

RESOLUTION NUMBER 3822

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE EXECUTION OF A TEMPORARY LAND TRANSFER AGREEMENT BETWEEN PERRIS 15 INVESTMENTS LLC AND THE CITY OF PERRIS RELATING TO CERTAIN PROPERTY WITHIN COMMUNITY FACILITIES DISTRICT NO. 91-1 (PERRIS VALLEY SPECTRUM) OF THE CITY OF PERRIS, AUTHORIZING A LAND TRANSFER IN LIEU OF FORECLOSURE PROCEEDINGS PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 4986.3 AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

WHEREAS, a “Temporary Land Transfer Agreement” by and between the City of Perris, a municipal corporation (the “City”), and Perris 15 Investments LLC, a California limited liability company (the “Owner”), has been prepared and is attached hereto as Exhibit “A” (the “Agreement”); and

WHEREAS, under the Agreement, the Owner is proposing to convey the property described on Exhibit “A” to the Agreement (the “Property”) to the City in exchange for the City requesting from the County of Riverside (the “County”) the cancellation of all delinquent *ad valorem* taxes, penalties and interest due on the Property for the period described in the Agreement pursuant to California Revenue and Taxation Code Section 4986.3; and

WHEREAS, substantial delinquencies in *ad valorem* property taxes exist on the Property and this assistance by the City and the County, if granted, will enable to Owner to develop the Property in a more efficient and economical manner; and

WHEREAS, the Property is located within Community Facilities District No. 91-1 (Perris Valley Spectrum) of the City of Perris (the “District”) and substantial special tax delinquencies also exist on the Property, which special taxes secure the payment of certain bonds issued by the District (the “Bonds”); and

WHEREAS, the City, as legislative body of the District, is entitled to foreclose on the Property due to the special tax delinquencies on the Property pursuant to the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Mello-Roos Act”) and an administration agreement related to the Bonds; and

WHEREAS, Section 4986.3 of the California Revenue and Taxation code provides that any portion of any uncollected tax, penalty, or costs and not validly canceled, may, on satisfactory proof, be canceled by the County if it was levied or charged on property subject

to special taxes for the payment of bonds issued under the Mello-Roos Act where that property was acquired after foreclosure proceedings; and

WHEREAS, Section 4986.3 permits the Owner to convey the Property to the City in lieu of foreclosure proceedings, provided that the City Council finds and declares that the acquisition is in lieu of foreclosure proceedings, and that the acquisition is, for the purposes of Section 4986.3, an acquisition by foreclosure proceedings under the Mello-Roos Act; and

WHEREAS, Section 4986.3 applies regardless of if the property acquired by the City is impressed with a public trust or is acquired for resale; and

WHEREAS, the circumstances of the delinquencies and penalties in *ad valorem* taxes on the Property fit within the purposes of said Section 4986.3; and

WHEREAS, the City Council reserves all rights and is not hereby waiving or canceling any rights with respect to collection of any delinquent special taxes or interest and penalties on said delinquent special taxes related to the Property;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the foregoing recitals are true and correct and incorporated herein as if set forth in full.

Section 2. That the Agreement, in the form attached hereto, is hereby approved with such changes as may be approved by the City Manager or Finance Director, said City Manager or Finance Director's execution thereof to be deemed conclusive evidence of said officer's approval of any changes. That the City Manager or Finance Director of the City is hereby authorized and directed to execute the Agreement for and on behalf of the City, with said signature to be attested to by the City Clerk.

Section 3. That the City Council hereby declares and finds that the City is acquiring the Property pursuant to the Agreement solely for the purposes described herein and in lieu of foreclosure proceedings under the Mello-Roos Act, and that the acquisition is, for the purposes of Section 4986.3, an acquisition by foreclosure proceedings under the Mello-Roos Act.

Section 4. The City Manager or Finance Director of the City of Perris is hereby directed to take any action and execute any documents or requests which may be required to effect the purposes hereof, including, but not limited to, the execution of any request to the County to cancel the delinquent *ad valorem* taxes, penalties and interest as provided in the Agreement.

ADOPTED, SIGNED and **APPROVED** this 14th day of November, 2006.

Mayor, Daryl R. Busch

ATTEST:

City Clerk, Judy L. Haughney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Judy L. Haughney, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 3822 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held the 14th day of November, 2006, and that it was so adopted by the following called vote:

AYES: Rogers, Yarbrough, Landers, Motte, Busch

NOES:

ABSENT:

ABSTAIN:

City Clerk, Judy L. Haughney

EXHIBIT "A"

ON FILE IN THE CITY CLERK'S OFFICE