

CERTIFICATE OF RESOLUTION

I, Teresa Cunningham, Clerk to the Board of the Plumas Eureka Community Services District, do hereby certify that the following is a true and correct copy of a Resolution of the Board of Directors of the Plumas Eureka Community Services District duly passed at a meeting held on June 8, 2005.

RESOLUTION 2005-50

BOARD OF DIRECTORS OF THE PLUMAS EUREKA COMMUNITY SERVICES DISTRICT COUNTY OF PLUMAS, CALIFORNIA

RESOLUTION FORMING THE VILLAGE AT PLUMAS PINES IMPROVEMENT DISTRICT ON PETITION OF 100% OF FEE SIMPLE PROPERTY OWNERS

WHEREAS:

a. The Plumas Eureka Community Services District has received a petition dated May 9, 2005, from the owners in fee simple of 100% of the real property within the boundaries of the Plumas Eureka Community Services District commonly known and referred to as the Village at Plumas Pines, and more particularly known and described as follows:

All that real property in the unincorporated are of Plumas County, California, more particularly known and described as:

A portion of the South East one-quarter of Section 8, Township 22 North, Range 22 East.

Containing thirty four (34) acres, more or less

APN: 123-010-057

b. The names and addresses of all of the owners of land described in recital a. above is as follows:

The Village at Plumas Pines LLC
A Nevada Limited Liability Company
5460 W. Cypress Point Drive
Reno, NV 89502

c. Pursuant to the provisions of *Government Code* section 61710 and *Water Code* section 23500 and following, Petitioner hereby petitions for the formation of an improvement district to cover all of the real property described in recital a. above, both now and when it is subdivided into 21 lots and when it is further subdivided into 40 lots. [Phase 1 will consist of 20 lots and 1 remaining; Phase 2 will consist of an additional 20 lots created from the one lot remaining after Phase 1 is created.]

d. The proposed improvement to be funded by this improvement district is an expansion to Plumas Eureka Community Services District's Unit Seven Wastewater Treatment Plant to provide adequate wastewater treatment capacity for The Village at Plumas Pines subdivision at buildout. The treatment Plant shall be expanded to provide capacity for all 40 lots. In the event that Phase 2 is not completed when the improvement project is undertaken, the then current owner of the one lot that is to be further subdivided into the 20 lots comprising Phase 2 will be responsible for the pro rata share of the improvement project for all 20 lots.

e. Method of payment for Wastewater Treatment Plant Improvement Project.
At the formation of the improvement district herein by Developer, the terms of imposition of the assessment thereunder shall be stated as being one of two methods:

(1) At the time of taking out of a building permit for a dwelling unit, the owner of a lot in the Development may pay a lump sum of \$5,485 in 2005 dollars [that sum being increased by the San Francisco Area All Urban Consumer's Price Index each year] and have the improvement district assessment removed from his lot; or

(2) If the owner of a lot in the Development does not choose the alternative under recital e.(1) then such owner will pay the amortized pro-rata share his lot bears to the entire project, less recital e.(1) payouts, plus interest, anticipated to be amortized over the term of the loan to be secured, which is anticipated to be made on a forty (40) year, fully amortized note on an annualized basis, payable to the District, or such other method as from time to time the District may direct. The assessment shall attach immediately to each lot, but no amount for such assessment will be made until financing is secured.

f. Notification of Improvement District Assessment.
Notice of the Improvement District Assessment as set forth in recital e.(2). above shall be recorded for notice purposes on each of the lots in the Development, which have not opted for the recital e.(1). lump sum payment.

g. Bonding for Development Infrastructure - Sinking Fund.
District and Developer agree to use improvement district proceedings to provide funds for the sewer plant expansion. Pursuant to the improvement district being formed, the subdivided lots shall have assessments placed against them as liens, except where the recital e.(1) option has been exercised. All funds received by District prior to the taking out of the loan or other financing mechanism to construct the sewer plant expansion shall be placed in an appropriate reserve account by District.

h. The Village at Plumas Pines requested:

1. The Plumas Eureka Community Services District cause a survey to be made of the proposed improvements;
2. The Plumas Eureka Community Services District notice a hearing by posting a notice in three public places within the proposed improvement district at least 20 days prior to the date of the hearing;

3. The Plumas Eureka Community Services District publish notice of the hearing once a week for two weeks in a newspaper published in Plumas County;
4. The Plumas Eureka Community Services District mail a copy of the notice to the address set forth in recital b. above at least 20 days prior to the date of the hearing;
5. The Plumas Eureka Community Services District, if appropriate findings are made, create an improvement district covering the real property set forth in recital a. above;
6. The Plumas Eureka Community Services District levy an assessment in conformance with the terms of recital e. above;
7. The Plumas Eureka Community Services District apportion the assessment in conformance with the terms of recital e. above; and
8. The Plumas Eureka Community Services District Record a certified copy of your order creating the improvement district.

i. The survey referred to in recital h.(1) above was conducted by Shaw Engineering dated January 2005.

j. The Notice required by recital h.(2) above was duly made.

k. The Notice required by recital h.(3) above was duly made and an appropriate copy mailed to The Village at Plumas Pines as set forth by recital h.(4).

l. A public hearing on the above matter was duly held on June 8, 2005.

m. On June 8, 2005, the Board of Directors of Plumas Eureka Community Services District upon proper notice duly created the improvement district requested in the Petition executed by The Village at Plumas Pines on May 9 2005, which Petition represents 100% of the fee simple owners of the real property more particularly described in recital a. above.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Plumas Eureka Community Services District find and declare:

1. All notices required by law to be given have been given.
2. 100% of the landowners of The Village at Plumas Pines, more particularly described as:

All that real property in the unincorporated are of Plumas County, California, more particularly known and described as:

A portion of the South East one-quarter of Section 8, Township 22 North, Range 22 East.

