

FINAL SETTLEMENT AGREEMENT

This Final Settlement Agreement (this “Agreement”), dated for reference purposes as of January 22, 2020, is entered into by and among the EL DORADO SCHOOLS FINANCING AUTHORITY (the “Authority”), a joint powers authority organized and existing under the laws of the State of California (the “State”), the BUCKEYE UNION SCHOOL DISTRICT (“Buckeye Union SD”), a public school district organized and existing pursuant to the laws of the State, the EL DORADO UNION HIGH SCHOOL DISTRICT (“El Dorado Union HSD”), a public school district organized and existing pursuant to the laws of the State, the RESCUE UNION SCHOOL DISTRICT (“Rescue Union SD”), a public school district organized and existing pursuant to the laws of the State (and collectively, “School Districts”), COMMUNITY FACILITIES DISTRICT NO. 1 (“CFD No. 1”) of the Authority, a Mello-Roos community facilities district, organized and operating under the laws of the State, and the SERRANO EL DORADO OWNERS’ ASSOCIATION (the “Association”), a California nonprofit mutual benefit corporation. The Authority, Buckeye Union SD, El Dorado Union HSD, Rescue Union SD, CFD No. 1, and the Association shall hereinafter be referred to individually as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, the Authority was formed pursuant to a Joint Exercise of Powers Agreement, dated as of June 19, 1990, by and among Buckeye Union SD, El Dorado Union HSD, and Rescue Union SD (each, a “School District” and collectively, the “School Districts”), in order to provide for, among other things, the financing of public school facilities on behalf of the School Districts; and

WHEREAS, the Authority established CFD No. 1 in 1991 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State, hereinafter referred to as the “Mello-Roos Act”); and

WHEREAS, CFD No. 1 was, and is, authorized, under the Mello-Roos Act and other State law, to levy special taxes (“Special Tax” or “Special Taxes”) and incur bonded indebtedness in order to finance school facilities; and

WHEREAS, commencing with the fiscal year ending June 30, 1996, Special Taxes have been levied and collected by CFD No. 1 every fiscal year to date; and

WHEREAS, on or around May 22, 2019, the Parties entered into a Memorandum of Understanding, outlining general terms under which the Special Tax would be discontinued and CFD No. 1 would be dissolved, and directing the Parties to formalize such terms through the execution of a Final Settlement Agreement among the parties; and

WHEREAS, the Parties now wish to formally address various matters relating to the levy of the Special Taxes and use of Special Tax revenues, and establish a framework for the termination of the levy of Special Taxes, and the corresponding dissolution of CFD No. 1, by entering into this Final Settlement Agreement.

NOW THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which the Parties hereby acknowledge, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. RECITALS AND EXHIBITS INCORPORATED

1.1. Incorporation of Recitals. The foregoing recitals are true and correct and incorporated into the “Terms and Conditions” of this Agreement as though set forth fully herein.

1.2. Incorporation of Exhibits. The Exhibits attached to this Agreement are hereby incorporated in this Agreement by reference.

2. TERM AND TIMING OF PERFORMANCE

2.1. Effective Date. Assuming due authorization and approval by the governing boards of each of the Parties, the “Effective Date” of this Agreement shall be the date upon which the last Party has executed this Agreement.

2.2. Special Tax Termination Date. The date on which the Special Taxes terminate shall be referred to herein as the “Special Tax Termination Date.” The Special Tax Termination Date shall be June 30, of the last fiscal year in which the Special Taxes will be levied, as set forth in Section 4.1 hereof.

2.3. Final Dissolution of CFD No. 1. CFD No. 1 shall be formally dissolved by action of the Governing Board of the Authority (“Authority Board”), as the legislative body of CFD No. 1, pursuant to and upon satisfaction of all conditions set forth in Section 4.1 hereof.

