

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

210



**FROM:** COUNTY EXECUTIVE OFFICE

**SUBMITTAL DATE:**  
October 25, 2005

**SUBJECT:** Initiation of Proceedings to form Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside.

**RECOMMENDED MOTION:** That the Board (1) adopt Resolution No. 2005-464 to Establish Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside, to levy a Special Tax to pay or defease bonds issued by Community Facilities District No. 88-8 ("A" Street North) of the County of Riverside and to issue bonds secured by the Special Tax with respect to such payment or defeasance; (2) adopt Resolution No. 2005-465 declaring its Intent to Incur Bonded Indebtedness for the Proposed Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside; and (3) authorize the County Executive Officer, or his/her designee to execute the consultant agreements necessary for the formation and proposed issuance and sale of bonds.

**BACKGROUND:** Executive Office staff began negotiating a workout deal in 2003 with Majestic Realty Group ("Majestic") to acquire delinquent properties in Community Facilities District No. 88-8 ("A" Street North) of the County of Riverside ("CFD 88-8") which would bring the bondholders of CFD 88-8 current.

The Board approved a Deposit and Reimbursement Agreement with Majestic on December 2, 2003 to provide the terms by which Majestic would deposit monies with the County to cover the costs of evaluating a workout proposal, retaining the required consultants, and processing a change proceeding.

(continued on page 2)

Jerry Norris, Senior Management Analyst

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2004

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION: APPROVE**

**County Executive Office Signature**

Policy  Policy

Consent  Consent

Dept's Recomm.:  
Per Exec. Ofc.:

Departmental Concurrence

**Page 2**  
**CFD 04-1 (Majestic Freeway Business Center)**

On May 18<sup>th</sup>, 2004, CFD 88-8 and Majestic entered into an agreement entitled "Inducement, Escrow, and Workout Agreement," which was subsequently amended on October 19, 2004 (collectively, the "Agreement"). The purpose of the Agreement was to provide a plan by which all delinquent principal and interest owing on the outstanding bonds for CFD 88-8 would be paid.

Pursuant to the terms of the Agreement, CFD 88-8 acquired a number of the parcels identified in the Agreement either by Sheriff Deeds (resulting from a series of foreclosures sales held on August 17, 2004) or Deeds in Lieu (tendered by owners of delinquent parcels that were the subject of judicial foreclosure actions). The Sheriff Deeds and the Deeds in Lieu have been placed in an escrow consistent with the terms of the Agreement.

Majestic has processed a specific plan and an EIR on the territory within the proposed new community facilities district that includes all of the parcels that are the subject of the Escrow and additional parcels that it has independently acquired that are also within the boundaries of CFD 88-8.

At this point, both CFD 88-8 and Majestic are in a position to request that the Board of Supervisors proceed with the formation of a new community facilities district over those parcels that are the subject of the escrow or held by Majestic. This new community facilities district would be authorized to pay, repay, or defease bonds that have been issued by CFD 88-8 that are secured by parcels within the new community facilities district.

The Boards adoption of Resolution No. 2005-464 and Resolution No. 2005-465 will allow for the formation of Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside ("CFD 04-1"), and will provide the means by which all delinquent principal and interest owing on the outstanding bonds for CFD 88-8 would be paid.

The attached resolutions and all of their associated documents have been reviewed and approved as being in substantially complete form by County Counsel.

**RESOLUTION NO. 2005-464**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE DECLARING ITS INTENTION (i) TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE, (ii) TO LEVY A SPECIAL TAX; (iii) TO ISSUE BONDS SECURED BY SUCH SPECIAL TAX AND (iv) TO PAY OR DEFEASE BONDS ISSUED BY COMMUNITY FACILITIES DISTRICT NO. 88-8 OF THE COUNTY OF RIVERSIDE (“A” STREET – NORTH) WITH BONDS ISSUED BY CFD No. 04-1**

**WHEREAS**, the Board of Supervisors (the “Board”) of the County of Riverside (the “County”) proposes to establish Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside (“CFD No. 04-1”) under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982” (the “Act”), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Code”);

**WHEREAS**, the Board has been advised that certain property owners have requested that an area more particularly described herein be established CFD No. 04-1, and that a rate and method of apportionment of the special tax to be levied therein be established and the Board desires to provide for CFD No. 04-1 and to establish the maximum indebtedness which may be incurred with respect thereto;

**WHEREAS**, the Clerk of the Board has received a separate Petition (including Consent and Waiver) (each a “Petition,” and collectively the “Petitions”) from each property owner within the proposed CFD No. 04-1; and

**WHEREAS**, a community facilities district may pay amounts necessary to pay, repay or defease any obligations to pay or any indebtedness secured by any tax, fee, charge or assessment levied within the area of a community facilities district or may pay debt service on that indebtedness pursuant to Government Code Section 53313.5(g); and

**WHEREAS**, Section 53314.9 of the Government Code provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may

1 provide, by resolution, for the use of those funds for any authorized purpose, including, but not  
2 limited to, paying any cost incurred by the local agency in creating a community facilities district;

3 **WHEREAS**, Section 53314.9 of the Government Code further provides that the legislative  
4 body may enter into an agreement, by resolution, with the person or entity advancing the funds, to  
5 repay all or a portion of the funds advanced, as determined by the legislative body, with or without  
6 interest, under all of the following conditions: (a) the proposal to repay the funds is included in both  
7 the resolution of intention to establish a community facilities district adopted pursuant to Section  
8 53321 of the Code and in the resolution of formation to establish a community facilities district  
9 pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified  
10 electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify  
11 that if the qualified electors of the community facilities district do not approve the proposed special  
12 tax, the local agency shall return any funds which have not been committed for any authorized  
13 purpose by the time of the election to the person or entity advancing the funds;

