

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

Resolution No: 06-149

Resolution Declaring Election Results -)
Community Facilities District No. 2006-1)
(East Garrison Project).)

WHEREAS, on June 20, 2006, at the time set for the public hearing in the matter of Community Facilities District No. 2006-1 (East Garrison Project) ("CFD No. 2006-1") by the Resolution of Intention adopted by the Board of Directors (this "Board") of the East Garrison Public Financing Authority (the "Authority") on May 16, 2006, 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 CFD No. 2006-1; and

WHEREAS, this Board has determined that, in order to provide the financing of the authorized public improvements of CFD No. 2006-1 as contemplated, it is necessary to incur bonded indebtedness, and this Board has accordingly adopted its resolution deeming it necessary to incur bonded indebtedness (the "Resolution Deeming it Necessary to Incur Bonded Indebtedness") with respect to CFD No. 2006-1; and

WHEREAS, in order to proceed with the levy of the special tax and establishment of an appropriations limitation for CFD No. 2006-1, as provided by the Resolution of Formation, and with the incurring of bonded indebtedness as provided by the Resolution Deeming it Necessary to Incur Bonded Indebtedness, the three matters must be submitted to an election of the qualified electors of CFD No. 2006-1; and

WHEREAS, by separate resolution adopted by this Board on this same date, the special mailed-ballot election has been called for this date of June 20, 2006; and

WHEREAS, by said resolution calling the special mailed-ballot election, the three ballot questions just described were combined into a single ballot measure pursuant to Section 53353.5 of the Government Code, as provided in the form of special election ballot attached thereto as Exhibit A; and

WHEREAS, a Certificate of Election Results, dated June 20, 2006, executed by the Secretary of the Authority (the "Secretary"), has been filed with this Board, certifying that a completed ballot has been returned to the Secretary for each landowner-voter

eligible to cast a ballot in said special, with all votes cast as "Yes" votes in favor of the ballot measure, and further certifying on said basis that the special mailed-ballot election was closed; and

WHEREAS, this Board has received, reviewed and hereby accepts the Secretary's Certificate of Election Results and wishes by this resolution to declare the results of the special mailed-ballot election.

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 finds and determines and declares that the ballot measure submitted to the qualified electors of CFD No. 2006-1 has been passed and approved by those qualified electors in accordance with Sections 53328(a) and 53355 of the Government Code.
3. This Board hereby authorizes and directs the Secretary to cause the preparation and recordation with the County Recorder of the County of Monterey of a notice of special tax lien in accordance with the provisions of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code. Said notice shall be recorded in said County Recorder's office within fifteen days of today's date; provided that such recordation shall be deferred until the Authority has confirmed that title to the property which comprises the East Garrison Project has been transferred to East Garrison Partners I, LLC.
4. This resolution shall take effect from and after its adoption.

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

AYES: Supervisors Calcagno, Lindley, and Smith

NOES: None

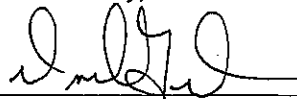
ABSENT: Supervisors Armenta and Potter

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



Darlene Drain, Deputy