

RESOLUTION NO. 06-12

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, AND
AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE
REFINANCING OF WATER SYSTEM IMPROVEMENTS

WHEREAS, the Groveland Community Services District (the "District") is a community services district duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the District previously entered into an Installment Sale Agreement, dated as of April 1, 1996, as amended by a First Amendment to Installment Sale Agreement, dated as of June 1, 1998 (the "Installment Sale Agreement") by and between the District and the Groveland/Tuolumne Financing Authority (the "Authority") for the refinancing of water system improvements; and

WHEREAS, the Authority issued Water Revenue Refunding Bonds (the "1998 Bonds") which are secured by installment payments from the District to the Authority pursuant to the Installment Sale Agreement; and

WHEREAS, the District desires to prepay and refinance the Installment Sale Agreement in order to reduce interest expense; and

WHEREAS, Rabobank, N.A. has proposed a loan refinancing arrangement at a 3.70% interest rate for a financing amount not to exceed \$3,345,000 and a financing term not to exceed fourteen years;

NOW, THEREFORE, it is resolved by the Board of Directors of the Groveland Community Services District as follows:

SECTION 1. Loan Agreement and Irrevocable Refunding Instructions. The President of the Board of Directors or a designee in writing is hereby authorized to enter into a Loan Agreement (the "Loan") with Rabobank, N.A. to refinance the Installment Sale Agreement and provide irrevocable refunding instructions to the trustee for the 1998 Bonds, subject to approval as to form by the District's legal counsel.

SECTION 2. Attestations. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of the President of the Board of Directors or of such other person or persons as may have been designated by the President of the Board of Directors, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Loan.

SECTION 3. Other Actions. The President of the Board of Directors and other officers of the District are each hereby authorized and directed, jointly and severally, to take any and all actions, including issuing a notice of prepayment of the Installment Sale Agreement, and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Loan. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Loan is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year in which the Loan is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 2nd day of August, 2012, by the following vote:

AYES: Directors Armstrong, Riley, Schaap, and Perreira

NOES:

ABSTENTIONS:

ABSENT:

Approved:



Gilbert Stephen Perreira, President of the Board

Attest:



Jennifer Flores, Secretary of the Board