Containing thirty four (34) acres, more or less

APN: 123-010-057

have petitioned for the formation of an Improvement District as more particularly described in the recitals above.

3. The public interest and the public health require the formation and construction at an appropriate time of an expansion to Plumas Eureka Community Services District's Unit 7 sewage treatment plant to provide adequate sewage treatment facilities for the Village at Plumas Pines at buildout, and that it is appropriate for the owners of the real property in the Village at Plumas Pines to pay for such expansion.

4. The interests in real property set forth and described in the recitals are necessary for the Unit 7 sewage treatment plant expansion.

5. An Improvement District for the real property described in paragraph 2 hereof be and it hereby is formed upon the following terms and conditions:

5.1. Pursuant to the provisions of *Government Code* section 61710 and *Water Code* section 23500 and following, the formation of an improvement district to cover all of the real property described in recital a. above, both now and when it is subdivided into 21 lots and when it is further subdivided into a total of 40 lots. [Phase 1 will consist of 20 lots and 1 remaining; Phase 2 will consist of an additional 20 lots created from the one lot remaining after Phase 1 is created.]

5.2. The improvement to be funded by this improvement district is an expansion to Plumas Eureka Community Services District's Unit 7 sewage treatment plant to provide adequate sewage treatment facilities for the Village at Plumas Pines at buildout. In this regard reference is made to the engineering study and recommendations of Shaw Engineering dated January 2005.

5.3. Method of payment for Wastewater Treatment Plant Improvement Project:
At the formation of the improvement district herein by Developer, the terms of imposition of the assessment thereunder shall be stated as being one of two methods:

5.3.1. At the time of taking out of a building permit for a dwelling unit, the owner of a lot in the Development may pay a lump sum of \$5,485 in 2005 dollars [that sum being increased by the San Francisco Area All Urban Consumer's Price Index each year] and have the improvement district assessment removed from his lot; or

5.3.2. If the owner of a lot in the Development does not choose the alternative under 5.3.1. then such owner will pay the amortized pro-rata share his lot bears to the entire project, less 5.3.1. payouts, plus interest, anticipated to be amortized over the term of the loan to be secured, which is anticipated to be made on a forty (40) year, fully amortized note, on an annualized basis, payable to the District, or such other method as from time to time the District may direct. The assessment shall attach immediately to each lot, but no amount for such assessment will be made until financing is secured.

5.4. Notification of Improvement District Assessment.

Notice of the Improvement District Assessment as set forth in 5.3.2. above shall be recorded for notice purposes on each of the lots in the Development, which have not opted for the 5.3.1. lump sum payment.

5.5. Bonding for Development Infrastructure - Sinking Fund.

Plumas Eureka Community Services District and Developer agree to use improvement district proceedings to provide funds for the sewer plant expansion. Pursuant to the improvement district being formed, the subdivided lots shall have assessments placed against them as liens, except where the 5.3.1 option has been exercised. All funds received by District prior to the taking out of the loan or other financing mechanism to construct the sewer plant expansion shall be placed in an appropriate reserve account by District.

6. The staff and consultants of Plumas Eureka Community Services District be and they hereby are authorized to undertake all necessary steps to implement the provisions of this Resolution.

Passed and adopted of the Board of Directors of Plumas Eureka Community Services District this 8th day of June, 2005 by the following vote:

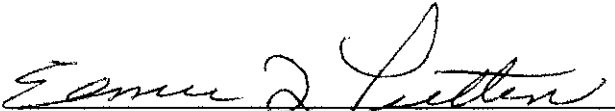
AYES: *Tretten, Wiemeyer, Walker, Gray, Brazelton*

NOES: *None*

ABSTAIN: *None*


ABSENT: *None*

s/"Elmer Tretten"


Elmer Tretten, President Board of Directors

DATED: 06/08/05

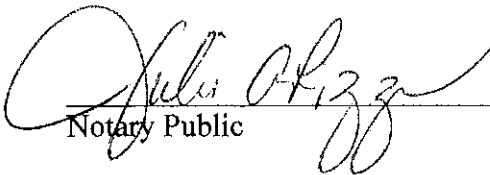
Teresa Cunningham


Clerk to the Board
Plumas Eureka Community Services District

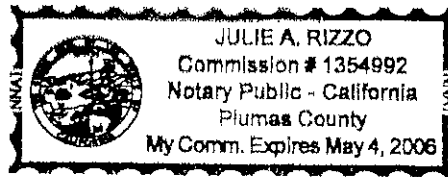
STATE OF CALIFORNIA
COUNTY OF PLUMAS

On July 5th, 2005, before me, the undersigned, notary public, personally appeared TERESA CUNNINGHAM, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public



Capacity Claimed by Signor:

- XX- Individual
- XX- Other: Clerk to the Board of Directors
Plumas Eureka Community Services District

SIGNER IS REPRESENTING:

Name of person or entity:

TERESA CUNNINGHAM
PLUMAS EUREKA COMMUNITY SERVICES DISTRICT

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or Type of Document: CERTIFICATE OF RESOLUTION

Number of Pages: SIX

Date of Document: JUNE 8, 2005

Signer(s) other than the ones named above: Elmer Tretten