14 **WHEREAS**, the County, Community Facilities District No. 88-8 (“A” Street-North) (“CFD  
15 No. 88-8”) and Majestic Realty Company, a California corporation (the “Property Owner”) have  
16 entered into an agreement entitled “Deposit and Reimbursement Agreement,” dated December 2,  
17 2003 (the “Deposit Agreement”) that provides for the advancement of funds by the Property Owner to  
18 be used to pay costs incurred in connection with the creation of CFD No. 04-1 and provides for the  
19 reimbursement to the Property Owner of such funds advanced, without interest, from the proceeds of  
20 the bonds issued by CFD No. 04-1;

21 **WHEREAS**, the Board has determined that it is advisable to establish an appropriations limit,  
22 as defined by Article XIII B, Section 8(h) of the California Constitution, for CFD No. 04-1; and

23 **WHEREAS**, the Board has determined to institute proceedings to provide for formation of  
24 CFD No. 04-1 and has determined to set a date, time and place for a public hearing relating thereto;

25 **NOW, THEREFORE, IT IS HERBY RESOLVED, FOUND, DETERMINED AND**  
26 **ORDERED** by the Board of Supervisors of the County of Riverside as follows:

27 Section 1. All of the above recitals are true and correct.  
28

1           Section 2. The Petitions of all landowners within proposed CFD No. 04-1 are hereby  
2 accepted and the Board hereby determines that the public convenience and necessity require that all of  
3 said property referenced in said Petitions be incorporated within CFD No. 04-1 and proceedings are  
4 initiated pursuant to the authorization of the Act to establish CFD No. 04-1.

5           Section 3. The name of the proposed community facilities district shall be “Community  
6 Facilities District No. 04-1 (“Majestic Freeway Business Center”) of the County of Riverside.” The  
7 boundaries of the territory included in CFD No. 04-1 are more particularly described and shown on  
8 that certain map (the “Map”) entitled “Proposed Boundaries of Community Facilities District  
9 No. 04-1 (Majestic Freeway Business Center) of the County of Riverside, State of California,” a copy  
10 of which is attached hereto as Exhibit A and incorporated herein and made a part hereof.

11           Section 4. The Board has previously adopted local goals and policies for community facilities  
12 district financings as required by Government Code Section 53312.7.

13           Any expenditures with respect to CFD No. 04-1 shall be payable solely and exclusively from  
14 payments received from the Property Owner for formation of CFD No. 04-1 and from the proceeds of  
15 bonds issued by CFD No. 04-1 or the proceeds of a special tax levied in CFD No. 04-1. The County  
16 shall not be obligated to pay any expenditure except from such contribution.

17           It is the intention of the Board to and the Board hereby proposes to establish CFD No. 04-1.  
18 At the conclusion of the public hearing described below, the Board shall determine whether to form  
19 CFD No. 04-1 and establish the rate and method of apportionment of special tax to be applicable  
20 within CFD No. 04-1.

21           Section 6. The Clerk of the Board is hereby authorized and directed to endorse the Certificate  
22 on the Map evidencing the date and adoption of this Resolution and is further authorized and directed  
23 to file said map with the Office of the Recorder of the County in accordance with the provisions of  
24 Section 3110.5 and 3113.5 of the California Streets and Highways Code within 15 days of the  
25 adoption of this Resolution and not later than 15 days prior to the date of the public hearing relating to  
26 the proceedings as set forth in Section 15 hereof.

27           Section 7. It is the intention of the Board that CFD No. 04-1 be authorized to pay amounts  
28 necessary to pay, repay or defease a portion of the outstanding bonds of Community Facilities District

1 No. 88-8 (“A” Street – North) (the “CFD No. 88-8 Bonds”), and that CFD 04-1 be authorized to incur  
2 \$11,500,000 indebtedness for any of such purposes.

3 Proceeds of CFD No. 88-8 Bonds issued in 1990 were used to acquire or construct Facilities  
4 (as defined in the proceedings relating to CFD No. 88-8) necessary to meet increased demand placed  
5 upon CFD No. 88-8 and other public agencies as a result of development occurring within CFD  
6 No. 88-8. The costs hereby authorized to be paid include incidental expenses and all costs associated  
7 with the establishment of CFD No. 04-1, the issuance of bonds, the determination of the amount of  
8 any special taxes to be levied, the cost of collecting any special taxes and costs otherwise incurred in  
9 order to carry out the authorized purposes of CFD No. 04-1.

10 Section 8. The County Executive Office of the County shall coordinate a study by interested  
11 County departments and other public agencies of CFD No. 04-1 and, at or prior to the public hearing  
12 on formation of CFD No. 04-1, cause a report (the “Public Report”) to be prepared which shall  
13 contain a brief description of (i) the payment or defeasance of the CFD No. 88-8 Bonds, (ii) the  
14 disposition of funds relating to Facilities which remain to be provided by CFD No. 88-8, (iii) an  
15 estimate of the application of such funds relating to Facilities and (iv) an estimate of the incidental  
16 expenses related thereto that shall be considered by the Board. Reference is hereby made to the  
17 Public Report and, upon its presentation, it shall be made a part of the record of the public hearing  
18 held to consider formation of CFD No. 04-1.

19 Section 9. It is the intention of the Board that, except where funds are otherwise available, a  
20 special tax sufficient to pay for the interest on and principal of bonds proposed to be issued to refund  
21 or defease a portion of the CFD No. 88-8 Bonds and the repayment of funds advanced to or on behalf  
22 of CFD No. 04-1, annual administration expenses of the County and CFD No. 04-1 in determining,  
23 apportioning, levying and collecting such special taxes, will be levied annually within the boundaries  
24 of CFD No. 04-1 secured by recordation of a continuing lien against all nonexempt real property in  
25 CFD No. 04-1. The rate, method of apportionment and manner of collection of such proposed special  
26 tax for CFD No. 04-1 is set forth in Exhibit B, attached hereto and incorporated herein and made a  
27 part hereof. Exhibit B provides sufficient detail to allow each landowner or resident within CFD  
28 No. 04-1 to estimate the maximum amount that such person will have to pay.

