RESOLUTION - ACTION REQUESTED 2020-352

MEETING: June 23, 2020

TO: The Board of Supervisors

FROM: Keith Williams, Treasurer/Tax Collector

RE: USDA Lake Don Pedro Sewer Loan

RECOMMENDATION AND JUSTIFICATION:
Adopt a Supplemental Resolution Authorizing Reissuance of Improvement Bonds and Related Actions, and Two USDA Loan Resolutions (Public Bodies).

In 2006 and 2007 the Board of Supervisors issued assessment bonds to USDA and entered into two related loan agreements with the USDA in the amounts of $4.5 and $1.7 million. Prior to the loan agreements a Proposition 218 vote was taken in the district in order to secure funding for the loans through the issuance of bonds. In 2008, the housing crash occurred and property values dropped significantly along with the developer’s ability to maintain the payment’s on the assessment.

The delinquency problem is compounded by the concentration of properties with a single owner. These properties consist of undeveloped condominium lots too small for individual development. A developer would need to purchase the entire block of lots. A foreclosure process was started in 2013 but was suspended due to the inability to recover the costs.

The Supplemental Resolution will authorize the reissuance of the 2006 bonds and 2007 bonds to reflect the reduced interest rate and amortization schedule agreed to by the County and USDA under the prior actions described below to carry out the restructuring of the debt represented by the 2006 bonds and 2007 bonds. Each Loan Resolution (Public Bodies) is the USDA-required resolution required in connection with the reissued bonds.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board has previously approved a Workout Agreement with the USDA, a Reamortization Request Form and a Letter of Intent to Meet Conditions to implement the restructuring plan.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not approve the loan resolution and possibly default on the loans or contribute general fund or others moneys to maintain them in a current status.
Resolution - Action Requested 2020-352

FINANCIAL IMPACT:
None

ATTACHMENTS:
Supplemental Res Authorizing Bonds REVISED FINAL (PDF)

RESULT: ADOPTED [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Rosemarie Smallcombe, District I Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
MARIPOSA COUNTY BOARD OF SUPERVISORS RESOLUTION NO. 20-352

A SUPPLEMENTAL RESOLUTION AUTHORIZING REISSUANCE OF IMPROVEMENT BONDS AND RELATED ACTIONS

COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1)

RESOLVED, by the Board of Supervisors (the "Board") of the County of Mariposa (the "County"), State of California, that

WHEREAS, on December 6, 2005, this Board adopted its Resolution No. 05-575, entitled "A Resolution of Intention to Make Acquisitions and Improvements" (the "Resolution of Intention") under the Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California, (the "Act") to initiate proceedings under the Act in and for the County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) (the "Assessment District") for the making of certain public improvements as described in the Resolution of Intention. By the Resolution of Intention, the Board provided that improvement bonds would be issued thereunder pursuant to the provisions of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "Bond Law") and reference to the Resolution of Intention is hereby expressly made for further particulars.

WHEREAS, on August 1, 2006, this Board adopted its Resolution No. 06-369, entitled "A Resolution Authorizing Issuance of Improvement Bonds and Related Actions" (the "Original Resolution") authorizing the issuance of two series of improvement bonds upon the security of such unpaid assessments.

WHEREAS, under the Original Resolution, on October 12, 2006, the County issued its bonds captioned "$4,500,000 Limited Obligation Improvement Bond, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2006-A," and on February 15, 2007, the County issued its bonds captioned "$1,200,000 Limited Obligation Improvement Bond County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2007-A" (collectively, the "Original Bonds").

WHEREAS, the Original Bonds were issued and sold in a private placement to the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service (the "Government").
WHEREAS, the County and the Government have negotiated a restructuring of the debt represented by the Original Bonds and, in furtherance thereof, (i) the County and the Government entered into an agreement entitled “United States Department of Agriculture Rural development Community Programs Workout Agreement” dated April 16, 2019 (the “Workout Agreement”), and (ii) the Government issued its letter dated January 13, 2020 (the “Letter of Conditions”) containing certain additional conditions related to the restructuring of the debt represented by the Original Bonds.

WHEREAS, in order to implement the restructuring arrangement represented by the Workout Agreement and the Letter of Conditions, the County now desires to issue two series of bonds captioned “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2006-A (2020 Reissuance)” (the “Reissued 2006 Bonds”) and “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2007 (2020 Reissuance)” (the “Reissued 2007 Bonds” and, collectively, the “Reissued Bonds”) to the Government in order to replace the Original Bonds, pursuant to the terms and conditions set forth in this resolution (this “Supplemental Resolution”).

