

Resolution No. 2023-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN HILLS WATER DISTRICT AUTHORIZING RETENTION AND POTENTIAL USE OF DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1 SPECIAL TAXES FOR USE TO MAINTAIN CFD-OWNED REAL PROPERTIES

WHEREAS, the Western Hills Water District, an agency of the State of California (“WHWD”), has conducted proceedings resulting in the formation of the Community Facilities District No. 1 (“CFD”) and the issuance and sale of bonds or debt pursuant to the Mello-Roos Community Facilities Act of 1982 (Cal. Gov. Code §53311, et seq.; the “Act”); and

WHEREAS, pursuant to the Act, WHWD has duly recorded a Notice of Special Tax Lien and has duly and regularly levied CFD special taxes, which special taxes and interest and penalties thereon constitute a lien against the parcel of the land against which it was levied until the same are paid, which liens secure in whole or part debt issued pursuant to the Act; and

WHEREAS, certain special taxes have not been paid when due, and certain special taxes may not be paid when due in the future; and

WHEREAS, pursuant to Section 53356.1(a) of the Act, WHWD was authorized to order the special taxes collected by actions brought in the Superior Court to foreclose their liens; and

WHEREAS, pursuant to Section 53356.1(a) of the Act, WHWD covenanted for the benefit of owners of the debt to file such foreclosure actions on behalf of the debt holders and are authorized to order the County Auditor to credit the delinquent special taxes upon the secured tax roll, thus relieving the County Tax Collector of further duty and regard thereto; and

WHEREAS, through the Superior Court actions described above, the WHWD on behalf of the Bondholders of Community Facilities District No. 1 Bonds, did obtain Judgment(s) in Judicial Foreclosure; Order of Sale(s) Thereon in the following actions: *Western Hills Water District v. Angels Crossing LLC*, Stanislaus Superior Court Case No. CV-21-003252; *Western Hills Water District v. Angels Crossing LLC, et al.*, Stanislaus Superior Court Case No. CV-21-003177; *Western Hills Water District v. World International, LLC, et al.*, Stanislaus Superior Court Case No. CV-21-002840; in addition to an Order Amending and Modifying Judgment of Foreclosure and Order of Sale by Default and Pursuant to Stipulation in Stanislaus Superior Court Case No(s). 662071 and 662077 (collectively referred to herein as the “Foreclosure Actions”); and

WHEREAS, for each of the foregoing Sheriff’s Sale Under Foreclosure Notices duly issued in the Foreclosure Actions, WHWD, on behalf of the Bondholders of

Community Facilities District No. 1 Bonds did tender credit bids per Section §53356.5 and as such, Sheriff's Deeds for the parcels of real property set forth in Exhibit "A" attached hereto (collectively the "CFD Properties") transferred title to the CFD Properties to WHWD, on behalf of the Bondholders of Community Facilities District No. 1 Bonds; and

WHEREAS, in order to maintain and protect the CFD Properties, WHWD will incur various administrative expenses and costs on behalf of the Bondholders of Community Facilities District No. 1 for which there are no District revenues; and

WHEREAS, WHWD has been informed by the Fiscal Agent, Bank of New York, that the Fiscal Agent will not distribute partial interest payments to Bondholders due to, among other things, the insufficient amount of total Special Tax Revenues to fully pay the annual amount due; and

WHEREAS, in order to maintain and protect the CFD Properties, it is in the best interests of the Bondholders of Community Facilities District No. 1 that Special Tax Revenues be held by WHWD and used to cover various administrative expenses incurred for the maintenance and protection of the CFD Properties.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the WHWD acting as the Legislative Body of its CFD No. 1 that:

1. Community Facilities District No. 1 Special Tax Revenues received by WHWD may be held by WHWD, and not transferred to the Fiscal Agent. In making a determination hereunder, WHWD will consider the total amount of Special Tax Revenues received, the estimated expenses to maintain and protect the CFD Properties and whether the Fiscal Agent is able to make an interest payment to the Bondholders of Community Facilities District No. 1 in light of these factors.

2. Community Facilities District No. 1 Special Tax Revenues received by WHWD will be held in WHWD's Mello-Roos Special Tax Account and not comingled with District revenues.