3. USE OF SPECIAL TAX REVENUES

3.1. Outstanding School District Long-Term Liabilities. Following the Effective Date, Special Tax revenues allocated and distributed to the School Districts shall be applied to repayment of each of such School District’s outstanding long-term liabilities as identified in Sections 3.1.1, 3.1.2 and 3.1.3 below that are specifically related to the financing of any debt related to CFD No. 1, and any associated expenditures related to the financing, servicing or retirement of the debt, until such long-term liabilities are retired. The School Districts may use Special Tax revenues to make payments of the identified long-term liabilities and any related expenditures as they become due, and may also pay and discharge any or all of the long-term liabilities by making deposits in trust with an escrow agent at or before maturity, of money or other assets consistent with the requirements of the identified long-term liabilities, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit, be fully sufficient to pay and discharge the indebtedness on such long-term liabilities (including all principal, interest and redemption premiums) at or before their respective maturity dates.

3.1.1. El Dorado Union HSD 2009 Refunding Certificates of Participation, executed and delivered on December 9, 2009; and El Dorado Union HSD Refunding Certificates of Participation, Series 2019, executed and delivered on November 26, 2019.

3.1.2. Rescue Union SD 2017 Certificates of Participation, executed and delivered on September 13, 2017; and Rescue Union SD 2010 Certificates of Participation, executed and delivered on May 27, 2010;

3.1.3. Buckeye Union SD 2012 Certificates of Participation, executed and delivered on May 31, 2012.

3.2. Resolution 92-4 – Adjustment to Allocation Formula of Special Tax Revenue Between Member Districts of the El Dorado Schools Financing Authority

3.2.1. Buckeye Union SD. Notwithstanding any other prior agreement, prior to the end of the fiscal year that the debt identified in Section 3.1.3 above is to be retired by the Buckeye Union SD, the Authority shall meet and agendaize for action a revision to Resolution 92-4 that provides for the payment of all special taxes collected within the boundaries of the Buckeye Union School District be distributed to the Rescue Union School District for payment of the debt and any related expenditures identified in Section 3.1.2 above.

3.2.2. Rescue Union SD. Notwithstanding any other prior agreement, prior to the end of the fiscal year that the debt identified in Section 3.1.2 above is to be retired by the Rescue Union SD, the Authority shall meet and agendaize for action a revision to Resolution 92-4 that provides for the payment of all special taxes collected within the boundaries of the Rescue Union School District be distributed to the El Dorado Union High School District for payment for the debt and any related expenditures identified in Section 3.1.1 above and Section 3.3 below.

3.3. El Dorado Union HSD Capital Projects

3.3.1. Contemporaneous with the repayment of debt service or following the retirement of the outstanding El Dorado Union HSD long-term liabilities as prescribed by Section 3.1, Special Tax revenues allocated and distributed to El Dorado, or diverted to El Dorado Union HSD pursuant to Section 3.2.2 shall be expended as follows:

3.3.1.1. Oak Ridge High School: Subsequent to the Effective Date of this Agreement, the first Thirty-Two Million, Seven Hundred and Sixty-One Thousand, Eight Hundred and Sixty-Three Dollars (\$32,761,863) collected by CFD No. 1 and distributed to the El Dorado Union HSD shall be expended towards repayment of debt identified in Section 3.1 and no less than Thirty Million Dollars (\$30,000,000) for the costs of (a) planning, design, construction, acquisition, or expansion of permanent classroom facilities which shall replace portable classroom facilities and any related costs required to be incurred to obtain DSA approval and final project completion at Oak Ridge High School; (b) acquisition of equipment related to facilities that have an estimated useful life of five (5) years or more at Oak Ridge High School; and (c) and other capital improvement costs necessary to acquire or construct other permanent- or temporary-capacity facilities at Oak Ridge High School, including portable classroom facilities, required to

serve or mitigate the impacts of the students generated within CFD No. 1. It is the intent of the parties that absent a demonstrable cost savings that would warrant refinancing or calling the debt, that payment of the debt identified in Section 3.1.1 will be made in accordance with the debt schedule in effect on the Effective Date, with any remaining balance of the Special Taxes collected by the High School being set aside and/or expended on Oak Ridge projects as provided in this Section. In the event that proceeds from the sale of El Dorado Union HSD general obligation bonds are also available, the El Dorado Union HSD shall apply bond proceeds as contemplated by the bond language first to any project at Oak Ridge High School and thereafter may use an amount of additional Special Tax revenues necessary to complete improvements described in this Section 3.3.1.1; and

