

RESOLUTION NUMBER 2951

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) OF THE CITY OF PERRIS; DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$48,000,000 WITHIN SAID DISTRICT; AND CALLING A SPECIAL ELECTION

WHEREAS, the City Council (the “Council”) of the City of Perris, California (the “City”), has heretofore adopted its resolution of intention (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2001-1 (May Farms) of the City of Perris (the “District”) and two improvement areas therein (each an “Improvement Area”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”); and

WHEREAS, a copy of the Resolution of Intention, as modified at the public hearing, incorporating a description and map of the proposed boundaries of each Improvement Area and the District and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within each Improvement Area within the District, which will be used to pay principal of and interest on bonds proposed to be authorized within each Improvement Area within the District, the proceeds of which will be applied to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the Improvement Areas and the District (the “Incidental Expenses”); is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, the Council of the City has heretofore adopted its resolution of intention to incur bonded indebtedness (the “Resolution of Intention to Incur Bonded Indebtedness”) stating its intention to incur bonded indebtedness in an amount of not to exceed \$8,000,000 within Improvement Area 1 and an amount not to exceed \$90,000,000 within Improvement Area 2; and

WHEREAS, a copy of the Resolution of Intention to Incur Bonded Indebtedness is on file with the City Clerk; and

WHEREAS, the Resolution of Intention set January 8, 2002, as the date of the public hearing on the formation of the District and the Improvement Areas and this Council held the said public hearing on January 8, 2002, and continued the hearing and accepted testimony on January 29, 2002, April 30, 2002 and May 28, 2002, as required by law; and

WHEREAS, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the Improvement Areas and the District were heard and a full and fair hearing was held; and

WHEREAS, by action at said hearing this Council modified the Resolution of Intention after receiving and considering a report prepared to analyze the impact of (i) an increase in the tax rate and (ii) the establishment of five (5) additional improvement areas for a total of seven (7) improvement areas; and

WHEREAS, by action at said hearing this Council modified the Resolution of Intention to Incur Bonded Indebtedness to provide authorization to incur bonded indebtedness in an amount not to exceed \$1,750,000 within Improvement Area 1, an amount not to exceed \$5,015,000 within Improvement Area 2, an amount not to exceed \$7,550,000 in Improvement Area 3, an amount not to exceed \$13,605,000 in Improvement Area 4, an amount not to exceed \$7,015,000 in Improvement Area 5, an amount not to exceed \$6,910,366 in Improvement Area 6, and an amount not to exceed \$6,154,634 in Improvement Area 7, for a total amount of authorized bonded indebtedness within the District not to exceed \$48,000,000; and

WHEREAS, at said hearing evidence was presented to this Council on said matters before it, and this Council at the conclusion of said hearing was and is fully advised in the premises; and

WHEREAS, this Council adopted its resolution determining the validity of prior proceedings, establishing each Improvement Area and the District, authorizing the levy of a special tax within the boundaries of each of the Improvement Areas within the District and establishing an appropriations limit within each Improvement Area (the "Resolution of Formation"); and

WHEREAS, the proposed special tax to be levied upon property within each Improvement Area within the District to pay principal and interest on the bonds proposed to be issued within each Improvement Area within the District has not been precluded by protest of the owners of one-half (1/2) or more of the area of land within each of the Improvement Areas within the District; and

WHEREAS, this Council wishes to present to the qualified electors of each of the Improvement Areas within the District, respectively, a combined proposition to: (1) levy special taxes on property within each Improvement Area; (2) incur bonded indebtedness; and (3) establish an appropriations limit for each Improvement Area;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS) OF THE CITY OF PERRIS, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council hereby declares and deems that the public convenience and necessity require and it is necessary to incur bonded indebtedness in a maximum aggregate principal amount not to exceed \$1,750,000 within Improvement Area 1, a maximum aggregate principal amount not to exceed \$5,015,000 within Improvement Area 2, a maximum aggregate principal amount not to exceed \$7,550,000 in Improvement Area 3, a maximum aggregate principal amount not to exceed \$13,605,000 in Improvement Area 4, a

maximum aggregate principal amount not to exceed \$7,015,000 in Improvement Area 5, a maximum aggregate principal amount not to exceed \$6,910,366 in Improvement Area 6, and a maximum aggregate principal amount not to exceed \$6,154,634 in Improvement Area 7, for the purpose of financing all or a portion of the Facilities as more particularly described and set forth in that certain Report filed with the City Council for the District.

