

# Attachment F

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## PURCHASE CONTRACT

\$ \_\_\_\_\_  
**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**

\_\_\_\_\_, 2019

Community Facilities District No. 2006-1  
 (East Garrison Project)  
 County of Monterey, State of California  
 c/o East Garrison Public Financing Authority  
 First Floor  
 168 West Alisal Street  
 Salinas, California 93901  
 Attn: Secretary

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), offers to enter into this Purchase Contract (this “**Purchase Contract**”) with Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”), which, upon your acceptance of this offer, will be binding upon the District and Underwriter. Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture described below.

This offer is made subject to the acceptance by the District of this Purchase Contract on or before 5:00 p.m. California time on the date set forth above.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned bonds (the “**Bonds**”) at a purchase price (the “**Purchase Price**”) of \$\_\_\_\_\_ (equal to the par amount of the Bonds (\$\_\_\_\_\_)) [*plus/less*] [net] original issue [premium/discount] of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_. The Bonds are the second series of bonds issued by the District. The initial series of bonds, captioned 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 2016” (the “2016 Bonds”), were issued in the aggregate principal amount of \$9,540,000 on December 20, 2016.

The Bonds will be issued by the District pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Section 53311 et seq. of the California Government Code) (the “**Act**”) and Resolution No. \_\_\_\_\_ adopted on September 17, 2019 (the “**Bond Resolution**”) by the Governing Board of the East Garrison Public Financing Authority (the “**Governing Board**”). The

Special Taxes to provide a source of payment for the Bonds (the “**Special Taxes**”) will be levied pursuant to (i) Resolution No. 06-146 adopted by the Governing Board on June 20, 2006, which established the District and authorized the levy of a special tax within the District (the “**Resolution of Formation**”), as such Resolution of Formation was amended by a resolution adopted by the Governing Board on July 30, 2013 (the “**Resolution of Change**”), (ii) a two-thirds vote of the qualified electors at an election held in the District on June 20, 2006 and (iii) a two-thirds vote of the qualified electors at an election held in the District on July 30, 2013.

The Governing Board also adopted the following in connection with formation of the District and the levy of the Special Taxes (collectively with the Resolution of Formation and the Resolution of Change, the “**Formation Resolutions and the Ordinance**”): (i) Resolution No. 06-012 (the resolution of intention to establish the District), (ii) Resolution No. 06-013 (the resolution of intention to incur bonded indebtedness), (iii) Resolution No. 06-147 (the resolution of necessity to incur bonded indebtedness), (iv) Resolution No. 06-149 (the election results resolution), (v) resolution of consideration of change adopted on June 11, 2013, (vi) the resolution calling change election adopted on August 27, 2013, and (vii) Ordinance No. 5224 (the ordinance).

The Bonds will be issued pursuant to the terms of an Indenture (the “**Original Indenture**”), dated as of December 1, 2016, between the District and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the “**Original Trustee**”), as amended and supplemented by a First Supplemental Indenture (the “**First Supplement**”), dated as of \_\_\_\_\_ 1, 2019 (the Original Indenture, as so amended and supplemented, the “**Indenture**”) between the District and MUFG Union Bank, N.A., as successor trustee (said entity or any successor thereto as trustee under the Indenture, the “**Trustee**”). The proceeds of the sale of the Bonds will be used by the District to finance certain public facilities (the “**Facilities**”), fund a reserve fund and pay costs of issuing the Bonds. Proceeds of the Bonds will be applied in accordance with the Indenture.

2. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates, as set forth in Exhibit C hereto. The Underwriter agrees to make a bona fide public offering of all the Bonds at the offering prices set forth on the inside cover page of the Final Official Statement described below.

3. (a) The District agrees to deliver to the Underwriter as many copies of the Official Statement, dated the date hereof, relating to the Bonds (as supplemented and amended from time to time, the “**Final Official Statement**”) as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The District agrees to deliver such Final Official Statements within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under the Rule and Rule G-32 of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Underwriter agrees to deposit the Final Official Statement with the MSRB on or as soon as practicable after the Closing Date (defined below). The Underwriter agrees to deliver a copy of the Final Official Statement to each of its customers purchasing Bonds no later than the settlement date of the transaction.

(b) The District has authorized and approved the Preliminary Official Statement dated \_\_\_\_\_, 2019 (the “**Preliminary Official Statement**”) and the Final Official Statement and consents to their distribution and use by the Underwriter and the execution and approval of the Final Official Statement by a duly authorized officer of the District. The District deems such Preliminary Official Statement final as of its date for purposes of the Rule, except for information

allowed by the Rule to be omitted, and has executed a certificate to that effect in the form of Exhibit D. In connection with the printing and distribution of the Preliminary Official Statement, the Property Owner (defined below) executed a letter of representations in the applicable form attached hereto as Exhibit F.

In connection with issuance of the Bonds, and in order to assist the Underwriter in complying with the Rule, the District and Trustee will enter into a Continuing Disclosure Agreement dated as of \_\_\_\_\_, 2019 (the "**District Continuing Disclosure Agreement**"). The form of the District Continuing Disclosure Agreement is attached as Appendix D to the Final Official Statement.

4. The District represents and warrants to the Underwriter that:

(a) Each of the East Garrison Public Financing Authority and District is duly organized and validly existing under the laws of the State of California (the "**State**"), and the District has the full legal right, power and authority, among other things, (i) upon satisfaction of the conditions in this Purchase Contract and the Indenture, to issue the Bonds for the purpose of financing the design, acquisition and construction of the Facilities, and (ii) to secure the Bonds in the manner contemplated in the Indenture.

(b) The Governing Board has the full legal right, power and authority to adopt the Bond Resolution and the Formation Resolutions and the Ordinance, and the District has the full legal right, power and authority to (i) enter into this Purchase Contract, the Indenture and the District Continuing Disclosure Agreement, (ii) issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) carry out and consummate all other transactions on its part contemplated by each of the aforesaid documents (such documents together with the Final Official Statement are collectively referred to herein as the "**District Documents**"), and the District and the Governing Board have complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The District has duly authorized (i) the execution and delivery by the District of the Bonds and the execution, delivery and due performance by the District of its obligations under the District Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The Bond Resolution, the Formation Resolutions and the Ordinance have been duly adopted by the Governing Board and are in full force and effect. The Original Indenture is a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally. The Indenture, when the First Supplement is executed and delivered by the District and the other party thereto, will constitute a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) When delivered to the Underwriter, the Bonds will have been duly authorized by the Governing Board and duly executed, issued and delivered by the District and will constitute legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and will be entitled to the benefit and security of the Indenture.