3.3.1.2. EDUHSD - New High School: Subsequent to the Effective Date of this Agreement and collection of no less than Thirty-Two Million, Seven Hundred and Sixty-One Thousand, Eight Hundred and Sixty-Three Dollars (\$32,761,863) by CFD No.1 and distribution of the same to the El Dorado Union HSD to be set aside and/or expended as provided in Section 3.3.1.1, the El Dorado Union HSD shall be entitled to a disbursement of an additional amount not to exceed Thirty Million Dollars (\$30,000,000), to be expended for the initial construction of a new high school within the boundaries of El Dorado Union HSD and purposely located within such proximity to the El Dorado Hills Specific Plan area as to primarily reasonably serve students generated within the boundaries of CFD No. 1 (“New High School”). In the event that the Governing Board of the El Dorado Union High School District has not realized sufficient enrollment to justify undertaking any action to plan for and construct a New High School, within five (5) years following the fiscal year in which the Special Tax is terminated, then the Thirty Million Dollars (\$30,000,000) projected to be collected and expended on a New High School shall be expended by the El Dorado Union High School District as provided in Section 3.3.1.1 above.

3.3.1.3. Resolution of Formation: Any funds not expended under Section 3.3.1.1 or 3.3.1.2, can be expended for any lawful purpose consistent with the Resolution of Formation of CFD No. 1.

3.3.2. Final Accounting and Distribution of Special Tax Revenues: After termination of the Special Tax levy and the distribution of funds as provided for in this Agreement, should any funds remain on deposit with the Authority, the Authority will disburse those funds equally between the three member school districts to be expended by the school districts for any lawful purpose consistent with the Resolution of Formation of CFD No. 1.

3.3.3. G.O. Bonds

3.3.3.1. Effective in perpetuity from the Effective Date, El Dorado Union HSD shall neither call nor conduct a general obligation bond election within all or any portion of the territory within CFD No. 1 for purposes of financing the initial construction of a New High School.

3.3.3.2. Other than as prohibited by Section 3.3.3.1 above, El Dorado Union HSD is in no way restricted from calling general obligation bond measure elections for any purpose or in any territory within its boundaries.

3.4. Monitoring; Establishment of Oversight Committee

3.4.1. Formation and Purpose of Oversight Committee.

3.4.1.1. Within sixty (60) days of the Effective Date of this Agreement, the Authority shall, at its cost and expense, start the process to form and appoint members to an advisory committee (“Oversight Committee”).

3.4.1.2. The purpose and/or role of the Oversight Committee shall be to advise the Authority of its findings and to inform the public concerning the expenditure of CFD No. 1 Special Tax revenues, occurring subsequent to the Effective Date of this Agreement.

3.4.2. Oversight Committee Duties

3.4.2.1. The Oversight Committee shall actively review and report on the expenditure of Special Tax revenues occurring following the Effective Date and advise the public as to whether Special Tax revenues are expended only for the purposes allowed by the Mello-Roos Act, and as consistent with both the purposes of CFD No. 1 as approved by the voters, and as consistent with this Agreement. In furtherance of its purpose, the Oversight Committee may inspect school facilities and grounds.

3.4.3. Oversight Committee Membership

3.4.3.1. The Oversight Committee shall consist of seven (7) members.

3.4.3.2. Oversight Committee members shall be residents of CFD No. 1 or owners of property located within CFD No. 1.

3.4.3.3. Oversight Committee members shall not be employees, officials, vendors, or contractors of any of the School Districts or the Association.

3.4.3.4. Committee members may not hold any incompatible office or position during their term of membership, as those terms are defined in Article 4.7 of Division 4 of Title I (commencing with section 1125) of the Government Code, and shall abide by the conflict of interest prohibitions contained in Article 4 of Division 4 of Title I (commencing with section 1090) of the Government Code.

3.4.4. Appointment of Oversight Committee Members

3.4.4.1. Oversight Committee members shall be appointed by the Authority Board.

3.4.4.2. The Authority Board shall consult with the Association when determining appointment of Oversight Committee members, but the Authority Board shall have the final discretion with respect to the appointment of Oversight Committee members.

