



CITY OF IONE CITY COUNCIL STAFF REPORT



FOR THE MEETING OF: APRIL 7, 2009

DATE: APRIL 3, 2009

TO: MAYOR ARD AND CITY COUNCIL

FROM: KIMBERLY A. KERR, CITY MANAGER

SUBJECT: ADOPTION OF RESOLUTION NO. 1714 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE, CALIFORNIA, DETERMINING TO PROCEED WITH CHANGE PROCEEDINGS REGARDING THE AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT WITH RESPECT TO IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II), AND CALLING AN ELECTION THEREIN

ADOPTION OF RESOLUTION NO. 1715 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II) AND CALLING AN ELECTION THEREIN

ADOPTION OF RESOLUTION NO. 1716 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE, CALIFORNIA ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II) CERTIFYING THE RESULTS OF THE APRIL 7, 2009 ELECTION AND CHANGING THE EXISTING RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX OF IMPROVEMENT AREA NO. 3

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

City Council for the City of Ione
 Upon motion of Council Member
 Seconded by Council Member
 And carried _____ by those members present,
 The Council hereby adopts the recommended action contained in this report.

PREVIOUS ACTION/REFERRAL:

Council Order No. _____

Meeting of: _____

Dated: _____
Janice Traverso, City Clerk

By: _____

ADOPTION OF RESOLUTION NO. 1717 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II) CERTIFYING THE RESULTS OF THE APRIL 7, 2009 SPECIAL TAX ELECTION

ADOPTION OF ORDINANCE NO. 427 ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE, STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II) AMENDING ORDINANCE NO. 393

ADOPTION OF ORDINANCE NO. 428 ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE, STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II) AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN SUCH DISTRICT

RECOMMENDED ACTION:

That the City Council:

1. Receive staff report;
2. Open Public Hearing for Improvement Area No. 3 of Community Facilities District (CFD) No. 2005-2;
3. Approve Resolution No. 1714 calling election for Improvement Area No. 3 of CFD No. 2005-2;
4. Open Public Hearing for CFD No. 2009-3;
5. Approve Resolution No. 1715 calling an election for CFD No. 2009-3;
6. Hold Election for Improvement Area No. 3 of CFD No. 2005-2;
7. Hold Election for Improvement Area No. 3 of CFD No. 2009-3;
8. Approve Resolution No. 1716 certifying election results for Improvement Area No. 3 of CFD No. 2005-2;
9. Approve Resolution No. 1717 certifying election results for Improvement Area No. 3 of CFD No. 2009-3;
10. Introduce and waive first reading, by substitution of title only, of Ordinance No. 427, An Ordinance of the City Council of the City of Ione, State of California, Acting in its Capacity as the Legislative Body of Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) Amending Ordinance No. 393;
11. Introduce and waive first reading, by substitution of title only, of Ordinance No. 428, An Ordinance of the City Council of the City of Ione, State of California, Acting in its Capacity as the Legislative Body of Community Facilities District No.

2009-3 of the City of Ione (Castle Oaks Phase II) Authorizing Levy of Special Taxes within Such District;

12. Schedule second reading of Ordinance No. 427, An Ordinance of the City Council of the City of Ione, State of California, Acting in its Capacity as the Legislative Body of Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) Amending Ordinance No. 393 for April 21, 2009; and
13. Schedule second reading of Ordinance No. 428, An Ordinance of the City Council of the City of Ione, State of California, Acting in its Capacity as the Legislative Body of Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) Authorizing Levy of Special Taxes within Such District.

SOURCE OF FUNDING: CFD 2005-2 and CFD 2009-3

DISCUSSION:

In connection with the Amended Development Agreement for Castle Oaks, JTS and the City agreed to increase the police and fire services special tax on each residential unit from \$300 to \$500 per year plus an annual inflation adjustment and on each acre of Non-Residential Property from \$1550 to \$2,580 per acre plus an annual inflation adjustment. Pursuant to the Amended Development Agreement, JTS also is obligated to fund certain ongoing park, lighting and landscaping maintenance costs in connection with the Castle Oaks Development, including the maintenance of Earl Perry Park (the “Maintenance Services”).

The attached Resolutions would provide for the implementation of the foregoing provisions of the Amended Development Agreement through (i) the formation of a new CFD covering all of the property within Improvement Area No. 2 of CFD No. 2005-2 (except for 11 lots that have been sold or are in escrow to homeowners) that would levy special taxes for the Maintenance Services and for the increased police and fire special taxes agreed to in the Amended Development Agreement and (ii) conducting change proceedings within Improvement Area No. 3 of CFD 2005-2 in order to provide for financing the Maintenance Services and for increasing the police and fire special taxes to the amount required by the Amended Development Agreement.

A new CFD No. 2009-3 is being formed over only portions of Improvement Area No. 2 in order to not effect the existing homeowners who purchased their homes without the knowledge of the increased tax. Property in CFD No. 2009-3 will pay the special taxes levied by CFD No. 2009-3 in addition to the special taxes levied by Improvement Area No. 2 of CFD No. 2005-2.

As JTS and its principals own all of the property in Improvement Area No. 3, the City is simply able to conduct change proceedings alter the special taxes in Improvement Area No. 3 rather than having to form a new CFD over the property within Improvement Area No. 3. **The attached resolutions will not effect the special taxes levied on any current homeowners in Castle Oaks.**

Following the holding of separate public hearing, the approval of Resolutions #1714 and #1715 would, respectively, call separate elections to (1) approve the amended and restated rate and method of apportionment for Improvement Area No. 3 to increase the existing

services special taxes per the Amended Development Agreement and (2) approve the levy of special taxes in CFD 2009-3 to satisfy the conditions of the Amended Development Agreement. As no registered voters have resided within the boundaries of either Improvement Area No. 3 or CFD 2009-3 for each of the 90 days prior to the public hearing, each of the elections will be a landowner election in which each landowner will have one voter for each acre (or portion thereof) that it owns in Improvement Area No. 3 and CFD 2009-3, respectively. A two-thirds vote is required for passage of the ballot measures.

Assuming the approval of Resolutions #1714 and 1715, Bond Counsel will likely request a short recess in order to conduct the elections with City Clerk and the landowners.

Following the Elections, the Council will be asked to approve Resolutions #1716 and #1717 which will certify the results of the Elections. Assuming passage of the ballot propositions in the Elections, Council would then be asked to introduce Ordinance #427 which would amend the existing Ordinance #393 to provide for the levy of special taxes in Improvement Area No. 3 in accordance with the Amended and Restated Rate and Method. Council would also be asked to introduce Ordinance #428 which would authorize the levy of the special tax in CFD No. 2009-3. Each of Ordinances #427 and #428 would need to be adopted at the next Council meeting. Adoption of the foregoing Ordinances will allow the City to levy the increased special taxes starting in FY 2009-10.

The increase in the Services Special Tax will not impact the outstanding Castle Oaks CFD Bonds.

FINANCIAL IMPACT:

There are costs associated with noticing the public hearing and the resulting elections, but those costs are not known at this time, but will be charged to CFD 2005-2 IA Nos. 2 and 3 and CFD 2009-3.

OTHER AGENCY INVOLVEMENT: Stradling Yocca Carlson & Rauth, City Planner and JTS

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The City Council could elect to not implement these changes. However, staff is recommending that the change proceeding be initiated to complete the items in the Amended Development Agreement with JTS on the Castle Oaks project.

