

RESOLUTION NUMBER 3927

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, APPROVING AND ORDERING THE EXECUTION OF THAT CERTAIN DEPOSIT AND REIMBURSEMENT AGREEMENT WITH KB HOME COASTAL INC.; AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

WHEREAS, there has been filed with the City Clerk that certain “Deposit and Reimbursement Agreement” (the “Deposit and Reimbursement Agreement”) by and between the CITY OF PERRIS (the “City”) and KB HOME COASTAL INC., a California corporation (the “Developer”), the developer of the real property in Improvement Area No. 6 of the District (as hereinafter defined) (the “Property”) and by this reference incorporated herein; and

WHEREAS, the Deposit and Reimbursement Agreement, the form of which is on file with the City Clerk and by this reference incorporated herein, provides for the deposit with City of certain funds to cover City expenses in connection with the issuance of bonds for Improvement Area No. 6 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “District”), and providing the means by which such deposit may be reimbursed to the Developer, such reimbursement to come from the proceeds from the sale of special tax bonds to be issued pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Mello-Roos Act”); and

WHEREAS, the City Council finds that the approval and execution of the Deposit and Reimbursement Agreement is in the best interest of the City and provides the means by which such property development may occur without putting general funds of the City at risk; and

WHEREAS, the City Council desires that Wells Fargo Bank National Association (“Wells Fargo”) hold and disburse such funds as agent for the City pursuant to the Deposit and Reimbursement Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Perris, California, as follows:

Section 1. That the recitals set forth hereinabove are true and correct in all respects.

Section 2. That the Deposit and Reimbursement Agreement in the form on file with the City Clerk is hereby approved.

Section 3. That the City Manager or Finance Director of the City is hereby authorized and directed to execute the Deposit and Reimbursement Agreement in substantially the form on file with the City Clerk for and on behalf of the City.

Section 4. That Wells Fargo is hereby designated as agent for the City and shall hold and disburse the funds pursuant to the Deposit and Reimbursement Agreement.

Section 5. The Finance Director or the City Manager of the City of Perris is hereby instructed to receive the cash deposit heretofore made by the Developer and deposit the same in a designated account at Wells Fargo to be used to pay the costs of change of proceedings of the community facilities district and the proper costs related thereto. Upon receipt of bond proceeds, such funds advanced by the Owner shall be reimbursed to the Developer from bond proceeds pursuant to the Deposit and Reimbursement Agreement.

ADOPTED, SIGNED and APPROVED this 13th day of March, 2007.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Judy L. Haughney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Judy L. Haughney, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3927 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 13th day of March, 2007, and that it was so adopted by the following called vote:

AYES: Landers, Motte, Rogers, Busch

NOES:

ABSENT:

ABSTAIN: Yarbrough

City Clerk, Judy L. Haughney