

RESOLUTION NO. 24-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2022-3 (LEGADO) OF THE CITY OF MENIFEE, AMENDING THE BOUNDARY MAP OF THE DISTRICT, AMENDING THE RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA NO. 2, DECREASING THE MAXIMUM AUTHORIZED BONDED INDEBTEDNESS FOR IMPROVEMENT AREA NO. 2, DESIGNATING IMPROVEMENT AREA NO. 3 OF THE DISTRICT AND DECLARING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN IMPROVEMENT AREA NO. 3

WHEREAS, after a public hearing, on September 21, 2022, the City Council (the “City Council”) of the City of Menifee (the “City”) adopted Resolution Nos. 22-1222 (the “Resolution of Formation”) and 22-1223 (the “Resolution to Incur Bonded Indebtedness”) which formed Community Facilities District No. 2022-3 (Legado) of the City of Menifee (the “District” or “Community Facilities District No. 2022-3”), designated two improvement areas therein (“Improvement Area No. 1” and “Improvement Area No. 2”) and called a special election on September 21, 2022, within each improvement area on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District, which were approved by a more than two-thirds vote of the qualified electors within each improvement area on September 21, 2022; and

WHEREAS, subsequent to formation, the District received a petition signed by BLC Fleming LLC, a Delaware limited liability company (the “Owner”), which currently owns more than 25% of the taxable land within Improvement Area No. 2, to initiate certain changes to (i) amend the boundary map of the District to exclude certain property from Improvement Area No. 2; (ii) amend and restate the original rate and method of apportionment of special tax for Improvement Area No. 2 (the “Original Improvement Area No. 2 Rate and Method”) in the form attached as Exhibit A (the “Amended Improvement Area No. 2 Rate and Method”) to Resolution No. 24-1500 (the “Resolution of Consideration”); (iii) designate Improvement Area No. 3 of the District within the property that is being excluded from Improvement Area No. 2 in connection with these proceedings, (iv) authorize 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 attached to the Resolution of Consideration as Exhibit C (the “Improvement Area No. 3 Rate and Method”); and (v) authorize the issuance of bonds of the District for Improvement Area No. 3 in a maximum principal amount not to exceed \$28,000,000 (collectively, the “Change Proceedings”); and

WHEREAS, on October 2, 2024, the City Council, acting as the legislative body of Community Facilities District No. 2022-3, approved the Resolution of Consideration, stating its intention to consider the approval of the Change Proceedings; and

WHEREAS, on November 6, 2024, this City Council conducted a noticed public hearing to determine whether it should proceed with the approval of the Change Proceedings; and

WHEREAS, at the November 6, 2024, public hearing all persons desiring to be heard on all matters pertaining to the approval of the Change Proceedings were heard and a full and fair hearing was held; and

WHEREAS, the City Council determines herein that there have been fewer than twelve registered voters residing in Improvement Area No. 2 and Improvement Area No. 3 for the period of 90 days prior to November 6, 2024, and that the qualified electors within Improvement Area No. 2 and Improvement Area No. 3 are the landowners therein; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the approval of the Change Proceedings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MENIFEE, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2022-3 (LEGADO) OF THE CITY OF MENIFEE, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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

Section 2. The amended boundary map of the District as shown on the map designated “Proposed Amended Boundary Map Community Facilities District No. 2022-3 (Legado) City of Menifee, County of Riverside, State of California,” 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 Book of Maps of Assessment and Community Facilities Districts in the Assessor-County Clerk-Recorder’s office of the County of Riverside in Book No. 94 Page Nos. 36-38 on October 15, 2024, as Instrument No. 2024-0309563.