(f) The information relating to the Authority, the District (excluding information relating to the Property Owner and its property and activities in the District) contained in the Preliminary Official Statement is true and correct in all material respects, and the Preliminary Official Statement does not as of its date contain any untrue or misleading statement of a material fact relating to the Authority or the District (excluding information relating to the Property Owner and its property and activities in the District) or omit to state any material fact relating to the Authority and the District (excluding information relating to the Property Owner and its property and activities in the District) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter that the Final Official Statement is no longer required to be delivered under the Rule or (ii) the Closing (as described in Section 6 below), any event known to the officers of the District participating in the issuance of the Bonds occurs with respect to the Authority or the District as a result of which the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter in writing of such event. Any information supplied by the District for inclusion in any amendments or supplements to the Final Official Statement will not contain any untrue or misleading statement of a material fact relating to the Authority or the District or omit to state any material fact relating to the Authority or the District necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) None of the adoption of the Bond Resolution or the Formation Resolutions and the Ordinance, the execution and delivery of the District Documents, or the consummation of the transactions on the part of the District contemplated herein or therein or the compliance by the District with the provisions hereof or thereof will conflict with, or constitute on the part of the District, a violation of, or a breach of or default under, (i) any material indenture, mortgage, commitment, note or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or the members of the Governing Board or any of its officers in their respective capacities as such) is subject, that would have a material adverse effect on the ability of the District to perform its obligations under the District Documents.

(i) The District has never been in default at any time, as to principal of or interest on any obligation which it has issued, including those which it has issued as a conduit for another entity, which default may have an adverse effect on the ability of the District to consummate the transactions on its part under the District Documents, except as specifically disclosed in the Final Official Statement; and other than the Indenture, the

District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Special Taxes.

(j) Except as is specifically disclosed in the Final Official Statement, to the best knowledge of the District, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Authority or the District has been served with process or threatened, which in any way questions the powers of the Governing Board or the District referred to in paragraph (b) above, or the validity of any proceeding taken by the Governing Board in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Contract, or of any other District Document, or which, in any way, could adversely affect the validity or enforceability of the Bond Resolution, the Formation Resolutions and the Ordinance, the District Documents or the Bonds or, to the knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under State tax laws or regulations.

(k) Any certificate signed by an official of the District authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the District Documents shall be deemed a representation and warranty by the District to the Underwriter as to the truth of the statements therein contained.

(l) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond district whose arbitrage certifications may not be relied upon.

(m) The Bonds will be paid from Special Taxes received by the District and moneys held in certain funds and accounts established under the Indenture.

(n) The Special Taxes may lawfully be levied in accordance with the Amended and Restated Rate and Method of Apportionment of Special Taxes relating to the District (the "**Rate and Method**"), and, when levied, will be secured by a lien on the property on which they are levied.

(o) The Indenture creates a valid pledge of, and first lien upon the Special Taxes deposited in certain funds and accounts established pursuant to the Indenture, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(p) Except as disclosed in the Preliminary Official Statement, the County has not failed to comply with any undertaking of the District under the Rule. The District has not previously entered into continuing disclosure undertakings under the Rule other than those continuing disclosure undertakings with respect to the 2016 Bonds.

(q) The District acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the District and the Underwriter and the Underwriter has financial and other interests that differ from those of the District; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District and has not assumed any advisory or fiduciary

responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters); (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the MSRB or other law; and (iv) the District has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

5. The District covenants with the Underwriter that the District will cooperate with the Underwriter (at the cost of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the District shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The District consents to the use by the Underwriter of the District Documents in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions.

6. At 9:00 a.m. on \_\_\_\_\_, 2019 (the "**Closing Date**"), or at such other time and/or date as shall have been mutually agreed upon by the District and the Underwriter, the District will deliver or cause to be delivered to the Underwriter the Bonds in definitive form duly executed and authenticated by the Trustee together with the other documents mentioned in Section 8 hereof; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds by delivering to the Trustee for the account of the District a check payable in federal funds or making a wire transfer in federal funds payable to the order of the Trustee.

The activities relating to the final execution and delivery of the Bonds and the Indenture and the payment therefor and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Purchase Contract shall occur at the offices of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California ("**Bond Counsel**"). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the "**Closing**." The Bonds will be delivered as fully registered, book entry only Bonds initially in denominations equal to the principal amount of each maturity thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and will be made available for checking by the Underwriter at such place as the Underwriter and the Trustee shall agree not less than 24 hours prior to the Closing.

7. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the date of Closing:

(a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the District or by any similar body under the Indenture or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or



(b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, circular, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the District under the Indenture or upon interest received on obligations of the general character of the Bonds, or the Bonds and also including adversely affecting the tax-exempt status of the District under the Code, which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Indenture as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) any event shall have occurred or any information shall have become known to the Underwriter that causes the Underwriter to reasonably believe that the Final Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the District fails to amend or supplement such Final Official Statement to cure such omission or misstatement pursuant to Section 4(g), or the effect of the Final Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(f) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the

Underwriter, would materially adversely affect the market for or market price of the Bonds;  
or

(g) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(h) a general banking moratorium shall have been declared by federal, New York or State authorities; or

(i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the District; or

(j) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds; or

(k) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(l) an amendment to the federal or State constitution shall be enacted or action taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District, its property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the District to issue the Bonds and levy the Special Tax as contemplated by the Indenture, the Rate and Method and the Final Official Statement; or

(m) the entry of any order by a court of competent jurisdiction which enjoins or restrains the District from issuing permits, licenses or entitlements within the District or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects development of the real property located in the District.

8. The obligation of the Underwriter to purchase the Bonds shall be subject to the performance by the District of its obligations to be performed by it hereunder at and prior to the Closing, to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the District herein, and to the following conditions, including the delivery by the District of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Official Statement, this Purchase Contract, the District Continuing Disclosure Agreement, and the Indenture shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and (ii) the District shall have duly adopted and there shall be in full force and effect such resolutions and ordinances (including, but not limited to, the Bond Resolution, the Formation Resolutions and the Ordinance) as, in the opinion

of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) Receipt of the Bonds, executed by the District and authenticated by the Trustee, at or prior to the Closing. The terms of the Bonds, when delivered, shall in all instances be as described in the Final Official Statement.

(c) Upon the issuance of the Bonds, no Event of Default (under and as defined in the Indenture) shall have occurred and be continuing.

(d) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the District:

(i) A final approving opinion of Bond Counsel dated the date of Closing in the form attached to the Final Official Statement as Appendix B.

(ii) A letter or letters of Bond Counsel addressed to the Underwriter and Trustee that includes a statement to the effect that Bond Counsel's final approving opinion may be relied upon by the Underwriter and Trustee to the same extent as if such opinion were addressed to the Underwriter and Trustee.

(iii) A supplemental opinion of Bond Counsel that provides:

(A) The District has duly and validly executed the Purchase Contract, and the Purchase Contract constitutes the valid and binding obligation of the District, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in appropriate cases.

