

## **AGREEMENT OF REMOVAL, APPOINTMENT AND ACCEPTANCE**

This Agreement of Removal, Appointment and Acceptance (this “Agreement”) by and among Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “Issuer”), The Bank of New York Mellon Trust Company, N.A. (the “Prior Trustee”), and MUFG UNION BANK, N.A. (the “Successor Trustee”), is dated July 17, 2019.

### **RECITALS:**

**WHEREAS**, the Issuer and the Prior Trustee entered into an Indenture dated as of December 1, 2016 (the “Indenture”), which Indenture provided for the issuance of the Bonds (as defined in the Indenture);

**WHEREAS**, Section 8.02 of the Indenture provides that the Issuer may, by an instrument in writing, remove the Trustee (as defined in the Indenture) initially a party to the Indenture unless an Event of Default shall have occurred and then be continuing;

**WHEREAS**, the Issuer has provided such written notice to the Prior Trustee that it is being removed as Trustee under the Indenture;

**WHEREAS**, Section 8.02 of the Indenture further provides that any removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee;

**WHEREAS**, the Issuer desires to appoint the Successor Trustee as successor Trustee to succeed the Prior Trustee as Trustee under the Indenture; and

**WHEREAS**, the Successor Trustee is willing to accept such appointment as successor Trustee under the Indenture.

**NOW, THEREFORE**, the Issuer, the Prior Trustee and the Successor Trustee, for and in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby consent and agree as follows:

### **ARTICLE I** **THE PRIOR TRUSTEE**

**SECTION 1.01.** Pursuant to Section 8.02(b) and 8.02(d) of the Indenture, the Issuer has by letter notified the Prior Trustee that the Issuer is removing the Prior Trustee as Trustee under the Indenture, effective as of July 17, 2019 (the “Effective Date”). The Prior Trustee hereby waives the 30 days’ notice requirement in Section 8.02(b) of the Indenture.

**SECTION 1.02.** The Prior Trustee hereby assigns, transfers, delivers and confirms to the Successor Trustee all the right, title, and interest of the Prior Trustee in and to the trusts under the Indenture and all the moneys, estates, properties, rights, powers, trusts, duties and obligations of the Trustee under the Indenture. The Prior Trustee shall execute and deliver such further instruments and shall do such other things as the Successor Trustee or the Issuer may reasonably require so as to more

fully and certainly vest and confirm in the Successor Trustee all the moneys, estates, properties, rights, powers, trusts, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Trustee as trustee. The Prior Trustee acknowledges that, as a result of the Successor Trustee succeeding the Prior Trustee as Trustee under the Indenture, the Successor Trustee will also become party, as Trustee, to the District Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement (each as defined in the Indenture).

Further, the Prior Trustee hereby represents and warrants to the Issuer and the Successor Trustee that:

- (a) The Prior Trustee executed and delivered the Indenture;
- (b) Prior Trustee has authenticated and delivered the Bonds listed on Exhibit A, with the respective amounts thereon outstanding;
- (c) The Prior Trustee has not waived any covenant or condition contained in the Indenture or, to the best of the knowledge of the Prior Trustee, the holders of the percentage in aggregate principal amount of the Bonds required by the Indenture to effect any such waiver have not waived any covenant or condition contained in the Indenture;
- (d) To the knowledge of the Prior Trustee, there is no action, suit or proceeding pending or threatened against the Prior Trustee before any court or any governmental authority arising out of any action or omission by the Prior Trustee as Trustee under the Indenture;
- (e) The Prior Trustee has duly authorized, executed and delivered this Agreement and, assuming the due authorization, execution and delivery hereof by the Issuer and the Successor Trustee, constitutes a legal, valid and binding obligation of the Prior Trustee, enforceable against the Prior Trustee in accordance with its terms; and
- (f) As of the Effective Date of this Agreement, the Prior Trustee will hold no moneys or property under the Indenture.

