse order of maturity (and by lot within any one maturity) on any interest payment date on or after November 1, 1997, from funds derived by the District from any source, upon mailed notice as provided in the Resolutions, at the following redemption prices (computed upon the principal amount of the Bonds or the portions thereof called for redemption) together with accrued interest to the date of redemption, to wit:

<u>Redemption Date</u>	<u>Redemption Prices</u>
November 1, 1997, and May 1, 1998	102 %
November 1, 1998, and May 1, 1999	101.5
November 1, 1999, and May 1, 2000	101
November 1, 2000, and May 1, 2001	100.5
November 1, 2001, and thereafter	100

INTEREST RATE: Maximum twelve per cent (12%) per annum, payable annually in the first year on November 1, 1989, and semiannually thereafter on May 1 and November 1 in each year. Bidders must specify the rate or rates of interest per annum which the Bonds hereby offered for sale shall bear. Bidders may specify any number of separate interest rates per annum irrespective of the maturities of the Bonds, and the same rate or rates may be repeated as often as desired; provided, however, that (i) the difference between the highest and lowest interest rates specified in any bid shall not exceed three per cent (3%); (ii) each interest rate specified must be in a multiple of 1/20 of one per cent and a zero rate



of interest cannot be specified; (iii) no Bond shall bear more than one rate of interest; (iv) each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all Bonds of the same maturity shall bear the same rate of interest; (vi) for the period beginning on November 1, 1999, and terminating on November 1, 2008, the interest rate specified for the Bonds maturing in each maturity year in such period shall not be less than the interest rate or rates specified for the Bonds maturing in all prior maturity years in such period; and (vii) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which provides for the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the principal corporate trust office of State Street Bank and Trust Company of California, N.A., in Los Angeles, California, the Fiscal Agent of the District for the Bonds. Interest due on or before the maturity or prior redemption of the Bonds is payable only by check mailed to the registered owners thereof as shown on the registration books of the Fiscal Agent as of the fifteenth (15th) day of the month next preceding each interest payment date, and the principal of and redemption premiums, if any, on the Bonds are payable only on the maturity or prior redemption of the Bonds upon surrender thereof to the Fiscal Agent by the registered owners thereof as shown on such registration books.

PURPOSE OF ISSUES: The Water Revenue Bonds were authorized for the purpose of acquiring the existing privately-owned water system serving the District and the construction of improvements thereto, and the Sewer Revenue Bonds were authorized for the purpose of acquiring the existing privately-owned sewer system serving the District and the construction of improvements thereto.

SECURITY: The Water Revenue Bonds are water revenue bonds payable solely from the Net Revenues of the Enterprise (as those terms are defined in the Water Resolution), as provided in the Water Resolution. The Sewer Revenue Bonds are sewer revenue bonds payable solely from the Net Revenues of the Enterprise (as those terms are defined in the Sewer Resolution), as provided in the Sewer Resolution. A bond reserve account will be maintained for each issue in an amount equal to the Reserve Requirement (as that term is defined in each of the Resolutions). Bidders are referred to the

Official Statement hereinafter referred to for further particulars.

TAX EXEMPT STATUS: In the opinion of Orrick, Herrington & Sutcliffe, of San Francisco, California, the interest received by the registered owners of the Bonds is exempt from State of California personal income taxes and, assuming compliance with certain covenants contained in the Resolutions, is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. See the discussion of Tax Exemption in the Official Statement hereinafter referred to. The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

LEGAL OPINION: The legal opinions of Orrick, Herrington & Sutcliffe, of San Francisco, California, approving the validity of each issue of the Bonds, will be furnished to the successful bidder without charge. A copy of the pertinent legal opinion, certified by the officer in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

#### TERMS OF SALE

HIGHEST BID: The Bonds will be awarded to the highest bidder for all the Bonds, considering the interest rate or rates specified and the premium offered, if any, or the discount specified, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from, or by adding the amount of the discount specified (if any) and the premium for the municipal bond insurance policy if the bidder elects for the Bonds to be insured under such policy as described in the paragraph captioned "Municipal Bond Insurance" below to, the total amount of interest which the District would be required to pay from the date of the Bonds to their respective maturity dates at the interest rate or rates specified in the bid (assuming that the Bonds maturing on November 1, 2008, are redeemed from sinking fund payments as scheduled), and the award will be made on the basis of the lowest net interest cost to the District. The successful bidder must pay accrued interest from the date of the Bonds to the date of delivery. All interest will be computed on a 30-day month/360-day year basis. The cost of printing the Bonds will be borne by the District.