NOW, THEREFORE, BE IT HEREBY ORDERED by the Board of Supervisors as follows:
ARTICLE VII
DEFINITIONS; GENERAL

Section 7.01. Definitions. Unless the context clearly otherwise requires, the capitalized terms used in this Supplement Resolution shall have the respective meanings set forth herein and in the Original Resolution.

Section 7.02. Rules Of Construction. All references in this Supplemental Resolution to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Supplemental Resolution or the Original Resolution, as applicable; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 7.03. Equal Security. In consideration of the acceptance of the Reissued Bonds by the Owners thereof, this Supplemental Resolution and the Original Resolution shall be deemed to be and shall constitute a contract between the County and the Owners from time to time of the Reissued Bonds; and the covenants and agreements herein set forth to be performed on behalf of the County shall be for the equal and proportionate benefit, security and protection of all Owners of the Reissued Bonds without preference, priority or distinction as to security or otherwise of any of the Reissued Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

From and after the Reissuance Date, all references to "Bonds" in the Original Resolution shall be deemed to be a reference to the Reissued Bonds.

Section 7.04. Supplement to Original Resolution. This Supplemental Resolution constitutes a supplement to the Original Resolution that adds to its terms by adding Articles VII through XI thereto, as set forth herein. As set forth in Section 11.05 hereof, all of the provisions of the Original Resolution are incorporated herein by reference except as specifically amended by this Supplemental Resolution.
ARTICLE VIII
REISSUANCE OF BONDS

Section 8.01. Reissuance Of Bonds.

(a) The Reissued 2006 Bonds shall be designated “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2006-A (2020 Reissuance)” and shall be issued in the aggregate principal amount of $3,648,282.44.

The Reissued 2007 Bonds shall be designated “Limited Obligation Improvement Bonds, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2007 (2020 Reissuance)” and shall be issued in the aggregate principal amount of $888,930.12.

(b) The Reissued 2006 Bonds shall be dated as of their date of reissuance and delivery (the “Reissuance Date”) and shall be issued as a single term bond paying principal in the amounts and on September 2 in each of the years set forth on Exhibit A hereto.

The Reissued 2007 Bonds shall be dated as of their date of reissuance and delivery (the “Reissuance Date”) and shall be issued as a single term bond paying principal in the amounts and on September 2 in each of the years set forth on Exhibit B hereto.

(c) The Reissued Bonds shall be issued in the name of United States of America, Acting through the Rural Utilities Service (the “Government”), as the Registered Owner of the Reissued Bonds, as a single, fully-registered bond in substantially the forms attached as Exhibit A and Exhibit B.

Section 8.02. Pledge. The Reissued Bonds shall be equally secured by a first pledge (which shall be effected in the manner and to the extent provided in this Supplemental Resolution and the Original Resolution) of all of the Assessments and all moneys deposited in the Redemption Fund and in the 2020 Reserve Fund. The Assessments and all moneys deposited into said funds (except as otherwise provided herein) are hereby dedicated to the payment of the principal of, and interest and any premium on, the Reissued Bonds as provided herein and in the Bond Law until all of the Reissued Bonds have been paid and retired.

If the Assessments generate insufficient revenues, the County shall supplement from other sources the amount necessary to keep the Reissued Bonds current.

Section 8.03. Payments of Principal and Interest. Interest on the Reissued Bonds shall be payable semiannually on each Interest Payment Date to and including the date of final principal payment or prepayment, whichever is earlier. Such interest shall represent the portion of interest coming due during the six-month period preceding each Interest Payment Date. Interest shall be computed by multiplying unpaid principal by the rate of interest applicable to the Reissued Bonds. Interest shall be calculated on the basis of a year of 365 days and actual days elapsed. Each semiannual payment of interest shall be in the amount of one-half of the annual amount of interest due. Unless otherwise requested by the registered owner, principal installments and interest hereon are payable by the Pre-Authorized Debit (PAD) payment process.
Interest on any Reissued Bond shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless

(i) such Reissued Bond is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or

(ii) such Reissued Bond is executed after the close of business on the 15th day of the month immediately preceding the following Interest Payment Date and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or

(iii) such Reissued Bond is executed on or before the first Interest Payment Date, in which event interest shall be payable from the Reissuance Date;

provided, however, that if at the time of execution of the Reissued Bonds, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment.

