

RESOLUTION NO. 3-87

RESOLUTION ESTABLISHING PROCEDURES FOR DETERMINING INTEREST TO BE CREDITED TO RESTRICTED RESERVES -

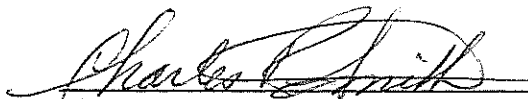
WHEREAS, The Board of Directors by motion on May 12, 1987, approved establishment of quarterly interest rate of Local Agency Investment Fund(LAIF), as the interest rate to be utilized in distribution of interest income earned on restricted reserves, and

WHEREAS, The aforementioned action did not provide specifics for implementation nor rate to be used for the period of time prior to investing reserve funds in LAIF; NOW THEREFORE RESOLVES:

1. Based on quarterly remittance advice received from the State Controller, State of California, utilize the interest rate promulgated for the previous three months as the rate to be used for determining the interest rate that will be utilized the subsequent three months in calculating interest income earned by that portion of the deposits in LAIF that represents the particular restricted reserve being reported on in each monthly financial report, and

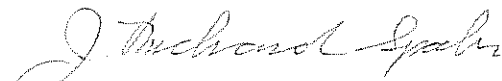
2. For that period prior to investment in LAIF a flat rate of 10% shall be utilized as the interest rate to calculate interest income earned by said restricted reserve since date of inception of the restricted fund being reported on.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the Board of Directors of Lake Shastina Community District of Siskiyou County, State of California, at a regular meeting thereof, held on the 14th day 7 July, 1987.



Charles R. Smith, General Manager

ATTEST:



Richard Spahr, District President