ATTACHMENTS:

1. CFD Report prepared by David Taussig & Associates for CFD 2009-3
2. Resolution (#1714) calling election for Improvement Area No. 3 of CFD No. 2005-2
3. Resolution (# 1715) calling an election for CFD No. 2009-3
4. Resolution (# 1716) certifying election results for IA No. 3 of CFD No 2005-2
5. Resolution (# 1717) certifying election results for CFD No 2009-3
6. Ordinance (# 427) amending Ordinance 393, and
7. Ordinance (# 428) authorizing the levy of the special tax with CFD No. 2009-3

COMMUNITY FACILITIES DISTRICT REPORT

COMMUNITY FACILITIES DISTRICT No. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II)

APRIL 2, 2009

PREPARED FOR:
CITY OF IONE
One Main Street
Ione, CA 95640

PREPARED BY:
DAVID TAUSSIG & ASSOCIATES, INC.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660

Public Finance
Facilities Planning
Urban Economics

Newport Beach
Riverside
San Francisco
Walnut Creek

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Exhibit A	Rate and Method of Apportionment
Exhibit B	Maximum Special Tax for Developed Property
Exhibit C	Proposed Boundary Map

I. INTRODUCTION

WHEREAS, the City Council of the City of Ione (hereinafter referred to as the "Council") did, pursuant to the provision 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 (hereinafter referred to as the "Act"), and specifically Section 53321.5 thereof, expressly order the filing of a written "Report" with the legislative body of the proposed community facilities district. This community facilities district being Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) shall hereinafter be referred to as:

"CFD No. 2009-3"; and,

WHEREAS, a resolution of City Council of the City of Ione declaring its intention to establish Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) and to authorize the levy of a special tax to finance certain services (hereinafter referred to as the "Resolution of Intention") did direct that said Report generally contain the following:

1. A brief description of the services by type which will in his or her opinion be required to meet adequately the needs of CFD No. 2009-3; and
2. An estimate of the fair and reasonable cost of any incidental expenses to be incurred in connection with financing the public services to be incurred.

WHEREAS, the City Officer who is or will be responsible for administering the proposed CFD No. 2009-3, if it is established, has caused the Report to be prepared by David Taussig & Associates, Inc. pursuant to the provisions of the Resolution of Intention.

NOW, THEREFORE, David Taussig & Associates, Inc. does hereby submit the Report.

II. PROJECT DESCRIPTION

At the time of formation, CFD No. 2009-3 includes approximately 28.9 gross acres located within Final Subdivision Map No. 160 for Castle Oaks Village 3, filed for record December 4, 2006 in book 9 of subdivision maps at pages 17-27 Amador County official records, excepting therefrom lots 87, 98-100, 139-143, 254-262, 381-383, 430 , 435-437 and H. Of this acreage, approximately 26.6 acres are expected to contain 143 single family dwelling units which will be subject to the CFD No. 2009-3 special tax levy.

III. DESCRIPTION AND ESTIMATED COST OF PROPOSED SERVICES

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district. A community facilities district may also provide for financing of certain public services to meet these demands.

A. Description of Proposed Services

The types of public services proposed to be financed by CFD No. 2009-3 are police protection services, fire protection and rescue services and the costs associated with the maintenance of parks, parkways, open space, landscape and lighting services, including maintaining an operating reserve (collectively the "Services"). In addition, CFD No. 2009-3 will be eligible to fund the incidental expenses to be incurred in connection with forming, planning and administering CFD No. 2009-3. The Services to be funded by CFD No. 2009-3 are in addition to those provided in the territory of CFD No. 2009-3 at the present time and do not supplant services already available within the territory of CFD No. 2009-3 at the present time.

The preceding Services are all services which the legislative body creating CFD No. 2009-3 is authorized to finance, and which are required to adequately meet the needs of CFD No. 2009-3. Because the actual services necessary to serve development within CFD No. 2009-3 may differ from those currently anticipated, CFD No. 2009-3 reserves the right to modify the actual services proposed herein to the extent CFD No. 2009-3 deems necessary, in its sole discretion to meet those needs. The Special Taxes required to pay for the provision of Services will be apportioned as described in the Rate and Method of Apportionment.

B. Estimated Cost of Proposed Public Services

The intent of CFD No. 2009-3 is to fund the anticipated increases in costs to the City of Ione for providing the Services as a result of development within CFD No. 2009-3. The CFD No. 2009-3 Special Tax has been established to pay for additional Services up to (i) approximately \$302.08 per residential unit per year, and (ii) approximately \$708.43 per acre of Non-Residential Property per year. Based on the expected development of 143 single family dwelling units, the fiscal year 2009-2010 maximum Special Tax that may be levied against all Developed Property within CFD No. 2009-3 is approximately \$43,197. These Special Tax revenues will supplement the police and fire protection services revenues being funded by the City's existing Improvement Area No. 2 of Community Facilities District No. 2005-2 to help cover the anticipated revenue shortfalls. This amount is subject to change based on the actual need that arises as development progresses within CFD No. 2009-3, and shall also be subject to an annual increase based on the percentage change in the Consumer Price Index.

IV. BONDED INDEBTEDNESS AND INCIDENTAL EXPENSES

A. Projected Bond Sales

CFD No. 2009-3 is not currently authorized to sell bonds.

B. Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or part, the cost of providing public facilities, services and incidental expenses.

As defined by the Act, incidental expenses may include, but are not limited to, the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities; the costs associated with the creation of the district, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the district; and any other expenses incidental to the inspection of the authorized work. While the actual cost of administering CFD No. 2009-3 may vary, it is anticipated that the amount of Special Taxes which can be collected from the property currently in CFD No. 2009-3 will be sufficient to fund annual administrative expenses.

V. RATE AND METHOD OF APPORTIONMENT

All of the property located within CFD No. 2009-3, unless exempted by law or by the Rate and Method of Apportionment, shall be taxed for the purpose of providing necessary Services to serve CFD No. 2009-3. Pursuant to Section 53325.3 of the Act, the tax imposed “is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property.” The special tax “may be based on benefit received by parcels of real property, the cost of making facilities or authorized services available to each parcel or other reasonable basis as determined by the legislative body,” although the special tax may not be apportioned on an ad valorem basis pursuant to Article XIII A of the California Constitution.

As shown in Exhibit A, the adopted Rate and Method of Apportionment provides information sufficient to allow each property owner within CFD No. 2009-3 to estimate the maximum annual Special Tax he or she will be required to pay. Sections A through C, below, provide additional information on the Rate and Method of Apportionment for CFD No. 2009-3.

A. Explanation for Special Tax Apportionment

When a community facilities district is formed, a special tax may be levied on each parcel of taxable property within the community facilities district to pay for the construction, acquisition and rehabilitation of public facilities, to pay for authorized services or to repay bonded indebtedness or other related expenses incurred by a community facilities district. This special tax must be apportioned in a reasonable manner; however, the tax may not be apportioned on an ad valorem basis.

When more than one type of land use is present within a community facilities district, several criteria may be considered when apportioning a special tax. Generally, criteria based on building square footage, lot size, density and/or land uses are selected, and categories based on such criteria are established to differentiate between parcels of property. These categories are a direct result of the projected product mix, and are reflective of the proposed land use types within that community facilities district. Specific special tax levels are assigned to each land use class, with all parcels within a land use class assigned the same special tax rate.

The Act does not require that special taxes be apportioned to individual parcels based on benefit received. However, in order to insure fairness and equity, benefit principles have been incorporated in establishing the Special Tax rates for CFD No. 2009-3.

The major assumption inherent in the Special Tax rates set forth in the Rate and Method of Apportionment is that the level of benefit received from the proposed Services is a function of land use. Therefore, two Land Use Classes have been established for CFD No. 2009-3. Assessor’s Parcels of Residential Property shall be assigned to Land Use Class 1 and taxed based on the number of unit(s) located on the Assessor’s Parcel. Assessor’s Parcels of Non-Residential Property will be assigned to Land Use Class 2 and taxed based on the acreage of such Assessor’s Parcel.

Based on the types of Services that are proposed for CFD No. 2009-3 and the factors described above, the Special Taxes assigned to Developed Property are generally proportionate to the relative benefits received by them, and, accordingly, the Special Taxes in CFD No. 2009-3 can be considered fair and reasonable.

B. Maximum Special Tax

Exhibit B lists the fiscal year 2009-2010 Maximum Special Tax that may be levied against Developed Property within CFD No. 2009-3. Each July 1, the Maximum Special Tax shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of four percent (4%) and a minimum annual increase of two percent (2%) per Fiscal Year. No Special Tax shall be levied on Undeveloped Property.

C. Apportionment of Special Taxes

Each year the Special Tax shall be levied subject to the methodology and Maximum Special Taxes set forth in the Rate and Method of Apportionment.

D. Accuracy of Information

In order to establish the Maximum Special Tax rate for Developed Property as set forth in the Rate and Method of Apportionment for CFD No. 2009-3, David Taussig and Associates, Inc. has relied on information which was provided to David Taussig and Associates, Inc., by others. David Taussig and Associates, Inc. has not independently verified such data and disclaims responsibility for the impact of inaccurate data provided by others, if any, on the Rate and Method of Apportionment for CFD No. 2009-3, including the inability to meet the financial obligations of CFD No. 2009-3.