(B) The statements contained in the Official Statement under the captions "INTRODUCTION," "THE SERIES 2019 BONDS" (other than information relating to DTC and its book-entry only system, as to which no opinion need be expressed), "SECURITY FOR THE SERIES 2019 BONDS" (excluding information under the caption "Special Taxes"), "TAX MATTERS," and in Appendix A thereto, insofar as such statements expressly summarize certain provisions of the Bonds and the Indenture, are accurate in all material respects.

(C) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(iv) A letter of Nixon Peabody LLP, addressed to the District and the Underwriter ("**Disclosure Counsel**"), to the effect that during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or Final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection

with the issuance of the Bonds that would lead them to believe that the Preliminary Official Statement as of its date and the date hereof or Final Official Statement as of its date and the Closing Date (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Preliminary Official Statement or Final Official Statement, information regarding DTC, and the appendices to the Preliminary Official Statement or Final Official Statement, as to which no opinion need be expressed), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading

(v) The Final Official Statement executed on behalf of the District by a duly authorized officer.

(vi) Certified copies of the Bond Resolution, the Formation Resolutions and the Ordinance.

(vii) Evidence of recordation in the real property records of the County of Monterey of an Amended Notice of Special Tax Lien in the form required by the Act.

(viii) A certificate, in form and substance as set forth in Exhibit A hereto, of the District, dated as of the Closing Date.

(ix) A certificate in form and substance as set forth in Exhibit B hereto, of Goodwin Consulting Group, Inc., Sacramento, California ("**Special Tax Consultant**"), dated as of the Closing Date.

(x) Evidence that Federal Form 8038 has been executed by the District and will be filed with the Internal Revenue Service.

(xi) Executed copies of the First Supplement and the District Continuing Disclosure Agreement.

(xii) A non-arbitrage certificate executed by the District in form and substance satisfactory to Bond Counsel.

(xiii) An opinion, dated the Closing Date and addressed to the Underwriter and Trustee, of District Counsel, to the effect that:

(A) the District is duly organized and validly existing as a municipal corporation under and by virtue of the Constitution and laws of the State, with full legal right, power and authority to adopt the Bond Resolution, the Formation Resolutions and the Ordinance;

(B) the Bond Resolution, the Formation Resolutions and the Ordinance were duly adopted at a meeting of the Governing Board, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the

Bond Resolution, the Formation Resolutions and the Ordinance are in full force and effect and have not been amended or repealed;

(C) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the District has been served with process or to the knowledge of District Counsel, threatened, in any way affecting the existence of the District or the titles of the District's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Special Taxes to pay the principal of and interest on the Bonds, or seeking to restrain or enjoin the development of the property within the District, or in any way contesting or affecting the validity or enforceability of the Bonds, the District Documents or any action of the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the District or its authority with respect to the Bonds, the District Documents or any action on the part of the District contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the District Documents;

(D) the execution and delivery of the Bonds and the District Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the District to perform its obligations under the Bonds or the District Documents;

(E) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the District, to perform its obligations under the Bonds or the District Documents, have been obtained or made, as the case may be, and are in full force and effect; and

(F) based upon the information made available to District Counsel in the course of his participation in the transaction and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement, nothing has come to the attention of District Counsel which has led District Counsel to believe that the Final Official Statement (excluding therefrom the financial and statistical data included in the Final Official Statement and any information relating to the Property Owner and its property in the District, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the

statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(xiv) In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the District in the form attached hereto as Exhibit D.

(xv) A certificate of Integra Realty Resources, Rocklin, California, the appraiser, in the form attached hereto as Exhibit E, along with a copy of its appraisal report in the form attached to the Final Official Statement as Appendix G.

(xvi) Executed Letter of Representations in the form attached hereto as Exhibit F.

(xvii) Executed closing certificates of the Property Owner, dated as of the Closing Date in form and substance as set forth in Exhibit G hereto.

(xviii) An opinion (or opinions) of general counsel to the Property Owner in the form attached hereto as Exhibit H.

(xix) A certificate in form and substance as set forth in Exhibit I hereto of the Trustee and an opinion of its counsel in form and substance satisfactory to the Underwriter and Bond Counsel.

(xx) A certificate in form and substance of Exhibit J hereto executed by the municipal advisor to the District.

(xxi) A certificate of Empire Economics, Inc., Capistrano Beach, California, the market absorption consultant, in the form attached hereto as Exhibit K, along with a copy of its market absorption study in the form attached to the Final Official Statement as Appendix F.

(xxii) A certificate or certificates in form and substance satisfactory to the Underwriter and Bond Counsel certifying to the matters set forth in Section 3.05 of the Indenture.

(xxiii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the District herein contained and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof shall continue in full force and effect. Notwithstanding any provision

herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

9. The obligations of the District to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the District, to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date.

10. All representations, warranties and agreements of the District hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, the Authority or the District and shall survive the Closing.

11. The District shall pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Purchase Contract, including, but not limited to, delivery of the Bonds, costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement, any amendment or supplement to the Preliminary Official Statement or Final Official Statement and this Purchase Contract, fees and disbursements of Bond Counsel and Disclosure Counsel, any municipal advisor and other consultants engaged by the District, including the fees and expenses of the special tax consultant, the California Debt Investment and Advisory Commission fee, the Underwriter's meal and travel expense (but not entertainment expenses), and fees of the Trustee.

The Underwriter shall pay all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, including fees and expenses of its counsel, if any.

12. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to the following: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, Suite 3700, San Francisco, California 94104, Attn: Jim Cervantes.

13. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

14. Establishment of the Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit L, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

(b) [Except as otherwise set forth in Exhibit C attached hereto,] the District will treat the first (meaning single) price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit C attached hereto, except as otherwise set forth therein. Exhibit C also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed immediately after the execution of this Purchase Contract) and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.][**APPLIES ONLY IF THE UNDERWRITER AGREES TO APPLY THE HOLD-THE-OFFERING-PRICE RULE**]

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with



the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) **“public”** means any person other than an underwriter or a related party;

(ii) **“underwriter”** means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a **“related party”** to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) **“sale date”** means the date of execution of this Purchase Contract by all parties.

15. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of California.

15. This Purchase Contract shall become effective upon acceptance hereof by the District.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Authorized Representative

Accepted and agreed to as of  
the date first above written:

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

By: \_\_\_\_\_  
John M. Phillips  
Chair of the East Garrison  
Public Financing Authority

Time of execution: \_\_:\_\_.m.

**EXHIBIT A**

\$ \_\_\_\_\_  
**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**

**DISTRICT CLOSING CERTIFICATE**

I, the undersigned, hereby certify that I am the Chair of the East Garrison Public Financing Authority, the Governing Board of which is the legislative body for Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”), a community facilities district duly organized and existing under the laws of the State of California (the “**State**”), and that as such, I am authorized to execute this Certificate on behalf of the District in connection with the issuance of the above-referenced Special Tax Bonds (the “**Bonds**”).

