

EXHIBIT # B

FAIRFAX FINANCING AUTHORITY

RESOLUTION 2012-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FAIRFAX FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF TOWN OF FAIRFAX, CALIFORNIA, GENERAL OBLIGATION REFUNDING BONDS AND FOR OTHER PURPOSES AND APPROVING RELATED AGREEMENTS AND ACTIONS

RESOLVED, by the Board of Directors (the "Board") of the Fairfax Financing Authority (the "Authority"), as follows:

WHEREAS, the Authority was formed by the Town of Fairfax (the "Town") and the California Municipal Financing Authority for the purpose of establishing a vehicle to reduce local borrowing costs and promote the greater use of existing and new financial instruments and mechanisms;

WHEREAS, more than two-thirds of the qualified voters in the Town, voting at a municipal election on November 2, 1999, approved the issuance of up to \$6,830,000 of general obligation bonds to finance the acquisition and construction of capital improvements to various streets and storm drains within the Town and to the Town's community facilities;

WHEREAS, pursuant to the authorization received at such election, and the authorization contained in Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code, and Article 3.7 (commencing with section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Act"), the Town has heretofore issued three series of general obligation bonds authorized as described above in an aggregate principal amount of \$6,830,000, including its General Obligation Bonds, Series 2002, issued in an initial principal of \$3,000,000 (the "2002 Bonds");

WHEREAS, the Town Council of the Town (the "Town Council") has determined to issue its Town of Fairfax 2012 General Obligation Refunding Bonds in the aggregate principal amount of not to exceed \$3,100,000 (the "Refunding Bonds") for the purpose of refunding all or a portion of the outstanding 2002 Bonds and thereby realizing financial savings to the Town and the property taxpayers of the Town;

WHEREAS, the Town Council is authorized to provide for the issuance and sale of the Refunding Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part .1 of Division 2 of Title 5 of the California Government Code (collectively, the "Refunding Law");

WHEREAS, the Authority has determined to issue its Fairfax Financing Authority Revenue Bonds, Series 2012 (Town of Fairfax General Obligation Bond Refinancing Program) (the "Authority Bonds"), under the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), the proceeds of which will be applied to (a) the purchase of the Refunding Bonds, and (b) the financing of capital improvements within the geographic boundaries of the Town; and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions and the documents to which the Authority is a party related thereto, in the public interests of the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Fairfax Financing Authority of the Town of Fairfax, as follows:

Section 1. Findings and Determinations. Pursuant to the Bond Law, the Board hereby finds and determines that the issuance of the Authority Bonds will result in savings in effective interest rates, bond underwriting costs and bond issuance costs and thereby result in significant public benefits to the Town within the contemplation of section 6586 of the Bond Law.

Section 2. Issuance of Authority Bonds; Approval of Indenture. The Board hereby authorizes the issuance of the Authority Bonds under and pursuant to the Bond Law, in the maximum principal amount of not to exceed \$3,100,000. The Authority Bonds shall be issued pursuant to an indenture of trust, by and between the Authority and U.S. Bank National Association, as trustee (the "Indenture"). The Board hereby approves the Indenture in the form on file with the Secretary. The Board hereby authorizes and directs the Executive Director or the Treasurer to execute and deliver, and the Secretary to attest and affix the seal of the Authority to, the Indenture in such form, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer upon consultation with Bond Counsel, the execution by the Executive Director or the Treasurer of the Indenture to constitute conclusive evidence of his approval of any such changes or additions. The Board hereby authorizes the delivery and performance of the Indenture.

Section 3. Purchase of Refunding Bonds. The Board hereby authorizes and approves the purchase of the Refunding Bonds by the Authority from the Town pursuant to and in accordance with the provisions of a bond purchase contract by and between the Town and the Authority (the "Bond Purchase Contract") in the form on file with the Secretary. The Board hereby authorizes and directs the Executive Director to execute said form of the Bond Purchase Contract together with any changes therein or additions thereto deemed advisable by such officer upon consultation with Bond Counsel and legal counsel to the Authority, the execution by such officer of the Bond Purchase Contract to constitute conclusive evidence of his approval of any such changes or additions. The Board hereby authorizes the deliver and performance of the Bond Purchase Contract.

Section 4. Sale of the Authority Bonds; Official Statement. The Board hereby approves a notice of intention, in the form on file with the Secretary (the "Notice of Intention"), together with any changes therein or additions thereto deemed advisable by the Executive Director or

the Treasurer. The Secretary is hereby authorized and directed to cause to be published, once at least fifteen (15) days prior to the date to receive bids, the Notice of Intention in *The Bond Buyer*, a financial publication reasonably expected to be disseminated among prospective bidders for the Authority Bonds. The Board hereby approves a notice of sale, in the form on file with the Secretary (the "Notice of Sale"), together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer. Wulff, Nansen & Co., financial advisor to the Authority and the Town (the Financial Advisor"), is hereby authorized to cause to be furnished to prospective bidders copies of the Notice of Sale.

The Board hereby approves a preliminary official statement, in the form on file with the Secretary (the "Preliminary Official Statement"), together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer. The Board authorizes and directs the Executive Director or the Treasurer to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Financial Advisor is hereby authorized to cause to be furnished to prospective bidders copies of the Preliminary Official Statement.

The Executive Director or the Treasurer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Authority Bonds, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Authority Bonds, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Authority Bonds, and does not, as of the date of delivery of the Authority Bonds, contain any untrue statement of a material fact with respect to the Authority or omit to state material facts with respect to the Authority required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Executive Director or the Treasurer shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Executive Director or the Treasurer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the Authority. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Authority Bonds.

The Financial Advisor is hereby authorized and directed, on behalf of the Authority, to receive the bids at the time and place specified in the Notice of Sale, to examine said bids for compliance with the Notice of Sale and to verify the bid with the lowest true interest cost as provided in the Notice of Sale. In the event two or more bids setting forth identical true interest cost are received, the Financial Advisor, on behalf of the Authority, may exercise its own discretion and judgment in making the award and may award the Authority Bonds on a *pro rata* basis in such denominations as he shall determine. The Financial Advisor, on behalf of the Authority, may, in its discretion, reject any and all bids and waive any irregularity or informality in any bid. The Financial Advisor, on behalf of the Authority, shall award the Authority Bonds or reject all bids not later than 24 hours after the expiration of the time prescribed for the receipt of bids unless such time of award is waived by the successful bidder.

Section 5. Official Actions. The Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Authority Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its adoption.

The foregoing Resolution was duly introduced and adopted at a regular meeting of the Town Council of the Town of Fairfax held in said Town on the 1st day of February, 2012, by the following vote:

AYES:
NOES:
ABSENT:

Pam Hartwell-Herrero, CHAIRMAN
Fairfax Financing Authority

Attest:

Judy Anderson, SECRETARY
Fairfax Financing Authority