Section 3. The City Council hereby adopts the Amended Improvement Area No. 2 Rate and Method attached as Exhibit A to the Resolution of Consideration as the rate and method for Improvement Area No. 2. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within Improvement Area No. 2, to levy the proposed special taxes at the rates set forth in Exhibit A to the Resolution of Consideration on all non-exempt property within Improvement Area No. 2 sufficient to pay for (i) the Facilities (as defined in the Resolution of Formation), (ii) the principal and interest and other periodic costs on the bonds proposed to be issued by the District for Improvement Area No. 2 to finance the Facilities and other expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund in lieu of cash), administrative expenses and other expenses of the type permitted by Section 53345.3 of the Act; and (iii) the Incidental Expenses (as defined in the Resolution of Formation). The Amended Improvement Area No. 2 Rate and Method is described in detail in Exhibit A to the Resolution of Consideration, which is incorporated herein by this reference, and the City Council hereby finds Exhibit A to the Resolution of Consideration contains sufficient detail to allow each landowner within Improvement Area No. 2 to estimate the maximum amount of Special Taxes that may be levied against each parcel. The special tax in Improvement Area No. 2 shall be not be levied later than Fiscal Year 2064-2065.

The City Council hereby adopts the Improvement Area No. 3 Rate and Method attached as Exhibit C to the Resolution of Consideration as the rate and method for Improvement Area No. 3. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within Improvement Area No. 3, to levy the proposed special taxes at the rates set forth in Exhibit C to the Resolution of Consideration on all non-exempt property within Improvement Area No. 3 sufficient to pay for (i) the Facilities (as defined in the Resolution of Formation), (ii) the principal and interest and other periodic costs on the bonds proposed to be issued by the District for Improvement Area No. 3 to finance the Facilities and other expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund in lieu of cash), administrative expenses and other expenses of the type permitted by Section 53345.3 of the Act; and (iii) the Incidental Expenses (as defined in

Resolution Approving Change Proceedings for CFD No. 2022-3 (Legado)

the Resolution of Formation). The Improvement Area No. 3 Rate and Method is described in detail in Exhibit C to the Resolution of Consideration, which is incorporated herein by this reference, and the City Council hereby finds Exhibit C to the Resolution of Consideration contains sufficient detail to allow each landowner within Improvement Area No. 3 to estimate the maximum amount of Special Taxes that may be levied against each parcel. The special tax in Improvement Area No. 3 shall be not be levied later than Fiscal Year 2064-2065.

Section 4.

It is necessary to incur bonded indebtedness of the District in a maximum aggregate principal amount not to exceed \$28,000,000 for Improvement Area No. 3. The indebtedness is to be incurred for the purpose of financing the costs of the Facilities and Incidental Expenses, and carrying out the powers and purposes of the District, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing reserve funds, any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund in lieu of cash), administrative expenses and other expenses of the type permitted by Section 53345.3 of the Act.

The whole of the property within Improvement Area No. 3, other than property exempted from the special tax pursuant to the provisions of the Improvement Area No. 3 Rate and Method, shall pay for the bonded indebtedness of the District for Improvement Area No. 3 pursuant to the levy of the related special tax. The maximum term of any series of the bonds to be issued for Improvement Area No. 3 shall in no event exceed thirty-five (35) years from the date of issuance of the bonds, or such longer term as is then permitted by law.

The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

The bonds may bear a variable or fixed interest rate, provided that such variable rate or the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the Act, or any other applicable provision of law limiting the maximum interest rate on the bonds.

Section 5.

At the time the District was formed, the maximum principal amount of bonded indebtedness that may be incurred by the District within Improvement Area No. 2 that was authorized was \$45,000,000. The City Council, acting as the legislative body of the District, hereby determines that upon the authorization of the special taxes and bonded indebtedness for Improvement Area No. 3, it shall not incur bonded indebtedness within Improvement Area No. 2 in a principal amount in excess of \$17,000,000.

Section 6.

Written protests against the approval of the Amended Improvement Area No. 2 Rate and Method and the Improvement Area No. 3 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District have not been filed by one-half or more of the registered voters within the boundaries of Improvement Area No. 2 or Improvement Area No. 3. The City Council hereby finds that the approval of the Amended Improvement Area No. 2 Rate and Method and the Improvement Area No. 3 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District have not been precluded by a majority protest pursuant to Section 53337 of the Act.

