

TAHOE CITY PUBLIC UTILITY DISTRICT

RESOLUTION NO. 93-8

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TAHOE CITY PUBLIC UTILITY DISTRICT AUTHORIZING THE INCORPORATION OF THE TAHOE CITY PUBLIC UTILITY DISTRICT PUBLIC FACILITIES FINANCING CORPORATION AND APPROVING THE INITIAL DIRECTORS THEREOF AND CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Tahoe City Public Utility District (the "District") desires to provide a means to finance the acquisition, construction and installation of public facilities for the use and benefit of the District; and

WHEREAS, in order to accomplish such financings, it is appropriate that a nonprofit public benefit corporation act as vendor or lessor and, in certain circumstances, as lessee, of the facilities sold or leased in connection with such financings; and

WHEREAS, the Board of Directors (the "Board of Directors") of the District desires to approve and authorize the formation and organization of a nonprofit public benefit corporation for such purpose and to approve the initial directors thereof; and

WHEREAS, the Board of Directors has been presented with the form of the Articles of Incorporation of the Tahoe City Public Utility District Public Facilities Financing Corporation and the Bylaws of the Tahoe City Public Utility District Public Facilities Financing Corporation and the Action by the Incorporator of the Tahoe City Public Utility District Public Facilities Financing Corporation, and the Board of Directors has examined and approved such documents and desires to authorize the incorporation of such nonprofit public benefit corporation and direct the execution of such documents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TAHOE CITY PUBLIC UTILITY DISTRICT, AS FOLLOWS:

Section 1. All of the foregoing recitals are true and correct, and the Board of Directors so finds and determines.

Section 2. The Board of Directors hereby finds and determines that it is in the public interest, convenience and welfare and for the common benefit of the inhabitants of the District that a nonprofit public benefit corporation be organized under the laws of the State of California to facilitate the

financing of the acquisition, construction and installation of public facilities for the use and benefit of the District.

Section 3. The General Manager of the District is hereby authorized to act as incorporator and to cause the formation and organization of such nonprofit public benefit corporation, which shall be designated the "Tahoe City Public Utility District Public Facilities Financing Corporation" (the "Corporation").

Section 4. The form, terms and provisions of the Articles of Incorporation of the Corporation (the "Articles of Incorporation"), in the form presented at this meeting, be, and they hereby are, approved, and the General Manager of the District is hereby authorized and empowered to execute by manual signature and acknowledge such execution and file, or cause to be filed, with the office of the Secretary of State of the State of California, the Articles of Incorporation, with such nonsubstantive changes and insertions therein as may be appropriate or necessary to carry out the intent of this resolution or to comply with the California Nonprofit Public Benefit Corporation Law and as are approved by the General Manager of the District, such approval to be conclusively evidenced by the filing of the Articles of Incorporation with the office of the Secretary of State of the State of California.

Section 5. The form, terms and provisions of the Bylaws of the Corporation, in the form presented at this meeting, be, and they hereby are, approved, with such nonsubstantive changes and insertions therein as may be deemed appropriate or necessary by the General Manager of the District.

Section 6. The form, terms and provisions of the Action by the Incorporator of the Tahoe City Public Utility District Public Facilities Financing Corporation, in the form presented at this meeting, be, and it hereby is, approved, with such nonsubstantive changes and insertions therein as may be deemed appropriate or necessary by the General Manager of the District, and the General Manager of the District is hereby authorized and empowered to execute by manual signature such Action by the Incorporator.

Section 7. No person shall be eligible to serve as a director of the Corporation except those persons who are approved by the Board of Directors, and the initial directors of the Corporation, who are residents of the State of California and landowners within the District, namely, Ronald V. McIntyre, C. Park Bechdolt, Erik Hendrikson, Dennis L. Schlumpf, Ron Treabess, are hereby approved by the Board of Directors for such office.

Section 8. All actions heretofore taken by the officers and agents of the District with respect to the formation and organization of the Corporation are hereby approved,

confirmed and ratified, and the officers and agents of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and other documents, in addition to the documents referred to in this resolution, which they may deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 9. This resolution shall take effect from and after its adoption.

