

Attachment B

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*Before the Governing Board of the
East Garrison Public Financing Authority*

- Resolution No.: _____)
Resolution of the Governing Board of the East Garrison Public Financing)
Authority to:)
1) Authorize the issuance of Community Facilities District No. 2006-1)
(East Garrison Project), East Garrison, County of Monterey, State of)
California, Special Tax Bonds, Series 2019, in an aggregate principal)
amount of not to exceed \$12,000,000;)
2) Authorize execution and delivery of a First Supplemental Indenture, a)
Bond Purchase Agreement and a Continuing Disclosure Agreement;)
3) Authorize the distribution of an Official Statement in connection)
therewith;)
4) Authorize the Chair of the East Garrison Public Financing Authority to)
execute necessary documents, certificates and related actions; and)
5) Direct the Auditor-Controller to amend the fiscal year (FY) 2019-20)
adopted budget, Fund 180, Appropriation Unit RMA105, increasing)
appropriations for infrastructure account 7541 by \$11,670,567,)
financed by an increase of \$11,670,567 from Contributions from)
Property Owners account 5980 (4/5 vote required);)
6) Authorize and direct the Auditor-Controller to amend the FY 2019-20)
Adopted Budget for East Garrison Community Facility District, Fund)
180, Appropriation Unit RMA105, to increase appropriations by)
\$198,440, where the financing source is unassigned fund balance (180-)
3101) (4/5th vote required); and)
7) Authorize and direct the Auditor-Controller to transfer \$198,440 for)
Fiscal Year 2019-20 from East Garrison Community Facility District,)
Fund 180, Appropriation Unit RMA105, to East Garrison Community)
Facilities District 2006-1, Agency Fund 510 (4/5th vote required).

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 previously issued 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 \$9,540,000;

WHEREAS, the Series 2016 Bonds were issued pursuant to the Indenture, dated as of December 1, 2016 (the “Original Indenture”), by and between the Community Facilities District and The Bank of New York Mellon Trust Company, N.A., as trustee (capitalized undefined terms used herein have the meanings ascribed thereto in the Original Indenture);

WHEREAS, MUFG Union Bank, N.A., is the successor trustee (the “Trustee”) under the Original Indenture;

WHEREAS, the Original Indenture provides that the Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2016 Bonds) payable from Net Special Tax Revenues as provided therein on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth therein;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District proposes to issue a Series of Additional Bonds, to be designated the Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California, Special Tax Bonds, Series 2019 (the “Series 2019 Bonds”), in the aggregate principal amount of not to exceed \$12,000,000;

WHEREAS, the Original Indenture provides that the Original Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners thereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Original Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Series 2019 Bonds, to establish and declare the terms and conditions upon which the Series 2019 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 a First Supplemental Indenture with the Trustee (such First Supplemental 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 “First Supplemental 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 2019 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 2019 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 2019 Bonds to provide disclosure of certain financial information and certain listed 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 2019 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, there have been prepared and submitted to this meeting forms of:

- (a) the First Supplemental Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Agreement; and
- (d) the Preliminary Official Statement;

WHEREAS, Integra Realty Resources, Inc., has prepared and provided to the Community Facilities District an appraisal report, dated August 12, 2019 (the “Appraisal”), providing an opinion of value of the property subject to the Special Tax in the Community Facilities District, which has been submitted to this meeting;

WHEREAS, Section 5852.1 of the California Government Code requires that the Governing Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Series 2019 Bonds, good faith estimates of (a) the true interest cost of the Series 2019 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2019 Bonds, (c) the amount of proceeds of the Series 2019 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, and (d) the sum total of all debt service payments on the Series 2019 Bonds calculated to the final maturity of the Series 2019 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2019 Bonds;

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Governing Board has obtained from Fieldman, Rolapp & Associates, Inc., as the Community Facilities District’s municipal advisor, in consultation with Stifel, Nicolaus & Company, Incorporated, the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto;

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2019 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 2019 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.

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Series 2019 Bonds, in an aggregate principal amount of not to exceed \$12,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the First Supplemental Indenture, is hereby authorized and approved. The Series 2019 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 First Supplemental Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The First Supplemental 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, the Executive Director 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 First Supplemental 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 First Supplemental Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2019 Bonds in excess of \$12,000,000, shall not result in a final maturity date of the Series 2019 Bonds later than September 1, 2049, and shall not result in a true interest cost for the Series 2019 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, 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 2019 Bonds in excess of 2.00% of the aggregate principal amount of the Series 2019 Bonds.

The Governing Board hereby finds and determines that the sale of the Series 2019 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, 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, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2019 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 2019 Bonds, 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 2019 Bonds will be at least three times the principal amount of the Series 2019 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 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 2019 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 10. 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 11. The Governing Board does hereby authorize and direct the Auditor-Controller to amend the fiscal year (FY) 2019-20 adopted budget, Fund 180, Appropriation Unit RMA105, increasing appropriations for infrastructure account 7541 by \$11,670,567, financed by an increase of \$11,670,567 from Contributions from Property Owners account 5980.

Section 12. The Governing Board does hereby authorize and direct the Auditor-Controller to amend the FY 2019-20 Adopted Budget for East Garrison Community Facility District, Fund 180, Appropriation Unit RMA105, to increase appropriations by \$198,440, where the financing source is unassigned fund balance (180-3101).

Section 13. The Governing Board does hereby authorize and direct the Auditor-Controller to transfer \$198,440 for Fiscal Year 2019-20 from East Garrison Community Facility District, Fund 180, Appropriation Unit RMA105, to East Garrison Community Facilities District 2006-1, Agency Fund 510.

Section 14. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Series 2019 Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

Section 15. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Governing Board of the East Garrison Public Financing Authority on _____.

Chair

ATTEST:

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2019 Bonds in accordance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Community Facilities District by Fieldman, Rolapp & Associates, Inc., as the Community Facilities District's municipal advisor (the "Municipal Advisor"), in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter.

Principal Amount. The Municipal Advisor has informed the Community Facilities District that, based on the Community Facilities District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2019 Bonds to be sold is \$11,560,000 (the "Estimated Principal Amount"), which excludes approximately \$1,734,989 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds.

True Interest Cost of the Series 2019 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2019 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2019 Bonds, is 4.06%.

Finance Charge of the Series 2019 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2019 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2019 Bonds), is \$631,093.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Community Facilities District for sale of the Series 2019 Bonds, less the finance charge of the Series 2019 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, is \$11,670,000.

Total Payment Amount. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Community Facilities District will make to pay debt service on the Series 2019 Bonds, plus the finance charge for the Series 2019 Bonds, as described above, not paid with the proceeds of the Series 2019 Bonds, calculated to the final maturity of the Series 2019 Bonds, is \$24,080,751,

which excludes any reserves or capitalized interest funded or paid with proceeds of the Series 2019 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2019 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2019 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2019 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2019 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2019 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Community Facilities District's financing plan, or a combination of such factors. The actual date of sale of the Series 2019 Bonds and the actual principal amount of Series 2019 Bonds sold will be determined by the Community Facilities District based on the timing of the need for proceeds of the Series 2019 Bonds and other factors. The actual interest rates borne by the Series 2019 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2019 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Community Facilities District.

CERTIFICATE OF SECRETARY

I, Valerie Ralph, Secretary of the Governing Board of the East Garrison Public Financing Authority do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the East Garrison Public Financing Authority duly and regularly held at the regular meeting place thereof on _____, of which meeting all of the members of said Governing Board had due notice, and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at 168 West Alisal Street, Salinas, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2019

Secretary

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