3.4.5. Term

3.4.5.1. Members of the Oversight Committee members shall serve for a term length of two (2) years without compensation.

3.4.5.2. Oversight Committee members may serve no more than three (3) total terms (whether consecutive or otherwise).

4. CONDITIONS PRECEDENT TO SPECIAL TAX TERMINATION DATE

4.1. Termination of CFD No. 1 Special Taxes.

4.1.1. The levy of the Special Tax shall terminate upon the earlier of the following: (a) June 30 of the fiscal year in which the Special Tax levy results in the aggregate total Special Taxes levied by CFD No. 1, inclusive of all Special Taxes levied before the Effective Date of this Agreement, equal or exceed \$155,587,862; or (b) June 30, 2034.

4.1.2. The date upon which the Special Taxes terminate pursuant to Section 4.1.1 shall be hereinafter referred to as the Special Tax Termination Date and shall correspond with the end of the fiscal year for which either condition in 4.1.1 first occurs.

4.1.3. In no event shall Special Taxes be levied in the fiscal year following the Special Tax Termination Date. All Special Taxes levied prior to the Special Tax Termination Date and not paid (“Delinquent Special Taxes”) will continue to be collected, including through institution of foreclosure proceedings as allowed or required by law, by the El Dorado County Tax Collector, the Authority, or the School Districts.

4.2. Monitoring and Confirmation of Total Special Tax Levy.

4.2.1. The Authority shall actively monitor and annually report the annual and aggregate Special Tax levied by CFD No. 1 commencing with the first installment of the Special Tax levy following the Effective Date.

4.2.2. Upon confirmation that the total aggregate taxes levied by CFD No. 1 either equals or exceeds \$155,587,862, the Authority shall proceed to take such actions, in the manner, time, and form prescribed by the Mello-Roos Act, to ensure termination of the Special Taxes.

4.3. Confirmation of Redemption of Delinquent Special Taxes.

4.3.1. Upon confirmation that all Delinquent Special Taxes have been redeemed, the Authority shall proceed to take such actions, in the manner, time, and form prescribed by the Mello-Roos Act to ensure dissolution of CFD No. 1.

5. AUTHORITY’S OBLIGATIONS FOLLOWING SPECIAL TAX TERMINATION DATE.

5.1. Authority’s Procedural Obligations to Effect Dissolution of CFD No. 1.

5.1.1. Within a reasonable time following the Effective Date of this Agreement, the Authority shall adopt a resolution substantially in the form attached hereto as **Exhibit A**, determining that (a) upon the confirmations required by Section 4.2.2, the Special Tax shall automatically cease to be levied pursuant to Government Code section 53330.5, and (b) upon the confirmations required by Section 4.3.1, CFD No. 1 will be dissolved pursuant to Government Code section 53338.5. Such Resolution shall establish procedures for the following:

5.1.1.1. Recordation of a Notice of Cessation of Special Tax stating that the obligation to pay the Special Tax has ceased and that the lien imposed by the Amended Notice of Special Tax Lien recorded in the records of the County Recorder of El Dorado County, State of California, is extinguished.

5.1.1.2. Recordation of an Addendum to the Notice of Special Tax Lien, recorded in the records of the County Recorder of El Dorado County, State of California, which shall state that CFD No. 1 and all associated liens, if any, have been dissolved.

5.1.1.3. All other necessary actions required pursuant to the Mello-Roos Act in connection with the termination of Special Taxes and dissolution of CFD No. 1.

5.2. Outstanding Obligations of Authority

5.2.1. The Authority shall arrange for the payment of any outstanding debt or obligation (exclusive of the debt/liabilities described in Section 3.1) discovered to exist after the dissolution of CFD No. 1, and shall seek indemnification and/or reimbursement, as applicable, from the responsible/applicable School Districts.

6. CONDITIONS CONCURRENT WITH AND/OR FOLLOWING TERMINATION OF SPECIAL TAX

6.1. Funding for Future Facilities

6.1.1. Following the Special Tax Termination Date, development of properties within the boundaries of CFD No. 1 shall be subject to statutory school fees or such other school facilities funding mitigation requirements as shall then be in force and effect for the affected territory.

