

RESOLUTION NUMBER 3324

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND ORDERING THE EXECUTION OF THAT CERTAIN DEPOSIT AND REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF PERRIS AND 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 and KB HOME Coastal Inc., a California corporation (the “Owner”), the developer of certain real property known as Improvement Area Nos. 4, 5, 6 and 7 of Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “Improvement Areas”); and

WHEREAS, the Deposit and Reimbursement Agreement, the form of which is attached hereto as Exhibit A and by this reference incorporated herein, provides for the deposit with City of Perris (the “City”) of certain funds to cover City expenses in connection with the institution of change proceedings to the types of public facilities and the rate and method of apportionment of the special tax for the Improvement Areas and the issuance of bonds in Improvement Area No. 4 of Community Facilities District No. 2001-1 (May Farms) (the “Bonds”), and providing the means by which such deposit may be refunded to the Owner, such reimbursement to come from the proceeds from the sale of the Bonds to be issued pursuant to the Community Facilities Act of 1982 (the “Mello-Roos Act”) in Improvement Area No. 4; 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, 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 attached hereto as Exhibit A 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 attached hereto 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 Owner and deposit the same in a designated account at Wells Fargo to be used to pay the costs of the institution of change proceedings for the Improvement Areas and the proper costs related thereto. Upon receipt of the Bond proceeds, such funds advanced by the Owner shall be reimbursed to the Owner from Bond proceeds pursuant to the Deposit and Reimbursement Agreement.

ADOPTED, SIGNED and **APPROVED** this 9th day of November, 2004.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Margaret Rey

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

I, Margaret Rey, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3324 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 9th day of November, 2004, and that it was so adopted by the following called vote:

AYES: Motte, Rogers, Yarbrough, Landers, Busch

NOES:

ABSENT:

ABSTAIN:

City Clerk, Margaret Rey

EXHIBIT "A"
(RESOLUTION NUMBER 3324)

DEPOSIT AND REIMBURSEMENT AGREEMENT