1 The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes  
2 are collected and shall be subject to the same penalties and the same procedure, sale and lien priority  
3 in case of delinquency as is provided for *ad valorem* taxes as such procedure may be modified by law  
4 or by the Board from time to time.

5 The special tax as apportioned to each parcel pursuant to Exhibit B is apportioned on the basis  
6 of benefit as permitted by Section 53325.3 of the Act and the apportionment of the special tax is not  
7 on or based upon the value or ownership of real property. In the event that property within CFD  
8 No. 04-1 is acquired or dedicated to a public agency subsequent to the date of formation of CFD  
9 No. 04-1, it may become exempt and no longer subject to the special tax, pursuant to the provisions of  
10 the rate and method of apportionment attached hereto as Exhibit B. The special tax obligation on any  
11 parcel, if the Board so elects, may be prepaid and eliminated according to the methodology and  
12 conditions specified by the Board in the rate and method of apportionment by payment of the amount  
13 so calculated to the County or its designated paying agent for CFD No. 04-1 and utilized to call or  
14 defease bonds to the full extent of such payment on the earliest date on which such call or defeasance  
15 can be accomplished.

16 It is anticipated that no parcels within CFD No. 04-1 are to be used for private residential  
17 purposes. If special taxes of CFD No. 04-1 are levied against any parcel used for private residential  
18 purpose, (i) the maximum special tax rate shall not be increased over time except that it may be  
19 increased by an amount not to exceed two percent (2%) per year to the extent permitted by the rate  
20 and method of apportionment, (ii) such tax shall be levied for a period not to exceed Fiscal Year  
21 2036-2037 or the final maturity of any bonds, whichever is sooner, and (iii) under no circumstances  
22 will such special tax be increased as a consequence of delinquency or default by the owner of any  
23 other parcel or parcels within CFD No. 04-1 by more than ten percent (10%) per year.

24 Section 10. It is the intention of the Board, pursuant to Section 53317.3 of the Act, to levy the  
25 proposed special tax on property that is not otherwise exempt from the proposed special tax and that is  
26 acquired by a public entity through a negotiated transaction or by gift or devise.

27 Section 11. It is the intention of the Board, pursuant to Section 53317.5 of the Act, to treat  
28 any special tax levied against property that is acquired by a public entity through eminent domain

1 proceedings as if it were a special annual assessment pursuant to Section 1265.250 of the Code of  
2 Civil Procedure of the State of California.

3 Section 12. It is the intention of the Board, pursuant to Section 53340.1 of the Act, to levy the  
4 proposed special tax on the leasehold or possessory interests in property owned by a public agency,  
5 which property is otherwise exempt from the special tax.

6 Section 13. The Board hereby declares that the public convenience and necessity require and  
7 it is necessary that a bonded indebtedness be incurred to finance all or a portion of the purposes for  
8 formation of CFD No. 04-1. The purpose for the proposed bonded indebtedness for CFD No. 04-1 is  
9 to refund or defease a portion of the CFD No. 88-8 Bonds, which were issued to finance the  
10 acquisition and/or construction of the Facilities, constituting public facilities providing service related  
11 to the property within CFD No. 88-8 and CFD No. 04-1 and having an estimated useful life of five  
12 years or longer, including planning work directly related to the Facilities and all related incidental  
13 expenses, as authorized by the Act, as more specifically described in proceedings relating to CFD No.  
14 88-8.

15 Section 14. The aggregate amount of the proposed bonded indebtedness to be incurred for  
16 CFD No. 04-1 (including incidental expenses as authorized by the Act) shall not exceed \$11,500,000.  
17 Pursuant to Section 53351(c) of the Act, the Board hereby declares its intention that CFD No. 04-1  
18 will pay for the bonded indebtedness to finance or refinance the Facilities.

19 Section 15. Notice is given that on the 29th day of November, 2005, at the hour of  
20 9:30 o'clock a.m., or as soon thereafter as the matter may be heard, in the Board Chambers of the  
21 County Administrative Center, 4080 Lemon Street, 1<sup>st</sup> Floor, Riverside, California 92501-3651, a  
22 public hearing will be held at which the Board shall consider the formation of CFD No. 04-1, the  
23 proposed levy of the special tax within CFD No. 04-1, the necessity to incur bonded indebtedness, the  
24 proposed appropriations limit for CFD No. 04-1 and all other matters as set forth in this Resolution.  
25 At the above-mentioned time and place for such public hearing, any persons interested, including all  
26 taxpayers, property owners and registered voters within CFD No. 04-1, may appear and be heard, and  
27 the testimony of all interested persons or taxpayers for or against the formation of CFD No. 04-1, the  
28 boundaries of CFD No. 04-1, the levy of the special tax in CFD No. 04-1, the necessity to incur

1 bonded indebtedness, the proposed appropriations limit for CFD 04-1 or on any other matters set forth  
2 herein, will be heard and considered.

3 Any protests may be made orally or in writing, except that any protests pertaining to the  
4 regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the  
5 irregularities and defects to which the objection is made. All written protests shall be filed with the  
6 Clerk of the County on or before the time fixed for such public hearing and any written protest may be  
7 withdrawn in writing at any time before the conclusion of such public hearing.

8 If written protests against the formation are filed by fifty percent (50%) or more of the  
9 registered voters, or six (6) registered voters, whichever is greater, residing within CFD No. 04-1 or  
10 by the owners of one-half (1/2) or more of the area of land in the territory proposed to be included  
11 within CFD No. 04-1, and such protests are not withdrawn so as to reduce the protests to less than a  
12 majority, no further proceedings shall be undertaken for a period of one year from the date of decision  
13 of the Board.