VI. BOUNDARIES OF COMMUNITY FACILITIES DISTRICT

The boundaries of CFD No. 2009-3 include all land on which the Special Taxes may be levied. A reduced scale map showing the boundaries of CFD No. 2009-3 is provided as Exhibit C. A full-scale map is on file with the City Clerk of the City of Ione and was recorded in the Amador County Book of Maps and Assessment and Community Facilities Districts in the Amador County Recorder's Office in Book No. 1, Page No. 352, on February 23, 2009 as Document Number 2009-0001397-00.

VII. GENERAL TERMS AND CONDITIONS

A. Substitution of Services

The descriptions of the Services, as set forth herein, are general in their nature. The final nature and location of Services will be determined by the City of Ione. The City of Ione may modify the Services provided and any such substitution shall not be a change or modification in the proceedings as long as the Services provide a function substantially similar to that as set forth in this Report.

B. Appeals

Pursuant to the Rate and Method of Apportionment, any landowner or resident who feels that the amount of the Special Tax levied on such landowner's or resident's Assessor's Parcel is in error may submit a written appeal to CFD No. 2009-3. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

The Council may interpret the Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the Council shall be final and binding as to all persons.

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EXHIBIT A

**COMMUNITY FACILITIES DISTRICT No. 2009-3
OF THE CITY OF IONE (CASTLE OAKS PHASE II)**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT No. 2009-3 OF THE CITY OF IONE
(CASTLE OAKS PHASE II)**

A Special Tax hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in Community Facilities District No. 2009-3 of the City of Ione ("CFD No. 2009-3") and collected each Fiscal Year commencing in Fiscal Year 2009-2010 in an amount determined by the City Council of the City of Ione, through the application of this Rate and Method of Apportionment as described below. All of the real property in CFD No. 2009-3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2009-3: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2009-3 or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2009-3 for any other administrative purposes of CFD No. 2009-3, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure as a result of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating parcels by Assessor's Parcel number.

"Authorized Maintenance Services" means, for each Fiscal Year, the street maintenance (including maintenance of trees, lighting and landscaping), park maintenance and open space maintenance to be funded by the sum of (i) the amount computed by multiplying the number of units of Residential Property by the applicable Maintenance Services Costs for Residential Property, and (ii) the amount computed by multiplying the number of Acres of Non-Residential

Property by the applicable Maintenance Services Costs for Non-Residential Property.

"Authorized Police and Fire Protection Services" means, for each Fiscal Year, the additional police protection, and fire protection and rescue services, to be funded by the amount computed by multiplying the number of units of Residential Property by the applicable Police and Fire Protection Services Costs for Residential Property.

"Certificate of Occupancy" means a certificate issued by the City that authorizes the actual occupancy of a dwelling unit for habitation by one or more residents, or the actual occupancy of a non-residential unit or facility.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2009-3" means Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II).

"City" means the City of Ione.

"Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area, measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the San Francisco-Oakland-San Jose Area.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 2009-3.

"County" means the County of Amador.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a Certificate of Occupancy was issued before May 1 of the prior Fiscal Year.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maintenance Services Costs" means, for Fiscal Year 2009-2010, an amount equal to \$130.78 per unit of Residential Property and \$708.43 per Acre of Non-Residential Property (less any amount per unit of Residential Property or per Acre of Non-Residential Property required to fund any portion of Administration Expenses) to pay the costs associated with the maintenance of streets, street lighting, landscaping, parks, and open space, which on each July 1, commencing on July 1, 2010, shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of four percent (4%) and a minimum annual increase of two percent (2%) per Fiscal Year.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit permitting the construction of one or more non-residential units or facilities has been issued by the City.

"Police and Fire Protection Services Costs" means, for Fiscal Year 2009-2010, an amount equal to \$171.30 per unit of Residential Property (less any amount per unit of Residential Property required to fund any portion of Administration Expenses) to pay for police protection, and fire protection and rescue services, which on each July 1, commencing on July 1, 2010, shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of four percent (4%) and a minimum annual increase of two percent (2%) per Fiscal Year.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2009-3 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Public Property" means property within the boundaries of CFD No. 2009-3 owned by, irrevocably offered or dedicated to, or over, through or under which an easement for purposes of public right-of-way has been granted, to the federal government, the State, the County, the City, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit permitting the construction thereon of one or more residential dwelling units has been issued by the City. Boarding or lodging houses and hotels shall not be defined as Residential Property unless the land use permit for such property specifies a residential use.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property within CFD No. 2009-3 to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2009-3 to (i) pay for Authorized Police and Fire Protection Services; (ii) pay for Authorized Maintenance Services; and (iii) pay Administrative Expenses.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2009-3 which are not exempt from the Special Tax pursuant to law or Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CLASSES

Each Fiscal Year, all Taxable Property within CFD No. 2009-3 shall be classified as Developed Property or Undeveloped Property and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Residential Property in CFD No. 2009-3 shall be assigned to Land Use Class 1. Non-Residential Property in CFD No. 2009-3 shall be assigned to Land Use Class 2

C. MAXIMUM SPECIAL TAX RATE

a. Developed Property

The Fiscal Year 2009-2010 Maximum Special Tax for each Land Use Class of Developed Property is shown below in Table 1.

TABLE 1
Fiscal Year 2009-2010
Maximum Special Tax for Developed Property
CFD No. 2009-3

Land Use Class	Description	Maximum Special Tax
1	Residential Property	\$302.08 per unit
2	Non-Residential Property	\$708.43 per Acre

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2010, the Maximum Special Tax shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of four percent (4%) and a minimum annual increase of two percent (2%) per Fiscal Year.

c. Undeveloped Property

No Special Tax shall be levied on Undeveloped Property.

d. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that can be levied on an Assessor's Parcel containing more than one Land Use Class shall be the sum of the applicable Maximum Special Tax that can be levied for each Land Use Class located on that Assessor's Parcel. The CFD Administrator's allocation to each Land Use Class shall be final.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2009-2010, and for each following Fiscal Year, the Council shall determine the Special Tax Requirement and shall levy the Special Tax on each Assessor's Parcel of Developed Property at 100% of the applicable Maximum Special Tax to fund the Special Tax Requirement.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2009-3.

E. EXEMPTIONS

No Special Tax shall be levied on Public Property or Property Owner Association Property in CFD No. 2009-3. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, its tax-exempt status will be revoked.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may submit a written appeal to CFD No. 2009-3. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

The Council may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the Council shall be final and binding as to all persons.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2009-3 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity to fund the Special Tax Requirement, unless no longer required to pay for Authorized Police and Fire Protection Services or Authorized Maintenance Services as determined at the sole discretion of the Council.

EXHIBIT B

**COMMUNITY FACILITIES DISTRICT No. 2009-3
OF THE CITY OF IONE (CASTLE OAKS PHASE II)**

MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY

**COMMUNITY FACILITIES DISTRICT NO. 2009-3
OF THE CITY OF IONE (CASTLE OAKS PHASE II)
MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY
FISCAL YEAR 2009-2010**

Land Use Class	Description	Maximum Special Tax *
1	Residential Property	\$302.08 per unit
2	Non-Residential Property	\$708.43 per Acre