Payment of interest with respect to the Reissued Bonds shall be made to the person appearing on the registration books of the Agent as the Owner thereof as of the 15th day of the month preceding such Interest Payment Date, such interest to be paid by wire transfer (in the electronic funds transfer manner specified by the Government so long as the Government is the Owner) or by check mailed by first class mail to the Owner at the Owner’s address as it appears on such registration books.

So long as the Government is the Owner of the Reissued Bonds, the Agent shall make all payments with respect to the Certificate through the Preauthorized Debit (PAD) System, or any other electronic funds transfer system that may be specified by the Government from time to time.

Section 8.04. Preparation and Delivery of Reissued Bonds. On the Reissuance Date, the Treasurer is hereby directed to cause the Reissued Bonds to be prepared in accordance with this Supplemental Resolution and to cause their delivery upon their completion and execution to the Agent, who shall authenticate and deliver the Reissued Bonds to the Government, upon receipt of the Original Bonds in exchange therefor.

Section 8.05. Execution Of Bonds. The Reissued Bonds shall be signed in the name and on behalf of the County with the manual or facsimile signatures of the Treasurer and attested by the manual or facsimile signature of the Clerk. The Reissued Bonds shall then be delivered to the Agent for authentication by manual signature.

If any officer who has signed any of the Reissued Bonds ceases to be such officer before the Reissued Bonds so signed are authenticated or delivered by the Agent or issued by the County, those Reissued Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the County as though the individual who signed the same had continued to be such officer of the County. Also, any Reissued Bond may be signed on behalf of the County by any individual who on the actual date of the execution of such Reissued Bond is the proper officer, even if on the nominal date of such Reissued Bond that individual was not such officer.
Only those Reissued Bonds that bear a certificate of authentication in substantially the form set forth on Exhibit A, manually executed by the Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Agent shall be conclusive evidence that the Reissued Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

The Agent's certificate of authentication on any Reissued Bonds shall be deemed to be executed by it if signed by the Agent or by an authorized officer or signatory of the Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Reissued Bonds issued hereunder.

Section 8.06. Redemption Prior To Maturity.

(A) General. Each Reissued Bond, or any portion thereof in the amount of the Bond Denomination or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date in any year by paying the principal amount thereof, plus interest accrued to the redemption date, without premium, all in the manner and as provided in the Bond Law.

(B) Notice of Redemption. The Treasurer shall give notice of redemption no less than 30 days before the redemption date to the Registered Owner by registered or certified mail or personal service to the Registered Owner as required by applicable provisions of the Bond Law. Notwithstanding the foregoing, so long as the Government is the sole Registered Owner, notice of redemption may be given at such other time and by such other method as may be required by the Government. Neither the failure of any Registered Owner to receive redemption notice or any defect in such notice shall affect the sufficiency of the proceedings for redemption of Bonds called for redemption.

(C) Optional and Mandatory Redemption. The Treasurer may, at the option of the County, cause any Reissued Bonds to be called for redemption and retired from any source of available funds, including refunding bonds. The Treasurer shall cause any Reissued Bonds to be called for redemption and retired (i) upon prepayment of Assessments in amounts sufficient therefor, or (ii) whenever sufficient surplus funds are available therefor in the Redemption Fund.

The County hereby covenants for the benefit of the property owners within the Assessment District to redeem Reissued Bonds from surplus funds available therefor in the Redemption Fund derived from surplus payments of the Assessments, investment earnings, or any other source, on the next available redemption date.

(D) Procedure. In accordance with Section 8768 of the Bond Law, the Treasurer shall select Reissued Bonds for retirement in such a way that the ratio of Outstanding Bonds to issued Bonds shall be approximately the same in each series and in each annual maturity of each series. Within each annual maturity of each series, Bonds shall be selected for retirement by lot. The provisions of Part 11.1 of the Bond Law are applicable to the advance payment of assessments and to the calling of the Reissued Bonds.

For so long as the Government is the Registered Owner of a fully-registered Reissued Bond redeemed in part only, the Treasurer shall, upon surrender of the Reissued Bond, endorse thereon and in the record of the Reissued Bond a notation of such partial redemption and return the Reissued Bonds Bond to the Government. In lieu of surrendering such Reissued Bond redeemed in part only, the Government may, with the consent of the Treasurer, endorse thereon
a notation of such partial redemption in the form provided on such single fully registered Reissued Bond.