14 Section 16. If, following the public hearing described herein, the Board determines to form  
15 CFD No. 04-1 and proposes to levy a special tax within CFD No. 04-1 and to incur bonded  
16 indebtedness, the Board shall then submit the levy of the special tax and the necessity to incur bonded  
17 indebtedness to the qualified electors within the boundaries of CFD No. 04-1. If at least twelve (12)  
18 persons, who need not necessarily be the same twelve (12) persons, have been registered to vote  
19 within the boundaries of CFD No. 04-1 for each of the ninety (90) days preceding the close of the  
20 public hearing, the vote shall be by registered voters of CFD No. 04-1 with each voter having one (1)  
21 vote. Otherwise, the vote shall be a mailed ballot election, consistent with Section 53327.5 of the  
22 Code, by the landowners of CFD No. 04-1 who are the owners of record at the close of the public  
23 hearing, with each landowner having one (1) vote for each acre or portions of an acre of land owned  
24 within CFD No. 04-1. The number of votes to be voted by a particular landowner shall be specified  
25 on the ballot provided to that landowner.

26 Section 17. Notice of the time and place of the public hearing shall be given by the Clerk of  
27 the Board in the following manner: A Notice of Public Hearing in the form required by  
28 Section 53322 of the Code shall be published in the *Press-Enterprise*, a newspaper of general

1 circulation published in the area of CFD No. 04-1, which such publication shall be made pursuant to  
2 Section 6061 of the Code, and shall be completed at least seven (7) days prior to the date set for such  
3 public hearing; further, a Notice of Public Hearing in the form referenced in Section 53322.4 of the  
4 Code shall be sent by first-class mail, postage prepaid, to each registered voter and to each landowner  
5 within CFD No. 04-1, as shown on the last equalized assessment roll or other records of the County  
6 unless said mailing is waived by 100% of the registered voters and landowners within proposed CFD  
7 No. 04-1. Said mailing shall be completed not less than fifteen (15) days prior to the date of such  
8 public hearing, unless such time frame is waived.

9 Section 18. Section 53314.9 of the Code provides that, at any time either before or after the  
10 formation of a community facilities district, the legislative body of the local agency conducting the  
11 proceedings to form such community facilities district may accept advances of funds from any source,  
12 including, but not limited to, private persons or private entities and may provide, by resolution, for the  
13 use of those funds for any authorized purpose, including, but not limited to, paying any costs incurred  
14 by such local agency in creating such community facilities district. The Board has previously  
15 approved a form of the Deposit Agreement. CFD No. 04-1 may repay the funds received pursuant to  
16 the Deposit Agreement if the qualified electors of the Board determine to form CFD No. 04-1 and if  
17 the voters of CFD 04-1 approve the proposed special tax and bonds at the election to be conducted  
18 pursuant to the Act.

19 Section 19. Based on information furnished to the County, it is anticipated that there will be  
20 less than 12 registered voters within the boundaries of CFD No. 04-1 and that the election will be  
21 among landowner voters. Contingent on such finding, the Board hereby appoints the Registrar of  
22 Voters, or such officer or employee as the Board shall designate, to serve as the election official (the  
23 "Election Official") for the election pursuant to Government Code Section 53326. Pursuant to  
24 Section 53326(d), the Board may determine to distribute the ballots for such election by mail or other  
25 delivery service.

26 Section 20. Pursuant to the Local Agency Special Tax and Bond Accountability Act, Section  
27 50075.1 *et seq.* of the Code, (a) the ballot measure referred to herein shall contain a statement  
28 indicating the specific purposes of the special taxes, (b) the special taxes shall be applied only to the

1 purposes specified in the ballot measure, (c) there shall be created by CFD No. 04-1 an account into  
2 which proceeds of the special tax levies will be deposited, and (d) the County Executive Office is  
3 hereby directed to cause an annual report to be provided to the Board as required by Section 50075.3  
4 of the Code.

5 Section 21. Except to the extent limited in any bond resolution, fiscal agent agreement or  
6 trust indenture related to the issuance of bonds, the Board hereby reserves to itself all rights and  
7 powers set forth in Section 53344.1 of the Code relating to tenders in full or partial payment of bonds.

8 Section 22. The Board on August 23, 2005, approved Specific Plan Number 341 and on August  
9 23, 2005, also approved Environmental Impact Report Number 466. The Environmental Impact Report  
10 was posted on August 24, 2005 in accordance with applicable law. The Board hereby determines that the  
11 formation of CFD No. 04-1, the levy of special taxes and the issuance of bonds for the purposes specified  
12 herein. The California Environmental Quality Act (“CEQA”) requirements to the extent applicable to the  
13 formation of CFD No. 04-1 have been satisfied and counsel for CFD No. 04-1 shall cause a notice to be  
14 prepared indicating compliance with CEQA requirements and forward said notice to the Clerk of the  
15 Board who shall in turn cause said notice to be posted by the County Clerk.  
16

17 Section 23. The officers of the Board and their authorized representatives, are, and each of  
18 them acting alone is, hereby authorized to execute any and all documents and agreements and do and  
19 perform any and all acts and things, from time to time, consistent with this Resolution and necessary  
20 sor appropriate to carry the same into effect and to carry out its purpose.

21 Section 24. This Resolution shall take effect immediately upon its adoption.  
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**PASSED APPROVED AND ADOPTED** this 25th day of October, 2005.