MUNICIPAL BOND INSURANCE: The District has applied for a policy of municipal bond insurance insuring the payment of interest on and principal of the Bonds. If such application is accepted the District will, at least

forty-eight (48) hours before the time set for receipt of bids on the Bonds, issue a notice on Munifacts advising that the Bonds have been so qualified for such policy and the amount of the insurance premium therefor, in which case each bidder for the Bonds may elect in its bid to bid for the Bonds on an insured basis on the basis that the cost of the premium for such insurance will be paid by the District and will be applied by the District in determining the net interest cost of such bid as described in the paragraph captioned "Highest Bid" above.

RIGHT OF REJECTION: The Board of Directors of the District reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Directors of the District will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

PROMPT DELIVERY: Delivery of the Bonds will be made to the successful bidder at the office of the Fiscal Agent in Los Angeles, California, as soon as the Bonds can be prepared, which it is estimated will be during the week commencing on November 28, 1988. The successful bidder shall deliver to the Fiscal Agent five (5) business days prior to the delivery date of the Bonds a notice stating the names of the registered owners in whose names the Bonds are to be registered (and their addresses for the mailing of interest payments) and the denominations in which the Bonds of each maturity date of each issue are to be initially issued. If the successful bidder fails to submit to the Fiscal Agent such names, addresses and denominations within the required time, one Bond will be issued for each maturity date of each issue, in the full amount maturing on that maturity date, and the Bonds will be registered in the name of the successful bidder. Payment for the Bonds must be made in bank funds immediately available to the District in Los Angeles, California. Any expense of providing immediate Los Angeles funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the District shall fail to execute the Bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder

shall be entitled to the return of the deposit accompanying his bid.

FORM OF BID: All bids must be for not less than all of the Bonds hereby offered for sale and for not less than ninety-eight per cent (98%) of the principal amount thereof plus accrued interest to date of delivery. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Board of Directors of the District and endorsed "Proposal for Vandenberg Village Community Services District Water Revenue Bonds, Series 1988, and Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988." All bids must be delivered to the representative of the Board of Directors of the District at the address above mentioned prior to the time above mentioned.

BID CHECK: With each bid must be submitted a certified check or cashier's check for \$50,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of his bid. Checks of all bidders (except the successful bidder) will be returned by the District by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by any bidder.

ESTIMATE OF NET INTEREST COST AND NET INTEREST RATE: Bidders are requested, but not required, to supply an estimate of the total net interest cost to the District and the net interest rate represented thereby (determined as above provided) on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the District.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the assigning and the printing of CUSIP numbers on the Bonds shall be paid for by the District.

CALIFORNIA DEBT ADVISORY COMMISSION FEE: All bidders are advised that, pursuant to Section 8856 of the California Government Code, it will be the responsibility of the successful bidder to pay the statutory fee to the California Debt Advisory Commission.

OFFICIAL STATEMENT: The District has caused a Preliminary Official Statement to be prepared, a copy of which will be furnished upon request made to Bank of America National Trust and Savings Association, Public Finance Department #3295, 555 California Street, 9th Floor, San Francisco, CA 94104 (telephone (415) 622-2513), the Financial Advisor to the District for the Bonds. Fifty (50) copies of a Final Official Statement will be provided to the purchaser of the Bonds within two (2) days of the award of the Bonds.

CERTIFICATE: The District will provide to the purchaser of the Bonds a certificate, signed by appropriate officials of the District, confirming to the purchaser that, at the time of the acceptance of the bid for the Bonds and at the time of delivery thereof, to the best of the knowledge of such officials, neither the Preliminary Official Statement nor the Final Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition or affairs of the District between the date of sale and the date of delivery of the Bonds.