6.2. School Districts’ Lease Payments on Outstanding Debt Obligations

6.2.1. Following the Special Tax Termination Date, to the extent any School District is obligated to pay lease payments on any outstanding series of Certificates of Participation (“COPs”), which payments, at least in part, were historically paid by CFD No. 1, each School

District shall be individually and solely responsible for the full payment of any lease payments due with respect to outstanding COPs executed and delivered by that School District.

7. RELEASE OF CLAIMS

7.1. Release of Claims. The Parties release and forever discharge each other and their present and former directors, officers, shareholders, managers, agents, trustees, beneficiaries, attorneys and employees from all obligations, damages, losses, costs, expenses and liabilities whether known or unknown, contingent or direct, liquidated or unliquidated, and from any claims, demands, judgments, actions or suits of any kind (collectively, "Claims") arising prior to the date hereof which they may have against one another relating to CFD No. 1, the authorization of the Special Taxes or bonded indebtedness of CFD No. 1, the levy and collection of the Special Taxes, and the use of the proceeds of such Special Taxes, including without limitation, any attorneys' fees incurred in connection therewith. It is understood by the Parties that the Association does not have authority to act in a legal representative capacity for individual property owner within CFD No. 1, and this Release shall not bind said individual property owners. The Parties expressly waive their rights under California Civil Code Section 1542:

Civil Code Section 1542:

A GENERAL RELEASE DOES NOT EXTEND TO THE CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

8. MISCELLANEOUS

8.1. Successors and Assignees. The Parties shall not assign and/or transfer by operation of law or otherwise any or all of their respective rights, burdens, duties, or obligations. This Agreement shall inure to the benefit of successors of any of the Parties only upon written notice and consent of the other Parties.

8.2. Headings. The headings of this Agreement are for convenience purposes only and shall not limit or define the meaning of the provisions of this Agreement.

8.3. Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California applicable to contracts to be performed wholly within this State. Any dispute arising from the terms and conditions of this Agreement shall be heard by a court of competent jurisdiction located within El Dorado County.

8.4. Attorneys' Fees and Costs. In the event of any legal proceeding, including any lawsuit, action, or proceeding in law or equity, arising out of or relating to this Agreement, each Party shall pay its own fees and costs.

8.5. Construction. The singular includes the plural, “shall” is mandatory, and “may” is permissive. The Parties acknowledge and agree that each of the Parties and each of the Parties’ attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent, or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the Parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific Party, and prior versions or drafts of this Agreement may be used to interpret the meaning or intent of this Agreement or any provision thereof.

8.6. Notices. All notices, demands and communications between the Parties shall be given by personal delivery, registered or certified mail, postage prepaid, return receipt requested, Federal Express or other reliable private express delivery, or by facsimile transmission or email. Such notices, demands or communications shall be deemed received upon delivery if personally served or sent by facsimile or email or after three (3) business days if given by other approved means as specified above. Notices, demands and communications shall be sent:

To the Authority: El Dorado Schools Financing Authority
4675 Missouri Flat Road
Placerville, CA 95667
Attn: Superintendent, El Dorado Union High School District

To CFD No. 1: Community Facilities District No. 1 of the
El Dorado Schools Financing Authority
4675 Missouri Flat Road
Placerville, CA 95667
Attn: Superintendent, El Dorado Union High School District

To El Dorado Union HSD: El Dorado Union High School District
4675 Missouri Flat Road
Placerville, CA 95667
Attn: Superintendent

To Rescue Union SD: Rescue Union School District
2390 Bass Lake Road
Rescue, CA 95672
Attn: Superintendent

To Buckeye Union SD: Buckeye Union School District
5049 Robert J. Matthews Parkway
El Dorado Hills, CA 95762
Attn: Superintendent

To the Association: Serrano El Dorado Owners’ Association
4525 Serrano Parkway, Suite 110
El Dorado Hills, CA 95762
Attn: President

8.7. No Joint Venture. The relationship of the Parties to this Agreement is determined solely by the provisions of this Agreement. This Agreement does not create and shall not be construed to create any agency, partnership, joint venture, trust or other relationship with duties or incidents different from those of parties to an arm's-length contract.