**SECTION 1.03.** The Prior Trustee shall deliver to the Successor Trustee, as of or promptly following the Effective Date, all of the documents in its possession listed on Exhibit A hereto, including any such documents reasonably requested by the Successor Trustee in relation to the Bonds which are not listed on Exhibit A hereto that are in the possession of the Prior Trustee.

## **ARTICLE II** **THE ISSUER**

**SECTION 2.01.** The Issuer hereby removes the Prior Trustee as Trustee under the Indenture. All conditions relating to the initial appointment of the Prior Trustee as trustee under the Indenture were met by the Issuer, and the Issuer hereby appoints the Successor Trustee as Trustee under the Indenture, with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of the Prior Trustee under the Indenture, with like effect as if originally named as Trustee in the Indenture.

**SECTION 2.02.** The officer of the Issuer executing this Agreement on behalf of the Issuer hereby certifies that the Issuer has the power and authority to: (a) remove the Prior Trustee as Trustee under the Indenture; (b) appoint the Successor Trustee as Trustee under the Indenture; and (c) execute

and deliver such agreements and other instruments as may be necessary or desirable to effectuate the removal of the Prior Trustee and the succession of the Successor Trustee as Trustee under the Indenture.

**SECTION 2.03.** The Issuer hereby directs the Successor Trustee to give, or cause to be given, promptly after the Effective Date, notice of the succession of the Successor Trustee to the trusts under the Indenture to the Owners at the addresses shown on the Registration Books pursuant to Section 8.02(d) of the Indenture, substantially in the form of Exhibit B attached hereto.

**SECTION 2.04.** The Issuer hereby represents and warrants to the Prior Trustee and the Successor Trustee that:

- (a) The Issuer is a community facilities district duly and validly organized and existing under the laws of the State of California;
- (b) The Issuer has duly authorized, executed and delivered this Agreement and, assuming the due authorization, execution and delivery hereof by the Prior Trustee and the Successor Trustee, this Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms;
- (c) The Issuer has not, prior to the Effective Date, appointed any trustee other than the Prior Trustee;
- (d) The Issuer duly authorized, executed and delivered the Indenture and the Bonds and, as of the Effective Date, has not amended or supplemented the Indenture and the Indenture constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms;
- (e) No event has occurred and is continuing which is, or after notice or lapse of time would become, an Event of Default under the Indenture; and
- (f) The Issuer has not waived any covenant or condition contained in the Indenture.

### **ARTICLE III**

#### **THE SUCCESSOR TRUSTEE**

**SECTION 3.01.** The Successor Trustee hereby represents and warrants to the Prior Trustee and to the Issuer that:

- (a) The Successor Trustee is qualified and eligible under the provisions of Section 8.02(a) of the Indenture to be appointed and to act as successor Trustee and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and
- (b) This Agreement has been duly and validly authorized, executed and delivered by the Successor Trustee and, assuming the due authorization, execution and delivery hereof by the Issuer and the Prior Trustee, this Agreement constitutes a legal, valid and binding obligation of the Successor Trustee, enforceable in accordance with its terms.

**SECTION 3.02.** The Successor Trustee hereby accepts appointment as successor Trustee under the Indenture and accepts the moneys, estates, properties, rights, powers, trusts, duties and obligations of the Prior Trustee as Trustee under the Indenture, upon the terms and conditions set forth therein, with like effect as if originally named as trustee under the Indenture. The Successor Trustee acknowledges that, as a result of the Successor Trustee succeeding the Prior Trustee as Trustee under the Indenture, the Successor Trustee will also become party, as Trustee, to the District Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement.

#### **ARTICLE IV** **MISCELLANEOUS**

**SECTION 4.01.** This Agreement and the removal, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date.

**SECTION 4.02.** This Agreement shall be governed by and construed in accordance with the laws governing the Indenture, and except as otherwise expressly provided herein or unless the context otherwise requires, all capitalized undefined terms used herein which are defined in the Indenture shall have the meaning assigned to them in the Indenture.

