

**Before the Board of Directors for the  
East Garrison Public Financing Authority  
County of Monterey, State of California**

**Resolution No: 06-147**

Resolution Deeming it Necessary to Incur        )  
Bonded Indebtedness - Community                )  
Facilities District No. 2006-1 (East Garrison    )  
Project).    )

WHEREAS, reference is made to the Resolution of Intention and the Resolution Declaring Intention to Incur Bonded Indebtedness, each adopted by the Board of Directors of the East Garrison Public Financing Authority (this "Board") on May 16, 2006, for the preliminary scope of the authorized public improvements and financing contemplated by these proceedings; and

WHEREAS, on June 20, 2006, at the time set for the public hearing, the public hearing was conducted, and at the close of the public hearing, this Board determined that a majority protest under Section 53324 of the Government Code was not made at the hearing; and

WHEREAS, at the conclusion of the public hearing, this Board adopted its resolution of formation (the "Resolution of Formation") pursuant to Section 53325.1 of the Government Code, thereby completing its proceedings for formation of proposed Community Facilities District No. 2006-1 (East Garrison Project) ("CFD No. 2006-1"); and

WHEREAS, in order to provide the financing of the authorized public improvements as contemplated, this Board has determined that it is necessary to incur bonded indebtedness;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the East Garrison Public Financing Authority as follows:

1. This Board finds and determines that the foregoing recitals are true and correct.
  
2. This Board hereby deems it necessary to incur bonded indebtedness on behalf of Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California ("CFD No. 2006-1").

3. The purposes for which the proposed debt is to be incurred are to provide a portion of the funds necessary to finance the acquisition and construction of public improvements described on Exhibit A attached to the Resolution of Formation and to pay a portion of the incidental expenses proposed to be incurred as set forth on Exhibit B attached to the Resolution of Formation.

4. All Taxable Parcels (as said term is defined in the Rate and Method of Apportionment of the Special Tax, attached as Exhibit C to the Resolution of Formation), as established from time to time within CFD No. 2006-1, shall be subject to the special tax obligation.

5. Subject to the limit of \$27.0 million on the aggregate principal amount of such bonded indebtedness and to the requirements of the Resolution of Formation and of this resolution, determinations respecting (a) the amount of bonded indebtedness to be incurred and (b) the amount and timing of each issuance of bonds shall be subject to the discretion of this Board. The refunding of one form of authorized debt by another shall not count against the limitation on the aggregate principal amount of such bonded indebtedness, as provided by Section 53362.7 of the Government Code.

6. The last maturity of any series of bonds issued under this authority shall be not greater than 30 years from the first maturity of any bonds of such series, and the last maturity of any bonds issued for CFD No. 2006-1 shall be not later than calendar year 2046.

7. The maximum rate of interest shall be determined by competitive sale or by negotiation at the time of bond sale, but in any case shall not exceed the maximum permitted legal rate as specified, from time to time, by Government Code Section 53531 or any similar controlling provision of law.

8. It is the intention of this Board that any bonds issued shall be made callable on terms to be specified in any resolution, indenture, trust agreement or fiscal agent agreement providing for the form, execution and issuance of bonds, in accordance with the terms of the Mello-Roos Community Facilities Act of 1982 (the "Act").

9. The question of the authorization to issue the bonds described herein shall be submitted to the qualified electors, being the landowners owning land within CFD No. 2006-1, at the special mailed-ballot election expected to be called and held on June 20, 2006, or as soon thereafter as the County is authorized by written waiver and consent of 100% of such landowners.

10. The ballot language of the ballot measure and the manner of conducting the election shall be established by the resolution to be adopted by this Board calling the special election as required by the Act.

11. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on this 20<sup>th</sup> day of June 2006, by the following vote, to-wit:

AYES: Supervisors Calcagno, Lindley, and Smith

NOES: None

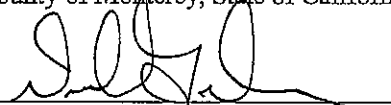
ABSENT: Supervisors Armenta, and Potter

I, Lew C. Bauman, Secretary of the East Garrison Public Financing Authority, County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book 73, on June 20, 2006.

Dated: June 29, 2006

Lew C. Bauman, Clerk of the Board of Supervisors,  
County of Monterey, State of California.

By

  
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Darlene Drain, Deputy