3. Community Facilities District No. 1 Special Tax Revenues received by WHWD may be used only as administrative expenses to maintain and protect the CFD Properties, or in the administration and collection of special taxes, in the discretion of WHWD.

4. This Resolution shall be effective immediately, and the Secretary and Treasurer shall be authorized to undertake all actions necessary to enforce the terms of this Resolution.

Moved by Director M.Kovich, second by Director M.Gene Johnson, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes: 5

Noes: 0

Abstain: 0

Absent: 0

I, Mary Davies, Secretary of the Board of Directors of the Western Hills Water District, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the said Board of Directors held the 23rd day of August, 2023.

Mary Davies

Exhibit "A"

(Property Conveyed at Sheriff's Sale in Case No. 662071)

<u>APN</u>	025-050-005-000; 025-050-006-000 025-050-007-000; 025-050-008-000 025-050-009-000; 025-050-010-000 025-050-011-000; 025-050-012-000
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(Property Conveyed at Sheriff's Sale in Case No. 662072)

<u>APN</u>	025-050-001; 025-050-002; 025-050-003 025-050-004; 025-050-013; 025-051-001 025-051-002; 025-051-003; 025-051-004 025-051-005; 025-051-006; 025-051-007
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(Property Conveyed at Sheriff's Sale in Case No. CV-21-002840)

<u>APN</u>	<u>Former APN</u>
025-039-014-000	025-039-012-000

(Property Conveyed at Sheriff's Sale in Case No. CV-21-003177)

No.	APN	Former APN
1.	025-005-010-000	025-005-009-000
2.	025-038-001-000	-
3.	025-039-013-000	025-039-012-000 (part of)
4.	025-039-015-000	025-039-012-000 (part of)
5.	025-039-018-000	025-039-012-000 (part of)
6.	025-039-020-000	025-039-012-000 (part of)

7.	025-039-021-000	025-039-012-000 (part of)
8.	025-040-003-000	-

9.	025-040-005-000	-
10.	025-040-016-000	025-040-012-000; 025-040-013-000
11.	025-046-008-000	025-046-001-000; 025-040-001-000
12.	025-046-014-000	025-046-004-000; 025-046-005-000
13.	025-048-001-000	-

(Properties Subject to Credit Bid in Case No. CV-21-003252)

<u>No.</u>	<u>APN</u>
1.	025-025-001-000
2.	025-025-034-000
3.	025-025-047-000
4.	025-025-049-000
5.	025-025-051-000
6.	025-025-053-000
7.	025-025-054-000
8.	025-025-055-000
9.	025-025-056-000
10.	025-025-059-000
11.	025-025-060-000
12.	025-025-061-000
13.	025-025-062-000
14.	025-025-063-000
15.	025-025-064-000
16.	025-025-068-000
17.	025-027-008-000
18.	025-027-012-000
19.	025-027-013-000
20.	025-027-015-000
21.	025-027-016-000
22.	025-028-007-000
23.	025-028-008-000
24.	025-028-009-000
25.	025-028-011-000

<u>No.</u>	<u>APN</u>
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26.	025-028-014-000
27.	025-028-015-000
28.	025-028-016-000
29.	025-028-017-000
30.	025-028-018-000
31.	025-028-019-000
32.	025-028-020-000
33.	025-028-021-000
34.	025-028-022-000
35.	025-028-023-000
36.	025-028-024-000
37.	025-028-025-000
38.	025-028-026-000
39.	025-041-001-000
40.	025-041-002-000
41.	025-041-003-000
42.	025-041-004-000
43.	025-041-005-000
44.	025-041-009-000
45.	025-041-010-000
46.	025-041-011-000
47.	025-042-004-000
48.	025-042-005-000
49.	025-042-006-000
50.	025-042-007-000
51.	025-042-008-000
52.	025-042-009-000
53.	025-042-010-000
54.	025-042-011-000
55.	025-042-012-000
56.	025-042-013-000
57.	025-042-014-000
58.	025-042-015-000
59.	025-042-017-000
60.	025-042-018-000
61.	025-042-019-000
62.	025-042-020-000
63.	025-042-021-000