

RESOLUTION NO. 2009.02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE DIAMOND SPRINGS/EL DORADO FIRE PROTECTION DISTRICT, CALIFORNIA, DECLARING ITS INTENTION TO AUTHORIZE THE ANNEXATION OF TERRITORY, AS ANNEXATION NO 2, TO COMMUNITY FACILITIES DISTRICT NO. 2006-01 AND ALL OTHER MATTERS AS SET FORTH IN THIS RESOLUTION OF INTENTION

WHEREAS, the BOARD OF DIRECTORS (the "Board of Directors") of the DIAMOND SPRINGS/EL DORADO FIRE PROTECTION DISTRICT, CALIFORNIA (the "District"), has received a petition proposing to annex territory into Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01 (the "CFD") from property owners owning more than ten percent (10%) of the property proposed to be annexed into the CFD and the Board of Directors desires to initiate proceedings to annex territory into the CFD pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"). This annexation shall hereinafter be referred to as Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01, Annexation No. 2 (the "Annexation"); and,

WHEREAS, CFD No. 2006-01 was formed for the purpose of financing fire suppression services, emergency medical services, and fire prevention activities.

WHEREAS, this Board of Directors now desires to proceed to adopt its Resolution of Intention to initiate the proceedings for the annexation of territory for such Annexation, to set forth the boundaries for such Annexation, to indicate the type of public services to be financed from the proceeds of the levy of special taxes within such Annexation, to indicate a rate and method of apportionment of special taxes proposed to be levied sufficient to finance such services, and to set a time and place for a public hearing relating to the annexation of territory of and the levy of special taxes within such Annexation.

WHEREAS, a map of such Annexation has been submitted showing the boundaries of the territory proposed to be included in the Annexation which territory includes the properties and parcels of land proposed to be subject to the levy of a special tax by the District.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Initiation of Proceedings. These proceedings are initiated by this Board of Directors pursuant to the provisions of the Act.

SECTION 3. Boundaries of Annexation. It is the intention of this Board of Directors to annex the territory of the Annexation pursuant to the provisions of the Act, and to determine the boundaries and parcels on which special taxes may be levied to

finance certain services. A description of the boundaries of the territory proposed for inclusion in the Annexation including properties and parcels of land proposed to be subject to the levy of a special tax by the District is as shown on the boundary map designated as “ANNEXATION MAP NO. 2, DIAMOND SPRINGS / EL DORADO FIRE PROTECTION DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2006-01, DIAMOND SPRINGS / EL DORADO FIRE PROTECTION DISTRICT, COUNTY OF EL DORADO, STATE OF CALIFORNIA,” attached hereto as Exhibit “A” and hereby incorporated by reference.

SECTION 4. Name of Annexation. The proposed Annexation shall be known and designated as “Diamond Springs / El Dorado Fire Protection District Community Facilities District No. 2006-01, Annexation No. 2.”

SECTION 5. Description of Services. It is the intention of this Board of Directors to finance certain services (the “Services”) that are in addition to those provided in or required for the territory within the Annexation and will not be replacing services already available. A general description of the Services to be provided is as follows:

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) expenses related to 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.

SECTION 6. Special Tax. It is hereby further proposed that, except where funds are otherwise available, a special tax (the “Special Tax” or “Special Taxes”) 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 Annexation, will be levied annually within the boundaries of the Annexation. Under no circumstances will the Special Tax authorized to be levied within the Annexation be increased by more than 10 percent 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 Annexation. For further particulars as to the rate and method of apportionment of the Special Tax proposed to be levied within the Annexation, reference is made to the attached and incorporated Exhibit “B”, which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within the

CFD to clearly estimate the maximum amount that such person will have to pay for such Services.

The Special Taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any Special Taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer.