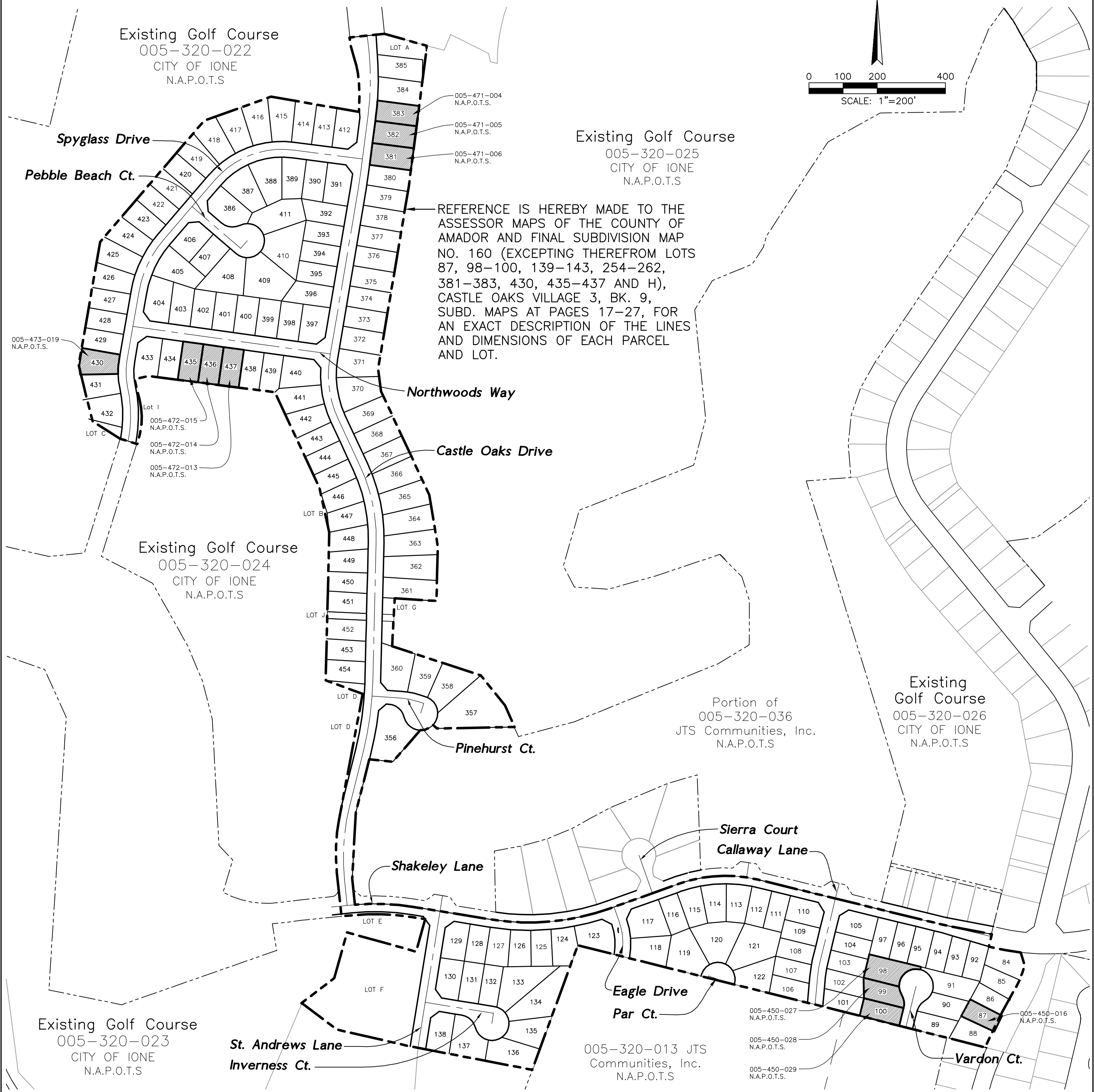
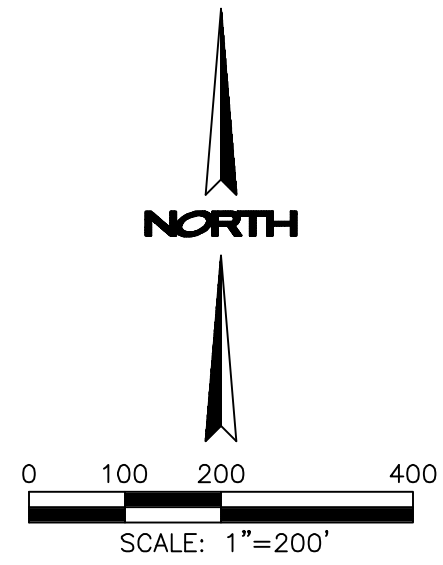
[1] On each July 1, commencing on July 1, 2010, the Maximum Special Tax shall be increased based on the percentage change in the Consumer Price Index with a maximum annual increase of four percent (4%) and a minimum annual increase of two percent (2%) per Fiscal Year.

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT No. 2009-3
OF THE CITY OF IONE (CASTLE OAKS PHASE II)**

PROPOSED BOUNDARY MAP

PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II) COUNTY OF AMADOR, STATE OF CALIFORNIA FEBRUARY, 2009



LEGEND

- PROPOSED CFD BOUNDARY
- N.A.P.O.T.S. NOT A PART OF THIS CFD
- 005-###-### F.Y. 2008-2009 ASSESSOR PARCEL NUMBER

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF IONE, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2009.

CITY CLERK
CITY OF IONE, CALIFORNIA

CITY CLERK'S MAP STATEMENT

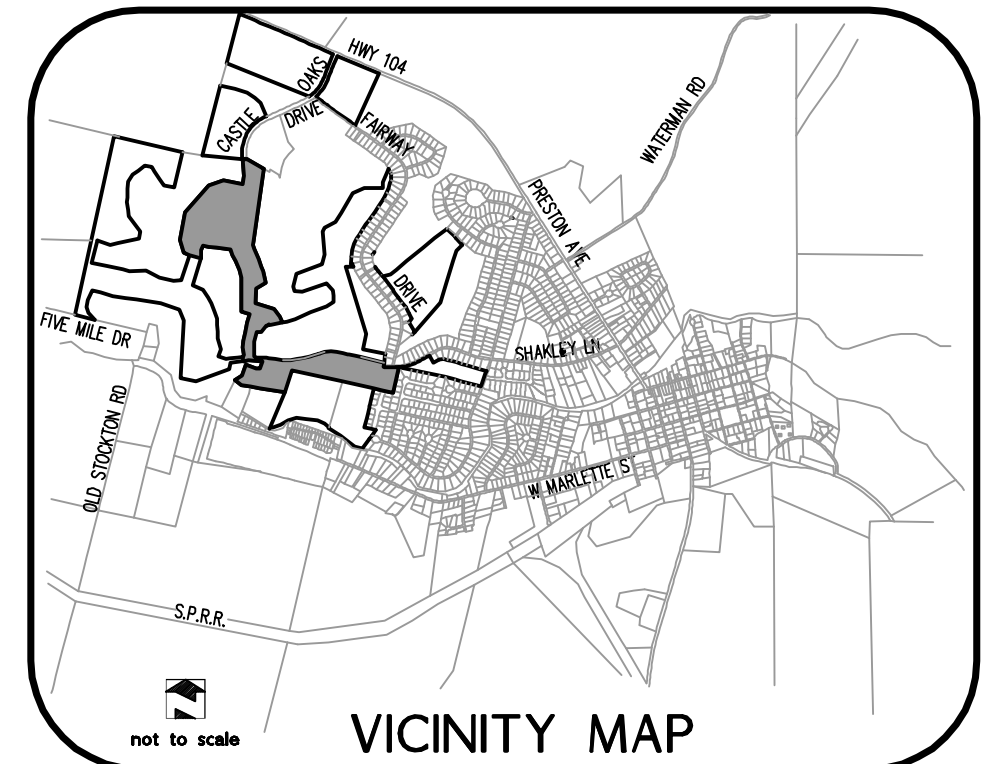
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II), COUNTY OF AMADOR, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF IONE AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2009, BY ITS RESOLUTION NO. _____

CITY CLERK
CITY OF IONE, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT

FILED THIS ____ DAY OF _____, 2009, AT THE HOUR OF ____ O'CLOCK ____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF AMADOR, STATE OF CALIFORNIA.