8.8. No Further Assurances. Nothing in this Agreement, whether express or implied, is intended to or shall do any of the following: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons or entities other than the express Parties to this Agreement; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any Party to this Agreement.

8.9. Time is of the Essence. Time is of the essence in the performance of each Party's respective obligations under this Agreement.

8.10. Cooperation. The Parties agree to cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

8.11. Amendments and Waivers. No amendment of, supplement to, or waiver of any obligations under this Agreement shall be enforceable or admissible unless set forth in writing signed by the Party and/or Parties against which enforcement or admission is sought. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated in a writing signed by the Parties.

8.12. Entire Agreement. This Agreement sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral. There are no obligations, commitments, representations, or warranties relating to them except those expressly set forth in this Agreement.

8.13. Severability. If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to the other Party.


8.14. Execution in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single document which shall be deemed an original document. Consolidated signature pages shall be compiled and held in escrow by counsel to the Authority, to be circulated among the parties upon approval by each of the Parties' governing boards or bodies.

8.15. Authorized Signatures. By signing below, each of the signatories represents and warrants that he or she has been duly authorized to execute this Agreement on behalf of the Party on whose behalf he or she is signing. Each signatory further represents and warrants, by his/her signature, that this Agreement has been duly ratified and approved by the governing board or body of such Party.


8.16. Represented by Counsel. Each Party hereto acknowledges that it has been represented by legal counsel, or had the opportunity to obtain legal counsel and consciously chose not to obtain it, in the negotiation, drafting, and execution of this Agreement.

IN WITNESS WHEREOF, this Agreement has been entered into by and between among the parties set forth below as of the date first set forth above.

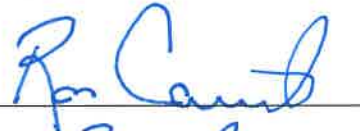
EL DORADO SCHOOLS FINANCING AUTHORITY

By: 
Name: RON CARRUTH
Its:


COMMUNITY FACILITIES DISTRICT NO. 1 OF THE EL DORADO SCHOOLS FINANCE AUTHORITY

By: 
Name: Kim White
Its: President

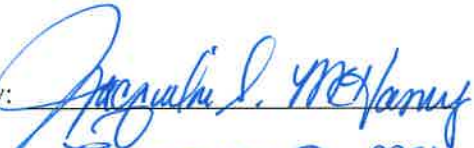
EL DORADO UNION HIGH SCHOOL DISTRICT

By: 
Name: RON CARRUTH
Its:

RESCUE UNION SCHOOL DISTRICT

By: 
Name: SEAN MARTIN
Its: Assistant Sup

BUCKEYE UNION SCHOOL DISTRICT

By: 
Name: JACQUELINE S. MCFARLEY
Its:

SERRANO EL DORADO OWNERS' ASSOCIATION


By: 
Name: Donald P Succo
Its: President

EXHIBIT A

RESOLUTION NO. 2020-01

RESOLUTION OF THE GOVERNING BOARD OF EL DORADO SCHOOLS FINANCING AUTHORITY, AS THE LEGISLATIVE BODY FOR COMMUNITY FACILITIES DISTRICT NO. 1, ESTABLISHING PROCEDURES FOR THE CESSATION OF THE LEVY OF SPECIAL TAXES AND THE DISSOLUTION OF COMMUNITY FACILITIES DISTRICT NO. 1

WHEREAS, on May 20, 1991, the Governing Board of El Dorado Schools Financing Authority (the “Board” and the “Authority,” respectively) adopted Resolution No. 91-6 forming Community Facilities District No. 1 (“CFD No. 1”) of the Authority, and authorizing the levy of a special tax (“Special Tax” or “Special Taxes”) therein to pay for certain public facilities described therein pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”); and

WHEREAS, on May 20, 1991, by Resolution No. 91-8, the Board called a special election on the proposition of levying the Special Tax and establishing an appropriations limit for CFD No. 1; and