\_\_\_\_\_  
Marion Ashley, Chairman of the Board of Supervisors  
of the County of Riverside

ATTEST:  
Nancy Romero, Clerk of the Board  
of Supervisors, County of Riverside

\_\_\_\_\_  
Deputy

FORM APPROVED  
COUNTY COUNSEL

OCT 18 2005

BY   
COUNTY COUNSEL

1 STATE OF CALIFORNIA )  
2 ) ss.  
3 COUNTY OF RIVERSIDE )

4 I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, Riverside  
5 County, California, do hereby certify that the foregoing Resolution was introduced and adopted at a  
6 regular meeting of the Board held on the 25th day of October, 2005, by the following vote:

7 AYES:

8 NOES:

9 ABSENT:

10 ABSTAIN:

11 IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2005.

12 \_\_\_\_\_  
13 NANCY ROMERO, Clerk of the Board  
14 of Supervisors, County of Riverside

15 By: \_\_\_\_\_  
16 Deputy

PROPOSED BOUNDARIES  
 COMMUNITY FACILITIES DISTRICT NO. 04-1  
 (MAJESTIC FREEWAY BUSINESS CENTER)  
 OF THE  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA WAS APPROVED BY THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2005 BY RESOLUTION NO. \_\_\_\_\_

RECORDED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2005 AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ PAGE \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. FEE: \_\_\_\_\_ NO: \_\_\_\_\_

CLERK OF THE BOARD OF SUPERVISORS \_\_\_\_\_

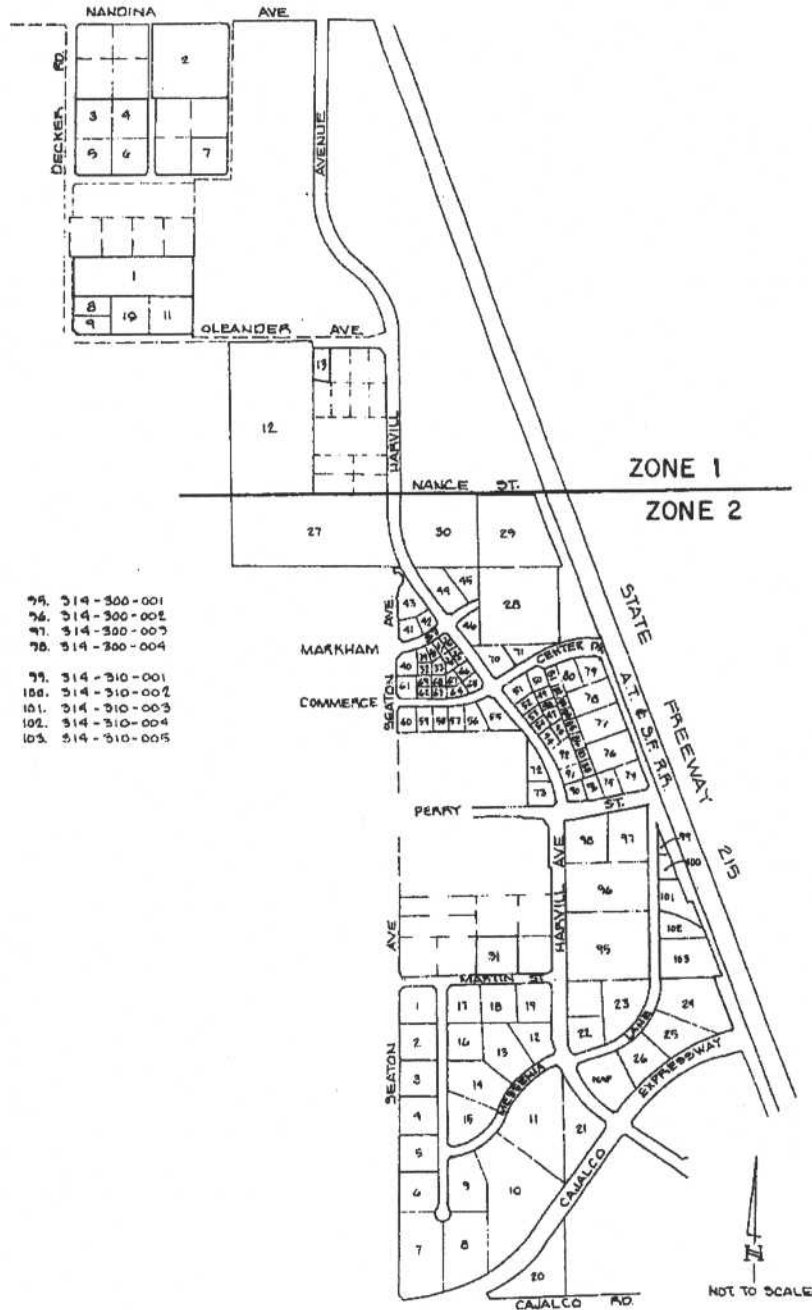
LARRY W. WARD, RIVERSIDE COUNTY-CLERK-RECORDER.  
 BY: \_\_\_\_\_ DEPUTY

ZONE 1 APN'S

- |                 |                 |
|-----------------|-----------------|
| 1. 295-310-018  | 12. 314-040-004 |
| 2. 295-310-022  | 13. 314-040-021 |
| 3. 295-310-025  |                 |
| 4. 295-310-026  |                 |
| 5. 295-310-027  |                 |
| 6. 295-310-028  |                 |
| 7. 295-310-035  |                 |
| 8. 295-310-041  |                 |
| 9. 295-310-042  |                 |
| 10. 295-310-043 |                 |
| 11. 295-310-044 |                 |

