

RESOLUTION NO. 2020-_____ (N.C.S.)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALINAS FACILITIES FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF GROUND LEASES, LEASE AGREEMENTS, INDENTURES, A BOND PURCHASE AGREEMENT AND ASSIGNMENT AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SALINAS FACILITIES FINANCING AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2020A-1, SERIES 2020A-2 (QUALIFIED 501(c)(3) BONDS) AND SERIES 2020B (FEDERALLY TAXABLE), APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$32,500,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the City of Salinas (the “City”), located in Monterey County, California, previously caused the execution and delivery of the City of Salinas Variable Rate Taxable Refunding Certificates of Participation (Fairways Golf Project) Series 2008 (the “2008 COPs”), which are currently outstanding in the aggregate principal amount of \$4,280,000, in order to refinance certain capital improvements of the City (the “2008 Project”); and

WHEREAS, the City previously entered into a Lease Agreement, dated as of October 1, 2014 (the “2014 Lease”), with the Salinas Facilities Financing Authority (the “Authority”), which is currently outstanding in the principal amount of \$18,539,341.30, in order to finance certain capital improvements of the City (the “2014 Project”); and

WHEREAS, the City previously entered into a Lease/Purchase Agreement (Refunding of 2005 Certificates of Participation), dated as of September 1, 2015 (the “2015 Lease” and, together with the 2008 COPs and the 2014 Lease, the “Prior Obligations”), with the Authority, which is currently outstanding in the principal amount of \$7,785,000, in order to refinance certain capital improvements of the City on a tax-exempt basis (the “2015 Tax-Exempt Project”) and certain capital improvements of the City as an issue of “qualified 501(c)(3) bonds” (the “2015 501(c)(3) Project”) and, together with the 2008 Project, the 2014 Project and the 2015 Tax-Exempt Project, the “Prior Projects”); and

WHEREAS, the Prior Projects constitute “public capital improvements” within the meaning of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), and all of the Prior Projects are located within the boundaries of the City; and

WHEREAS, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the: (i) “Salinas Facilities Financing Authority Lease Revenue Refunding Bonds, Series 2020A-1” (the “2020A-1

Bonds”) for the purposes of prepaying the 2014 Lease and the portion of the 2015 Lease that is allocable to the 2015 Tax-Exempt Project and refinancing the 2014 Project and the 2015 Tax-Exempt Project; (ii) “Salinas Facilities Financing Authority Lease Revenue Refunding Bonds, Series 2020A-2 (Qualified 501(c)(3) Bonds)” (the “Series 2020A-2 Bonds” and, together with the Series 2020A-1 Bonds, the “2020A Bonds”) for the purposes of prepaying the portion of the 2015 Lease that is allocable to the 2015 501(c)(3) Project and refinancing the 2015 501(c)(3) Project; and (iii) “Salinas Facilities Financing Authority Lease Revenue Refunding Bonds, Series 2020B (Federally Taxable)” (the “2020B Bonds” and, together with the 2020A Bonds, the “Bonds”) for the purposes of prepaying the 2008 COPs and refinancing the 2008 Project; and

WHEREAS, in order to facilitate the issuance of the 2020A Bonds, the City and the Authority desire to enter into a Ground Lease (the “2020A Ground Lease”) pursuant to which the City will lease certain real property of the City (which real property shall consist of the City Hall Complex (including City Hall office buildings and the City Council Rotunda at 200 and 220 Lincoln Avenue, Salinas, California 93901 and certain other assets that are described in the 2020A Ground Lease (collectively, the “2020A Leased Assets”)) to the Authority, and a Lease Agreement (the “2020A Lease Agreement”), pursuant to which the City will lease the 2020A Leased Assets back from the Authority, and pay certain Base Rental Payments (as such term is defined in the 2020A Lease Agreement), which are pledged to the owners of the 2020A Bonds by the Authority pursuant to an Indenture, by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “2020A Indenture”); and

