

RESOLUTION NO. 13-13

RESOLUTION OF THE CITY OF LANCASTER (THE "CITY"), APPROVING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (CEDAR RIDGE APARTMENTS), 2013 SERIES A (THE "BONDS") IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; AND APPROVING THE FORM, EXECUTION AND DELIVERY OF A MASTER PLEDGE AND ASSIGNMENT AGREEMENT, MASTER AGENCY AGREEMENT, REGULATORY AGREEMENT AND ADMINISTRATION AGREEMENT NEEDED IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS DEEMED NECESSARY TO EFFECT THE PURPOSES STATED HEREIN

WHEREAS, the City of Lancaster (the "City"), a municipal corporation and charter city, duly organized and existing under the laws of the State of California (the "State"), is authorized and empowered, among other things, in accordance with the provisions of Part 5 of Division 31 of the Health and Safety Code (the "Act") to (a) issue bonds for the purpose of making loans to assist in financing costs of affordable housing in the City in accordance with the terms of the Act, (b) adopt this Resolution, (c) approve the issuance of the City's Multifamily Housing Revenue Bonds (Cedar Ridge Apartments) 2013 Series A in a combined aggregate principal amount not to exceed \$8,000,000, (d) approve the form, execution and delivery of an Master Pledge and Assignment Agreement, Master Agency Agreement, Regulatory Agreement and Administration Agreement and such other documents necessary to effect the issuance of the Bonds and (e) execute and deliver any necessary related documents to effect the purposes of this Resolution, upon the terms and conditions herein and therein; and

WHEREAS, I Yam What I Yam L.P., a California limited partnership (the "Borrower") desires to borrow the proceeds of the Bonds to pay certain costs incurred in connection with the Borrower's construction of the Project costs of issuance of the Bonds; and

WHEREAS, the City has determined to issue bonds in the manner required by the Act and the laws of the State of California (the "State") and to arrange for the sale thereof, and the City deems it necessary and advisable to proceed with the issuance, sale and delivery of its multifamily housing revenue bonds in an original principal amount not to exceed \$8,000,000 to be designated "City of Lancaster Multifamily Housing Revenue Bonds (Cedar Ridge Apartments), 2013 Series A" dated as of such date or dates as shall be approved by the City Manager of the City; and

WHEREAS, East West Bank as Agent for the City and the Borrower will enter into a Loan Agreement (the "Loan Agreement") specifying the terms and conditions of the loan of such sums as are necessary to pay those costs and amounts described above and providing for the Borrower's payments of principal and interest on amounts loaned to the Borrower; and

WHEREAS, to impose occupancy and rental restrictions upon the Project in connection with the issuance of the Bonds, the Borrower has agreed to enter into the Regulatory Agreement (the "Regulatory Agreement") among the Borrower, City and Trustee; and

WHEREAS, a public hearing was conducted on January 9, 2013 pursuant to the terms of Section 147 of the Internal Revenue Code of 1986, as amended at which hearing interested citizens were given the opportunity to be heard regarding the Project and the issuance of the Bonds; and

WHEREAS, there have been presented to the City on this date forms of the following (collectively, the "Documents"):

1. The Master Pledge and Assignment Agreement;
2. The Master Agency Agreement;
3. The Regulatory Agreement; and
4. The Administrative Agreement.

WHEREAS, it appears that each of the instruments above referred to, which are now before the City, is in appropriate and substantially final form and is an appropriate instrument for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, STATE OF CALIFORNIA, THAT:

Section 1. Definitions. In addition to words and terms elsewhere defined in this Resolution, the capitalized words and terms used herein shall have the meanings given in the Master Pledge and Assignment Agreement.

Section 2. Legal Authorization. The City is a municipal corporation and charter city, duly organized and existing under the laws of the State of California and is authorized under the Act to issue and sell its revenue bonds in the form of one or more debt instruments such as the Bonds and to consent to the transfer of projects financed with bonds, in the manner and upon the terms and conditions as set forth in the Act, in this Resolution and in the Master Pledge and Assignment Agreement.