Section 8.07. Refunding of Reissued Bonds. The Reissued Bonds may be refunded by the County pursuant to the procedures of Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor, all as determined by the Board.
ARTICLE IX
DELIVERY OF BONDS

Section 9.01. Delivery of Reissued Bonds. Pursuant to the Workout Agreement, the Reissued Bonds shall be delivered to the Government upon receipt of the Original Bonds in exchange therefor.

Section 9.02. Authorities.

(a) The Authorized Officers are hereby separately authorized and directed to execute and deliver the documents and instruments herein specified, with such additions thereto or changes therein as are approved by the Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely execution and delivery of the Reissued Bonds. The Clerk is authorized to complete and to approve changes in any provisions of this Resolution and all of the Exhibits hereto in order to accomplish the delivery of the Reissued Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of the documents and instruments herein specified by the Authorized Officer.

(b) The authorities contained in this Article are subject to the conditions that any additions or changes shall not:

(i) authorize an aggregate principal amount of the Reissued 2006 Bonds in excess of $3,648,282.44; or

(ii) authorize an aggregate principal amount of the Reissued 2007 Bonds in excess of $888,930.12; or

(iii) result in an annual interest rate on the Reissued Bonds in excess of 1.375%.

(c) In connection with the Workout Agreement and the Letter of Conditions, the Authorized Officer is hereby authorized and directed to complete and execute for the County and as required by the Government, RUS Bulletin 1780-25 “Loan Resolution (Public Bodies)”, the terms of which are hereby incorporated herein by reference.

Section 9.03. Actions Approved. All actions taken by the Authorized Officers, employees and agents of the County in the establishment of the Assessment District and the execution and delivery of the Reissued Bonds are hereby approved, confirmed and ratified, and the Authorized Officers of the County are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Reissued Bonds in accordance with this Supplemental Resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by a specified Authorized Officer may be taken by the Authorized Officer or any designee, with the same force and effect as if taken by such Authorized Officer.
ARTICLE X
FUNDS AND ACCOUNTS

Section 10.01. Existing Funds and Accounts. Except as modified by the Article, the
County shall continue to hold the funds and accounts established in the Original Resolution.

Section 10.02. Reserve Fund.

(a) Establishment and Funding. The County shall establish a debt service reserve fund
for the Reissued Bonds (the “2020 Reserve Fund”), which shall be held by the Treasurer as a
separate fund of the County for the benefit of the County and the Owners of the Reissued
Bonds. On the Reissuance Date, the County shall transfer any amounts on hand in the Series
2006 Reserve Fund and the 2007 Reserve Fund into the 2020 Reserve Fund, and the Series
2006 Reserve Fund and the 2007 Reserve Fund shall be closed.

On each September 2, and for the term of the Reissued Bonds, the Treasurer shall
cause to be placed in the 2020 Reserve Fund an amount equal to 1/10th of the average annual
Debt Service on the Reissued Bonds, and such amounts as are required to replenish the 2020
Reserve Fund in the event of a draw therefrom or if the Treasurer determines that a deficiency
exists therein; provided, however, that if the amount on deposit in the 2020 Reserve Fund
reaches the Reserve Requirement, the County shall discontinue these payments to the 2020
Reserve Fund (except to the extent necessary to replenish the 2020 Reserve Fund) and direct
the application of such payments to Redemption Fund, and any further interest earnings on the
2020 Reserve Fund shall be similarly applied.

The proceeds from redemption or sale of properties with respect to which payment of
delinquent Assessments and interest thereon was made from the 2020 Reserve Fund shall be
credited to the 2020 Reserve Fund.

(b) Amended Definition of Reserve Requirement. The definition of “Reserve
Requirement” in the Original Resolution is hereby amended to mean maximum annual Debt
Service on the Reissued Bonds.

(c) Use of 2020 Reserve Fund. Except as otherwise provided in this Section 10.02, all
amounts deposited in the 2020 Reserve Fund shall be used and withdrawn by the Treasurer
solely for the purposes of:

(i) making transfers to the Redemption Fund in the event of any deficiency at any
time in the Redemption Fund of the amount then required for payment of the principal of,
and interest and any premium on, the Reissued Bonds; provided, however, that so long
as the Government is the sole Registered Owner, any such transfers shall require the
prior written consent of the Government; and

(ii) for the purpose of retiring the Reissued Bonds in accordance with subsection
(d) below.