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There is no controversy or litigation pending concerning the validity of the above issues, the corporate existence of the District, or the title of the officers thereof to their respective offices, and the District will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Bonds.

Dated: October 26, 1988.

Faye Edman  
Secretary of the Board of Directors  
of Vandenberg Village Community  
Services District

NOTICE OF INTENTION TO SELL

\$3,800,000 VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT  
WATER REVENUE BONDS, SERIES 1988  
AND  
\$1,600,000 VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT  
SEWER REVENUE BONDS, SERIES 1988

NOTICE IS HEREBY GIVEN that the Board of Directors of the Vandenberg Village Community Services District (the "District"), Santa Barbara County, State of California, intends to offer for public sale on Wednesday, November 16, 1988, at the hour of 10:00 o'clock A.M. at the office of Orrick, Herrington & Sutcliffe, 600 Montgomery Street, Twelfth Floor, San Francisco, California 94111, \$3,800,000 principal amount of water revenue bonds of the District designated "Vandenberg Village Community Services District Water Revenue Bonds, Series 1988," and \$1,600,000 principal amount of sewer revenue bonds of the District designated "Vandenberg Village Community Services District Sewer Revenue Bonds, Series 1988."

Dated: October 26, 1988.


Faye Edman  
Secretary of the Board of Directors  
of Vandenberg Village Community  
Services District

PASSED AND ADOPTED this 26th day of October 1988, by  
the following vote:

AYES: Directors Fisher, Sutherland and White


NOES: NONE

ABSENT: Directors Grantz and Tyler

  
\_\_\_\_\_  
President of the Board of  
Directors of Vandenberg Village  
Community Services District

[SEAL]

Attest:

  
\_\_\_\_\_  
Secretary of the Board of  
Directors of Vandenberg Village  
Community Services District

SECRETARY'S CERTIFICATE

I, Faye Edman, Secretary of the Board of Directors of Vandenberg Village Community Services District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of Vandenberg Village Community Services District duly and regularly held in Lompoc, California, on October 26, 1988, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof was present.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and it is now in full force and effect.

I further certify that an agenda of said meeting was posted at least seventy-two (72) hours before said meeting at a location fully accessible to members of the public in Lompoc, California, and a brief general description of said resolution appeared on said agenda.



IN WITNESS WHEREOF, I have executed this certificate  
and affixed the seal of Vandenberg Village Community Services  
District hereto this 23<sup>rd</sup> day of November, 1988.

*Jaye Edman*

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Secretary of the Board of  
Directors of Vandenberg Village  
Community Services District

[SEAL]

SECRETARY'S CERTIFICATE

I, Faye Edman, Secretary of the Board of Directors of Vandenberg Village Community Services District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of Vandenberg Village Community Services District duly and regularly held in Lompoc, California, on October 26, 1988, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof was present.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and it is now in full force and effect.

I further certify that an agenda of said meeting was posted at least seventy-two (72) hours before said meeting at a location fully accessible to members of the public in Lompoc, California, and a brief general description of said resolution appeared on said agenda.

IN WITNESS WHEREOF, I have executed this certificate  
and affixed the seal of Vandenberg Village Community Services  
District hereto this 23rd day of November, 1988.

*Jay Edman*

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Secretary of the Board of  
Directors of Vandenberg Village  
Community Services District

[SEAL]

CERTIFICATE OF THE SECRETARY OF THE  
BOARD OF DIRECTORS OF THE  
VANDENBERG VILLAGE COMMUNITY SERVICES DISTRICT

I, FAYE EDMAN, Secretary of the Board of Directors, of the Vandenberg Village Community Services District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at the meeting of the Board of Directors of the Vandenberg Village Community Services District duly and regularly held in Lompoc, California, on October 26, 1988, of which meeting all of the members of said Board had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Vandenberg Village Community Services District hereto this 1st day of December, 1988.

By Faye Edman  
Secretary of the  
Board of Directors of the  
Vandenberg Village Community  
Services District