Section 3. Determination by City. The City does hereby determine, as follows:

(a) The issuance of the Bonds for the benefit of the Borrower and to finance the cost of the Project will increase the supply of safe, sanitary and affordable housing for the citizens of the City, is in the public interest, and is within the valid corporate powers of the City as set forth in the Act; and

(b) The income and rental restrictions imposed by the Regulatory Agreement upon the Borrower will effectuate the public purposes of the City and carry out the purposes of the Act by, among other things, providing needed low- to moderate-income housing and improving the economic welfare of the people of the City; and

(d) The Bonds shall be special limited obligations of the City, payable solely out of (i) the revenues and receipts derived from the Trust Estate, including amounts paid under the Loan Agreement and the security therefor, and (ii) all other income, revenues and receipts pledged therefor under the Indenture.

Neither the City, the State nor any other political subdivision of such State shall be obligated to pay the principal of the Bonds, any premium or the interest thereon or any other costs incident thereto except from the amounts pledged therefor.

Section 4. Approval and Authorization of Documents. The Documents are in all respects hereby approved, authorized and confirmed, and the Mayor or City Manager is hereby authorized and directed to execute and deliver as necessary, for and on behalf of the City, the Documents in substantially the form and content as presented to the City on this date with such changes, modifications, additions and deletions therein as shall be approved by the City Attorney and as shall seem necessary, desirable or appropriate, the execution thereof by such officer to constitute conclusive evidence of counsel's and such officer's approval of any and all changes, modifications, additions and deletions from the forms thereof as before the City.

Section 5. Authorization To Issue and Sell the Bonds. The Bonds in an aggregate principal amount not to exceed \$8,000,000 are hereby authorized. Such Bonds shall be issued in such series, shall bear such dates, shall be payable at such place, shall carry such registration privileges, shall be subject to redemption, shall be executed, shall be in substantially such forms and contain such terms, covenants and conditions, with such changes, modifications, additions and deletions therein as shall be approved by counsel to the City and as shall seem necessary, desirable or appropriate, all as set forth in the form of Master Pledge and Assignment Agreement presented to the City. The Bonds shall bear interest at the rates and mature on the dates as shall be set forth in the Indenture as executed by the authorized officers of the City hereunder. The sale of the Bonds to East West Bank or affiliates thereof meeting the qualifications of the Master Pledge and Assignment Agreement (together, the "Bond Purchaser") is in all respects hereby approved, authorized and confirmed, and the Mayor or City Manager is hereby authorized and directed to execute and deliver, and the City Clerk is hereby authorized and directed to attest, whether by manual or facsimile signature, the Bonds for and on behalf of the City to East West Bank as Agent for the City. The Bonds shall be sold to the Bond Purchaser at the purchase price set forth in the Master Pledge and Assignment Agreement.

Section 6. Special Limited Obligations. The Bonds shall be payable solely from the receipts and revenues received by, or on behalf of, the City pursuant to the Indenture. Nothing contained in (a) this Resolution, (b) any of the Documents or (c) any other agreement, certificate, document or instrument executed in connection with the issuance of the Bonds shall be construed as obligating the City (except as a special limited obligation to the extent provided in such documents or instruments), or as incurring a charge upon the general credit of the City, nor shall the breach of any agreement contemplated by (d) this Resolution, (e) any of the Documents or (f) any other instrument or documents executed in connection therewith impose any charge upon the general credit of the City.

Section 7. Conditions. The Bonds shall not be issued unless and until the City shall receive: an opinion of bond counsel that interest on the Bonds is exempt from gross income from federal income tax purposes and such other documentation as the City's counsel may deem necessary or appropriate, in the form and substance satisfactory to the City's counsel. The City will not execute any agreement, certificate, document or instrument or consent to the execution of any agreement, certificate, document or instrument until it is in a form and substance acceptable to the City's counsel.

Section 8. Documents. The forms, terms and provisions of each of the Documents in the forms of such documents (including the exhibits thereto) presented to this meeting are hereby approved, with such insertions, deletions and changes as are approved by the officers authorized to execute the Documents (which approval will be conclusively demonstrated by their execution thereof), and upon satisfaction of the conditions set forth in Section 7 hereof.

Section 9. Authorization to Execute Other Necessary Documents. The Mayor or City Manager or other officer of the City may execute such other documents which they deem necessary with the approval of the counsel to the City and Bond Counsel to the City, to affect the intent and purposes of this Resolution.

Section 10. Inability or Unavailability of City Official. In the event of the inability or unavailability of any official of the City to perform any duty assigned to such official by the terms of this Resolution, any officer or employee of the City authorized to act for such official is hereby authorized and directed to do so.

Section 11. Effective Date. This Resolution shall be in full force and effect immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of
Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No.
13-13, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____
day of _____, 2013.

(seal)