(d) Transfers When Balances Exceed Outstanding Bonds; Closing of Funds.
Whenever the combined balance in the 2020 Reserve Fund is sufficient to retire all the
Outstanding Reissued Bonds, whether by advance retirement or otherwise, collection of the
principal and interest on the Assessments shall be discontinued and the Treasurer shall liquidate
the 2020 Reserve Fund in retirement of the Outstanding Reissued Bonds, and the 2020 Reserve Fund shall be closed.

If the balance in the 2020 Reserve Fund at the time of liquidation exceeds the amount required to retire all of the Outstanding Bonds, the excess shall be used in accordance with the Act and the Bond Law.

(e) Investment. Moneys in the 2020 Reserve Fund shall be invested in Authorized Investments, maturing on a date prior to which such moneys are expected to be required. Any income therefrom or interest thereon shall accrue to and be deposited in the 2020 Reserve Fund.
ARTICLE XI
MISCELLANEOUS

Section 11.01. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Supplemental Resolution to be performed on the part of the County, the Board, the Treasurer or the Agent if found to be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Supplemental Resolution or of the Reissued Bonds; but the Owner shall retain all the rights and benefits accorded to them under applicable provisions of law. The Board hereby declares that it would have adopted this Supplemental Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, and would have authorized the delivery of the Reissued Bonds pursuant hereto, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Supplemental Resolution or the application thereof, to any person or circumstances may be held to be unconstitutional, unenforceable or invalid.

Section 11.02. No Defeasance; Discharge. The pledge of the Assessments and other funds provided for in this Supplemental Resolution and the Original Resolution, and all other obligations of the County under this Supplemental Resolution and the Original Resolution with respect to all Bonds Outstanding, shall cease and terminate if the County pays and discharges the entire indebtedness on all Reissued Bonds Outstanding by paying or causing to be paid the principal of and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable or through optional redemption as provided herein.

Any funds thereafter held by the Treasurer upon payments of all fees and expenses of the Treasurer, which are not required for said purpose, shall be paid over to the County to be used by the County as provided in the Act and the Bond Law.

Section 11.03. Authority Of Treasurer. All actions mandated by this Resolution to be performed by the Treasurer may be performed by the designee thereof or such other official of the County or independent contractor, consultant or trustee or the Treasurer duly authorized by the County to perform such action or actions in furtherance of all or a specific portion of the requirements hereof.

Section 11.04. Certified Copies. The Clerk shall furnish a certified copy of this resolution to the Treasurer, to the Agent, and to the Auditor.

Section 11.05. Confirmation of Original Resolution. The provisions of the Original Resolution, unless specifically amended, modified or supplemented by this Supplemental Resolution, are hereby confirmed as applicable to this Supplemental Resolution. In the event of any conflict between the provisions of this Supplemental Resolution and the Original Resolution, the provisions of this Supplemental Resolution shall govern.

Section 11.06. Effective Date of the Resolution. This Resolution shall become effective upon the date of its adoption.
PASSED AND ADOPTED this 23rd day of June, 2020 by the following vote:

AYES: SMALLCOMBE, JONES, LONG, CANN, MENETREY
NOES: NONE
ABSENT: NONE
ABSTAINED: NONE

COUNTY OF MARIPOSA

KEVIN CANN, Chair

ATTEST:

RENE LAROCHE, Clerk of the Board

APPROVED AS TO LEGAL FORM:

STEVEN DAHELM, County Counsel
EXHIBIT A

[FORM OF SINGLE BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MARIPosa

Bond No. R-1

LIMITED OBLIGATION IMPROVEMENT BOND
COUNTY OF MARIPosa
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2006-A
(2020 REISSUANCE)

Under and by virtue of the Improvement Bond Act of 1915, Division 10 of the Streets and
Highways Code of the State of California (the “Act”) County of Mariposa (the “County”), State of
California, for its Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don
Pedro County Service Area 1-M, Sewer Zone No. 1) (the “Assessment District”), will, out of the
redemption fund for the payment of the bonds issued upon the unpaid portion of the
assessments made for the acquisition, work and improvements more fully described in the
proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of
Supervisors of the County on December 6, 2005, pay to the UNITED STATES OF AMERICA,
acting through Rural Utilities Service, USDA, or registered assigns, the sum of not to exceed:

**THREE MILLION SIX HUNDRED FORTY-EIGHT THOUSAND TWO HUNDRED EIGHTY-
TWO DOLLARS AND FORTY-FOUR CENTS**

($3,648,282.44)

being the aggregate of the principal amount of the bonds herein specified, in installments of the
principal amounts in the years as follows:

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$3,648,282.44

with interest thereon from the date hereof at the rate of 1.375% per annum, all as is hereinafter specified, and at the office of Treasurer/Tax Collector of the County (the "Treasurer").