I hereby further certify on behalf of the District that:

(A) to my best knowledge, after reasonable inquiry, no litigation is pending with respect to which the District has been served with process or threatened (1) to restrain or enjoin the issuance of any of the Bonds or the collection of Special Taxes pledged under the Indenture; (2) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, First Supplement, the Indenture, the District Continuing Disclosure Agreement or the Purchase Contract; or (3) in any way contesting the existence or powers of the District;

(B) the representations and warranties made by the District in the District Documents are true and correct in all material respects on the Closing Date, with the same effect as if made on the Closing Date;

(C) no event affecting the District has occurred since the date of the Official Statement that, as of the Closing Date, would cause any statement or information contained in the Final Official Statement under the captions “LEGAL MATTERS – Absence of Litigation” to be incorrect or incomplete in any material respect or would cause the information contained under the captions “LEGAL MATTERS – Absence of Litigation” in the Final Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading; and

(D) as of the date hereof, the Indenture is in full force and effect in accordance with its terms and has not been amended, modified or supplemented except in such case as may have been agreed to by the Underwriter; and

(E) the District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the District Documents prior to issuance of the Bonds.

Attachment F - Bond Purchase Contract

Capitalized terms not defined herein shall have the same meaning set forth in the Purchase Contract dated \_\_\_\_\_, 2019, between the District and Stifel, Nicolaus & Company, Incorporated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date hereinbelow set forth.

Dated: [Closing Date]

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

By: \_\_\_\_\_

Jane Parker  
Chair of the East Garrison  
Public Financing Authority

**EXHIBIT B**

\$ \_\_\_\_\_  
**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**

**CERTIFICATE OF SPECIAL TAX CONSULTANT**

Goodwin Consulting Group, Inc. ("**Special Tax Consultant**"), Sacramento, California was retained as Special Tax Consultant and assisted in the preparation of and has reviewed the Amended and Restated Rate and Method of Apportionment of Special Taxes (the "**Rate and Method**") for Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the "**District**"), which Rate and Method is set forth in Appendix C to the Official Statement dated \_\_\_\_\_, 2019 (the "**Official Statement**") relating to the above-referenced bonds (the "**Series 2019 Bonds**"). The Series 2019 Bonds and the \$9,540,000 original principal amount 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 are referred to herein collectively as the "**Bonds**". Based upon the Special Tax Consultant's review of the Official Statement and such other documents as it deems relevant in the circumstances, and on the basis of the parcels of land and improvements existing in the District as of January 1, 2019, for each Fiscal Year that Bonds will be Outstanding, the amount of the Available Special Taxes that may be levied on all Taxable Property in such Fiscal Year is at least equal to 110% of Annual Debt Service for the Corresponding Bond Year on all Outstanding Bonds, provided that the annual debt service figures on the attached debt service schedule, which were relied upon by Special Tax Consultant, are substantially true and correct.

Although the Special Tax if collected in the maximum amounts pursuant to the Rate and Method will generate at least 110% of the Annual Debt Service payable with respect to the Bonds each Fiscal Year, no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method in the Official Statement and all other information sourced to the Special Tax Consultant is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix C.

Dated: [Closing Date]

GOODWIN CONSULTING GROUP,  
INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT C**

**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**

<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied</u>
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[[T: Term bond.]

[C: Priced to the first optional redemption date at par of September 1, 20\_\_\_\_.]

**Redemption Provisions**

*Optional Redemption.* The Bonds maturing on or after September 1, 20\_\_\_\_, shall be subject to optional redemption, in whole or in part in Authorized Denominations on any date on or after September 1, 20\_\_\_\_, from any source of available funds, at a Redemption Price of principal to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The District shall give the Trustee written notice of its intention to redeem Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee.

*Mandatory Redemption from Special Tax Prepayments.* The Bonds shall be subject to mandatory redemption, in whole or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of prepaid Special Taxes required to be applied pursuant to the

Indenture, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
[March 1, 20___, through and including March 1, 20___	103%
September 1, 20___, and March 1, 20___	102
September 1, 20___, and March 1, 20___	101
September 1, 20___, and thereafter	100]

*Mandatory Sinking Fund Redemption.* The Bonds maturing September 1, 20\_\_\_, shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_\_, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be <u>Redeemed</u>
20___	\$
20___	
20___	
20___	
20___ (Maturity)	

The Bonds maturing September 1, 20\_\_\_, shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_\_, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to be <u>Redeemed</u>
20___	\$
20___	
20___	
20___	
20___ (Maturity)	



**EXHIBIT D**

**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 undersigned hereby certifies and represents that she is the duly appointed and acting Chair of the East Garrison Public Financing Authority (the “**Authority**”), the Governing Board of which is the legislative body of Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”), and is duly authorized to execute and deliver this Certificate and further hereby certifies on behalf of the District as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above-referenced bonds (the “**Bonds**”) in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “**Rule**”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the Authority and the District (the “**Preliminary Official Statement**”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of \_\_\_\_\_, 2019.

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

By: \_\_\_\_\_  
Jane Parker  
Chair of the East Garrison  
Public Financing Authority

**EXHIBIT E**

\$ \_\_\_\_\_  
**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**

**CERTIFICATE OF APPRAISER**

The undersigned, on behalf of Integra Realty Resources, Rocklin, California (the “**Appraiser**”), has prepared an appraisal report dated \_\_\_\_\_, 2019 (the “**Appraisal Report**”), [ as supplemented by the Update Appraisal Report dated \_\_\_\_\_, 2019 (the “**Updated Appraisal Report**”),] regarding the value of certain real property and improvements within Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”), and certifies that:

1. The assumptions made in the Appraisal Report [and Updated Appraisal Report] are reasonable. The Appraisal Report [and Updated Appraisal Report] fairly and accurately described, as of the stated date of value, the market values of the properties in the District that are subject to the special taxes.
2. The Appraiser is not aware of any event or act that occurred since the date of the [Updated] Appraisal Report that, in its opinion, would materially and adversely affect the conclusions as to the market value of the appraised property in the District.
3. The Appraiser consents to the reproduction of the Appraisal Report as Appendix G to the Preliminary Official Statement dated \_\_\_\_\_, 2019 (the “**Preliminary Official Statement**”), and the Appraisal Report [and Updated Appraisal Report] as Appendix G to the Official Statement dated \_\_\_\_\_, 2019 (the “**Official Statement**”), each with respect to the above-referenced bonds, and to the references to the Appraiser and the Appraisal Report [and Updated Appraisal Report] made in the Preliminary Official Statement and the Official Statement.
4. The Appraiser has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Appraisal Report [and Updated Appraisal Report] and the value of the property in the District contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. A true and correct copy of the Appraisal Report [and Updated Appraisal Report] is attached as Appendix G to the Preliminary Official Statement and the Official Statement.
6. The Appraisal Report [and Updated Appraisal Report] complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission and dated July 2004.

