

RESOLUTION NO. 2-97

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**RESOLUTION OF THE EMPLOYER FOR THE ADOPTION OF
LAKE SHASTINA COMMUNITY SERVICES
DISTRICT 401(K) PROFIT SHARING PLAN**

On March 10, 1997 the following resolutions to adopt LAKE SHASTINA COMMUNITY SERVICES DISTRICT 401(K) PROFIT SHARING PLAN were duly adopted by Employer and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of Plan presented to this meeting is a Cash or Deferred Profit Sharing Plan as authorized under Internal Revenue Code Sections 401(a), 401(k), 402(g), and other Code Sections.

RESOLVED, that the form of LAKE SHASTINA COMMUNITY SERVICES DISTRICT 401(K) PROFIT SHARING PLAN presented to this meeting is hereby adopted and approved and that the proper officers of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator one or more counterparts of the Plan.

RESOLVED, that, the Plan Year shall be for a 12 month period beginning on July 1st, and ending on June 30th of each year.

RESOLVED, that, for purposes of the limitations on contributions and benefits under the Plan as prescribed by Internal Revenue Code Section 415, the Limitation Year shall be for a 12 month period beginning on July 1st to June 30th of each year.

RESOLVED, that, prior to the due date (including extensions) of the Employer's federal income tax return for each of its fiscal years hereafter, the Employer shall contribute to the Plan amounts sufficient to meet its obligation under the Cash or Deferred Profit Sharing Plan for each such fiscal year in such amount as the Employer determines. The Employer is empowered and directed to pay such contribution to the Trustee of the Plan in cash or property, in accordance with the terms of the Plan Document and shall notify the Plan Administrator as to which fiscal year said contributions shall be applied.

RESOLVED, that the proper officers of the Employer shall act as soon as possible to notify employees of the Employer of the adoption of the Plan and Trust by delivering to each employee a copy of the summary plan description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

The undersigned further certifies that attached hereto as Exhibits A, B, and C respectively are true copies of LAKE SHASTINA COMMUNITY SERVICES DISTRICT 401(K) PROFIT SHARING PLAN Document, Summary Plan Description and Adoption Agreement approved and adopted in the above resolutions.

Donald Wallace

March 19, 1997

Date

*Balance of Res. needs to be signed
4/19/97*

President Wallace asked for a motion so that the negotiations could go ahead for the additional 32-units. Director Dean made a the motion, seconded by Director Brezinsky. Upon vote, motion carried.

John Britt informed Ted Hagler that Pacific Power and Light is requiring money upfront for the work being done and larger conduit. Superintendent of Public Works Lea stated that the conduit would remain the same, however, five years ago when the project was worked out, there was no line charge. PP&L will now be charging somebody for the installation of the wires, the wires, and the pull boxes that is installed. To date, CSD has paid about \$22,000 for that electrical, and that would have to be negotiated.

President Wallace asked that any negotiations be held between Lou Tepfer, Ted Hagler, John Britt, Jamie Lea and Accountant Anderson at a later date. John Britt has the Board's approval to negotiate for them, and has confidence in him, that it will be worked out.

SPEED SURVEY: Hank Seegelken informed the Board the need for the study to legalize the speed limit above and below the designated residential 25 mph speed zone. The traffic survey is to establish the present driving habits of the property owners in this area and to determine what the probable speed limit on the roads. The speed study will extend into the summer months to get a more accurate survey.

COMMUNICATIONS FOR NEW MODERN CIVIC SERVICES BUILDING: Linda Sobkowsky presented the Board with information regarding a Centrex System Proposal, by reference incorporated herein. Linda informed the Board that there had been mention of including the Fire/Police station with the new system, if purchased, located at the new Civic Services building. This would allow the Fire/Police station additional features not currently available, including voice mail. No motion was taken on this item.

RETIREMENT PLAN: Valarie Gibson informed the Board that Congress has directed the IRS to make some changes in the retirement code that governs the retirement plan that CSD employees are currently involved with. Presently CSD is under a Money Purchase Plan, which was the best available at that time. But it now allows CSD to go under a 401(k) plan, if they would like to do deferred compensation, which allows the employee to have a more diversified choice, as to where they would like to invest, how much, and if they choose to leave CSD employment or retire, as to how they would like the monies to be handled. It also allows the a higher cap of 15% instead of the 6% with the Money Purchase Plan.

CSD Resolution 2-97, RESOLUTION OF THE EMPLOYER FOR THE ADOPTION OF LAKE SHASTINA COMMUNITY SERVICES DISTRICT 401(K) PROFIT SHARING PLAN, has been drawn up by Cathy Grindstaff so that the monies can be changed over from the Money Purchase Plan to the 401(k) plan. A motion was made by Director McDowell was made to accept the CSD Resolution 2-97. It was duly seconded by Director Dean. Upon vote, motion carried.

At 3:40 p.m.: President Wallace called for a 5-minute break.