



East Garrison Public Financing Authority

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Director Potter, seconded by Supervisor Salinas and carried by those members present, the Board of Directors of the East Garrison Public Financing Authority hereby:

- a. Approved a Resolution 16-304 of the Governing Board of the East Garrison Public Financing Authority which:
 - (i) Authorizes the issuance of Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California, Special Tax Bonds, Series 2016, in an aggregate principal amount of not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000);
 - (ii) Authorizes County Debt Manager to the execution and delivery of an Indenture, a Bond Purchase Agreement, a Continuing Disclosure Agreement and a Letter of Credit Agreement; and
 - (iii) Authorizes the distribution of an Official Statement in connection therewith; and
 - (iv) Authorizes the County Debt Manager to execution of necessary documents and certificates and related actions.
- b. Authorized the Auditor-Controller to amend the Fiscal Year (FY)2016-17 adopted budget, Fund 180, Appropriation Unit DEO021, to increase appropriations by \$2,767,000, financed by an increase in Fund 180 revenue of \$2,660,498 and use of \$106,502 in unassigned fund balance (4/5th vote required).

PASSED AND ADOPTED on this 8th day of November 2016, by the following vote, to wit:

AYES: Directors Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: Director Armenta

I, Gail T. Borkowski, Secretary of the Board of Directors of the East Garrison Public Financing Authority, County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Directors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on November 8, 2016.

Dated: November 14, 2016
File ID: 16-1233
Corrected: November 23, 2016

Gail T. Borkowski, Secretary of the Authority
County of Monterey, State of California

By *Denise Hancock*
Deputy

**Board of Directors
of the East Garrison Public Financing Authority**

Resolution No. 16-304

A Resolution of the Governing Board of the East Garrison)
Public Financing Authority authorizing the issuance of)
Community Facilities District No. 2006-1 (East Garrison Project,)
East Garrison Public Financing Authority, County of Monterey,)
State of California, Special Tax Bonds, Series 2016, in an aggregate)
principal amount of not to exceed \$10,500,000, authorizing the)
execution and delivery of an indenture, a bond purchase)
agreement, a continuing disclosure agreement and a letter of credit)
agreement, authorizing the distribution of an official statement)
in connection therewith and authorizing the execution of)
necessary documents and certificates and related actions.....)

WHEREAS, the Governing Board (the “Governing Board”) of the East Garrison Public Financing Authority (the “Authority”) has formed Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District proposes to issue its Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California, Special Tax Bonds, Series 2016 (the “Series 2016 Bonds”), in the aggregate principal amount of not to exceed \$10,500,000;

WHEREAS, in order to provide for the authentication and delivery of the Series 2016 Bonds, to establish and declare the terms and conditions upon which the Series 2016 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Series 2016 Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2016 Bonds, the underwriter thereof must have reasonably determined that the Community Facilities District has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Series 2016 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the Community Facilities District desires to enter into a Continuing Disclosure Agreement with the Trustee (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2016 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, UCP East Garrison, LLC (the “Developer”), is the owner of a portion of the property within the Community Facilities District and proposes to develop such property;

WHEREAS, the property within the Community Facilities District owned by the Developer may be substantially undeveloped at the time the Series 2016 Bonds are issued or at the time bonds of an additional series are issued pursuant to the Indenture (any such additional bonds, together with the Series 2016 Bonds, the “Bonds”) and that, as a result, a significant portion of the Special Taxes securing the Bonds may be levied on undeveloped property;

WHEREAS, in order to increase the credit quality of the Bond issues, the Community Facilities District may require, as a condition to the issuance of the Bonds, that the Developer provide a letter of credit securing the payment of Special Taxes levied on certain of such undeveloped property within the Community Facilities District;

WHEREAS, in order to provide for such matters, there has been prepared and presented to this meeting a form of Letter of Credit Agreement, by and between the Community Facilities District and the Developer (such Letter of Credit Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Letter of Credit Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Agreement;
- (d) the Preliminary Official Statement; and
- (e) the Letter of Credit Agreement;

WHEREAS, Seevers Jordan Ziegenmeyer has prepared and provided to the Community Facilities District an appraisal of the property in the Community Facilities District (the "Appraisal"), which has been submitted to this meeting;

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2016 Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2016 Bonds; and

WHEREAS, the Governing Board is the legislative body of the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the East Garrison Public Financing Authority, as follows:

Section 1. The foregoing recitals are true and correct, and the Governing Board so finds and determines.

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Series 2016 Bonds, in an aggregate principal amount of not to exceed \$10,500,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Series 2016 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Chair of the Authority, the Vice-Chair of the Authority and the Secretary of the Authority, and such other officer or employee of the Authority as the Chair may designate (the "Authorized Officers"), is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2016 Bonds in excess of \$10,500,000, shall not result in a final maturity date of the Series 2016 Bonds later than September 1, 2047 and shall not result in a true interest cost for the Series 2016 Bonds in excess of 5.50%.

Section 4. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase

Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Series 2016 Bonds in excess of 1.70% of the aggregate principal amount of the Series 2016 Bonds. The Governing Board hereby finds and determines that the sale of the Series 2016 Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 5. The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

Section 6. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2016 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Community Facilities District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 7. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Series 2016 Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

Section 8. Based upon the property values within the Community Facilities District reported in the Appraisal and the value-to-lien information set forth in the Preliminary Official Statement, the Governing Boards, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Series 2016 Bonds will be at least three times the principal amount of the Series 2016 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 9. The Letter of Credit Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby

approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Letter of Credit Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Letter of Credit Agreement by such Authorized Officer.

Section 10. The Governing Board hereby waives the provisions of the Mello-Roos Community Facilities District Financing Policy of the Authority, adopted by the Governing Board on April 11, 2006, as amended to date, that are inconsistent or in conflict with the issuance of the Series 2016 Bonds and the financing of the Facilities as approved and authorized hereby, and finds and determines that benefit inures to the ultimate property owners, the Community Facilities District and/or the Authority as a result of such waiver.

Section 11. The Authorized Officers and the officers, employees and agents of the Authority are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 12. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Series 2016 Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

Section 13. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Governing Board of the East Garrison Public Financing Authority on November 8, 2016 upon motion of Director Potter, seconded by Director Salinas, and carried by the following vote, to wit:

AYES: Directors Phillips, Salinas, Parker, and Potter
 NOES: None
 ABSENT: Director Armenta

I, Gail T. Borkowski, Secretary of the Board of Directors of the East Garrison Public Financing Authority, County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the Board of Directors of the East Garrison Public Finance Authority duly made and entered in the minutes thereof of Minute Book 79 for the meeting on November 8, 2016.

Dated: November 14, 2016
 File ID No.: 16-1233

Gail T. Borkowski, Secretary of the Authority
 County of Monterey, State of California

By Denise Hancock
 Deputy