Dated: [closing date]

INTEGRA REALTY RESOURCES

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT F**

**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**

**LETTER OF REPRESENTATIONS OF UCP EAST GARRISON, LLC**

[Date of POS]

Community Facilities District No. 2006-1  
(East Garrison Project)  
County of Monterey, State of California  
c/o East Garrison Public Financing Authority  
First Floor  
168 West Alisal Street  
Salinas, California 93901

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, Suite 3700  
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to 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 “**Bonds**”) and to the Purchase Contract to be entered into in connection therewith (the “**Purchase Contract**”). This Letter of Representations of UCP East Garrison, LLC (“**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 8(d)(xvii) of the Purchase Contract. Capitalized terms used but not defined herein have the meanings ascribed to them in the Purchase Contract.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of UCP East Garrison, LLC, a Delaware limited liability company (the “**Property Owner**”), and the undersigned, on behalf of the Property Owner, further certifies as follows:

1. The Property Owner is duly organized and validly existing under the laws of the State of Delaware and has all requisite right, power and authority: (i) to execute and deliver this Letter of Representations, and (ii) to complete the development on its property in Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”) as described in the Preliminary Official Statement relating to the Bonds dated the date hereof (the “**Preliminary Official Statement**”).

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the District is held in the name of the Property Owner or its Affiliates<sup>1</sup> (the “**Property**”). The undersigned, on behalf of the Property Owner, makes the representations herein with respect to all such Property. Except as otherwise described in the Preliminary Official Statement, the Property Owner and certain of its Affiliates are, and the Property Owner’s current expectations are that the Property Owner and certain of its Affiliates shall remain, the parties responsible for the development of the Property, and neither the Property Owner nor its Affiliates has entered into an agreement for development or management of the Property by any other entity, except such subcontracts, consultant agreements and similar agreements for land development activities associated with the Property Owner’s development plan as are entered into in the ordinary course of business.

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry, or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Property Owner (with proper service of process to the Property Owner having been accomplished or which the Property Owner is aware of) or, to the Actual Knowledge of the Undersigned<sup>2</sup>, is pending against any current Affiliate with an ownership interest in, or development responsibility with respect to, the Property, including UCP, LLC, Casa Acquisition Corp., Benchmark Communities, LLC, Century Communities, Inc., BMC EG Bluffs, LLC, BMC EG Bungalow, LLC, BMC EG Courtyards, LLC, BMC EG Garden, LLC, BMC EG Grove, LLC, BMC EG Towns, LLC, and BMC EG Village, LLC and the affiliated property owners in the Community Facilities District (each an “**Involved Affiliate**”) (with proper service of process to such Affiliate

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<sup>1</sup> “**Affiliate**” means, with respect to the Property Owner, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Property Owner, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Property Owner’s development plans with respect to the Property and ability to pay its Special Taxes on the Property prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Property Owner’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency. “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “control” (including the terms “controlling,” “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

<sup>2</sup> “**Actual Knowledge of the Undersigned**” means the knowledge that the individual signing this Letter of Representations on behalf of the Property Owner currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Property Owner and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Property Owner’s current business and operations. Individuals who are no longer employees of the Property Owner and its Affiliates have not been contacted.

having been accomplished), or, to the Actual Knowledge of the Undersigned is threatened in writing against the Property Owner or any such Affiliate (a) to restrain or enjoin the collection of Special Taxes or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the Reserve Fund established under the Indenture), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) that if successful, is reasonably likely to materially and adversely affect the Property Owner's ability to complete the development and sale of the Property as described in the Preliminary Official Statement or to pay Special Taxes or ad valorem tax obligations on the Property (to the extent the responsibility of the Property Owner) prior to delinquency.

4. As of the date thereof, the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, and the information contained therein solely with respect to the Property Owner, its Affiliates, the proposed development of the Property, ownership of the Property, the Property Owner's development plan, the Property Owner's financing plan, the Property Owner's lenders, if any, and contractual arrangements of the Property Owner or any Affiliates (including, if material to the Property Owner's development plan or the Property Owner's financing plan, other loans of such Affiliates) as set forth under the sections of the Preliminary Official Statement captioned "INTRODUCTION – The District – *East Garrison Project*," and "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT" (but in all cases under all captions excluding therefrom (i) information regarding the Market Absorption Study or Appraisal Report, market value ratios and annual special tax ratios, and (ii) information that is identified as having been provided by a source other than the Property Owner), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid, and no material lines of credit of the Property Owner or its Affiliates, that are secured by an interest in the Property. Neither the Property Owner nor, to the Actual Knowledge of the Undersigned, any of its Involved Affiliates is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other project which default is reasonably likely to materially and adversely affect the Property Owner's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Property Owner) prior to delinquency.

6. Except as described in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, none of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is materially adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. The Property Owner covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Property Owner and its Affiliates that the Property Owner controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the District, to challenge the adoption

of the ordinance of the District levying Special Taxes within the District, to invalidate the District, or any of the Bonds or any refunding bonds, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Property Owner in any way from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body that: (a) contends that the Special Taxes have not been levied in accordance with the methodologies contained in the Rate and Method for the District pursuant to which the Special Taxes are levied, (b) is with respect to the application or use of the Special Taxes levied and collected or (c) seeks to enforce the obligations of the Authority or the District under the Formation Resolutions and the Ordinance, the Indenture, or any other agreements among the Property Owner (or any of its Affiliates), the Authority and/or the District or to which the Property Owner (or any of its Affiliates) is a party or beneficiary.

8. The Property Owner consents to the issuance of the Bonds. The Property Owner acknowledges and agrees that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

9. The Property Owner intends to comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

10. Except as described in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, during the last five years, neither the Property Owner nor any Involved Affiliate has, during the period of its ownership, been delinquent to any material extent in the payment of any ad valorem property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district within California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a county tax collector sale or foreclosure action being commenced in a court of law against the delinquent Property Owner or its Involved Affiliate.

11. To the Actual Knowledge of the Undersigned, the Property Owner is able to pay its bills as they become due and no legal proceedings are pending against the Property Owner (with proper service of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Property Owner may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Involved Affiliates are able to pay their respective bills as they become due and no legal proceedings are pending against any Involved Affiliates (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Involved Affiliates may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. The Property Owner has not filed for, nor is the Property Owner aware of, current proceedings for the reassessment of the assessed value of portions of the Property, other than in connection with the sale of homes to individual homebuyers.

14. Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Preliminary Official Statement under the section entitled "SPECIAL RISK FACTORS," the Property Owner presently anticipates that it will have sufficient funds to complete the development of the Property as described in the Preliminary Official Statement and to pay Special Taxes levied against the Property prior to delinquencies and does not anticipate that the District will be required to resort to a draw on any reserve fund for payment of principal of or interest on the Bonds due to the Property Owner's nonpayment of Special Taxes. However, neither the Property Owner nor its Affiliates are obligated to make any additional capital contribution or loan to the Property Owner at any time, and the Property Owner reserves the right to change its development plan and financing plan for the Property at any time without notice.

15. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Property Owner, its Involved Affiliates or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the development of the Property as described in the Preliminary Official Statement or the payment of the Special Taxes due with respect to the Property prior to delinquency.

16. An appraisal of the taxable properties within the District, dated \_\_\_\_\_, 2019 (the "**Appraisal Report**"), with a date of value of \_\_\_\_\_, 2019 (the "**Date of Value**"), was prepared by Integra Realty Resources, Rocklin, California (the "**Appraiser**"). The Appraisal Report estimates the market value of the appraised taxable properties within the District as of the Date of Value. To Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Property Owner to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled on Attachment B attached hereto was true and correct in all material respects as of the Date of Value.

17. Solely as to the limited information described in Paragraph 4 above (and subject to the limitations and exclusions contained in Paragraph 4 above) concerning the Property Owner, its Affiliates, the proposed development of the Property, ownership of the Property, the Property Owner's development plan, the Property Owner's financing plan, the Property Owner's lenders, if any, and contractual arrangements of the Property Owner or any Affiliates (including, if material to the Property Owner's development plan or the Property Owner's financing plan, other loans of such Affiliates), the Property Owner agrees to indemnify and hold harmless, to the extent permitted by law, the Authority, the District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended, against any and all losses, claims, damages or liabilities, joint or several, to which such indemnified party may become subject under any statute or at law or in equity or otherwise and shall reimburse any such indemnified party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar and to the extent such losses, claims, damages, liabilities or actions arise out of or



are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Property Owner contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Property Owner may otherwise have to any indemnified party, *provided* that in no event shall the Property Owner be obligated for double indemnification, or for the negligence or willful misconduct of an indemnified party.

18. If between the date hereof and the Closing Date any event relating to or affecting the Property Owner, its Involved Affiliates, the proposed development of the Property, ownership of the Property, the Property Owner's development plan, the Property Owner's financing plan, the Property Owner's lenders, if any, and contractual arrangements of the Property Owner or any Affiliates (including, if material to the Property Owner's development plan or the Property Owner's financing plan, other loans of such Affiliates) shall occur of which the Property Owner has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Property Owner shall notify the Authority, the District and the Underwriter and if in the opinion of counsel to the Authority, the District or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Property Owner shall reasonably cooperate with the Authority and the District in the preparation of an amendment or supplement to the information set forth in Paragraph 4 above in form and substance satisfactory to counsel to the Authority and to the Underwriter.

19. The Property Owner agrees to deliver a Closing Certificate of UCP East Garrison, LLC, dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Attachment A hereto.

20. On behalf of the Property Owner, I have reviewed the contents of this Letter of Representations and have met with counsel to the Property Owner for the purpose of discussing the meaning of the contents of this Letter of Representations. The Property Owner acknowledges and understands that a variety of state and federal securities laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Property Owner and that under some circumstances certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Property Owner under such securities laws.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of the Property Owner and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Property Owner.

UCP EAST GARRISON, LLC  
a Delaware limited liability company

Attachment F - Bond Purchase Contract

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

ATTACHMENT A

FORM OF CLOSING CERTIFICATE

ATTACHMENT B

EXCERPTS FROM THE APPRAISAL REPORT

**EXHIBIT G**

\$ \_\_\_\_\_  
**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**

**CLOSING CERTIFICATE OF UCP EAST GARRISON, LLC**

[closing date]

Community Facilities District No. 2006-1  
(East Garrison Project)  
County of Monterey, State of California  
c/o East Garrison Public Financing Authority  
First Floor  
168 West Alisal Street  
Salinas, California 93901

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, Suite 3700  
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the "Bonds") and to the Purchase Contract, dated \_\_\_\_\_, 2019 (the "**Purchase Contract**"), entered into in connection therewith. This Closing Certificate of UCP East Garrison, LLC (the "**Closing Certificate**") is delivered pursuant to and in satisfaction of Section 8(d)(xviii) of the Purchase Contract. Capitalized terms used herein and not otherwise defined in this Closing Certificate have the meanings ascribed to them in the Letter of Representations of UCP East Garrison, LLC (the "**Letter of Representations**"), dated \_\_\_\_\_, 2019, delivered by UCP East Garrison, LLC (the "**Property Owner**").

The undersigned certifies that he is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Property Owner, and the undersigned, on behalf of the Property Owner, further certifies as follows:

1. The Property Owner has received the final Official Statement dated \_\_\_\_\_, 2019 relating to the Bonds (the "**Official Statement**"). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions

contained in Paragraph 4 of the Letter of Representations) relating to the Property Owner, its Affiliates, the proposed development of the Property, ownership of the Property, the Property Owner's development plan, the Property Owner's financing plan, the Property Owner's lenders, if any, and contractual arrangements of the Property Owner or any Affiliates (including, if material to the Property Owner's development plan or the Property Owner's financing plan, other loans of such Affiliates), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriting Period" as defined in Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (provided the Property Owner may assume the End of the Underwriting Period is the Closing Date (as defined in the Purchase Contract), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Property Owner, its Affiliates or the development of the Property shall occur as a result of which the information referred to in Paragraph 4 of the Letter of Representations contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Property Owner shall notify the Authority, the District and the Underwriter, and if, in the opinion of counsel to the Authority, the District or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Property Owner shall reasonably cooperate with the Authority, the District and the Underwriter in the preparation of an amendment or supplement by the District to the information set forth in Paragraph 4 of the Letter of Representations in form and substance satisfactory to counsel to the Authority, the District, and the Underwriter that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing as of the date of the amendment or supplement to the Official Statement, not misleading.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or authorized representative of the Property Owner and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Property Owner.

UCP EAST GARRISON, LLC,  
a Delaware limited liability company

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

**EXHIBIT H**

\$ \_\_\_\_\_  
**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**

**FORM OF OPINION OF COUNSEL TO PROPERTY OWNER**

[Closing Date]

Community Facilities District No. 2006-1 (East Garrison Project),  
East Garrison Public Financing Authority,  
County of Monterey, State of California  
c/o East Garrison Public Financing Authority  
First Floor  
168 West Alisal Street  
Salinas, California 93901  
Attention: Secretary

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, Suite 3700  
San Francisco, California 94104

**Re: \$ \_\_\_\_\_ Community Facilities District No. 2006-1 (East Garrison Project) Special Tax Bonds, Series 2019**

Ladies and Gentlemen:

I am West Coast Regional Legal Counsel of Century Communities, Inc., and as such, serve as West Coast Regional Legal Counsel of its subsidiaries, including but not limited to UCP East Garrison, LLC, a Delaware limited liability company (the "Developer"), in connection with the issuance of the above-referenced bonds (the "2019 Bonds") by Community Facilities District No. 2006-1 (East Garrison Project) (the "Community Facilities District"). All real property located within the Community Facilities District and owned by the Developer is referred to herein as the "Property." The 2019 Bonds are being sold to Stifel, Nicolaus & Company, as Underwriter (the "Underwriter"). This letter is being delivered to you pursuant to Section 8(d)(xix) of the Purchase Contract, dated \_\_\_\_\_, 2019, between the Community Facilities District and the Underwriter (the "Purchase Contract").