SECTION 7. Public Hearing. Notice is given that on the 27 day of May, 2009, at the hour of 7 o'clock p.m., in the regular meeting place of the Board of Directors being the Board Chambers, located at Station 49, 501 Main Street, Diamond Springs, California 95619, a public hearing will be held where this Board of Directors will consider the authorization for the annexation of the territory within the Annexation into the CFD, the proposed rate and method of apportionment of the Special Taxes to be levied within the territory of the Annexation and all other matters as set forth in this resolution of intention. At the above-mentioned time and place for public hearing any persons interested, including taxpayers and property owners may appear and be heard. The testimony of all interested persons for or against the annexation of the territory of the Annexation into the CFD, the extent of the Annexation, or the furnishing of the Services within the Annexation, will be heard and considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the Secretary of the Board of Directors on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing.

If a written majority protest against the annexation of the territory of the Annexation is filed, the proceedings shall be abandoned. If such majority protest is limited to certain services or portions of the Special Tax within the territory of the Annexation, those services or that tax shall be eliminated by the Board of Directors.

SECTION 8. Election. If, following the public hearing described in the Section above, the Board of Directors determines to annex the territory of the Annexation and proposes to levy a special tax within the territory of the Annexation, the Board of Directors shall then submit the levy of the Special Taxes to the qualified electors of the Annexation. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the Annexation for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of the Annexation, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of the Annexation who were the owners of record at the close of the subject hearing, with each landowners or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within the Annexation.

The elections shall be conducted by the Secretary of the Board of Directors, and shall be held on a date selected by the Board of Directors in conformance with the provisions of Section 53326 of the California Government Code and pursuant to the provisions of the California Elections Code governing elections, insofar as they may be applicable, and pursuant to said

Section 53326 the ballots for the election shall be distributed to the qualified electors of the Annexation by mail with return postage prepaid or by personal service, and the special elections shall be conducted as a mail ballot election.

A successful election relating to the Special Tax authorization shall, as applicable, establish and/or change the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to this Annexation.

SECTION 9. Notice. Notice of the time and place of the public hearing shall be given by the Secretary of the Board of Directors by causing a Notice of Public Hearing to be published in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing. In addition, notice of the time and place of said hearing shall also be given by first-class mail to each registered voter and to each landowner within the proposed Annexation as prescribed by Section 53322.4 of said Code. Said notice shall be published at least seven (7) days and mailed before the date of the hearing, and shall contain the information required by said Section 53322.

SECTION 10. Exempt Properties. Pursuant to Section 53340 of the California Government Code, properties of entities of the state, federal, and local governments not subject to a leasehold interest shall be exempt from the levy of Special Taxes for the financing of the Services of the proposed Annexation.

SECTION 11. Necessity. The Board of Directors finds that the proposed public services described in Section 5 hereof are necessary to meet increased demands placed upon the District as a result of new development occurring within the boundaries of the proposed Annexation.

APPROVED AS TO FORM BY:

William Ross, Esquire
District Counsel

PASSED, APPROVED, AND ADOPTED THIS EIGHTH DAY OF APRIL 2009.

STATE OF CALIFORNIA
COUNTY OF EL DORADO ss.
DIAMOND SPRINGS / EL DORADO FIRE PROTECTION DISTRICT

I, Caroline Falconer, Secretary of the Board of the Diamond Springs / El Dorado Fire Protection District, County of El Dorado, State of California do hereby certify that the foregoing Resolution No. 09.02 was adopted by the Board of Directors of said Diamond Springs / El Dorado Fire Protection District at a regular meeting of said board held on the eighth day of April, 2009 by the following vote:

AYES: Board members: _____
NOES: Board members: _____
ABSENT: Board members: _____
ABSTAIN: Board members: _____

Robert Larsen, Sr., Chair of the
Board of Directors

Attest:

Secretary of the Board of Directors

Exhibit A

**Diamond Springs / El Dorado Fire Protection District Community Facilities District No.
2006-01, Annexation No. 2**

Annexation Map

Exhibit B

**Diamond Springs / El Dorado Fire Protection District Community Facilities District No.
2006-01**

Rate and Method of Apportionment