

NOTICE OF PUBLIC HEARING

Diamond Springs / El Dorado Fire Protection District Community Facilities District No.
2006-01 – Annexation No. 03

NOTICE IS HEREBY GIVEN that at 7:00 p.m. on April 13, 2011, or as soon thereafter as practicable, at the Board Chambers of the Diamond Springs / El Dorado Fire Protection District, Station 49, 501 Main Street, Diamond Springs, California 95619, the Board of Directors (the "Board of Directors") of the Diamond Springs / El Dorado Fire Protection District, California (the "District") will hold a public hearing on the establishment of Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01 (the "CFD"), the proposed rate and method of apportionment of the special tax (the "Special Tax") to be levied on certain property within the CFD.

On October 11, 2006, the Board of Directors adopted a resolution entitled "Resolution of Intention of the Board of Directors of the Diamond Springs / El Dorado Fire Protection District, County of El Dorado, California, Declaring its Intention to Establish Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01 and to Authorize the Levy of a Special Tax Therein to Finance Certain Services" (the "Resolution of Intention") stating its intention to form the Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the California Government Code (the "Act"), and to levy Special Taxes to finance fire suppression services, emergency medical services, and fire prevention activities.

The following are types of services to be provided for and financed by the proposed CFD:

Fire suppression services, emergency medical services, and fire prevention activities and other services including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of District staff that directly provide fire suppression services, emergency medical services, fire prevention activities and other services as defined herein, respectively, and (iv) District overhead costs associated with providing such services within the CFD. On each July 1 following the Base Year, the increases attributed to salaries and benefits shall be calculated and limited to the increase based on the Annual Escalation Factor. The Special Tax will finance Services that are in addition to those provided in or required for the territory within the CFD and will not be replacing Services already available. The Special Tax provides only partial funding for fire suppression services, emergency medical services, and fire prevention activities operation and maintenance.

Except where funds are otherwise available, a special tax sufficient to pay for such services and related incidental expenses authorized by the Act, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the boundaries of the CFD. Under no circumstances will the

special tax authorized to be levied within the CFD be increased as a consequence of delinquency or default by the owner of any other parcel or parcels used for private residential purposes and located within the CFD by more than 10 percent.

Commencing with Fiscal Year 2010-2011 and each subsequent Fiscal Year, a special tax shall be levied as follows: (1) \$493 per lot for Developed Single-Family Residential Property; (2) \$395 per unit for Developed Multi-Family Residential Property; (3) \$0.13 per building square foot for Developed Non-Residential Property; (4) \$15 per lot for Entitled Planned Single-Family Residential Property; and (5) \$15 per lot for Entitled Planned Multi-Family Residential Property.

Commencing with Fiscal Year 2010-2011, and for each subsequent Fiscal Year, the CFD Administrator shall calculate the Special Tax Requirement based on the definitions in Section A of the Rate and Method of Apportionment, and levy the Special Tax as follows until the amount of the Special Tax levied equals the Special Tax Requirement. First, the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property Proportionately between Developed Single-Family Residential Property, Developed Multi-Family Residential Property, and Developed Non-Residential Property, up to 100% of the applicable Maximum Special Tax. Second, if the Special Tax Requirement has not been satisfied by the first step, then the Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Entitled Property Proportionately between Entitled Planned Single-Family Residential Property and Entitled Planned Multi-Family Residential Property up to 100% of the applicable Maximum Special Tax for Entitled Property.

Any taxpayer who believes that the amount of the Special Tax assigned to a Parcel is in error may file a written notice with the CFD Administrator appealing the levy of the Special Tax. This notice is required to be filed with the CFD Administrator during the Fiscal Year the error is believed to have occurred. The CFD Administrator or designee will then promptly review the appeal and, if necessary, meet with the taxpayer. If the CFD Administrator verifies that the tax should be changed the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Special Tax as levied pursuant to the description above shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the CFD Administrator.

Every five years after the establishment of the CFD, the Board of Directors may reexamine, if deemed necessary by Board of Directors, the necessity of the continuance of the Special Tax through the preparation of a Fiscal Impact Analysis, otherwise the Special Tax shall be levied in perpetuity.

If at least 12 persons have been registered to vote within the territory of the CFD for each of the 90 days preceding the close of the public or protest hearing, the vote in the special election shall be by the registered voters of the CFD with each voter having one vote. In that event, the special election shall be conducted by the Registrar of Voters of the County of El Dorado and shall be held on a date selected by the Board of Directors and the ballots for the special election shall be distributed to the qualified

electors of the CFD by mail with return postage prepaid, and the special election shall be conducted as a mail ballot election pursuant to Elections Code Section 4101.

If at the time of the close of the protest hearing less than 12 persons have been registered to vote within the territory of the CFD, the vote shall be by the landowners of the CFD, with each landowner of record at the close of the protest hearing having one vote for each acre or portion of an acre of land that he or she owns within the CFD. In that event, the special election shall be conducted by the Secretary of the Board of Directors.

At the hearing, the testimony of all interested persons, including all taxpayers or persons owning property in the area, for or against the establishment of the CFD, the extent of the CFD, the furnishing of a specified type or types of public facilities or services will be heard. If 50 percent or more of the registered voters residing within the territory proposed to be included in the CFD, or the owners of one-half or more of the area of the land in the territory proposed to be included in the CFD and not exempt from the Special Tax, file written protests against the establishment of the CFD, and protests are not withdrawn so as to reduce the value of the protests to less than a majority, no further proceedings to create the CFD or to levy the Special Tax shall be taken for a period of one year from the date of the decision of the Board of Directors. If the majority protests of the registered voters or the landowners are only against the furnishing of a specified type or types of facilities or services within the CFD, or against levying a specified special tax, those types of facilities or services or the specified special tax shall be eliminated from the resolution of formation.

All terms not defined herein shall be as defined in the Resolution of Intention to Establish the CFD. The complete texts of the Resolution of Intention to Establish the CFD, the proposed Rate and Method of Apportionment of the Special Tax among parcels of real property in the CFD, and the boundary map of the CFD are on file in the office of the Secretary of the Board of Directors and available for public inspection.

If you have any questions, please call the District Office at (530) 626-3190.

Dated: March 24, 2011
Secretary of the Board of Directors
Diamond Springs / El Dorado Fire Protection District