FILED: _____ BY _____
FEE: _____ COUNTY RECORDER OF THE COUNTY OF AMADOR CALIFORNIA



SHEET NUMBER
1
OF **1** SHEETS
JOB NUMBER
SAB014800

RESOLUTION NO. 1714

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE, CALIFORNIA, DETERMINING TO PROCEED WITH CHANGE PROCEEDINGS REGARDING THE AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT WITH RESPECT TO IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II), AND CALLING AN ELECTION THEREIN

WHEREAS, after a public hearing, on June 6, 2006, the City Council of the City of Ione (the "City Council") adopted Resolution No. 1540 (the "Resolution of Formation") and 1541 (the "Resolution to Incur Bonded Indebtedness") which formed Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) (the "District" or "CFD No. 2005-2") and designated Improvement Area No. 3 therein ("Improvement Area No. 3"), the boundaries of which are described in Resolution No. 1535 adopted by the City Council on April 18, 2006 (the "Resolution of Intention") and reflected on the boundary map recorded in the County of Amador Book of Maps and Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 1, Page 339, on April 28, 2006 as Instrument No. 2006005001, and called a special election to be held on June 6, 2006 (the "Election") within Improvement Area No. 3 on propositions relating to the levying of a special tax, the incurring of bonded indebtedness within Improvement Area No. 3 and the establishment of an appropriations limit; and

WHEREAS, on June 6, 2006, the Election was held pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act") within Improvement Area No. 3 at which the qualified electors within Improvement Area No. 3 approved by more than a two-thirds vote Propositions G, H and I authorizing the levy of a special tax within Improvement Area No. 3 in accordance with the rate and method of apportionment for Improvement Area No. 3 (the "Existing IA No. 3 Rate and Method"), described in the Resolution of Intention; and

WHEREAS, JTS Communities Inc. and its principals, Jack and Victoria Sweigart (collectively, "JTS"), own all of the property within Improvement Area No. 3; and

WHEREAS, subsequent to the Election, JTS and the City of Ione (the "City") entered into a First Amendment to Development Agreement for Castle Oaks Golf and Country Club approved by City of Ione Ordinance No. 411 adopted on June 17, 2008 (the "Development Agreement") relating to the development of property within the District pursuant to which both JTS and the City agreed that the cost of providing police services and fire and rescue services (the "Existing Services") to the property within Improvement Area No. 3 was higher than provided for in the Existing IA No. 3 Rate and Method and that the cost of providing certain additional park, open space and landscape maintenance and lighting services needed to be funded by JTS' support of certain additional funding districts;

WHEREAS, in connection with approving the Development Agreement, JTS has agreed that the Existing IA No. 3 Rate and Method should be changed and replaced by a new rate and method of apportionment as set forth in Attachment A to Resolution No. 1707 adopted by the City Council

acting as the legislative body of the District (the “Amended and Restated Rate and Method”) to increase the Maximum Special Tax B in Improvement Area No. 3 in order to pay for the increased costs of providing police services and fire and rescue services and for costs associated with the maintenance of parks, parkways, open space, landscape and lighting services, including maintaining an operating reserve and any incidental costs in connection therewith (the “Maintenance Services”), which increased costs and Maintenance Services were not contemplated to be funded by the District at the time of formation of the District; and

WHEREAS, JTS has petitioned the City Council to consider the proposed Amended and Restated Rate and Method to satisfy the obligations of JTS under Sections 3.9.E (park maintenance), 3.9.G (increased police and fire) and 3.9.I (Mule Creek Preserve maintenance) of the Development Agreement to provide funding for the increased costs of the Existing Services and for the Maintenance Services; and

WHEREAS, the City Council of the City has heretofore adopted Resolution No. 1707 stating its intention to replace the Existing IA No. 3 Rate and Method with the Amended and Restated Rate and Method and to provide for the Maintenance Services; and

WHEREAS, a notice of a public hearing to be held on April 7, 2009 was published and provided to all landowners of the land within the District as required by law relative to the intention of the City Council to levy a special tax within the District as set forth in the Amended and Restated Rate and Method and to provide for the Maintenance Services; and

WHEREAS, on April 7, 2009, this City Council held a noticed public hearing as required by law relative to the levy of special taxes in the District in accordance with the Amended and Restated Rate and Method; and

WHEREAS, prior to the April 7, 2009 public hearing there was presented by City staff to this City Council a brief description of the proposed modifications to the Existing IA No. 3 Rate and Method and Maintenance Services; and

WHEREAS, at the April 7, 2009 public hearing all persons desiring to be heard on all matters pertaining to the proposed levy of the special taxes within the District in accordance with the Amended and Restated Rate and Method were heard and a full and fair hearing was held; and

WHEREAS, at the public hearing, evidence was presented to the City Council on the matters before it, and the proposed levy of special taxes within the District and the furnishing of the Maintenance Services in accordance with the Amended and Restated Rate and Method was not precluded by a majority protest of the type described in Section 53324 of the Act, and this City Council, at the conclusion of the hearing is fully advised as to all matters relating to the levy of the special taxes in accordance with the Amended and Restated Rate and Method and provide the Maintenance Services; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to call an election within the District to authorize the levy of special taxes and provide the Maintenance Services pursuant to the Amended and Restated Rate and Method; and

WHEREAS, the City Council has determined that there have been fewer than twelve registered voters residing in the boundaries of Improvement Area No. 3 for the period of 90 days

prior to April 7, 2009 and that the qualified electors in Improvement Area No. 3 are the landowners within Improvement Area No. 3;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IONE, ACTING AS THE LEGISLATIVE BODY OF CFD NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II), DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. The City Council hereby finds and determines that all prior proceedings taken with respect to the District and Improvement Area No. 3, were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

SECTION 3. Written protests have not been filed by one-half or more of the registered voters within the boundaries of Improvement Area No. 3 or by the property owners of one-half or more of the area of land within the boundaries of Improvement Area No. 3. The City Council hereby finds that the proposed changes to the special tax, including the payment of the costs of the Maintenance Services, for the District have not been precluded by a majority protest pursuant to Section 53324 of the Act.

SECTION 4. An election is hereby called for the District on the proposition of approving the Amended and Restated Rate and Method and levying special taxes on the property within the District in accordance therewith, including the payment of the costs of the Maintenance Services. The proposition to be placed on the ballot is attached hereto as Attachment "A."

SECTION 5. The date of the foregoing election shall be April 7, 2009, or such later date as is consented to by the City Clerk and the landowners within Improvement Area No. 3. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable.

SECTION 6. It is hereby found that there are not more than twelve registered voters within the territory of Improvement Area No. 3, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he or she owns within the District.

SECTION 7. This Resolution shall be effective on its adoption.

ADOPTED, SIGNED AND APPROVED this 7th day of April, 2009.

Mayor

(SEAL)

ATTEST:

City Clerk

ATTACHMENT "A"

SAMPLE BALLOT

**COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE
(EDGEBROOK AND CASTLE OAKS PHASE II)**

SPECIAL TAX ELECTION

April 7, 2009

This ballot represents __ votes.

To vote, stamp a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk of the City of Ione and obtain another.

PROPOSITION A: Shall a special tax pursuant to the Amended and Restated Rate and Method of Apportionment as provided in Resolution No. 1707 of the City Council of the City of Ione for Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) be levied to pay for the Facilities, Incidental Expenses, the Services, the Maintenance Services and the Services Incidental Expenses, and other purposes described in Resolution No. 1540 and Resolution No. 1707, including the payment of the principal of and interest on bonds issued for Improvement Area No. 3?

YES _____

NO _____

RESOLUTION NO. 1715

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE
ESTABLISHING COMMUNITY FACILITIES DISTRICT NO.
2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II) AND
CALLING AN ELECTION THEREIN

WHEREAS, the City Council of City of Ione (the "City Council") has heretofore adopted Resolution No. 1706 stating its intention to form Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) ("Community Facilities District No. 2009-3" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, a copy of Resolution No. 1706 setting forth a description of (i) the proposed boundaries of Community Facilities District No. 2009-3, (ii) the police protection services, fire protection and rescue services and the maintenance of parks, parkways, open space, landscape and lighting services, including maintaining an operating reserve in connection therewith (the "Services"), (iii) the incidental expenses to be incurred in connection with forming and administering the District and financing the Services (the "Services Incidental Expenses"), and (iv) the rate and method of apportionment of the special taxes proposed to be levied within the District, is on file with the City Clerk and except to the extent amended by this resolution is incorporated herein by reference; and

WHEREAS, in 1989, in connection with the approval of the tentative tract map encompassing the property within the District, an Environmental Impact Report was prepared and certified which reviewed and analyzed development permitted pursuant to such tentative tract map and an Addendum to the Environmental Impact Report (collectively, the "EIR") was filed in July, 2005, which reviewed and analyzed the new tentative tract map filed by JTS Communities Inc. which encompasses the remaining undeveloped property within the District, pursuant to the California Environmental Quality Act (Public Resources Code Section 4000 *et seq.*) ("CEQA") and its implementing guidelines (14 California Code of Regulations Section 15000 *et seq.*) (the "Guidelines"); and

WHEREAS, notice was published and mailed to all landowners of the land proposed to be included within the District as required by law relative to the intention of the City Council to form proposed Community Facilities District No. 2009-3 and to levy special taxes within the District; and

WHEREAS, on April 7, 2009, this City Council opened a noticed public hearing as required by law relative to the proposed formation of Community Facilities District No. 2009-3 and the levy of special taxes therein; and

