

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GROVELAND COMMUNITY SERVICES DISTRICT DECLARING
INTENTION TO REIMBURSE EXPENDITURES RELATING TO WATER
AND WASTEWATER PROJECTS FROM THE PROCEEDS OF TAX-
EXEMPT OBLIGATIONS OF THE DISTRICT

WHEREAS, the Board of Directors of the Groveland Community Services District (the "District") is proceeding to construct various improvements to the water supply, treatment and distribution system of the District, and various improvements to the wastewater collection, treatment and disposal system of the District, including the acquisition and construction of equipment and property which is described in Exhibit A attached to this resolution and by this reference incorporated herein (collectively, the "Projects"); and

WHEREAS, in order to provide funds to finance the Projects, the Board of Directors intends to enter into a tax-exempt financing arrangement in the aggregate principal amount of not to exceed \$10,000,000 which are payable from available revenues of the District (the "Tax-Exempt Financing"); and

WHEREAS, in order to use the proceeds of the Tax-Exempt Financing to reimburse advances made by the District for the Projects before the date of issuance of the Tax-Exempt Financing, but not more than 60 days before the date of adoption of this Resolution, Section 1.150-2 of the United States Income Tax Regulations requires that Board of Directors declare its intention to reimburse such advances from the proceeds of the Tax-Exempt Financing; and

WHEREAS, it is in the public interest and for the public benefit that the District declare its official intent to reimburse the expenditures referenced herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District of the Groveland Community Services District as follows:

Section 1. Declaration of Intent. The Board of Directors hereby declares that it reasonably expects to issue the Tax-Exempt Financing and to use a portion of the proceeds thereof to reimburse expenditures made by the District for the Projects before the date of issuance of the Tax-Exempt Financing, and not more than 60 days before the date of adoption of this Resolution. The Tax-Exempt Financing shall be issued in an aggregate principal amount which is sufficient to raise funds for the Projects in the amount of not to exceed \$10,000,000.

Section 2. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 2nd day of June, 2006, by the following vote:

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

NOES: None

ABSENT: None



Gus Allegri, President

ATTEST:



Vicki D. West

Water Projects

- Design & Construction of Disinfection System Upgrades for Two Water Treatment Plants
- Design & Construction of Water System Upgrade in Pine Mountain Lake Unit 12, including pipeline replacement and booster pump upgrades
- Design & Construction of Water System Upgrade in Downtown Groveland and Big Oak Flat, including pipeline replacements and additional storage
- Design & Construction of Booster System Upgrade at Second Garrote Water Treatment Plant
- Design & Construction of Water Transmission Main in Second Garrote Basin
- Design & Construction of SCADA system upgrade for Water Treatment and Distribution System
- Design & Construction of Emergency Water Supply System
- Design & Construction of Water System Intertie between Tank #1 and Tank #3

Wastewater Projects

- Design & Construction of Upgrades to all Sewer Lift Stations
- Design & Construction of SCADA system upgrade for Sewer Treatment and Collection Systems
- Design & Construction of Reclaimed Water Disposal System
- Design & Construction of Wastewater Treatment Plant Upgrades and Expansions
- Design & Construction of Sewer Collection System pipeline replacements
- Design & Construction of New Operations Building
- Design & Construction of Septic to Sewer Conversion