Section 2. The purpose of the proposed bonded indebtedness is generally described as follows: to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of the Facilities, which Facilities have a useful life of five years or longer; and (2) the Incidental Expenses.

Section 3. Except for property within each of the Improvement Areas within the District that is exempt, wholly or partially, from the levy of the special tax specified in the applicable Rate and Method of Apportionment of Special Tax attached to the Resolution of Formation as Exhibit "A", the whole of the property within each Improvement Area within the District shall pay for the applicable bonded indebtedness pursuant to the levy of the special tax authorized by the Resolution of Formation.

Section 4. The maximum term of the bonds or any series thereof to be issued shall in no event exceed forty (40) years.

Section 5. The bonds or any series thereof shall bear interest at a rate not to exceed the greater of 12 percent per annum or the maximum interest rate permitted by law, payable semiannually, with the actual rates and times of payment to be determined at the time of sale thereof.

Section 6. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 1 of the District a combined proposition ("Proposition A-1") to: (1) levy special taxes on property within Improvement Area No. 1 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$1,750,000; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 1 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-1.

Section 7. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 2 of the District a combined proposition ("Proposition A-2") to: (1) levy special taxes on property within Improvement Area No. 2 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$5,015,000; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 2 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually

and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-2.

Section 8. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 3 of the District a combined proposition (“Proposition A-3”) to: (1) levy special taxes on property within Improvement Area No. 3 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$7,550,000; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 3 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-3.

Section 9. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 4 of the District a combined proposition (“Proposition A-4”) to: (1) levy special taxes on property within Improvement Area No. 4 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$13,605,000; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 4 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-4.

Section 10. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 5 of the District a combined proposition (“Proposition A-5”) to: (1) levy special taxes on property within Improvement Area No. 5 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$7,015,000; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 5 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-5.

Section 11. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 6 of the District a combined proposition (“Proposition A-6”) to: (1) levy special taxes on property within Improvement Area No. 6 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$6,910,366; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 6 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually

and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-6.

Section 12. Pursuant to Government Code Section 53353.5, the Council hereby submits to the qualified electors of Improvement Area No. 7 of the District a combined proposition ("Proposition A-7") to: (1) levy special taxes on property within Improvement Area No. 7 in accordance with the rate and method specified in the Resolution of Formation of the Council; (2) incur bonded indebtedness in the maximum principal aggregate amount of \$6,154,634; and (3) establish an appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for Improvement Area No. 7 of the District. Said appropriations limit shall equal the amount of all proceeds of the special tax collected annually and as defined by said Article XIII B, as adjusted for changes in the cost of living and changes in population. The Proposition is attached hereto as Exhibit A-7.

Section 13. A special election is hereby called for each Improvement Area within the District on the Propositions set forth in Sections 6, 7, 8, 9, 10, 11 and 12, respectively, hereinabove.

Section 14. The time for notice having been waived by all of the qualified electors, the date of the special election for each Improvement Area within the District on the combined Proposition A-1, combined Proposition A-2, combined Proposition A-3, combined Proposition A-4, combined Proposition A-5, combined Proposition A-6 and combined Proposition A-7 shall be on the 28th day of May, 2002.