WHEREAS, at the April 7, 2009 public hearing there was filed with this City Council a report containing a description of the services necessary to meet the needs of the District and an estimate of the cost of the Services as required by Section 53321.5 of the Act (the "Facilities Report"); and

WHEREAS, at the April 7, 2009 public hearing all persons desiring to be heard on all matters pertaining to the proposed formation of Community Facilities District No. 2009-3 and the levy of the special taxes were heard and a full and fair hearing was held; and

WHEREAS, at the public hearing, evidence was presented to the City Council on the matters before it, and the proposed formation of the District and the levy of special taxes within the District was not precluded by a majority protest of the type described in Section 53324 of the Act, and this City Council at the conclusion of the hearing is fully advised as to all matters relating to the formation of the District and the levy of the special taxes; and

WHEREAS, the City Council has determined that there have been fewer than twelve registered voters residing in the proposed boundaries of Community Facilities District No. 2009-3 for the period of 90 days prior to April 7, 2009 and that the qualified electors in Community Facilities District No. 2009-3 are the landowners within the District; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of Community Facilities District No. 2009-3 and to call an election within the District to authorize (i) the levy of special taxes pursuant to the rate and method of apportionment of the special tax as set forth in Attachment "C" to Resolution No. 1706, (ii) finance the Facilities and Incidental Expenses and finance the Services and Services Incidental Expenses, and (iii) the establishment of an appropriations limit for Community Facilities District No. 2009-3;

NOW, THEREFORE, THE CITY COUNCIL OF CITY OF IONE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. To the extent the creation of the District will result in proceeds of special taxes which will be expended for Services which have been reviewed and analyzed in the EIR, and authorized and approved by the City, there is no possibility that the formation of the proposed District and the levying of a special tax therein will have a significant effect on the environment, and, therefore, pursuant to Guidelines Section 15162, there is no need for additional environmental analysis or documentation; and, further, because it can be seen with certainty that the creation of the District and the levy of special taxes therein will have no significant effect on the environment, the formation of the proposed District and the levy of special taxes is exempt from CEQA pursuant to Guidelines Section 15061. The City Clerk is directed to cause a notice of determination to be posted as required by law as to the foregoing CEQA finding.

SECTION 3. A community facilities district to be designated "Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II)" is hereby established pursuant to the Act. The City Council hereby finds and determines that all prior proceedings taken with respect to the establishment of the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

SECTION 4. The boundaries of Community Facilities District No. 2009-3 are established as shown on the map designated "Proposed Boundaries of Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II)", which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Amador Book of Maps of Assessment and Community Facilities Districts in the County Recorder's

Office in Book No. 1, Page No. 352, on February 23, 2009 (the "Map") as Instrument No. 2009-0001397-00.

SECTION 5. A description of the Services and Services Incidental Expenses authorized to be provided for by Community Facilities District No. 2009-3 are those set forth in Resolution No. 1706. The estimated cost of Services and Services Incidental Expenses to be financed is set forth in the Facilities Report, which estimates may change.

SECTION 6. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within the District, to levy the proposed special taxes at the rates set forth in Attachment "C" to Resolution No. 1706 on all non-exempt property within the District sufficient to pay for (i) the Services; and (ii) the Services Incidental Expenses. The District expects to incur, and in certain cases has already incurred, Services Incidental Expenses in connection with the creation of the District, the levying and collecting of the special tax, providing Services and the annual administration of the District. The rate and method of apportionment of the special tax is described in detail on Attachment "C" to Resolution No. 1706 and incorporated herein by this reference, and the City Council hereby finds that Attachment "C" to Resolution No. 1706 contains sufficient detail to allow each landowner within the District to estimate the maximum amount that may be levied against each parcel. As described in greater detail in the Facilities Report, which is incorporated by reference herein, the special taxes are based on (i) the benefit that each parcel will derive from receipt of the Services, and (ii) the expected demand that each parcel of real property within Community Facilities District No. 2009-3 will place on the Services, and, accordingly, is hereby determined to be reasonable. The special tax may be levied for such period as the Services are needed, as further described in Attachment "C" to Resolution No. 1706. The special tax is apportioned to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax is not on or based upon the ownership of real property.

The City Manager of the City of Ione, 1 Main Street, Ione, California 95640, telephone number (209) 274-2412, will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

SECTION 7. In the event that a portion of the property within Community Facilities District No. 2009-3 shall become for any reason exempt, wholly or partially, from the levy of the special taxes specified in the rate and method of apportionment contained in Attachment "C" to Resolution No. 1706, the City Council shall, on behalf of Community Facilities District No. 2009-3, increase the levy to the extent necessary and permitted by law and these proceedings upon the remaining property within the District which is not delinquent or exempt in order to yield sufficient special taxes to pay for the Services and Services Incidental Expenses; provided, however, that in no event shall the special tax on a residential property increase as a result of a default by more than 10 percent. The amount of the special taxes will be set in accordance with the rate and method of apportionment of the special tax attached as Attachment "C" to Resolution No. 1706.

SECTION 8. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the District and this lien shall continue in force and effect until the collection of the special tax by the District ceases.

SECTION 9. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within Community Facilities District No. 2009-3, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within Community Facilities District No. 2009-3 and will be benefited by the Services proposed to be provided within Community Facilities District No. 2009-3.

SECTION 10. Written protests against the establishment of the District have not been filed by one-half or more of the registered voters within the boundaries of the District or by the property owners of one-half or more of the area of land within the boundaries of the District. The City Council hereby finds that the proposed special tax for the District has not been precluded by a majority protest pursuant to Section 53324 of the Act.

SECTION 11. An election is hereby called for Community Facilities District No. 2009-3 on the propositions of levying the special taxes on the property within the District and establishing an appropriations limit for the District pursuant to Section 53325.7 of the Act. The propositions to be placed on the ballot are attached hereto as Attachment "A."

SECTION 12. The date of the foregoing elections for Community Facilities District No. 2009-3 shall be April 7, 2009, or such later date as is consented to by the City Clerk and the landowners within the District. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City of Ione insofar as such provisions are determined by the City Clerk to be applicable. The polls shall be open for said election immediately following the adoption of this Resolution and shall close by 10:00 p.m. or such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act.

It is hereby found that there are not more than twelve registered voters within the territory of Community Facilities District No. 2009-3, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he or she owns within the District.

SECTION 13. The preparation of the Facilities Report is hereby ratified. The Facilities Report, as submitted, is hereby approved and made a part of the record of the public hearing regarding the formation of Community Facilities District No. 2009-3, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

SECTION 14. This Resolution shall be effective upon its adoption.

ATTACHMENT "A"

SAMPLE

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2009-3
OF THE CITY OF IONE
(CASTLE OAKS PHASE II)

SPECIAL TAX ELECTION

April 7, 2009

This ballot represents _____ votes.

To vote, stamp a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk and obtain another.

PROPOSITION A: Shall the special taxes with a rate and method of apportionment as provided in Resolution No. 1706 of the City Council of the City of Ione for the District be levied to pay for financing of certain Services and the Services Incidental Expenses and other purposes described in Resolution No. 1706? YES _____
NO _____

PROPOSITION B: For each year commencing with Fiscal Year 2009-10, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Community Facilities District No. 2009-3 be an amount equal to \$1,000,000? YES _____
NO _____

RESOLUTION NO. 1716

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE, CALIFORNIA ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II) CERTIFYING THE RESULTS OF THE APRIL 7, 2009 ELECTION AND CHANGING THE EXISTING RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX OF IMPROVEMENT AREA NO. 3

WHEREAS, the City Council of the City of Ione acting as the legislative body of Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) (the "District") (the "City Council"), has, pursuant to Resolution No. 1707 adopted on February 17, 2009 (the "Resolution of Consideration"), determined that public convenience and necessity require that the rate and method of apportionment of the special tax for Improvement Area No. 3 of the District (the "Rate and Method"), currently described in Ordinance No. 393 adopted by the City Council on June 20, 2009 ("Ordinance No. 393") and approved by the qualified electors within Improvement Area No. 3 of the District at a special election held on June 6, 2006 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act"), be changed and replaced by a new rate and method of apportionment as set forth in Attachment "A" to Resolution of Consideration (the "Amended Rate and Method") which would also provide for the payment of certain Maintenance Costs as described in Resolution No. 1707 (collectively, the "Amendments"); and