WHEREAS, in order to facilitate the issuance of the 2020B Bonds, the City and the Authority desire to enter into a Ground Lease (the “2020B Ground Lease” and, together with the 2020A Ground Lease, the “Ground Leases”) pursuant to which the City will lease certain real property of the City (which real property shall consist of the fire station, training tower and office building/museum at 827 Abbott Street, Salinas, California 93901 and certain other assets that are described in the 2020B Ground Lease (collectively, the “2020B Leased Assets”) and, together with the 2020A Leased Assets, the “Leased Assets”) to the Authority, and a Lease Agreement (the “2020B Lease Agreement” and, together with the 2020A Lease Agreement, the “Lease Agreements”), pursuant to which the City will lease the 2020B Leased Assets back from the Authority, and pay certain Base Rental Payments (as such term is defined in the 2020B Lease Agreement), which are pledged to the owners of the 2020B Bonds by the Authority pursuant to an Indenture, by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “2020B Indenture” and, together with the 2020A Indenture, the “Indentures”); and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement (the “2020A Assignment Agreement”) in order to provide, among other things, that all rights to receive the Base Rental Payments payable under the 2020A Lease Agreement be assigned without recourse by the Authority to the Trustee; and

WHEREAS, the Authority and the Trustee desire to enter into an Assignment Agreement (the “2020B Assignment Agreement” and, together with the 2020A Lease Agreement, the “Assignment Agreements”) in order to provide, among other things, that all rights to receive the Base Rental Payments payable under the 2020B Lease Agreement be assigned without recourse by the Authority to the Trustee; and

WHEREAS, the City and the Authority desire to undertake a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, as the underwriter of the Bonds (the “Underwriter”) pursuant to a purchase agreement by and among the City, the Authority and the Underwriter (the “Bond Purchase Agreement”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to offer the Bonds for sale to the public, the Underwriter must receive a disclosure document with respect to the Bonds and the City; and

WHEREAS, in order to cause such requirement to be satisfied, the City and the Authority have prepared a Preliminary Official Statement (the “POS”) in connection with the issuance of the Bonds; and

WHEREAS, in compliance with California Government Code Section 5852.1, the Authority has obtained from the Underwriter required good faith estimates relating to the Bonds, and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, the City is a member of the Authority and the Prior Projects are located within the boundaries of the City; and

WHEREAS, the City has, prior to the consideration of this Resolution, held a public hearing on the refinancing of the Prior Projects from the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Act, which hearing was held at 200 Lincoln Avenue, Costa Mesa, California 93901 on the date of this Resolution, and adopted its resolution approving the refinancing and making a finding of significant public benefit in accordance with the Act; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in the Salinas California, a newspaper of general circulation in the City; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has been presented with the form of each document that is referred to herein relating to the refinancing and financing that are contemplated hereby, and Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing; and

WHEREAS, all acts, conditions and things that are required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the refinancing and financing that are authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such refinancing and financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Salinas Facilities Financing Authority as follows:

Section 1. Recitals. Each of the above recitals is true and correct and is adopted by the Board. The Board has determined and hereby finds that the Authority’s assistance in refinancing the Prior Projects through the issuance of the Bonds will result in significant public benefits of the type

described in Section 6586 (a) through (d), inclusive, of the Act, and that the components of the Prior Projects to be refinanced from proceeds of the Bonds were approved pursuant to all applicable requirements of the California Environmental Quality Act (Public Resources Code Section 2100 *et seq.*) and applicable guidelines, or that such components were exempt therefrom.

Section 2. Approval of Lease Documents. The forms of Ground Leases and Lease Agreements presented at this meeting are hereby approved, and the Chair, the Vice Chair the Executive Director, the Treasurer and the Secretary, or the written designee of one of the foregoing (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Ground Leases and the Lease Agreements in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that: (a) the term of the 2020A Ground Lease and the 2020A Lease Agreement shall terminate no later than November 1, 2032 (provided that such term may be extended as provided therein) and that the true interest cost applicable to the interest components of the Base Rental Payments under the 2020A Lease Agreement shall not exceed 4.00% per annum; and (b) the term of the 2020B Ground Lease and the 2020B Lease Agreement shall terminate no later than November 1, 2038 (provided that such term may be extended as provided therein) and that the true interest cost applicable to the interest components of the Base Rental Payments under the 2020B Lease Agreement shall not exceed 4.00% per annum.

