

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2023-2 (CIMARRON RIDGE) OF THE CITY OF MENIFEE, AMENDING THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR THE DISTRICT

WHEREAS, after a public hearing, on April 19, 2023, the City Council (the “City Council”) of the City of Menifee (the “City”) adopted Resolution Nos. 23-1310 (the “Resolution of Formation”) and 23-1311 (the “Resolution to Incur Bonded Indebtedness”) which formed Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee (the “District” or “Community Facilities District No. 2023-2”), designated two improvement areas therein (“Improvement Area No. 1” and “Improvement Area No 2”) and called a special election on April 19, 2023 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 more than two-thirds vote by the qualified electors within each improvement area on April 19, 2023; and

WHEREAS, subsequent to formation, the District received a petition signed by Pulte Home Company, LLC, a Michigan limited liability company (the “Owner”), which currently owns all of the taxable land within Improvement Area No. 2, to initiate certain changes to amend and restate the original rate and method of apportionment of special tax for Improvement Area No. 2 in the form attached as Exhibit A (the “Amended Improvement Area No. 2 Rate and Method”) to Resolution No. 24-1460 (the “Resolution of Consideration”); and

WHEREAS, on July 17, 2024, the City Council, acting as the legislative body of Community Facilities District No. 2023-2, approved the Resolution of Consideration, stating its intention to consider the approval of the Amended Improvement Area No. 2 Rate and Method; and

WHEREAS, on August 21, 2024, this City Council conducted a noticed public hearing to determine whether it should proceed with the approval of the Amended Improvement Area No. 2 Rate and Method; and

WHEREAS, at the August 21, 2024, public hearing all persons desiring to be heard on all matters pertaining to the approval of the Amended Improvement Area No. 2 Rate and Method 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 for the period of 90 days prior to August 21, 2024, and that the qualified electors within Improvement Area No. 2 are the landowners within Improvement Area No. 2; 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 Amended Improvement Area No. 2 Rate and Method; and

WHEREAS, in connection with the change proceedings described herein, the City and the Owner desire to amend the Acquisition, Construction and Funding Agreement (the “Acquisition Agreement”) dated April 19, 2023, relating to the District to revise the facilities and improvements to be financed by the District set forth therein, and the form of the First Amendment to Acquisition, Construction and Funding Agreement (the “First Amendment”) is on file with the City Clerk; and

WHEREAS, in connection with the change proceedings described herein, the City proposes to enter into a Joint Community Facilities Agreement (the “JCFA”) with Romoland School District, Perris

Resolution Approving Change Proceedings for CFD No. 2023-2 (Cimarron Ridge)

Union High School District and the Owner, relating to certain facilities proposed to be financed by the District and owned and operated by Romoland School District and Perris Union High School District, and the form of the JCFA is on file with the City Clerk;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menifee, California, acting as the legislative body of Community Facilities District No. 2023-2, Cimarron Ridge, 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 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 the District. 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 Exhibit A to the Resolution of Consideration on all non-exempt property within the District 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 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 which 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 the District to estimate the maximum amount of Special Taxes that may be levied against each parcel. The special tax shall not be levied later than Fiscal Year 2069-2070.

Section 3. Written protests against the approval of the Amended Improvement Area No. 2 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. The City Council hereby finds that the approval of the Amended Improvement Area No. 2 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 4. An election is hereby called within the boundaries of Improvement Area No. 2 on the proposition of approving the Amended Improvement Area No. 2 Rate and Method and the Facilities and Incidental Expenses authorized to be financed by the District. The proposition to be placed on the ballot for the District 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.

Section 5. The date of the foregoing election for the District shall be August 21, 2024, 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 ballots and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of

Resolution Approving Change Proceedings for CFD No. 2023-2 (Cimarron Ridge)

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 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.

Section 7. The form of the First Amendment on file with the City Clerk is approved as to form, and each of the City Manager, the Chief Financial Officer, and their written designees, is authorized to execute the First Amendment in substantially the form on file with the City Clerk, together with such changes as are approved by the officer executing the same, with the approval of such changes to be conclusively evidenced by the execution and delivery thereof.

Section 8. The form of the JCFA on file with the City Clerk is approved as to form, and each of the City Manager, the Chief Financial Officer, and their written designees, is authorized to execute the JCFA in substantially the form on file with the City Clerk, together with such changes as are approved by the officer executing the same, with the approval of such changes to be conclusively evidenced by the execution and delivery thereof.

Section 9. This Resolution shall be effective upon its adoption.

PASSED, APPROVED AND ADOPTED this the 21st day of August, 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. 2023-2 OF THE
CITY OF MENIFEE (CIMARRON RIDGE)
(IMPROVEMENT AREA NO. 2)
SPECIAL ELECTION

August 21, 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. 24-1460 of the City Council of the City of Menifee for Community Facilities District No. 2023-2 (Cimarron Ridge) of the City of Menifee (the “District”) be levied to pay for the Facilities, Incidental Expenses and other purposes described in Resolution No. 23-1310, including the payment of the principal of and interest on bonds issued to finance the Facilities and Incidental Expenses for the District?

YES

NO