

Resolution No. 2024-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN HILLS WATER DISTRICT AUTHORIZING USE OF DIABLO
GRANDE COMMUNITY FACILITIES DISTRICT NO. 1 SPECIAL TAXES FOR
TO MAINTAIN AND PROTECT CFD-OWNED REAL PROPERTIES**

WHEREAS, the Western Hills Water District, an agency of the State of California (“WHWD”), has conducted proceedings resulting in the formation of the Community Facilities District No. 1 (“CFD”) and the issuance and sale of bonds or debt pursuant to the Mello-Roos Community Facilities Act of 1982 (Cal. Gov. Code §53311, et seq.; the “Act”); and

WHEREAS, on August 23, 2023 the WHWD Board of Directors duly adopted WHWD Resolution No. 2023-06, which among other things, identified parcels of CFD-owned real (the “CFD Properties”) and authorized WHWD to use Community Facilities District No. 1 Special Tax Revenues received by WHWD for “administrative expenses to maintain and protect the CFD Properties;”

WHEREAS, the Diablo Grande Residential Association (the “ROA”) and the Diablo Grande Commercial Association (the “COA”) have entered into the Diablo Grande Common Area Joint Use and Maintenance Agreement dated May 1, 2012 (the “Joint Use Agreement”); and

WHEREAS, the Joint Use Agreement requires, among other things, that the ROA and COA provide for fuel management and wildfire protection in accordance with the Wildfire Protection Plan as set forth therein; and

WHEREAS, the COA as constituted has ceased taking any actions relative to funding the Joint Use Agreement and the ROA has since requested that the WHWD, on behalf of the CFD and the CFD Properties undertake the COA obligations under the COA; and

WHEREAS, WHWD for itself and on behalf of the CFD disputes and rejects that it has any obligations under the Joint Use Agreement; and

WHEREAS, despite inaction by the parties to the Joint Use Agreement, vegetation continues to grow and create a potential wildfire hazard to the CFD Properties, and therefore the WHWD finds the expenditure of funds for fuel management and wildfire protection are necessary for the maintenance and protection of the CFD Properties.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the WHWD acting as the Legislative Body of its CFD No. 1 that:

1. The expenditure of an amount not to exceed \$30,000.00 of Community Facilities District No. 1 Special Tax Revenues received by WHWD is authorized as set forth herein.

2. The expenditure of the foregoing amount shall be used only for fuel management and wildfire protection.

3. The expenditure of the foregoing amount is necessary for the protection and maintenance of the CFD Properties.

4. Notwithstanding the authorization of this expenditure, WHWD for itself and on behalf of the CFD disputes and rejects that it has any obligations under the Joint Use Agreement, without limitation.

5. This Resolution shall be effective immediately, and the Secretary and Treasurer shall be authorized to undertake all actions necessary to enforce the terms of this Resolution.

Moved by Director, M. Kovich, seconded by Director, M. Davies, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

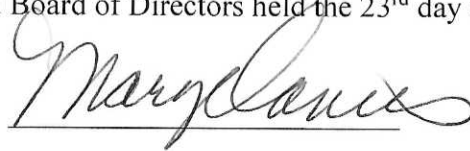
Ayes: M. Kovich, M. Davies, J. Frederick, M. George Johnson, M. Gene Johnson

Noes: None

Abstain: None

Absent: None

I, Mary Davies, Secretary of the Board of Directors of the Western Hills Water District, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the said Board of Directors held the 23rd day of February, 2024.

A handwritten signature in cursive script, appearing to read "Mary Davies", is written over a horizontal line.