

RESOLUTION NO. 10-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GROVELAND COMMUNITY SERVICES DISTRICT
AUTHORIZING DOCUMENTS AND OFFICIAL ACTIONS
RELATING TO THE INSTALLMENT SALE FINANCING OF
WASTEWATER SYSTEM IMPROVEMENTS IN THE PRINCIPAL
AMOUNT OF \$4,529,000

WHEREAS, the Groveland Community Services District (the "District") owns and operates a system for the collection, treatment and disposal of wastewater within the service area of the District (the "Wastewater System"), and the District wishes to raise funds to finance improvements to the Wastewater System, consisting generally of upgrades to the five hub lift stations and upgrades to ten satellite lift stations (the "Wastewater Projects"); and

WHEREAS, the Board of Directors of the District has previously adopted its Resolution No. 8-06 on June 2, 2006, expressing the Board's intention to reimburse various costs of the Wastewater Projects from the proceeds of tax-exempt obligations of the District; and

WHEREAS, in order to provide financing for the Wastewater Projects, the District has proposed to enter into an Installment Sale Agreement with LaSalle Bank National Association (the "Bank"), under which the Bank will provide the amount of \$4,529,000 for such purposes and the District will agree to pay semiannual Installment Payments to the Bank as the purchase price of the Wastewater Projects under such agreement; and

WHEREAS, the Board of Directors wishes at this time to take action approving such financing transactions and all related documents and actions;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1. Approval of Financing Plan. The Board of Directors hereby approves the financing plan described in the recitals of this Resolution. To that end, the Board of Directors hereby approves entering into an Installment Sale Agreement with the Bank in the principal amount of \$4,529,000 for the purpose of providing funds to pay and reimburse the payment of the costs of the Wastewater Projects.

Section 2. Approval of Installment Sale Agreement. The Board of Directors hereby approves the Installment Sale Agreement between the Bank and the District, under which the Bank agrees to provide financing for the Wastewater Projects and to sell the completed Wastewater Projects to the District for a purchase price to be paid in semiannual installment payments which are payable from the net revenues of the Wastewater System. The Installment Sale Agreement is hereby approved in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by General Manager. The President or the General Manager is hereby authorized and directed for and in the name and on behalf of the

District to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Installment Sale Agreement, and such execution shall be conclusive evidence of the approval of the final form thereof.

Section 3 Approval of Escrow Agreement. The Board of Directors hereby approves the Escrow Agreement between the Bank, the District and LaSalle Bank National Association, as escrow agent (the "Escrow Agent"), under which the proceeds of the financing are deposited with the Escrow Agent to be held and administered to finance the Wastewater Projects. The Escrow Agreement is hereby approved in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by General Manager. The President or the General Manager is hereby authorized and directed for and in the name and on behalf of the District to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Escrow Agreement, and such execution shall be conclusive evidence of the approval of the final form thereof.

Section 4. Engagement of Professional Services. The District hereby appoints the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel to the District, upon the same terms and conditions as such firm acted as bond counsel to the District in connection with the recent financing of improvements to the District's water system, pursuant to the agreement approved by the Board of Directors under its Resolution No. 06-07 adopted on May 3, 2007.

Section 5. Official Actions. The President, the General Manager, the Finance Manager, the Secretary and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED this 11th day of June, 2007, by the following vote:

AYES: Directors Allegri, Brizard, Gray, Johnson and Lennen

NOES: None


ABSENT: None

ABSTAIN: None



Gus Allegri, President

ATTEST:



Vicki L. West, Secretary