ZONE 2 APN'S

- |                 |                 |                 |
|-----------------|-----------------|-----------------|
| 1. 317-100-010  | 47. 314-270-001 | 75. 314-300-001 |
| 2. 317-100-011  | 48. 314-270-002 | 76. 314-300-002 |
| 3. 317-100-012  | 49. 314-270-003 | 77. 314-300-003 |
| 4. 317-100-013  | 50. 314-270-004 | 78. 314-300-004 |
| 5. 317-100-014  | 51. 314-270-005 |                 |
| 6. 317-100-015  | 52. 314-270-006 |                 |
| 7. 317-100-016  | 53. 314-270-007 |                 |
| 8. 317-100-017  | 54. 314-270-008 |                 |
| 9. 317-100-018  | 55. 314-270-009 |                 |
| 10. 317-100-019 | 56. 314-270-010 |                 |
| 11. 317-100-020 | 57. 314-270-011 |                 |
| 12. 317-100-021 | 58. 314-270-012 |                 |
| 13. 317-100-022 | 59. 314-270-013 |                 |
| 14. 317-100-023 | 60. 314-270-014 |                 |
| 15. 317-100-024 | 61. 314-270-015 |                 |
| 16. 317-100-025 | 62. 314-270-016 |                 |
| 17. 317-100-026 | 63. 314-270-017 |                 |
| 18. 317-100-027 | 64. 314-270-018 |                 |
| 19. 317-100-028 | 65. 314-270-019 |                 |
| 20. 317-100-029 | 66. 314-270-020 |                 |
| 21. 317-110-020 | 67. 314-270-021 |                 |
| 22. 317-110-022 | 68. 314-270-022 |                 |
| 23. 317-110-023 | 69. 314-270-023 |                 |
| 24. 317-110-024 | 70. 314-270-024 |                 |
| 25. 317-110-025 | 71. 314-270-025 |                 |
| 26. 317-110-026 | 72. 314-280-001 |                 |
| 27. 314-051-015 | 73. 314-280-002 |                 |
| 28. 314-110-004 | 74. 314-290-001 |                 |
| 29. 314-110-064 | 75. 314-290-002 |                 |
| 30. 314-110-066 | 76. 314-290-003 |                 |
| 31. 314-190-026 | 77. 314-290-004 |                 |
| 32. 314-260-001 | 78. 314-290-005 |                 |
| 33. 314-260-002 | 79. 314-290-006 |                 |
| 34. 314-260-003 | 80. 314-290-007 |                 |
| 35. 314-260-004 | 81. 314-290-008 |                 |
| 36. 314-260-005 | 82. 314-290-009 |                 |
| 37. 314-260-006 | 83. 314-290-010 |                 |
| 38. 314-260-007 | 84. 314-290-011 |                 |
| 39. 314-260-008 | 85. 314-290-012 |                 |
| 40. 314-260-009 | 86. 314-290-013 |                 |
| 41. 314-260-010 | 87. 314-290-014 |                 |
| 42. 314-260-011 | 88. 314-290-015 |                 |
| 43. 314-260-012 | 89. 314-290-016 |                 |
| 44. 314-260-013 | 90. 314-290-017 |                 |
| 45. 314-260-014 | 91. 314-290-018 |                 |
| 46. 314-260-015 | 92. 314-290-019 |                 |
|                 | 93. 314-290-020 |                 |
|                 | 94. 314-290-021 |                 |



MO. 05-0489

## EXHIBIT B

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE

A Special Tax (all capitalized terms are defined in Section A "Definitions" below), shall be applicable to each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside. The amount of Special Tax to be levied each Fiscal Year, commencing in Fiscal Year 2006-07 for a Parcel shall be determined by the Legislative Body by applying the appropriate Special Tax for the Taxable Property as set forth in Sections B, C, and D below. All of the real property within the CFD, unless exempted by law or by the provisions of Section E., below, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre or Acreage"** means the acreage of a Parcel as indicated on the most recent Assessor's Parcel Map, or if the land area is not shown on such Assessor's Parcel Map, the land area shown on the applicable Final Map or similar instrument.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, of Part 1 of Division 2 of Title 5 of the California Government Code.

**"Administrative Expenses"** means all actual or reasonably estimated costs and expenses of the CFD as determined by its Administrator to be chargeable or allocable to the CFD as allowed by the Act and the Indenture, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax, Special Tax appeals, initiating and prosecuting a foreclosure closure action on a Parcel, trustee/fiscal agent expenses and fees, rebate compliance calculation fees, initiating or defending any litigation involving the CFD, continuing disclosure undertakings of the CFD and/or the County, all communication with bondholders, property owners, or other interested persons and the costs of County staff, consultants and legal counsel incurred on behalf of the CFD in performing such administrative responsibilities.

**"Administrator"** means the County Executive Officer of the County, or his or her designee.

**"Assessor's Parcel Map"** means, for each Fiscal Year, the official map(s) of the Assessor of the County designating each Parcel by an Assessor's parcel number.

**"Bonds"** means any bonds or other debt (as defined in the Act) issued by the CFD and secured by the levy of Special Taxes.

**"CFD"** means Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside established pursuant to the Act.

## EXHIBIT B

**“County”** means the County of Riverside.

**“Exempt Property”** means any Parcel which is exempt from Special Taxes pursuant to Section E, below.

**“Final Map”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual Parcels for which building permits may be issued without further subdivision.

**“Fiscal Year”** means the period starting on July 1 of any calendar year and ending on June 30 of the following calendar year, commencing July 1, 2006.

**“Indenture”** means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time

**“Legislative Body”** means the Board of Supervisors of the County acting *ex officio* as the Legislative Body of the CFD.

**“Maximum Special Tax”** means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, which can be levied in such Fiscal Year on any Parcel of Taxable Property.

**“Minimum Taxable Acreage”** means the applicable Acreage classified as Taxable Property as determined pursuant to Section E.

**“Outstanding Bonds”** means all previously issued bonds issued and secured by the levy of Special Taxes, which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Taxes.

**“Parcel”** means, for each fiscal year, each lot or parcel within the boundary of the CFD shown on an Assessor’s Parcel Map to which a parcel number has been assigned.

**“Proportionately”** means for Taxable Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Taxable Property.

**“Special Tax(es)”** means the special tax to be levied in any Fiscal Year on each Parcel of Taxable Property.

**“Special Tax Requirement”** means that amount required in any Fiscal Year to pay:  
(i) annual debt service on all Outstanding Bonds due in the calendar year which commences in such Fiscal Year; (ii) periodic costs on the Bonds, including but not

## EXHIBIT B

limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses; and (iv) an amount equal to any shortfall due to Special Tax delinquencies experienced in the prior Fiscal Year; and (v) any amount required to establish or replenish any reserve funds for the Bonds, less (vi) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

**“Taxable Property”** means, for each Fiscal Year, all Parcels in the CFD which are not Exempt Property; including any Parcel leased by a public agency to a private entity and subject to taxation under Section 53346.1 of the Act.