In the course of my duties, I have examined the following documents:

- (a) Preliminary Official Statement for Community Facilities District No. 2006-1 (East Garrison Project) dated \_\_\_\_\_, 2019 (the "Preliminary Official Statement");
- (b) Official Statement for Community Facilities District No. 2006-1 (East Garrison Project) dated \_\_\_\_\_, 2019 (the "Final Official Statement");

(c) Letter of Representations of the Developer, dated \_\_\_\_\_, 2019 and Closing Certificate of the Developer, the date hereof, each executed by the Developer (collectively, the "Developer Certificates");

(d) Limited Liability Company Operating Agreement of the Developer dated July 23, 2009; Certificate of Formation of Developer filed with the Delaware Secretary of State on July 22, 2009; and Certificate of Registration of Developer filed with the California Secretary of State on July 28, 2009 (collectively, the "Developer Formation Documents");

(e) Second Amended and Restated Limited Liability Company Operating Agreement of the UCP, LLC (as sole member of Developer) ("UCP") dated July 23, 2013; Certificate of Formation of Developer (formerly known as West Valley Enterprises, LLC) filed with the Delaware Secretary of State on October 26, 2007; Certificate of Amendment of Developer (changing name to UCP, LLC) filed with the Delaware Secretary of State on January 10, 2008; and Certificate of Registration of Developer filed with the California Secretary of State on July 28, 2008 (collectively, the "Developer Formation Documents");

(f) Action in Writing By Unanimous Written Consent of the Board of Managers of UCP, LLC dated \_\_\_\_\_, 2019;

(g) Certificate of Good Standing of the Developer from the Delaware Secretary of State, dated \_\_\_\_\_, 2019; and

(h) Certificate of Good Standing of the Developer from the California Secretary of State, dated \_\_\_\_\_, 2019; and

(i) Such other agreements, contracts and documents as I deemed relevant for the purposes of this opinion.

In addition, I have made such factual and other inquiries and examinations as I deemed necessary for the purposes of this letter.

Whenever I have indicated in this letter that the existence or absence of facts is based on my knowledge, it is intended to signify that during the course of my representation of the Developer as herein described, no information has come to my attention in the matters described herein which would give me current actual knowledge of the existence or absence of such facts.

Except to the extent expressly set forth herein, I have not undertaken any independent investigations to determine the existence or absence of such facts, and no inference as to my knowledge of the existence or absence of such facts should be drawn from my representation of the Developer. I have made no examination of, and express no opinion as to, title to the Property, the ability of the Developer to develop the Property (except as specifically set forth 6 below), or the viability of the development of the Property by the Developer as described in the Official Statement.

As to certain factual matters (which I have not independently established or verified), including, without limitation, the status of the development of the Property by the Developer and existing development entitlements and future development entitlements which must be obtained in order for the Developer to complete the development and sale of the Property, I have relied upon statements, certificates and other assurances of public officials and of certain



officers and agents of the Developer (including the general partner of the Developer and representatives of such general partner), as well as employees and/or consultants of the Developer.

In expressing the opinions below, I have assumed, without inquiry or investigation (i) the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of documents submitted to me as copies or as exhibits, and the authenticity of such originals of such latter documents; (ii) that there are no oral or written terms or conditions agreed to by the City, the Community Facilities District, and/or the Developer which would have an effect on the opinions rendered herein, (iii) that there has not been any mutual mistake of fact or misunderstanding which would have an effect on the opinions rendered herein; and (iv) that all parties have complied with any requirement of good faith and fair dealing, noncompliance with which would have an effect on the opinions rendered herein.

Based solely upon and subject to the foregoing as well as to the qualifications, limitations, exclusions, exceptions, assumptions and other matters set forth herein, I am of the opinion that:

1. Except as disclosed in the Preliminary Official Statement and Final Official Statement, there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened or to which the Property is subject, which, if determined adversely to the Developer, would individually or in the aggregate (a) have a material adverse effect on the financial position or results of operations of the Developer, considered as a whole, or (b) materially and adversely affect the ability of the Developer to complete the proposed development of the Property.

2. Based upon my review of the Preliminary Official Statement and Final Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and Final Official Statement, no facts came to my attention that would lead me to believe that the information in the Preliminary Official Statement or Final Official Statement under the captions "INTRODUCTION – The District – *East Garrison Project*," and "PROPERTY OWNERSHIP AND PROPOSED DEVELOPMENT" contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

My opinions set forth in this letter are subject to the following assumptions, exceptions, qualifications, limitations and exclusions, in addition to those assumptions, exceptions, qualifications, limitations and exclusions set forth above:

A. The foregoing opinions are qualified to the extent that any remedy of specific performance and injunctive and other forms of equitable relief are subject to certain equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

B. I express no opinion as to (i) any matters related to architecture, construction, engineering, seismic or the environmental condition of the Property (except as specifically set forth in paragraph 2 above), including, without limitation, any matters relating to the handling, storage, transportation or disposal of hazardous or toxic materials, (ii) any laws, rules or regulations relating thereto, and/or (iii) any other scientific or professional field as such opinion would be beyond the scope of any opinion expressed herein.

C. I express no opinion on the enforceability under certain circumstances of provisions to the effect that rights or remedies are not exclusive, that rights or remedies may be exercised without notice, that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy, that the election of a particular remedy or remedies does not preclude recourse to one or more other remedies, or that the failure to exercise or delay in exercising rights or remedies will not operate as a waiver of any such right or remedy.

D. I express no opinion as to (i) any rights of set-off (other than as provided by Section 3054 of the California Civil Code, as interpreted by applicable judicial decisions); (ii) the enforceability of any provision providing for indemnification for claims, losses or liabilities to the extent such indemnification is prohibited by applicable law or contrary to public policy; or (iii) the enforceability of any provisions or agreement designating a party as an agent or attorney-in-fact.

E. I express no opinion as to the legality, validity, binding nature or enforceability (whether in accordance with its terms or otherwise) of any provision insofar as it provides for the payment or reimbursement of costs and expenses in excess of a reasonable amount determined by any court or other tribunal (further, I wish to bring to your attention that to the extent any such provision provides for the payment of attorneys' fees in litigation, under California law such attorneys' fees may be granted only to the prevailing party and such provisions are deemed to extend to both parties, notwithstanding that such provisions by their express terms benefit only one party).

