

**INDIAN VALLEY COMMUNITY SERVICES DISTRICT**

RESOLUTION NO. 0702

A RESOLUTION AUTHORIZING THE EXECUTION OF  
AN INSTALLMENT PURCHASE AGREEMENT AND  
A SUPPLEMENT TO INSTALLMENT PURCHASE AGREEMENT TO  
FINANCE WATER SYSTEM ACQUISITION AND REHABILITATION PROJECT

WHEREAS, the District has purchased the assets of the Bidwell Water Company used to provide a public water service to the unincorporated community of Greenville, California, and intends to rehabilitate the purchased facilities;

WHEREAS, the Plumas County Community Development Commission (the "Commission") has agreed to assist the District in connection with the loans that finance a portion of the acquisition and rehabilitation project;

WHEREAS, the District proposes to sell its interests in the water facilities to the Commission and the Commission proposes to sell the facilities and the rehabilitation improvements thereto to the District upon the terms and conditions set forth in an installment purchase agreement (the "Installment Purchase Agreement");

WHEREAS, by the terms of the Installment Purchase Agreement, when the rehabilitation phase of the financing is ready to proceed, the Commission and the District will deliver a supplement to the Installment Purchase Agreement (the "Supplement to Installment Purchase Agreement") to provide for the necessary additional installment payments;

NOW, THEREFORE, the Board of Directors of the Indian Valley Community Services District hereby resolves as follows:

Section 1. Recitals. All of the above recitals are true and correct and the Board so finds determines.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board hereby approves the Installment Purchase Agreement and the Supplement to Installment Purchase Agreement in substantially the respective forms presented to this meeting and authorizes and directs the Chairman of the Board and the General Manger of the District (the "Designated Officer"), and each of them individually, for and in the name of and on behalf of the District, to execute and deliver the Installment Purchase Agreement and the Supplement to Installment Purchase Agreement in such forms with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them. The executions of the foregoing by a Designated Officer shall constitute conclusive evidence of such officer's and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the forms of the agreements presented to this meeting.

Section 3. Designation as "Qualified Tax-Exempt Obligation." The Board reasonably anticipates that the District and all subordinate entities and all entities that issue obligations on its behalf will not issue more than ten million dollars of tax-exempt obligations (excluding private activity bonds) during either the 2002 or the 2003 following calendar year. The Board hereby designates its obligations under the Installment Purchase Agreement as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

Section 4. General Authorization. All actions heretofore taken by the officers and agents of the District with respect to the execution and delivery of the Installment Purchase Agreement are hereby approved, and the Designated Offices and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District to do any and all things and take any and all actions related to the execution and delivery of any and all certificates, requisitions, agreements and other documents that they, or any of them, may deem necessary or advisable in order to consummate the financing implemented by the delivery of the Installment Purchase Agreement and to effect the purposes of this resolution.

Section 5. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED on October 24, 2002.

INDIAN VALLEY  
COMMUNITY SERVICES DISTRICT



Don Williamson, Chairman of the Board  
of Directors

ATTEST:



Sharol Robinson, Secretary of the District

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I hereby certify that the foregoing is a full, true and correct copy of a Resolution duly passed and adopted by the Board of Directors of the Indian Valley Community Services District at a meeting held on October 24, 2002, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:



Secretary of the District

S:\Fay's Documents of district authorizing  
execution of documents.DOC

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