**“Taxable Exempt Property”** means, for each Fiscal Year, any Parcel within Zone 1 or Zone 2 of the CFD that would otherwise be classified as Exempt Property, but classifying it as such would reduce the taxable acreage in the applicable Zone below the Minimum Taxable Acreage for such Zone, as established in Section E.

**“Zone”** means Zone 1 or Zone 2, as applicable.

**“Zone 1”** means the specific area identified on the boundary map as Zone 1 of CFD 04-1.

**“Zone 2”** means the specific area identified on the boundary map as Zone 2 of CFD 04-1.

### **B. ASSIGNMENT TO ZONE**

Each Fiscal Year, commencing with the 2006-07 Fiscal Year, all Parcels of Taxable Property within the CFD shall be classified as being within Zone 1 or Zone 2 and shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C., D., and E. below.

### **C. MAXIMUM SPECIAL TAX RATE**

#### **1. Taxable Property**

Commencing Fiscal Year 2006-07, and each Fiscal Year thereafter, the Maximum Special Tax for each Parcel of Taxable Property shall be the applicable Maximum Special Tax set forth in Table 1.

## EXHIBIT B

### TABLE 1

Maximum Special Taxes for Taxable Property  
Community Facilities District No. 04-1

Zone	Taxable Unit	Maximum Special Tax Per Taxable Unit
Zone 1	Acre	\$2,409.17
Zone 2	Acre	\$3,659.04

On each July 1, commencing on July 1, 2007, the Maximum Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

#### **D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2006-07, and for each following Fiscal Year, the Legislative Body shall determine the Special Tax Requirement and shall levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Parcel of Taxable Property that is not Taxable Exempt Property at up to 100% of the applicable Maximum Special Tax for each Zone to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Exempt Property at up to 100% of the applicable Maximum Special Tax for each Zone to satisfy the Special Tax Requirement.

#### **E. EXEMPTIONS**

Parcels utilized for the following purposes at the time of formation of the CFD are Exempt Property: (i) Parcels owned by the State of California, Federal or other local governments, (ii) Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement. Land conveyed or irrevocably offered for dedication to a public agency after formation of the CFD and not otherwise shown as or not exempt pursuant to this Section E, shall be subject to the levy of the Special Tax pursuant to Section 53317.3 or 53317.5 of the California Government Code.

Notwithstanding, the above, the Special Tax shall be imposed on the following "Minimum Taxable Acreage" for each Zone:

- (1) Within Zone 1, the Legislative Body shall levy Special Taxes on a minimum of 47 taxable acres based on the acreage reflected on the Assessor Parcel Map(s).

## EXHIBIT B

- (2) Within Zone 2, the Legislative Body shall levy Special Taxes on a minimum of 194 taxable acres based on the acreage reflected on the Assessor Parcel Map(s).

Should the taxable acreage within Zone 1 or Zone 2 fall below the Minimum Taxable Acreage, the Parcel conveyed or irrevocably offered for dedication to a public agency resulting in the Taxable Acreage being less than the Minimum Taxable Acreage for said Zone, shall be identified as Taxable Exempt Property and shall be subject to the levy of the Special Tax pursuant to Section 53317.3 or 53317.5 of the California Government Code. The Special Tax obligation for any Taxable Exempt Property may be prepaid pursuant to Section H., below. Until the Special Tax obligation is prepaid as provided for in the preceding sentence, the Taxable Exempt Property will be subject to the levy of the Special Tax as provided in Section D., above.

### F. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *Ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFD may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Parcels having delinquent Special Taxes as permitted by the Act.

### G. APPEALS

Any owner of a Parcel claiming that the amount or application of the Special Tax levied on the Parcel is not correct and requesting a refund may file a written notice of appeal with the Administrator after the Special Tax in dispute has been paid but, not later than 12 months after the mailing of the property tax bill on which the Special Tax appears. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, convene the CFD special tax review board and decide the appeal. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

### H. PREPAYMENT OF SPECIAL TAX

#### 1. Prepayment in Full

The Special Tax obligation applicable to a Parcel of Taxable Property may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Special Tax obligation for the Parcel shall provide the Administrator with written notice of intent to prepay and within 15 business days of receipt of such notice, the Administrator shall notify such

## EXHIBIT B

owner of the amount of the non-refundable deposit determined to cover the costs to be incurred by the CFD in calculating the Prepayment Amount (as defined below) for the Parcel. Within 20 business days of receipt of such nonrefundable deposit, the Administrator shall notify such owner of the Prepayment Amount for the Parcel.

The Prepayment Amount (defined below) shall equal the sum of the amounts as identified below (capitalized terms are defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
Total: equals	Prepayment Amount

The Prepayment Amount shall be determined as of the proposed prepayment date as follows:

1. Confirm that no Special Tax delinquencies apply to such Parcel.
2. Compute the Maximum Special Tax obligation for the Parcel.
3. Divide the Maximum Special Tax obligation derived pursuant to paragraph 2 by the estimated Maximum Special Taxes based on the Taxable Property Special Tax which could be charged, on the Minimum Taxable Acres, less any Parcels that have previously been prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "*Bond Redemption Amount*").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").
6. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
7. Determine the Special Taxes levied on the Parcels in the current Fiscal Year which have not yet paid.
8. Determine the amount the Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Administrative Fees and Expenses from the date of the prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

## EXHIBIT B

9. Add the amounts derived pursuant to paragraphs 6 and 7 and subtract the amount derived pursuant to paragraph 8 (the "*Defeasance Amount*").
10. Verify the administrative fees and expenses, including the cost of computing of the Prepayment Amount, the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording any notices to evidence the prepayment of the Maximum Special Tax obligation for the Parcel and the redemption of Outstanding Bonds (the "*Administrative Fees and Expenses*").
11. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of:  
(a) the expected reduction in the Reserve Requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new Reserve Requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit (the "*Prepayment Amount*").
13. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and the Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments. The Administrative Fees and Expenses shall be retained by the CFD.