Section 15. The Council finds and determines that there were no registered voters residing within the territory of any of the proposed Improvement Areas within the District at the time of the protest hearing and ninety (90) days prior thereto. The requirements of Section 53326 of the Government Code having been waived by all of the landowners, the ballots for the special election shall be personally delivered to the landowners within each of the Improvement Areas within the District.

Section 16. Notice of said election and written argument for or against the measure have been waived by the landowners.

Section 17. Each Improvement Area within the District shall constitute a single election precinct for the purpose of holding said elections.

Section 18. The Council hereby directs that the elections be conducted by the City Clerk of the City of Perris, as the elections official. The City Clerk is further directed to take any and all necessary acts to call, hold, canvass and certify an election or elections on the incurring of bonded indebtedness, the levy of the special tax, and the establishment of an appropriation limit within each Improvement Area within the District.

Section 19. The City Clerk shall certify the adoption of this Resolution.

ADOPTED, SIGNED and APPROVED this 28th day of May, 2002.

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 2951 was duly and regularly adopted by the City Council of Perris, acting as the legislative body of Community Facilities District No. 2001-1 (May Farms) of the City of Perris, at a regular or adjourned regular meeting thereof held on the 28th day of May, 2002, and that it was so adopted by the following called vote:

AYES: Landers, Motte, Rogers, Yarbrough, Busch

NOES:

ABSENT:

ABSTAIN:

City Clerk, Margaret Rey

EXHIBIT A-1
(RESOLUTION NUMBER 2951)

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 1

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 59.57 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 60 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-1: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 1, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$1,750,000 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1(May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 1, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-2

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 2

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 62.28 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 63 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-2: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 2, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$5,015,000 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 2, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-3

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 3

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 91.90 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 92 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-3: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 3, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$7,550,000 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 3, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-4

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 4

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 91.54 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 92 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-4: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 4, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$13,605,000 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1(May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 4, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-5

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 5

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 52.64 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 53 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-5: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 5, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$7,015,000 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 5, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-6

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 6

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 23.87 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 24 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-6: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 6, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$6,910,366 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 6, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-6

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 6

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to the David May II - Dee May 1982 Family Charitable Trust, Dorothy Duffy May, Anita May Rosenstein and Robert E. Getz, Trustees; the Kathryn May Paben Family Charitable Trust, Dorothy Duffy May, Katherine May Paben and Robert E. Getz, Trustees; and the Anita May Rosenstein Family Charitable Trust, Dorothy Duffy May, Anita May Rosenstein, Robert E. Getz and Arnold Rosenstein, Trustees, owners or authorized representatives of such owners of 34.89 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 35 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-6: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 6, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$6,910,366 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1(May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 6, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO

EXHIBIT A-7

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2001-1 (MAY FARMS)
OF THE CITY OF PERRIS

IMPROVEMENT AREA 7

SPECIAL BOND, TAX AND APPROPRIATIONS LIMIT ELECTION
May 28, 2002

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden.

This ballot is provided to KB Home, as sole owner or authorized representative of such sole owner of 67.42 acres of land within Community Facilities District No. 2001-1 (May Farms) of the City of Perris and represents 68 votes.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A-7: Shall Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 7, incur an indebtedness and be authorized to issue bonds in the maximum aggregate principal amount of \$6,154,634 with interest at a rate or rates established at such time as the bonds are sold in one or more series at fixed or variable interest rates, however not to exceed any applicable statutory rate for such bonds, the proceeds of which will be used to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer; and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as provided in the Resolution of the City Council of the City of Perris establishing Community Facilities District No. 2001-1 (May Farms) of the City of Perris; and shall a Special Tax be levied to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of acquisition and construction of Facilities; and shall an appropriations limit be established for Community Facilities District No. 2001-1 (May Farms) of the City of Perris, Improvement Area 7, pursuant to Article XIII B of the California Constitution, said appropriations limit to be equal to the amount of all proceeds of the special tax collected annually, as adjusted for changes in the cost of living and changes in population?

YES

NO