**SECTION 4.03.** Notwithstanding the removal of the Prior Trustee effected hereby, the Issuer agrees that the Prior Trustee shall remain entitled to compensation and reimbursement in connection with its trusteeship as Trustee under the Indenture to the extent such fees or expenses were incurred on or before the Effective Date, and the Prior Trustee shall remain entitled to indemnification as set forth in Section 8.07 of the Indenture.

**SECTION 4.04.** The parties hereto agree that this Agreement does not constitute (a) a waiver by any of the parties hereto of any obligation or liability the Prior Trustee may have incurred in connection with its serving as Trustee under the Indenture, (b) an assumption by the Successor Trustee of any obligation or liability of the Prior Trustee arising out of any actions or inaction by the Prior Trustee under the Indenture, or (c) an assumption by the Prior Trustee of any obligation or liability of the Successor Trustee arising out of any actions or inaction by the Successor Trustee under the Indenture.

**SECTION 4.05.** This Agreement may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

**SECTION 4.06.** The Issuer, the Prior Trustee and the Successor Trustee hereby acknowledge receipt of an executed and acknowledged counterpart of this Agreement and the effectiveness thereof.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement of Removal, Appointment and Acceptance to be duly executed and acknowledged all as of the day and year first above written.

[SIGNATURE PAGE TO FOLLOW]

COMMUNITY FACILITIES DISTRICT NO. 2006-1  
EAST GARRISON PROJECT), EAST GARRISON  
PUBLIC FINANCING AUTHORITY, COUNTY OF  
MONTEREY, STATE OF CALIFORNIA, as Issuer

By: \_\_\_\_\_  
Name:  
Title:

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Prior Trustee

By: \_\_\_\_\_  
Name:  
Title:

MUFG UNION BANK, N.A., as Successor Trustee

By: \_\_\_\_\_  
Name:  
Title:

## **Exhibit A**

### **Bonds Outstanding**

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

### **List of Documents**

ELECTRONIC CLOSING TRANSCRIPT  
DTC BONDS OUTSTANDING REPORT WITH CUSIPS  
BOND CALLS HISTORY AND DEBT SERVICE SCHEDULE  
STATEMENTS AND CURRENT ACCOUNT HOLDINGS

## **Exhibit B**

### **NOTICE OF REMOVAL OF TRUSTEE AND APPOINTMENT OF SUCCESSOR TRUSTEE**

\_\_\_\_\_  
\_\_\_\_\_  
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

(CUSIP #\_\_\_\_\_)

[Date]

Via First Class Mail [and \_\_\_\_\_]

[Address of Owners]

**TO THE OWNERS OF THE ABOVE REFERENCED BONDS (THE “BONDS”)**

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE OWNERS AND BENEFICIAL OWNERS OF THE SUBJECT BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.**

**NOTICE IS HEREBY GIVEN**, pursuant to Section 8.03 of the Indenture dated as of December 1, 2016 (the “Indenture”), by and between Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee, that the Issuer has removed the Trustee under the Indenture, effective as of the opening of business on July 17, 2019 (the “Effective Date”). Capitalized undefined terms used herein shall have the meaning ascribed thereto in the Indenture.

Pursuant to the Indenture, the Issuer has appointed MUFG Union Bank, N.A. as the Successor Trustee under the Indenture, and MUFG Union Bank, N.A. has accepted appointment as Successor Trustee under the Indenture, effective as of the opening of business on the Effective Date. The address of the corporate trust office of the Successor Trustee is:

MUFG Union Bank, N.A.  
350 California Street, 17th Floor  
San Francisco, CA 94104  
Corporate Trusts Department  
Attn: Sonia Flores  
Email: [SFCT@UnionBank.com](mailto:SFCT@UnionBank.com)  
cc: [Sonia.Flores@UnionBank.com](mailto:Sonia.Flores@UnionBank.com)  
Fax: (415) 273-2492

Dated: \_\_\_\_\_

MUFG UNION BANK, N.A., as Trustee