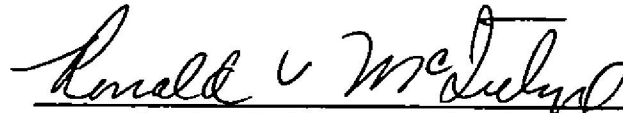
PASSED AND ADOPTED by the Board of Directors of the Tahoe City Public Utility District this 29th day of January, 1993, by the following vote:

AYES: Directors Treabess, Schlumpf, Henrikson, Bechdolt, McIntyre

NOES: None

ABSENT: None

APPROVED:



President of the Board of Directors of
the Tahoe City Public Utility District

(SEAL)

ATTEST:



Secretary of the Tahoe City
Public Utility District

SECRETARY'S CERTIFICATE

I, Suzanne Schmidt, District Clerk of the Tahoe City Public Utility District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of the Tahoe City Public Utility District duly and regularly held at the regular meeting place thereof on the 29th day of January, 1993, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES: Directors Treabess, Schlumpf, Henrikson, Bechdolt, McIntyre

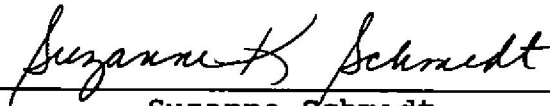
NOES: None

ABSENT: None

An agenda of said meeting was posted at least 24 hours before said meeting at 850 North Lake Boulevard, Suite 22, Tahoe City, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

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

WITNESS my hand and the seal of the Tahoe City Public Utility District this 29th day of January, 1993.



Suzanne Schmidt
District Clerk

{SEAL}

BYLAWS
OF THE TAHOE CITY PUBLIC UTILITY DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

original

ARTICLE I

NAME, ORGANIZATION AND PURPOSE,
PRINCIPAL OFFICE, SEAL

Section 1.01. Name. The name of this corporation shall be the "Tahoe City Public Utility District Public Facilities Financing Corporation" (the "Corporation").

Section 1.02. Organization, Purpose and Use of Funds. The activities of the Corporation shall be limited to the activities described in its Articles of Incorporation. No gains, profits or dividends shall be distributed to any of the directors or officers of the Corporation, and no part of the net earnings, funds or assets of the Corporation shall inure to the benefit of any director, officer or individual or any other person, firm or corporation excepting only the Tahoe City Public Utility District or the United States of America, the State of California, or any municipal corporation or political subdivision thereof, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986.

Section 1.03. Principal Office. The principal office of the Corporation for its transaction of business is located at the office of the Tahoe City Public Utility District, 850 North Lake Boulevard, Suite 22, Tahoe City, California 96145. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in Tahoe City, California. Any such change shall be noted by the Secretary in an appendix to these Bylaws, but no such appendix shall be considered an amendment of these Bylaws.

Section 1.04. Seal. The corporate seal of the Corporation shall set forth the name of the Corporation and shall have inscribed thereon the words "Incorporated February 2, 1993, California."

ARTICLE II

MEMBERSHIP

Section 2.01. The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights which would

otherwise vest in the members shall vest in the Board of Directors.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Number. Subject to Section 3.03 of these Bylaws, the Corporation shall have three (3) directors, which shall constitute and shall be known as the "Board of Directors."

Section 3.02. -Qualifications. The directors of the Corporation shall be residents of the State of California and landowners within the Tahoe City Public Utility District. No person shall be eligible to serve as a director of the Corporation unless such person has been approved by resolution of the Board of Directors of the Tahoe City Public Utility District.

Section 3.03. Term of Office. All directors shall hold office until the selection and qualification of his or her successor or until his or her death, resignation or removal, whichever occurs earlier.

Section 3.04. Place of Directors' Meetings. Meetings of the Board of Directors shall be held at the principal office of the Corporation unless a different place is designated in the notice of such meeting.

Section 3.05. Regular Meetings. The Board of Directors by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Section 3.06. Special Meetings. Special meetings of the Board of Directors may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

Section 3.07. Quorum and Manner of Action. A majority of the Board of Directors shall constitute a quorum for the transaction of business by the Board of Directors, except that less than a quorum may adjourn from time to time. No action may be taken by the Board of Directors except upon the affirmative vote of a majority of the members of the Board of Directors.

Section 3.08. Action by Written Consent. Any action required or permitted to be taken by the Board of Directors under any provision of law or these Bylaws may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. All such consents shall be filed with the corporate records and made a part of the minutes of the proceedings of the Board of

Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that these Bylaws of the Corporation authorize the directors to so act and such statement shall be prima facie evidence of such authority.

Section 3.09. Notice; Conduct of Meetings. All meetings of the Board of Directors shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, being Sections 54950-54962 thereof). The President or, in his or her absence, the Vice President shall preside at all meetings of the Board of Directors.

Section 3.10. Resignations and Vacancies. Any director of the Corporation may resign at any time by giving written notice to the President or to the Board of Directors, and, where such resignation would leave the Corporation without a duly elected director or directors in charge of its affairs, to the Attorney General of the State of California. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, resignation or removal of any director. Any vacancy in the Board of Directors shall be filled by a majority of the remaining directors, whether or not less than a quorum, subject to the prior approval of the Board of Directors of the Tahoe City Public Utility District.