WHEREAS, the City Council took the initial steps necessary to consider the proposed Amendments by adopting the Resolution of Consideration pursuant to Section 53334 of the Act;

WHEREAS, on April 7, 2009, the City Council held a public hearing regarding the Amendments in accordance with the requirements of Section 53336 of the Act at the conclusion of which the City Council determined to submit the Amendments to a vote of the qualified electors of the District and adopted Resolution No. 1714 calling an election on the Amendments; and

WHEREAS, the election on Proposition A regarding the Amendments was held on April 7, 2009, following which the City Clerk canvassed the election results and certified that more than two-thirds of the votes cast on Proposition A were in favor of such proposition; and

WHEREAS, the City Council has now determined to adopt this resolution in accordance with Section 53338(b) of the Act;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IONE ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE OAKS PHASE II) DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

SECTION 2. A special election on the proposed Amendments was held in the District on April 7, 2009, at which election the following proposition was submitted to the qualified electors of the District:

PROPOSITION A: Shall a special tax pursuant to the Amended and Restated Rate and Method of Apportionment as provided in Resolution No. 1707 of the City Council of the City of Ione for Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) be levied to pay for the Facilities, Incidental Expenses, the Services, the Maintenance Services and the Services Incidental Expenses, and other purposes described in Resolution No. 1540 and Resolution No. 1707, including the payment of the principal of and interest on bonds issued for Improvement Area No. 3?

SECTION 3. The City Council finds and determines that the City Clerk has canvassed the results of the April 7, 2009 election, a copy of which is set forth in Attachment "A" hereto, and the City Clerk has determined that more than two-thirds of the votes cast were in favor of Proposition A.

SECTION 4. The City Council hereby determines that the Amendments are lawfully authorized and that the Rate and Method has been changed and replaced by the Amended Rate and Method. The City Council further finds and determines that the special tax as set forth in the Amended Rate and Method is apportioned to each parcel in accordance with the requirements of Section 53325.3 of the Act and is not apportioned on or based upon the ownership or value of real property and that all proceedings with respect to the authorization of the Amendments were valid and in conformity with the requirements of the Act. The special tax as set forth in the Amended Rate and Method shall be levied for the purposes set forth in Resolution Nos. 1535 and 1707.

SECTION 5. The City Clerk is hereby directed to record in the Office of the County Recorder within fifteen days of the date hereof an amended notice of special tax lien for the District incorporating the Amended Rate and Method, which Bond Counsel to the District shall prepare in the form required by Streets and Highways Code Section 3117.5.

ADOPTED, SIGNED AND APPROVED this 7th day of April, 2009.

Mayor

(SEAL)

ATTEST:

City Clerk

ATTACHMENT "A"

**CERTIFICATE OF CITY CLERK
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

I, Janice Traverso, City Clerk of the City of Ione, do hereby certify that I have examined the returns of the Special Tax and Bond Election for Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) (the "District") on Proposition A. The election was held in the chambers of the City Council at 1 Main Street, P.O. Box 398, Ione, California 95640, on April 7, 2009. I personally delivered a ballot to the authorized representative of each qualified elector. _____ (____) ballots were returned.

I further certify that the results of said election and the number of votes cast for and against Proposition A are as follows:

PROPOSITION A

YES: _____

NO: _____

TOTAL: _____

Dated this 7th day of April, 2009.

Janice Traverso
City Clerk of the City of Ione

RESOLUTION NO. 1717

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IONE
ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO. 2009-3 OF THE CITY
OF IONE (CASTLE OAKS PHASE II) CERTIFYING THE
RESULTS OF THE APRIL 7, 2009 SPECIAL TAX ELECTION

WHEREAS, the City Council called and duly held elections on April 7, 2009 within the boundaries of Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) ("Community Facilities District No. 2009-3" or the "District") pursuant to Resolution No. 1715 for the purpose of presenting to the qualified electors within the District the propositions which are attached hereto as Attachment A; and

WHEREAS, there has been presented to this City Council a certificate of the City Clerk canvassing the results of the election, a copy of which is attached hereto as Attachment B;

NOW, THEREFORE, the City Council of the City of Ione acting in its capacity as the legislative body of Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

SECTION 2. Proposition A and B presented to the qualified electors of the District on April 7, 2009, were approved by more than two-thirds of the votes cast at the election held for the District, and Proposition A and B each has carried. The City Council, acting as the legislative body of the District, is hereby authorized to levy on the land within the District the special taxes described in Proposition A for the purposes described therein and to take the necessary steps to levy the special taxes authorized by Proposition A.

SECTION 3. The City Clerk is hereby directed to record in the Office of the County Recorder within fifteen days of the date hereof a notice of special tax lien for the District which Bond Counsel to the District shall prepare in the form required by Streets and Highways Code Section 3114.5.

ATTACHMENT A

SAMPLE

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2009-3
OF THE CITY OF IONE
(CASTLE OAKS PHASE II)

SPECIAL TAX ELECTION

April 7, 2009

This ballot represents _____ votes.

To vote, stamp a cross (+) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk and obtain another.

PROPOSITION A: Shall the special taxes with a rate and method of apportionment as provided in Resolution No. 1706 of the City Council of the City of Ione for the District be levied to pay for financing of certain Services and the Services Incidental Expenses and other purposes described in Resolution No. 1706? YES _____
NO _____

PROPOSITION B: For each year commencing with Fiscal Year 2009-10, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Community Facilities District No. 2009-3 be an amount equal to \$1,000,000? YES _____
NO _____

ATTACHMENT B

**CERTIFICATE OF CITY CLERK
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

I, Janice Traverso, City Clerk of the City of Ione, do hereby certify that I have examined the returns of the Special Tax Election for Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) (the "District"). The election was held in the chambers of the City Council at 1 Main Street, Ione, California 95640, on April 7, 2009. I personally delivered a ballot to the authorized representative of each qualified elector. _____ () ballots were returned.

I further certify that the results of said election and the number of votes cast for and against Proposition A and B are as follows:

<u>PROPOSITION A</u>	<u>PROPOSITION B</u>
YES: _____	YES: _____
NO: _____	NO: _____
TOTAL: _____	TOTAL: _____

Dated this 7th day of April, 2009.

Janice Traverso
City Clerk of the City of Ione

ORDINANCE NO. 427

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE,
STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE
LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT
NO. 2005-2 OF THE CITY OF IONE (EDGEBROOK AND CASTLE
OAKS PHASE II) AMENDING ORDINANCE NO. 393

WHEREAS, on April 18, 2006, the City Council (the "City Council") of the City of Ione (the "County") adopted Resolution Nos. 1535 declaring its intention to form Community Facilities District No. 2005-2 ("Community Facilities District No. 2005-2" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and to designate each of Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3 therein (each an "Improvement Area") and adopted Resolution No. 1536 declaring its intention to incur bonded indebtedness within each Improvement Area; and

WHEREAS, on June 6, 2006, after providing all notice required by the Act, the City Council held a noticed public hearing required by the Act relative to the formation of Community Facilities District No. 2005-2, the designation of the Improvement Areas, the proposed levy of the special taxes within each of Improvement Areas No. 1, 2 and 3 to repay certain prior bonds in order to discharge the existing special tax liens of the property within the District, to finance certain public facilities described in Resolution No. 1535, to secure the payment of any bonded indebtedness of the District and to finance certain police protection services and fire protection and emergency rescue services, and the proposed issuance of up to \$5,300,000 of bonded indebtedness for Improvement Area No. 1, \$6,300,000 of bonded indebtedness for Improvement Area No. 2 and \$15,400,000 of bonded indebtedness for Improvement Area No. 3; and

WHEREAS, at the June 6, 2006 public hearing, all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2005-2, the designation of the Improvement Areas, the proposed levy of the special taxes within each Improvement Area and the proposed issuance of bonded indebtedness within each Improvement Area of the District were heard and a full and fair hearing was held; and

WHEREAS, on June 6, 2006, following the close of the public hearing, the City Council adopted Resolution Nos. 1540 (the "Resolution of Formation") and 1541 (the "Resolution to Incur Bonded Indebtedness") which called a special election on June 6, 2006 within each Improvement Area of Community Facilities District No. 2005-2 on three propositions relating to the levying of special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District; and