Section 3. Approval of Indentures. The forms of Indentures presented at this meeting are hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indentures in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Bond Purchase Agreement. The form of Bond Purchase Agreement presented at this meeting is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Underwriter’s discount shall not exceed 1.00% of the principal amount of the Bonds.

Section 5. Approval of POS. The form of POS presented at this meeting, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the POS in connection with the offering and sale of the Bonds is hereby authorized and approved. Each Authorized Officer is hereby authorized to certify on behalf of the Authority that the POS is deemed final as of its date within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds a reasonable number of copies of the POS.

Section 6. Authorization of Official Statement. The preparation and delivery of an Official Statement, and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the POS, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval

to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the Authority.

Section 7. Approval of Assignment Agreements. The forms of Assignment Agreement presented at this meeting are hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Assignment Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced to the execution and delivery thereof.

Section 8. Bond Insurance. The Authorized Officers are each hereby authorized to evaluate whether the purchase of municipal bond insurance and/or a debt service reserve surety policy for the 2020A Bonds and/or the 2020B Bonds will result in a net debt service savings with respect to the applicable series of Bonds and, if so, to arrange for the purchase of such municipal bond insurance and/or debt service reserve surety policy. The Authorized Officers are each hereby authorized to solicit bids from municipal bond insurers, to select an insurer to provide municipal bond insurance with respect to the Bonds and/or a debt service reserve surety policy, if applicable, and to execute and negotiate any agreements that are necessary in connection with the procurement of such municipal bond insurance and/or debt service reserve surety policy, provided that such municipal bond insurance policy and/or debt service reserve surety policy provides debt service savings or other benefits to the proposed transaction, as determined by the Authorized Officers. The Authority's execution of an insurance commitment shall be conclusive evidence of such determination. Each of the above-referenced officers is hereby authorized to direct Stradling Yocca Carlson & Rauth, Bond Counsel to the Authority, and/or the City Attorney, as general counsel to the Authority, to make any necessary revisions to the legal documents to effectuate the procurement of municipal bond insurance and/or a debt service reserve surety policy.

Section 9. Further Action. The Authorized Officers are hereby authorized, empowered and directed, individually, to execute such other documents in addition to those enumerated herein and to take such other actions as each deems necessary or advisable in order to consummate the issuance of the Bonds and the prepayment of the Prior Obligations (including, but not limited to, causing terminations of or amendments to the lease documents related to the Prior Obligations to be recorded in the Office of the Monterey County Recorder, causing the Lease Agreements and the Ground Leases, or memoranda thereof, to be recorded in the Office of the Monterey County Recorder, causing one or more title insurance policies to be issued relating to the Leased Assets and delivering instructions to the title company with respect thereto and executing escrow or prepayment notices and/or instructions to be delivered in connection with the prepayment of the Prior Obligations). Such actions heretofore taken by the Authorized Officers or their designees are hereby ratified, confirmed and approved.

Section 10. Special Services. Each of the Authorized Officers is authorized to provide for all services necessary to effect the matters that are described in this Resolution. Such services shall include, but not be limited to, legal services, trustee services, remarketing agent services and any other services that are deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services and to enter into agreements as needed to engage such consultants.

Section 11. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 4th day of August, 2020, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Christie Cromeenes, Vice Chair
Board of Directors
Salinas Facilities Financing Authority

ATTEST:

Patricia M. Barajas, Secretary
Salinas Facilities Financing Authority

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

2020A-1 BONDS

The good faith estimates set forth herein are provided with respect to the 2020A-1 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Stifel, Nicolaus & Company, Incorporated, the Underwriter of the 2020A-1 Bonds.

Principal Amount. The Underwriter has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of total gross proceeds of the 2020A-1 Bonds is \$22,600,000, which includes the estimated principal amount of the 2020A-1 Bonds of \$18,350,000 (the "Estimated Principal Amount"), plus approximately \$4,250,000 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds.

True Interest Cost. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020A-1 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020A-1 Bonds, is 2.00%.