Section 3.11. Compensation of Directors. No member of the Board of Directors shall be entitled to receive any compensation for serving as a director or as an officer of the Corporation, except that any director or officer may be reimbursed for expenses duly incurred in the performance of duties as director or officer of the Corporation, upon approval of the Board of Directors.

Section 3.12. Removal of Directors. Any director may be removed by the vote of a majority of all directors or by the Board of Directors of the Tahoe City Public Utility District for cause.

Section 3.13 Notice to and Attendance by the Board of Directors of the Tahoe City Public Utility District. Notice of all meetings of the Board of Directors of the Corporation shall be given by the Secretary of the Corporation to the Secretary of the Tahoe City Public Utility District, and representatives of

the Board of Directors of the Tahoe City Public Utility District may attend and may make comments at all such meetings.

ARTICLE IV

POWERS OF BOARD OF DIRECTORS

Section 4.01. General Powers of Board of Directors.

All corporate powers shall be exercised by or under the authority of, and the business, property and affairs of the Corporation shall be controlled by, the Board of Directors. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons, management company or committee, however composed; provided, that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 4.02. Indemnification.

To the fullest extent permitted by law, the Board of Directors may authorize indemnification by the Corporation of any person who is or was a director, officer, employee or other agent of the Corporation, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a director, officer, employee or other agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Corporation, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 4.03. Incurring of Indebtedness.

The Board of Directors, on behalf of the Corporation and in furtherance of its proper purposes, may incur such indebtedness, may issue bonds, notes, debentures and other evidences of indebtedness of the Corporation, may secure the same by mortgage, transfer in trust, pledge or other encumbrance of the whole or any part of the assets of the Corporation, may establish funds and make other provisions for the payment of such indebtedness and interest thereon, and may otherwise act or enter into other agreements in connection therewith, in each case as shall be deemed necessary or appropriate by the Board of Directors.

Section 4.04. Loans and Other Agreements

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the Board of Directors, on behalf of the Corporation and in furtherance of its proper purposes, may make

loans to, enter into leases or subleases with, or otherwise enter into agreements with, any person, and may take such collateral or other security with respect thereto and may otherwise act or enter into other agreements in connection therewith, in each case as shall be deemed necessary or appropriate by the Board of Directors.

ARTICLE V

OFFICERS

Section 5.01. Number and Qualifications. The officers of the Corporation shall be a President, a Vice President, a Chief Financial Officer and a Secretary and such subordinate officers, including one or more assistant secretaries and assistant financial officers, as the Board of Directors may appoint. Only members of the Board of Directors shall be qualified to hold the office of President or Vice President and neither the Secretary nor the Chief Financial Officer may serve concurrently as the President.

Section 5.02. Election, Term of Office. Except as provided in Section 5.01, each officer shall be appointed by the Board of Directors, or, in the case of the initial officers, designated by the incorporator, and shall hold office until his or her successor shall have been appointed and qualified, or until the death, resignation or removal of such officer.

Section 5.03. Resignations. Any officer may resign at any time by giving written notice to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner prescribed in these Bylaws for regular appointment to such office.

Section 5.05. President. The President shall be the chief executive officer of the Corporation and shall have general supervision over the business of the Corporation, subject, however, to the control of the Board of Directors. The President shall preside at all meetings of the Board of Directors. The President may sign and execute, in the name of the Corporation, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the Board of Directors, and generally shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to such office by the Board of Directors. At each meeting of the Board of Directors, the President shall submit such recommendations and

information as he or she may consider proper concerning the business, affairs and policies of the Corporation.

Section 5.06. Vice President. At the request of the President or in case of his or her absence or disability, the Vice President shall perform all duties of the President and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. In addition, the Vice President shall perform such other duties as may from time to time be assigned to that office by the Board of Directors or the President.

Section 5.07. Secretary. The Secretary shall:

(a) Certify and keep at the office of the Corporation, or at such other place as the Board of Directors may order, the original or a copy of these Bylaws, as amended or otherwise altered;

(b) Keep at the office of the Corporation, or at such other place as the Board of Directors may order, a book of minutes of all meetings of the directors, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat;

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(d) Be custodian of the records and seal of the Corporation;

(e) Exhibit at all reasonable times to any director, upon application, these Bylaws and the minutes of the proceedings of the directors of the Corporation; and

(f) In general, perform all duties of the office of Secretary and such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

Section 5.08. Chief Financial Officer. Subject to the provisions of the proceedings authorizing any debt or other obligation of the Corporation which may provide for a trustee to receive, have the custody of and disburse Corporation funds, the Chief Financial Officer shall receive and have charge of all funds of the Corporation and shall disburse such funds only as directed by the Board of Directors. The Chief Financial Officer shall, in general, perform all duties incident to the office of Chief Financial Officer and such other duties as may from time to time be assigned to such office by the Board of Directors or the President. The Chief Financial Officer shall have the additional title of "Treasurer."