This bond is issued in lieu of and represents the bonds above mentioned, all of like, date, tenor and effect, but differing in amounts and maturities, and is issued by the County under said law for the purpose of providing means for paying for the acquisition, work and improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of the assessments made for the payment of said acquisition, work and improvements, and, including principal and interest, is payable exclusively out of said fund.

The interest is payable commencing on the 2nd day of September 2020, and semiannually thereafter on the second days of September and March. The bonds represented by this bond will continue to bear interest after their respective maturity dates at the rate above stated, provided there is not sufficient money in said redemption fund to pay same on their due dates, subject to the terms of the Resolution providing for the execution and delivery hereof.

Both principal and interest shall be paid to the registered owner hereof by check or wire transfer sent to the address entered in the registration book maintained by the Treasurer for the registration and transfer of this bond, except that the final installment due thereon will be paid only upon the surrender of this bond to the Treasurer.

The principal of the bonds represented by this bond may be redeemed and paid in advance of maturity by paying the principal amount thereof and accrued interest, as provided in the resolution providing for the issuance hereof.

This bond shall not become valid or obligatory for any purpose under the Act or the resolution entitled "A Supplemental Resolution Authorizing Reissuance of Improvement Bonds And Related Actions" adopted by the Board of Supervisors of the County on June 23, 2020, and any supplements or amendments thereto (the "Resolution") heretofore adopted by the Board of Supervisors of the County until authenticated and registered as to principal and interest in said registry book and in the space provided on this bond. This bond may be transferred by the
registered owner, in person or by duly authorized attorney in writing, upon surrender of this bond for registration of such transfer, together with a duly executed written instrument of transfer in form approved by the Treasurer. No transfer shall be valid until entered in said book and endorsed upon the back of this bond.

Any owner of this bond subsequent to its original owner is hereby placed on notice of all payments of both principal of and interest on this bond prior to its transfer to such owner, and all subsequent owners hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this bond as of the date of transfer to them and hereby release the County from all obligation as to all principal and interest paid by the County prior to such date.

This bond may be exchanged for fully registered bonds, of denominations, and in the manner set forth in the Resolution.

This bond is given as evidence of a loan made to the County by the United States of America pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the Rural Utilities Service, or any successor agency thereto, and to its future regulations not inconsistent with the express provisions hereof.
IN WITNESS WHEREOF, the County has caused this bond to be signed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all on June 23, 2020.

[Signature]
Clerk, Board of Supervisors

[Signature]
Treasurer/Tax Collector
Certificate of Authentication

This is the bond described in the Resolution, which has been authenticated on June 23, 2020.

Treasurer/Tax Collector, County of Mariposa
As Authentication Agent

By: [Signature]
Legal Opinion

I hereby certify that the following is a correct copy of the signed legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, addressed to the County of Mariposa and on file in my office, dated the date of delivery of and payment for the bonds therein described.

Clerk, Board of Supervisors
County of Mariposa

LEGAL OPINION

JONES HALL, A PROFESSIONAL LAW CORPORATION
475 SANSOME STREET, SUITE 1700
SAN FRANCISCO, CA 94111

June 23, 2020

The Honorable Board of Supervisors
County of Mariposa
5100 Bullion Street
Mariposa, CA 95338

OPINION:  Reissuance: $4,500,000 Limited Obligation Improvement Bond, County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2006-A

Members of the Board:

We have acted as bond counsel to the County of Mariposa the "County") in connection with the reissuance by the County of the limited obligation improvement bond captioned above (the "Bond"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bond is reissued pursuant to the Improvement Bond Act of 1915 Division 10 of the California Streets and Highways Code (the "Bond Law"), and the County’s Resolution No. 06-369 adopted August 1, 2006, as supplemented by the County’s Supplemental Resolution No. 20-352 adopted on June 23, 2020 (as supplemented, the "Resolution").