In the event the prepayment amount exceeds an integral multiple of \$5,000, the increment above \$5,000 or an integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Maximum Special Tax obligation prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined pursuant to paragraph 7 above, the Administrator shall remove the current Fiscal Year's Special Tax levy for the prepaying Parcel from the County tax roll. With respect to any Parcel for which the Maximum Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Maximum Special Tax obligation and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on Taxable Property in each Fiscal Year, both prior to and after the proposed prepayment will be at least 1.1

## EXHIBIT B

times the maximum annual debt service on all Outstanding Bonds.

### 2. Prepayment in Part

The Maximum Special Tax obligation on a Parcel of Taxable Property may be partially prepaid in increments which yield Bond Redemptions of \$5,000. For purposes of determining the partial prepayment amount, the provisions of Section H.1 shall be modified as provided by the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = Partial Prepayment

$P_E$  = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Parcel(s) is partially prepaying the Maximum Special Tax obligation.

A = the Administrative Fees and Expenses determined pursuant to Section H.1

The owner of a Parcel who desires to partially prepay the Maximum Special Tax obligation for the Parcel shall notify the Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax obligation, (ii) the percentage by which the Maximum Special Tax obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. Within 15 business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the proper amount of a Partial Prepayment. Within 20 business days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the amount of the Partial Prepayment for the Parcel. A Partial Prepayment must be made not less than 60 business days prior to any redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment.

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.1, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage  $(1.00 - F)$  of the Maximum Special Tax obligation will continue, and the Special Tax shall continue on the Parcel pursuant to Section D.

### I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2036-37 or the stated maturity of the Bonds, whichever is sooner.

2 **RESOLUTION NO. 2005-465**

3 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**  
4 **COUNTY OF RIVERSIDE DECLARING ITS INTENTION TO INCUR**  
5 **BONDED INDEBTEDNESS FOR THE PROPOSED COMMUNITY**  
6 **FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS**  
7 **CENTER) OF THE COUNTY OF RIVERSIDE**

8 **WHEREAS**, this Board of Supervisors (the "Board") has this date adopted its Resolution  
9 No. 2005-465 stating its intention to form a community facilities district pursuant to the Mello-Roos  
10 Community Facilities Act of 1982 (the "Act"), being Chapter 2.5, Part1, Division 2, Title 5 of the  
11 Government Code of the State of California (the "Code") and such community facilities district may,  
12 in part, pay amounts necessary to pay, repay or defease any obligations to pay or any indebtedness  
13 secured by any tax, fee, charge or assessment levied within the area of a community facilities district  
14 or may pay debt service on that indebtedness pursuant to Section 53313.5(g) of the Code; and

15 **WHEREAS**, this Board estimates the amount required of said community facilities district to  
16 pay its portion of the amounts necessary to pay, repay or defease outstanding bonds of Community  
17 Facilities District No. 88-8 of the County of Riverside ("A" Street – North) ("CFD No. 88-8") to be  
18 not in excess of \$11,500,000; and

19 **WHEREAS**, in order to finance said partial payment, repayment or defeasance of bonds of a  
20 portion of the CFD No. 88-8, it is necessary to incur bonded indebtedness for Community Facilities  
21 District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside ("CFD No. 04-1") in  
22 the amount of not to exceed \$11,500,000.

23 **NOW, THEREFORE, IT IS HERBY RESOLVED, FOUND, DETERMINED AND**  
24 **ORDERED** by the Board of Supervisors of the County of Riverside as follows:

25 Section 1. All of the above recitals are true and correct.

26 Section 2. It is necessary to incur bonded indebtedness within the boundaries of the proposed  
27 CFD No. 04-1 in the amount of not to exceed \$11,500,000 to finance said partial payment, repayment  
28 or defeasance of a portion of the bonds of CFD No. 88-8.

1           Section 3. The bonded indebtedness described in Section 2 is proposed to be incurred for the  
2 purpose of the partial payment, repayment or defeasance of bonds of CFD No. 88-8, including costs  
3 incidental to or connected with the accomplishment of said purposes and of the financing thereof.

4           Section 4. This Board, acting as the legislative body for CFD No. 04-1, intends to authorize  
5 the issuance and sale of one or more series of bonds in the maximum aggregate principal amount of  
6 \$11,500,000, bearing interest payable semi-annually or in such other manner as this Board shall  
7 determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law  
8 at the time of sale of such bonds, and maturing not to exceed thirty (30) years from the date of the  
9 issuance of said bonds.

10           Section 5. Tuesday, November 29, 2005, at 9:30 a.m. or as soon thereafter as the matter may  
11 be heard, in the Board Chambers of the County Administrative Center, 4080 Lemon Street, 1<sup>st</sup> Floor,  
12 Riverside, California 92501-3651, be, and the same are hereby appointed and fixed as the time and  
13 place when and where this Board, as legislative body for CFD No. 04-1, will conduct a public hearing  
14 on the proposed debt issue for CFD No. 04-1 and consider and finally determine whether the public  
15 interest, convenience and necessity require the issuance of bonds of CFD No. 04-1.

16           Section 6. The Clerk of the Board is hereby directed to cause notice of said public hearing to  
17 be given by publication one time in the *Press-Enterprise*, a newspaper of general circulation circulated  
18 within CFD No. 04-1. The publication of said notice shall be completed at least seven (7) days before  
19 the date herein set for said public hearing.

20           Section 7. This Resolution shall take effect immediately upon its adoption.  
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**PASSED, APPROVED AND ADOPTED**, this 25th day of October, 2005.

\_\_\_\_\_  
Marion Ashley, Chairman of the Board of Supervisors  
of the County of Riverside

ATTEST:  
Nancy Romero, Clerk of the Board  
of Supervisors, County of Riverside

\_\_\_\_\_  
Deputy

FORM APPROVED  
COUNTY COUNSEL  
  
OCT 18 2005  
BY   
COUNTY COUNSEL