Section 5.09. Subordinate Officers. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board of Directors or the President.

ARTICLE VI

DISSOLUTION

Section 6.01. The Corporation shall not be voluntarily dissolved, except with the prior written consent of the Board of Directors of the Tahoe City Public Utility District and by approval of the Board of Directors. In the event of dissolution of the Corporation in any manner and for any cause, after the payment or adequate provision for the payment of all of its debts and liabilities, all of the remaining funds, assets and properties of the Corporation shall be paid or distributed as provided in the Articles of Incorporation.

ARTICLE VII

GENERAL

Section 7.01. Fiscal Year. The fiscal year of the Corporation shall begin January 1 and end December 31 of each year, except the first fiscal year which shall run from the date of incorporation to December 31, 1993.

Section 7.02. Construction and Definitions. Unless otherwise provided herein or in the Articles of Incorporation, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

ARTICLE VIII

AMENDMENT OF BYLAWS AND ARTICLES OF INCORPORATION

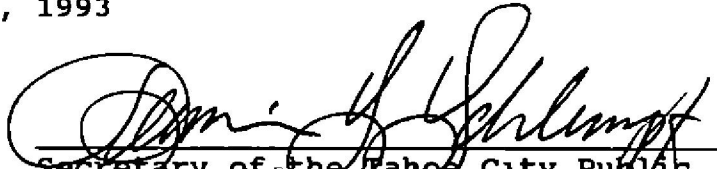
Section 8.01. Amendment of Bylaws. Any of these Bylaws may be amended or repealed, and new Bylaws may be adopted, with the prior written consent of the Board of Directors of the Tahoe City Public Utility District and by the affirmative vote of a majority of the members of the Board of Directors.

Section 8.02. Amendment of Articles of Incorporation
The Articles of Incorporation of the Corporation may be amended with the prior written consent of the Board of Directors of the Tahoe City Public Utility District and by unanimous vote of the members of the Board of Directors

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that the undersigned is the Secretary of the Tahoe City Public Utility District Public Facilities Financing Corporation, a California nonprofit public benefit corporation; that attached hereto is a true, correct and complete copy of the Bylaws of said Corporation; and that said Bylaws are in full force and effect as of the date hereof

Dated: February 2, 1993


Secretary of the Tahoe City Public
Utility District Public Facilities
Financing Corporation

[SEAL]

ACTION BY THE INCORPORATOR
OF THE TAHOE CITY PUBLIC UTILITY DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

Pursuant to Section 5134 of the California Corporations Code, the undersigned, David C. Antonucci, General Manager of the Tahoe City Public Utility District, being the incorporator of the Tahoe City Public Utility District Public Facilities Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"), by this writing takes the following action, adopts the following resolutions and transacts the following business of the Corporation:

RESOLVED, that the Bylaws appearing in that certain document hereto attached entitled "Bylaws of the Tahoe City Public Utility District Public Facilities Financing Corporation" are approved and adopted as the bylaws of the Corporation;

RESOLVED FURTHER, that the following named persons are elected to the Board of Directors of the Corporation:

Name

Ronald V. McIntyre
C. Park Bechdolt
Erik Hendrickson
Dennis L. Schlumpf
Ron Treabess

RESOLVED FURTHER, that the following named persons are elected to the offices set forth opposite their names:

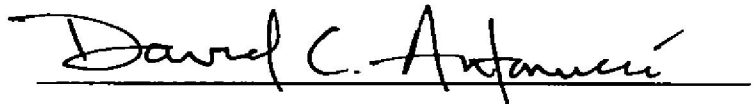
<u>Name</u>	<u>Office</u>
Ronald V McIntyre	President
C. Park Bechdolt	Vice President
Erik Hendrickson	Chief Financial Officer
Dennis L. Schlumpf	Secretary

RESOLVED FURTHER, that the regular meeting of the Board of Directors of the Corporation shall be held at the principal office of the Corporation on the third Friday of each January at the hour of 8:30 o'clock a.m

RESOLVED FURTHER, that copies of the Articles of Incorporation attached hereto and certified by the California Secretary of State as a true copy of the Articles of Incorporation of the Corporation filed in that office on February 2, 1993, shall be kept and maintained in the corporate records,

RESOLVED FURTHER, that the Secretary of the Corporation is directed to certify a copy of the Bylaws and keep that copy at the Corporation's principal office where it shall be open to inspection by the directors and officers at all reasonable times during office hours.

Dated February 2, 1993

A handwritten signature in cursive script that reads "David C. Antonucci". The signature is written in black ink and is positioned above a solid horizontal line.

David C. Antonucci, General Manager,
Tahoe City Public Utility District,
Incorporator