F. I express no opinion regarding any laws or regulations involving taxes, including, without limitation, as to the exclusion from gross income for federal income tax purposes of the interest on the 2019 Bonds or the exemption of the interest on the 2019 Bonds from the State of California personal income taxes.

G. Except as specifically set forth in paragraph 2 above, I express no opinion as to (i) compliance with the anti-fraud provisions of applicable federal and state securities or other laws, rules or regulations or (ii) the applicability or effect on the subject transaction of the securities laws of the State of California or the federal laws of the United States of America, including but not limited to the Securities Act of 1933, as amended.

H. I am licensed to practice law only in the State of California. Accordingly, I am opining only as to the internal laws (excluding laws relating to conflicts of laws) of the State of California and the federal laws of the United States of America, and assume no responsibility as to the applicability or effect of the laws of any other jurisdiction.

I. Whenever I have stated that I have assumed any matter of fact, it is intended to indicate that I have assumed such matter without making any factual, legal or other inquiry or investigation, and without expressing any opinion or conclusion of any kind concerning such matter.

J. This opinion letter is furnished to you specifically in connection with the issuance of the 2019 Bonds pursuant to the terms of the Purchase Contract, and solely for your information and benefit. It may not be utilized, relied on, quoted or distributed to any other person by you in any other connection, and it may not be utilized, relied on or quoted by any other person for any purpose, without in each instance my express prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the 2019 Bonds.

K. The opinions expressed herein are given on the date hereof and are based on the facts (as I know, believe or have assumed them to be) and law as in effect on the date hereof. I undertake neither to supplement or update this opinion nor to advise you or any other party if there is a change in law or facts or new facts come to my attention subsequent to the date hereof which may affect the opinions expressed above and/or which may cause me to amend any portion of this letter in full or in part. If future acts or omissions of the parties may serve to modify, alter or change the circumstances under which the opinions herein were rendered, my opinions set forth in this letter shall remain as if such future acts or omissions did not occur. Also, actions, conduct or omissions by a party may create a situation of waiver, estoppel or novation which would supplant the opinions set forth in this letter.

Very Truly Yours,

**EXHIBIT I**

\$ \_\_\_\_\_  
**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**

**CERTIFICATE OF TRUSTEE**

The undersigned hereby states and certifies that the undersigned is an authorized officer of MUFG Union Bank, N.A., as successor trustee (the “**Trustee**”) under that certain Indenture (the “**Original Indenture**”), dated as of December 1, 2016, between Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the “**District**”) and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the “**Original Trustee**”), as amended and supplemented by a First Supplemental Indenture (the “**First Supplement**”), dated as of \_\_\_\_\_ 1, 2019 (the Original Indenture, as so amended and supplemented, the “**Indenture**”) between the District and the Trustee, relating to the captioned bonds (the “**Bonds**”) and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Trustee:

(1) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture.

(2) The First Supplement and the Indenture have been duly authorized, executed and delivered by the Trustee and the Bonds have been authenticated by a duly authorized representative of the Trustee in accordance with the Indenture.

(3) To the best knowledge of the Trustee, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Trustee or threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Indenture or contesting the powers of the Trustee or its authority to enter into and perform its obligation under the Indenture.

Dated: [closing date]

MUFG Union Bank, N.A.,  
*as Trustee*

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT J**

\$ \_\_\_\_\_  
**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**

**CERTIFICATE OF MUNICIPAL ADVISOR**

The undersigned hereby states and certifies:

(i) that the undersigned is an authorized officer of Fieldman, Rolapp & Associates, Inc. (the "**Municipal Advisor**"), which has acted as municipal advisor to Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California (the "**District**") in connection with the issuance of the bonds captioned above (the "**Bonds**"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement dated \_\_\_\_\_, 2019, and the final Official Statement dated \_\_\_\_\_, 2019 (the "Official Statement"), relating to the Bonds; and

(iii) that, without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

FIELDMAN, ROLAPP & ASSOCIATES,  
INC.,  
*as Municipal Advisor*

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT K**

\$ \_\_\_\_\_  
**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**

**CERTIFICATE OF EMPIRE ECONOMICS, INC.**

The undersigned, on behalf of Empire Economics, Capistrano Beach, California (the "**Empire Economics**"), has prepared a market absorption study dated \_\_\_\_\_, 2019 (the "**Market Absorption Study**"), regarding the value of certain real property and improvements within Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California, and certifies that:

1. The assumptions made in the Market Absorption Study are reasonable.
2. Empire Economics is not aware of any event or act that occurred since the date of the Market Absorption Study that, in its opinion, would materially and adversely affect the conclusions set forth in the Market Absorption Study.
3. Empire Economics consents to the reproduction of the Market Absorption Study as Appendix F to the Preliminary Official Statement dated \_\_\_\_\_, 2019 (the "**Preliminary Official Statement**"), and the Official Statement dated \_\_\_\_\_, 2019 (the "**Official Statement**"), and to the references to Empire Economics and the Market Absorption Study made in the Preliminary Official Statement and the Official Statement.
4. The Market Absorption Study attached to the Preliminary Official Statement and the Official Statement is a true and correct copy of such document.
5. Empire Economics has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Market Absorption Study contained in the Preliminary Official Statement and the Official Statement are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

EMPIRE ECONOMICS, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT L

\$ \_\_\_\_\_  
**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**

### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **Purchase Contract.** On \_\_\_\_\_, 2019 (the “Sale Date”), Stifel and the District executed a Purchase Contract (the “Purchase Contract”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. **Price.**

As of the date of this Certificate, for each General Rule Maturities of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in Schedule A attached hereto. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

2. **Defined Terms.**

- (a) “**District**” means the Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California.
- (b) “**General Rule Maturities**” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
- (c) “**Maturity**” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (d) “**Public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (e) “**Underwriter**” means (i) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member

of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. **Reserve Fund.** The funding of the Reserve Fund under the Indenture and First Supplemental Indenture, and as provided in the Tax Certificate, is reasonably required, was a vital factor in marketing the Bonds, facilitated the marketing of the Bonds at an interest rate comparable to that of bonds and other tax-exempt obligations of a similar type, and is not in excess of the amount necessary for such purpose.
4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate of the District to which this certificate is included as Exhibit \_\_ dated \_\_\_\_\_, 2019 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY, INCORPORATED**

By: \_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
[Title]

Dated: [Closing Date]



SCHEDULE A  
TO  
ISSUE PRICE CERTIFICATE

**Actual Sales Information as of Closing Date**

<b><u>Maturity/CUSIP</u></b>	<b><u>Coupon</u></b>	<b><u>Date Sold</u></b>	<b><u>Time Sold</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Price</u></b>
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SCHEDULE B  
TO  
ISSUE PRICE CERTIFICATE

PRICING WIRE