ORDINANCE NO. 862
ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA REPEALING ORDINANCE NO. 851 AND DISSOLVING COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside ("County") on October 25, 2005, duly adopted Resolution No. 2005-464 declaring its intention to establish Community Facilities District No. 04-1 (Majestic Freeway Business Center) of the County of Riverside ("CFD No. 04-1"), and to levy special taxes to pay the principal on and interest of the bonds of CFD No. 04-1 issued to pay, repay or defease a portion of the outstanding bonds of Community Facilities District No. 88-8 of the County of Riverside ("A" Street – North) ("CFD No. 88-8" and the "CFD No. 88-8 Bonds," respectively), to issue bonds secured by a special tax for such purposes, 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"), and calling a public hearing on the question of the establishment of such CFD No. 04-1; and

WHEREAS, notices were published and mailed as required by law relative to the intention of the Board of Supervisors to form the proposed CFD No. 04-1, including the territory referenced in Resolution No. 2005-464, to levy a special tax and to incur bonded indebtedness; and

WHEREAS, on October 25, 2005, the Board of Supervisors also adopted Resolution No. 2005-465 stating its intention to incur bonded indebtedness in an amount not to exceed $11,500,000 within proposed Community Facilities District No. 04-1 to pay its portion of the amounts necessary to pay, prepay or defease CFD No. 88-8 Bonds; and

WHEREAS, pursuant to Resolution Nos. 2005-464, a public hearing has been duly convened and held on November 29, 2005 in connection with the formation of CFD No. 04-1, at which hearing the Board of Supervisors considered the establishment of CFD No. 04-1, the proposed rate and method of apportionment of special tax, the necessity for incurring bonded indebtedness, the proposed appropriations limit therefor, and all other matters as set
forth in Resolution Nos. 2005-464 and 2006-465, and at the above-mentioned public hearing, all persons interested, including all taxpayers, property owners and registered voters within CFD No. 04-1, were given an opportunity to appear and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of CFD No. 04-1, the boundaries of CFD No. 04-1, the levy of the special tax, the payment or defeasance of a portion of the CFD No. 88-8 Bonds, the necessity to incur bonded indebtedness, the proposed appropriations limit, or any other matters set forth in said Resolution, were heard and considered and the Board of Supervisors at the conclusion of said hearing was fully advised in the premises, and was authorized to proceed; and

WHEREAS, following such public hearing, on November 29, 2005, the Board of Supervisors duly adopted Resolution No. 2005-491 establishing CFD No. 04-1 and the Rate and Method of Apportionment of Special Tax as set forth in Exhibit B to Resolution No. 2005-464 and on the same date the Board of Supervisors, acting ex officio as the legislative body of CFD No. 04-1 (the "Legislative Body") adopted Resolution No. CFD 2005-25 determining the necessity to incur bonded indebtedness (including incidental expenses as authorized by the Act) in an aggregate principal amount not to exceed $11,500,000; and

WHEREAS, CFD No. 04-1 on the 13th of December, 2005, duly and legally held and conducted a special election, and the three propositions submitted to the qualified electors were approved by more than two-thirds of the votes cast; and

WHEREAS, the Board of Supervisors on January 10, 2006, adopted Ordinance No. 851 authorizing the levy of the Special Tax within the boundaries of the CFD No. 04-1; and

WHEREAS, the Legislative Body, pursuant to the Act, caused a "Notice of Special Tax Lien" to be recorded July 3rd, 2006, as Instrument No. 2006-0483825; and

WHEREAS, Majestic Oakwood, LLC, a Delaware limited liability company ("Majestic"), being the sole owner of all property with CFD No. 04-1, has elected to prepay and permanently satisfy the special tax obligation owed by its property toward the CFD No. 88-8 Bonds and has caused irrevocable standby letters of credit and cash to be deposited into
Escrow No. 25115269MA held by Stewart Title of California, Inc., Inland Empire Division (the "Escrow") to provide all funds necessary to prepay and permanently satisfy said special tax obligation on or July 17, 2006, which will allow for the refunding of the CFD No. 88-8 Bonds on July 20, 2006; and

WHEREAS, the Board of Supervisors is fully advised in the premises;

NOW, THEREFORE, the Board of Supervisors of the County of Riverside ORDAINS, as follows:

Section 1. The Board of Supervisors finds and determines that the above recitals are true and correct.

Section 2. The Board of Supervisors finds and determines that the Legislative Body of CFD No. 04-1 has not incurred any bonded indebtedness on behalf of CFD No. 04-1 to pay, prepay or defease any portion of the CFD No. 88-8 Bonds and has no authority to cause the issuance of such bonded indebtedness as a result of the prepayment of all special tax obligations owing on the property within the boundaries of CFD No. 04-1.

Section 3. As required by Section 53338.5 of the Code, the Board of Supervisors finds and determines that CFD No. 04-1 is not obligated to pay any outstanding debt.

Section 4. As required by Section 53338.5 of the Code, the Board of Supervisors finds and determines that CFD No. 04-1 has no authorization to levy any special tax.

Section 5. Riverside County Ordinance No. 851, entitled “ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN COMMUNITY FACILITIES DISTRICT NO. 04-1 (MAJESTIC FREEWAY BUSINESS CENTER) OF THE COUNTY OF RIVERSIDE” is hereby repealed.

Adopted: 862 Item 3.4 of 07/25/2006 (Eff: Immediately)