Under the Resolution, the County has pledged certain assessment revenues (the “Revenues”) for the payment of principal of and interest on the Bond when due.

Regarding questions of fact material to our opinion, we have relied on representations of the County contained in the Resolution, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

-18-
Based on the foregoing, we are of the opinion that, under existing law:

1. The County is duly created and validly existing as a county and a political subdivision of the State of California, with power to adopt the Resolution, perform the agreements on its part contained therein, and reissue the Bond.

2. The Resolution has been duly adopted by the County and constitutes a valid, legal and binding obligation of the County enforceable upon the County.

3. Pursuant to the Bond Law, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Bond, on a parity basis with the other bond reissued under the Resolution.

4. The Bond has been duly authorized, executed and delivered by the County and is a valid and binding special obligation of the County, payable solely from the sources provided therefor in the Resolution.

5. The interest on the Bond is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the reissuance of the Bond in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The County has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of reissuance of the Bond.

6. The interest on the Bond is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bond.

The rights of the owner of the Bond and the enforceability of the Bond and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

[Signature]
A Professional Law Corporation
**NOTE: NO WRITING BELOW EXCEPT BY THE AGENT**

Registration

This bond is registered in the name of the registered owner last entered below and both the principal of and interest on this bond are payable only to such Owner.

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<tr>
<th>Registry Date</th>
<th>Name and Address of Registered Owner</th>
<th>Signature of the Treasurer/Tax Collector</th>
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United States of America
EXHIBIT B

[FORM OF SINGLE BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MARIPOSA

Bond No. R-2 2020 Reissue

LIMITED OBLIGATION IMPROVEMENT BOND
COUNTY OF MARIPOSA
ASSESSMENT DISTRICT NO. 05-1
(WASTEWATER FACILITIES PROJECT FOR
LAKE DON PEDRO COUNTY SERVICE AREA 1-M, SEWER ZONE NO. 1)
SERIES 2007
(2020 REISSUANCE)

Under and by virtue of the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of the State of California (the "Act") County of Mariposa (the "County"), State of California, for its Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sew’er Zone No. 1) (the "Assessment District"), will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of the assessments made for the acquisition, work and improvements more fully described in the proceedings taken pursuant to Resolution of Intention No. 05-575 adopted by the Board of Supervisors of the County on December 6, 2005, pay to the UNITED STATES OF AMERICA, acting through Rural Utilities Service, USDA, or registered assigns, the sum of not to exceed:

** EIGHT HUNDRED EIGHTY-EIGHT THOUSAND NINE HUNDRED THIRTY DOLLARS AND TWELVE CENTS **
($888,930.12)

being the aggregate of the principal amount of the bonds herein specified, in installments of the principal amounts in the years as follows:

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<thead>
<tr>
<th>Maturity Date</th>
<th>Total Principal</th>
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<td>9/2/2020</td>
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<tr>
<td>9/2/2021</td>
<td>29,000.00</td>
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<tr>
<td>9/2/2022</td>
<td>29,000.00</td>
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<td>9/2/2023</td>
<td>30,000.00</td>
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<td>9/2/2026</td>
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<td>Maturity Date</td>
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<td>$888,930.12</td>
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with interest thereon from the date hereof at the rate of 1.375% per annum, all as is hereinafter specified, and at the office of Treasurer/Tax Collector of the County (the "Treasurer").

This bond is issued in lieu of and represents the bonds above mentioned, all of like, date, tenor and effect, but differing in amounts and maturities, and is issued by the County under said law for the purpose of providing means for paying for the acquisition, work and improvements described in said proceedings, and is secured by the moneys in said redemption fund and by the unpaid portion of the assessments made for the payment of said acquisition, work and improvements, and, including principal and interest, is payable exclusively out of said fund.

The interest is payable commencing on the 2nd day of September 2020, and semiannually thereafter on the second days of September and March. The bonds represented by this bond will continue to bear interest after their respective maturity dates at the rate above stated, provided there is not sufficient money in said redemption fund to pay same on their due dates, subject to the terms of the Resolution providing for the execution and delivery hereof.

Both principal and interest shall be paid to the registered owner hereof by check or wire transfer sent to the address entered in the registration book maintained by the Treasurer for the registration and transfer of this bond, except that the final installment due thereon will be paid only upon the surrender of this bond to the Treasurer.

The principal of the bonds represented by this bond may be redeemed and paid in advance of maturity by paying the principal amount thereof and accrued interest, as provided in the resolution providing for the issuance hereof.