WHEREAS, such special election was held on May 21, 1991, and such propositions were approved by more than two-thirds of the votes cast; and

WHEREAS, a boundary map for CFD No. 1 was recorded at Book 3 of Maps of Assessment and Community Facilities Districts at Page 134 in the office of the County Recorder for the County of El Dorado, State of California, which boundary map was modified by the following annexation maps, and together with such annexation maps constitute the final boundary map of CFD No. 1:

- Annexation Map No. 1 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 80;
- Annexation Map No. 2 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 87;
- Annexation Map No. 3 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 86; and
- Annexation Map No. 4 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 104;

and

WHEREAS, on July 2, 1991, the Notice of Special Tax Lien for CFD No. 1 was recorded in the Official Records of El Dorado County, California, as Document No. 36069, and subsequently superseded by amended special tax liens recorded pursuant to annexation procedures of CFD No. 1 in 1997, 1998, and 2000, culminating in the currently-operative

Amendment to Special Tax Lien for CFD No. 1, recorded August 16, 2000, Document No. 20000040823 of the Official Records of El Dorado County; and

WHEREAS, CFD No. 1 is not obligated to pay any outstanding debt; and

WHEREAS, the Governing Board of the Authority, as the legislative body of CFD No. 1, hereby determines that the levy of the Special Tax shall cease following the final levy in fiscal year ending June 30, 2034, or on such earlier date as shall be determined by the satisfaction of conditions outlined in Section 2 of this Resolution, all in accordance with Section 53330.5 of the Act; and

WHEREAS, following the cessation of the Special Tax, CFD No. 1 shall continue to exist solely for the purpose of receiving redemption proceeds for Special Tax delinquencies which occurred prior to such cessation, and to wind down and, thereafter, close out any remaining operations and obligations of CFD No. 1; and

WHEREAS, following the redemption of all delinquent Special Taxes, and following the proper wind-down and close-out of any and all CFD No. 1 operations and obligations, and upon meeting the expected condition that CFD No. 1 will, at such time, be not obligated to pay any outstanding debt and will, at such time, be no longer authorized to levy the Special Tax, the Governing Board of the Authority, as the legislative body of CFD No. 1, desires that CFD No. 1 shall be dissolved, pursuant to Section 53338.5 of the California Government Code; and

WHEREAS, the Governing Board of the Authority, as the legislative body of CFD No. 1, desires that, upon satisfaction of conditions expressed herein, following the future cessation of the Special Tax levy of CFD No. 1 and the dissolution of CFD No. 1, a notice will be provided to owners of taxable property within CFD No. 1 that: (1) CFD No. 1 has been dissolved, (2) the obligation of parcels in CFD No. 1 to pay the Special Tax has ceased, and (3) the lien imposed by the Amendment to Notice of Special Tax Lien recorded on August 16, 2000, as Document No. 20000040823 in the records of the County Recorder of El Dorado County, State of California, is extinguished.

THE GOVERNING BOARD OF THE EL DORADO SCHOOLS FINANCING AUTHORITY, AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 1 OF THE AUTHORITY, FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. Conditions upon which the Special Tax Shall Terminate. The Authority, by and through its special tax consultants, shall monitor the total levy of the Special Tax by CFD No. 1, on an annual basis. Pursuant to this Resolution, the Special Tax of CFD No. 1 will be automatically terminated and cease to be levied in accordance with Section 53330.5 of the Act, on the earlier of the following two dates:

- a. On June 30, 2034, following the final Special Tax levy in fiscal year 2033-34, provided, however, that such termination of the Special Tax shall in no way affect the continued collection of outstanding delinquent Special Taxes.
- b. on June 30 of the fiscal year in which the total Special Tax levy is confirmed to equal or exceed \$155,587,862, provided, however, that such termination of Special Taxes shall in no way affect the continued collection of outstanding delinquent Special Taxes.

Section 3. As soon as practicable, upon the termination and cessation of the Special Tax of CFD No. 1 pursuant to Section 2, and in accordance with Government Code Sections 53330.5, the Authority, by and through its designee or consultant, is hereby authorized and directed to prepare and record with the El Dorado County Recorder, a Notice of Cessation of Special Taxes, in substantially the form attached hereto as **Exhibit 1**.