WHEREAS, on June 6, 2006, a special election was held within Improvement Area No. 1 of the District at which the qualified electors approved by more than a two-thirds vote Propositions A, B and C authorizing the levy of special taxes within Improvement Area No. 1 of the District for the purposes described in the Resolution of Formation and the issuance of bonded indebtedness for Improvement Area No. 1 as described in the Resolution to Incur Bonded Indebtedness; and

WHEREAS, on June 6, 2006, a special election was held within Improvement Area No. 2 of the District at which the qualified electors approved by more than a two-thirds vote Propositions D, E and F authorizing the levy of special taxes within Improvement Area No. 2 of the District for the purposes described in the Resolution of Formation and the issuance of bonded indebtedness for Improvement Area No. 2 as described in the Resolution to Incur Bonded Indebtedness; and

WHEREAS, on June 6, 2006, a special election was held within Improvement Area No. 3 of the District at which the qualified electors approved by more than a two-thirds vote Propositions G, H and I authorizing the levy of special taxes within Improvement Area No. 3 of the District for the purposes described in the Resolution of Formation and the issuance of bonded indebtedness for Improvement Area No. 3 as described in the Resolution to Incur Bonded Indebtedness; and

WHEREAS, subsequent to the adoption of Ordinance No. 393, the City Council determined that public necessity and convenience require that the rate and method of apportionment of the special tax for Improvement Area No. 3 (the "Improvement Area No. 3 Rate and Method"), described in Ordinance No. 393 and approved by the qualified electors within Improvement Area No. 3 at the special election held on June 6, 2006 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act"), should be changed as set forth in Attachment A to Resolution 1707 (the "Amended Rate and Method") (the "Amendments"); and

WHEREAS, the City Council adopted Resolution No. 1707 on February 17, 2009 (the "Resolution of Consideration") expressing its intention to consider the proposed Amendments and calling a public hearing on April 7, 2009 as required by Section 53338 of the Act; and

WHEREAS, on April 7, 2009, the City Council held a public hearing regarding the Amendments in accordance with the requirements of Section 53338 of the Act at the conclusion of which the City Council determined to submit the Amendments to a vote of the qualified electors of the District and adopted Resolution No. 1714 calling an election on Proposition A to approve the Amendments; and

WHEREAS, the election on Proposition A regarding the Amendments was held on April 7, 2009, and thereafter on April 7, 2009, the City Clerk canvassed the election results and certified that more than two-thirds of the votes cast were in favor of Proposition A; and

WHEREAS, on April 7, 2009, the City Council adopted Resolution No. 1716_ as a resolution of change in accordance with Section 53338(b) of the Act, which declared the Amendments to be effective (the "Resolution of Change"); and

WHEREAS, the City Council desires to amend Ordinance No. 393 to authorize the levy of a special tax within Improvement Area No. 3 in accordance with the Amended Rate and Method commencing in Fiscal Year 2009-10 and each Fiscal Year thereafter for the purposes set forth in the Resolution of Change;

NOW, THEREFORE, the City Council of the City of Ione acting in its capacity as the legislative body of Community Facilities District No. 2005-2 of the City of Ione (Edgebrook and Castle Oaks Phase II) ORDAINS as follows:

Section 1. The above recitals are all true and correct.

Section 2. By the passage of this Ordinance, the City Council hereby amends Section 2 of Ordinance No. 393 as follows:

“Section 2. By the passage of this Ordinance, the City Council authorizes the levy of special taxes within Improvement Area No. 1 and Improvement Area No. 2 of Community Facilities District No. 2005-2 at the maximum rates and in accordance with the rates and method of apportionment set forth for Improvement Area No. 1 and Improvement Area No. 2 in Attachments “C” and “D,” respectively, to Resolution No. 1535, which rates and methods of apportionment are incorporated by reference herein (the “Improvement Area No. 1 Rate and Method” and “Improvement Area No. 2 Rate and Method,” respectively) and authorizes the levy of special taxes within Improvement Area No. 3 of Community Facilities District No. 2005-2 at the maximum rates and in accordance with the rates and method of apportionment set forth for Improvement Area No. 3 in Attachment “A” to Resolution No. 1707 (“Improvement Area No. 3 Rate and Method”).

Section 3. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor’s signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City of Ione.

Section 4. This Ordinance relating to the levy of the special tax within the Improvement Areas shall take effect 30 days following its final passage, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

Section 5. The City Clerk is hereby authorized to transmit a certified copy of this ordinance to the Amador County Assessor and Treasurer-Tax Collector, and to perform all other acts which are required by the Act, this Ordinance or by law in order to accomplish the purpose of this Ordinance.

Mayor

City Clerk

ORDINANCE NO. 428

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE,
STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE
LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT
NO. 2009-3 OF THE CITY OF IONE (CASTLE OAKS PHASE II)
AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN SUCH
DISTRICT

WHEREAS, on February 17, 2009, the City Council (the "City Council") of the City of Ione (the "County") adopted Resolution Nos. 1706 declaring its intention to form Community Facilities District No. 2009-3 ("Community Facilities District No. 2009-3" or the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, on April 7, 2009, after providing all notice required by the Act, the City Council held a noticed public hearing required by the Act relative to the formation of Community Facilities District No. 2009-3, the proposed levy of the special taxes within the District to finance certain police protection services and fire protection and emergency rescue services, and the costs associated with the maintenance of parks, parkways, open space, landscape and lighting services, including an operating reserve, as described in Attachment "B" to Resolution No. 1706; and

WHEREAS, at the April 7, 2009 public hearing, all persons desiring to be heard on all matters pertaining to the formation of Community Facilities District No. 2009-3 and the proposed levy of the special taxes within the District were heard and a full and fair hearing was held; and

WHEREAS, on April 7, 2009, following the close of the public hearing, the City Council adopted Resolution No. 1715 (the "Resolution of Formation") which called a special election on April 7, 2009 within Community Facilities District No. 2009-3 on two propositions relating to the levying of special taxes and the establishment of an appropriations limit for the District; and

WHEREAS, on April 7, 2009, a special election was held within the District at which the qualified electors approved by more than a two-thirds vote Propositions A and B authorizing the levy of special taxes within the District for the purposes described in the Resolution of Formation;

NOW, THEREFORE, the City Council of the City of Ione acting in its capacity as the legislative body of Community Facilities District No. 2009-3 of the City of Ione (Castle Oaks Phase II) ORDAINS as follows:

Section 1. The above recitals are all true and correct.

Section 2. By the passage of this Ordinance, the City Council authorizes the levy of special taxes within Community Facilities District No. 2009-3 at the maximum rates and in accordance with the rates and method of apportionment set forth in Attachment "C" to Resolution No. 1706, which rates and methods of apportionment are incorporated by reference herein (the "Rate and Method").

Section 3. The City Council is hereby further authorized to determine in each subsequent fiscal year, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, or such later date as is permitted by law, the specific special tax rate and amount to be levied on each parcel of land in Community Facilities District No. 2009-3 pursuant to the Rate and Method. The special tax rate to be levied pursuant to the Rate and Method shall not exceed the applicable maximum rates set forth therein, but the special tax may be levied at a lower rate.

Section 4. Properties or entities of the state, federal or other local governments shall be exempt from the special taxes, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act and the Rate and Method. No other properties or entities are exempt from the special taxes unless the properties or entities are expressly exempted in the Resolution of Formation, or in a resolution of consideration to levy a new special tax or special taxes or to alter the rate or method of apportionment of an existing special tax as provided in Section 53334 of the Act.

Section 5. All of the collections of the special taxes pursuant to the Rate and Method shall be used as provided for in the Act and the Resolution of Formation. The special taxes shall be levied within the District only so long as needed for the purposes described in the Resolution of Formation.

Section 6. The special taxes levied pursuant to the Rate and Method shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem taxes (which such procedures include the exercise of all rights and remedies permitted by law to make corrections, including, but not limited to, the issuance of amended or supplemental tax bills), as such procedure may be modified by law or by this City Council from time to time.

Section 7. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City of Ione.

Section 8. This Ordinance relating to the levy of the special tax within the District shall take effect 30 days following its final passage, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

Section 9. The City Clerk is hereby authorized to transmit a certified copy of this ordinance to the Amador County Assessor and Treasurer-Tax Collector, and to perform all other acts which are required by the Act, this Ordinance or by law in order to accomplish the purpose of this Ordinance.

Mayor

City Clerk