This bond shall not become valid or obligatory for any purpose under the Act or the resolution entitled "A Supplemental Resolution Authorizing Reissuance of Improvement Bonds And Related Actions" adopted by the Board of Supervisors of the County on June 23, 2020, and any supplements or amendments thereto (the "Resolution ") heretofore adopted by the Board of Supervisors of the County until authenticated and registered as to principal and interest in said registry book and in the space provided on this bond. This bond may be transferred by the
registered owner, in person or by duly authorized attorney in writing, upon surrender of this bond for registration of such transfer, together with a duly executed written instrument of transfer in form approved by the Treasurer. No transfer shall be valid until entered in said book and endorsed upon the back of this bond.

Any owner of this bond subsequent to its original owner is hereby placed on notice of all payments of both principal of and interest on this bond prior to its transfer to such owner, and all subsequent owners hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this bond as of the date of transfer to them and hereby release the County from all obligation as to all principal and interest paid by the County prior to such date.

This bond may be exchanged for fully registered bonds, of denominations, and in the manner set forth in the Resolution.

This bond is given as evidence of a loan made to the County by the United States of America pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the Rural Utilities Service, or any successor agency thereto, and to its future regulations not inconsistent with the express provisions hereof.
IN WITNESS WHEREOF, the County has caused this bond to be signed by its Treasurer/Tax Collector and by the Clerk of its Board of Supervisors, all on June 23, 2020.

_________________________  ____________________________
Clerk, Board of Supervisors  Treasurer/Tax Collector
Legal Opinion

I hereby certify that the following is a correct copy of the signed legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, addressed to the County of Mariposa and on file in my office, dated the date of delivery of and payment for the bonds therein described.

Clerk, Board of Supervisors
County of Mariposa

LEGAL OPINION

JONES HALL, A PROFESSIONAL LAW CORPORATION
475 SANSOME STREET, SUITE 1700
SAN FRANCISCO, CA 94111

June 23, 2020

The Honorable Board of Supervisors
County of Mariposa
5100 Bullion Street
Mariposa, CA 95338

OPINION: Reissuance: $1,200,000 Limited Obligation Improvement Bond County of Mariposa Assessment District No. 05-1 (Wastewater Facilities Project for Lake Don Pedro County Service Area 1-M, Sewer Zone No. 1) Series 2007-A

Members of the Board:

We have acted as bond counsel to the County of Mariposa the "County") in connection with the reissuance by the County of the limited obligation improvement bond captioned above (the "Bond"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bond is reissued pursuant to the Improvement Bond Act of 1915 Division 10 of the California Streets and Highways Code (the "Bond Law"), and the County's Resolution No. 06-369 adopted August 1, 2006, as supplemented by the County's Supplemental Resolution No. 20-352 adopted on June 23, 2020 (as supplemented, the "Resolution").

Under the Resolution, the County has pledged certain assessment revenues (the "Revenues") for the payment of principal of and interest on the Bond when due.

Regarding questions of fact material to our opinion, we have relied on representations of the County contained in the Resolution, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.
Certificate of Authentication

This is the bond described in the Resolution, which has been authenticated on June 23, 2020.

Treasurer/Tax Collector, County of Mariposa
As Authentication Agent

By: ________________________________
Based on the foregoing, we are of the opinion that, under existing law:

1. The County is duly created and validly existing as a county and a political subdivision of the State of California, with power to adopt the Resolution, perform the agreements on its part contained therein, and reissue the Bond.

2. The Resolution has been duly adopted by the County and constitutes a valid, legal and binding obligation of the County enforceable upon the County.

3. Pursuant to the Bond Law, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Bond, on a parity basis with the other bond reissued under the Resolution.

4. The Bond has been duly authorized, executed and delivered by the County and is a valid and binding special obligation of the County, payable solely from the sources provided therefor in the Resolution.

5. The interest on the Bond is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the reissuance of the Bond in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The County has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of reissuance of the Bond.

6. The interest on the Bond is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bond.

The rights of the owner of the Bond and the enforceability of the Bond and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

[Signature]

A Professional Law Corporation

EXHIBIT B

-7-
NOTE: NO WRITING BELOW EXCEPT BY THE AGENT

Registration

This bond is registered in the name of the registered owner last entered below and both the principal of and interest on this bond are payable only to such Owner.

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United States of America