Section 4. The Governing Board of the Authority hereby orders that, following the termination and cessation of Special Taxes pursuant to Section 2 above, CFD No. 1 shall continue to exist and operate in order to conduct any valid outstanding business, including the collection of delinquent Special Taxes and the wind-down and close-out of any remaining operations and obligations of CFD No. 1.

Section 5. Upon confirmation by the Tax Collector of the County of El Dorado or the Authority's special tax consultants, that no Special Tax payments or delinquencies remain outstanding, CFD No. 1 shall be dissolved, based on the determination that, at such time:

- i. CFD No. 1 is not obligated to pay any outstanding debt.
- ii. CFD No. 1 has no authorization to levy any special tax.

Section 6. The Governing Board of the Authority hereby orders that, upon the conditions described in Section 4, above, in accordance with Government Code section 53338.5, the Authority, by and through its designee or consultant, is hereby authorized and directed to record with the El Dorado County Recorder, the Addendum to Notice of Special Tax Lien, in substantially the form attached hereto as **Exhibit 2**.

Section 7. The Authority, or its designee or consultant, is hereby authorized and directed to notice this Resolution establishing procedures for terminating the levy of the Special Taxes in CFD No. and dissolving CFD No. 1, in a newspaper of general circulation in the area of CFD No. 1, within 15 days after adoption.

EXHIBIT 1

NOTICE OF CESSATION OF SPECIAL TAX

Community Facilities District No. 1
of the
El Dorado Schools Financing Authority

The Governing Board of the El Dorado Schools Financing Authority (the “Governing Board of the Authority”) as the legislative body of Community Facilities District No. 1 (“CFD No. 1”), hereby gives notice in accordance with Government Code Section 53330.5 that:

1. The Governing Board of the Authority has established its CFD No. 1 pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

2. Pursuant to Government Code section 53330.5, on January 22, 2020, the Governing Board of the Authority, as the legislative body of CFD No. 1, adopted Resolution No. _____, establishing conditions on which the obligation to pay Special Taxes for CFD No. 1 would cease and Special Taxes of CFD No. 1 would no longer be levied on property in CFD No. 1.

3. The conditions provided in Resolution No. **2020-01** having now been met, the obligation of parcels in the CFD No. 1 to pay the Special Tax has ceased and the lien imposed by the Amended Notice of Special Tax Lien recorded on August 16, 2000, as Document No. 20000040823 in the records of the El Dorado County Recorder, State of California, is extinguished.

4. Reference is made to the map of the boundaries of CFD No. 1 recorded at Book 3 of Maps of Assessment and Community Facilities Districts at Page 134; to Annexation Map No. 1 of CFD No. 1 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 80; to Annexation Map No. 2 of CFD No. 1 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 87; to Annexation Map No. 3 of CFD No. 1 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 86; and to Annexation Map No. 4 of CFD No. 1 recorded at Book 4 of Maps of Assessment and Community Facilities Districts at Page 104; all in the office of the County Recorder for the County of El Dorado, State of California, which maps together constitute the final boundary map of CFD No. 1.

Dated this 22nd day of January, 2020.

By: _____

EXHIBIT 2

ADDENDUM TO NOTICE OF SPECIAL TAX LIEN

Community Facilities District No. 1
of the
El Dorado Schools Financing Authority

The Governing Board of the El Dorado Schools Financing Authority (the “Governing Board of the Authority”) as the legislative body of Community Facilities District No. 1 (“CFD No. 1”), hereby gives notice in accordance with Government Code Section 53338.5 that:

1. The Governing Board of the Authority has established its CFD No. 1 pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

2. Pursuant to Government Code Section 53338.5, on January 22, 2020, the Governing Board of the Authority, as the legislative body of CFD No. 1, adopted Resolution No. **2020-01**, establishing conditions on which the CFD No. 1 would be dissolved.

3. The conditions provided in Resolution No. **2020-01** having now been met, CFD No. 1, and all associated liens, have been dissolved.

Dated this 22nd day of January, 2020.

By: _____