Section 7.

An election is hereby called within the amended boundaries of Improvement Area No. 2 on the proposition of approving the Amended Improvement Area No. 2 Rate and Method

Resolution Approving Change Proceedings for CFD No. 2022-3 (Legado)

and the Facilities and Incidental Expenses authorized to be financed by the District. The proposition to be placed on the ballot for Improvement Area No. 2 is attached hereto as Exhibit A. Following certification of landowner votes in favor of the adoption of the Amended Improvement Area No. 2 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District, the District shall record an amended notice of special tax lien for Improvement Area No. 2 and a notice of cessation of the special tax of Improvement Area No. 2 with respect to the property that is removed therefrom.

An election is hereby called within the boundaries of Improvement Area No. 3 on the proposition of approving the Improvement Area No. 3 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District and the incurring of bonded indebtedness of the District for Improvement Area No. 3. The propositions to be placed on the ballot for Improvement Area No. 3 is attached hereto as Exhibit B. Following certification of landowner votes in favor of the adoption of the Improvement Area No. 3 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District and the incurring of bonded indebtedness for Improvement Area No. 3, the District shall record a notice of special tax lien for Improvement Area No. 3.

Section 8. The date of the foregoing elections for Improvement Area No. 2 and Improvement Area No. 3 shall be November 6, 2024, or such later date as is consented to by the City Clerk and the landowners within Improvement Area No. 2 and Improvement Area No. 3. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the elections shall be conducted by personally delivered or mailed ballots and, except as otherwise provided by the Act, the elections 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 9. It is hereby found that there are no registered voters within the territory of Improvement Area No. 2, 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 Improvement Area No. 2.

It is hereby found that there are no 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 Improvement Area No. 3.

Section 10. This Resolution shall be effective upon its adoption.

{{SIGNATURES ON NEXT PAGE}}

Resolution Approving Change Proceedings for CFD No. 2022-3 (Legado)

PASSED, APPROVED AND ADOPTED this the 6th day of November, 2024.

Bill Zimmerman, Mayor

Attest:

Stephanie Roseen, Acting City Clerk

Approved as to form:

Jeffrey T. Melching, City Attorney

EXHIBIT A

SAMPLE BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2022-3 OF THE
CITY OF MENIFEE (LEGADO)
(IMPROVEMENT AREA NO. 2)
SPECIAL ELECTION

November 6, 2024

This ballot represents ___ votes.

To vote, write or stamp a cross (“+” or “X”) 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 Menifee and obtain another.

PROPOSITION A: Shall a special tax with an Amended Improvement Area No. 2 Rate and Method of Apportionment as provided in Exhibit A to Resolution No. 24-__ of the City Council of the City of Menifee for Improvement Area No. 2 of Community Facilities District No. 2022-3 (Legado) of the City of Menifee (the “District”) be levied to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 22-1222, including the payment of the principal of and interest on bonds issued to finance the Facilities and Incidental Expenses for the District?

YES

NO

EXHIBIT B

SAMPLE BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2022-3 OF THE
CITY OF MENIFEE (LEGADO)
(IMPROVEMENT AREA NO. 3)
SPECIAL ELECTION

November 6, 2024

This ballot represents ___ votes.

To vote, write or stamp a cross (“+” or “X”) 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 Menifee and obtain another.

PROPOSITION B: Shall a special tax with a Improvement Area No. 3 Rate and Method of Apportionment as provided in Exhibit C to Resolution No. 24-__ of the City Council of the City of Menifee for Improvement Area No. 3 of Community Facilities District No. 2022-3 (Legado) of the City of Menifee (the “District”) be levied to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 22-1222, including the payment of the principal of and interest on bonds issued to finance the Facilities and Incidental Expenses for the District?

YES

NO

PROPOSITION C: Shall the District incur an indebtedness and issue bonds in the maximum principal amount of \$28,000,000 for Improvement Area No. 3 therein with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities and the Incidental Expenses described in Resolution No. 22-1222 of the City Council of the City of Menifee?

YES

NO