Finance Charge of the 2020A-1 Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020A-1 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020A-1 Bonds), is \$450,000.

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020A-1 Bonds, less the finance charge of the 2020A-1 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020A-1 Bonds, is \$22,150,000.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-1 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2020A-1 Bonds, plus the finance charge for the 2020A-1 Bonds, as described above, not paid with the proceeds of the 2020A-1 Bonds, calculated to the final maturity of the 2020A-1 Bonds, is \$25,000,000.

The foregoing constitute good faith estimates only. The principal amount of the 2020A-1 Bonds, the true interest cost of the 2020A-1 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the 2020A-1 Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of 2020A-1 Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the 2020A-1 Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual

market interest rates at the time of sale of the 2020A-1 Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Authority's financing plan, or a combination of such factors.

The actual date of sale of the 2020A-1 Bonds and the actual principal amount of 2020A-1 Bonds sold will be determined by the City based on a variety of factors. Market interest rates are affected by economic and other factors beyond the control of the Authority.

2020A-2 BONDS

The good faith estimates set forth herein are provided with respect to the 2020A-2 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Stifel, Nicolaus & Company, Incorporated, the Underwriter of the 2020A-2 Bonds.

Principal Amount. The Underwriter has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of total gross proceeds of the 2020A-2 Bonds is \$5,000,000, which includes the estimated principal amount of the 2020A-2 Bonds of \$4,365,000 (the "Estimated Principal Amount"), plus approximately \$645,000 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds.

True Interest Cost. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-2 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020A-2 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020A-2 Bonds, is 2.00%.

Finance Charge of the 2020A-2 Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-2 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020A-2 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020A-2 Bonds), is \$100,000.

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-2 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020A-2 Bonds, less the finance charge of the 2020A-2 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020A-2 Bonds, is \$4,900,000.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020A-2 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2020A-2 Bonds, plus the finance charge for the 2020A-2 Bonds, as described above, not paid with the proceeds of the 2020A-2 Bonds, calculated to the final maturity of the 2020A-2 Bonds, is \$5,200,000.

The foregoing constitute good faith estimates only. The principal amount of the 2020A-2 Bonds, the true interest cost of the 2020A-2 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such

good faith estimates due to: (a) the actual date of the sale of the 2020A-2 Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of 2020A-2 Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the 2020A-2 Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the 2020A-2 Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Authority's financing plan, or a combination of such factors.

The actual date of sale of the 2020A-2 Bonds and the actual principal amount of 2020A-2 Bonds sold will be determined by the City based on a variety of factors. Market interest rates are affected by economic and other factors beyond the control of the Authority.

2020B BONDS

The good faith estimates set forth herein are provided with respect to the 2020B Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Stifel, Nicolaus & Company, Incorporated, the Underwriter of the 2020B Bonds.

Principal Amount. The Underwriter has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of total gross proceeds of the 2020B Bonds is \$4,380,000, which includes the estimated principal amount of the 2020B Bonds of \$4,045,000 (the "Estimated Principal Amount"), plus approximately \$335,000 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds.

True Interest Cost. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2020B Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020B Bonds, is 4.00%.

Finance Charge of the 2020B Bonds. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020B Bonds), is \$66,000.

Amount of Proceeds to be Received. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020B Bonds, less the finance charge of the 2020B Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020B Bonds, is \$4,285,000.

Total Payment Amount. The Underwriter has informed the Authority that, assuming that the Estimated Principal Amount of the 2020B Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2020B Bonds, plus the finance charge for the 2020B Bonds, as described above, not paid with the proceeds of the 2020B Bonds, calculated to the final maturity of the 2020B Bonds, is \$5,340,000.

The foregoing constitute good faith estimates only. The principal amount of the 2020B Bonds, the true interest cost of the 2020B Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the 2020B Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of 2020B Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the 2020B Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the 2020B Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Authority's financing plan, or a combination of such factors.

The actual date of sale of the 2020B Bonds and the actual principal amount of 2020B Bonds sold will be determined by the City based on a variety of factors. Market interest rates are affected by economic and other factors beyond the control of the Authority.