

RESOLUTION NO. 14-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER APPROVING A SUBORDINATION AGREEMENT AND AMENDED AND RESTATED ADMINISTRATION AGREEMENT IN CONNECTION WITH THE DEFEASANCE OF THE CITY'S MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (WILLOWS APARTMENT PROJECT) SERIES 2002 AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Lancaster (the "City") issued its \$9,650,000 Multifamily Housing Revenue Refunding Bonds (Willows Apartment Project) Series 2002 (the "Bonds"), pursuant to that certain Trust Indenture dated as of October 1, 2002 between the City and the Trustee (the "Indenture");

WHEREAS, the City and Riva Park Development, a California General Partnership (the "Borrower") entered into a Loan Agreement dated as of October 1, 2002 (the "Loan Agreement"), pursuant to which, among other things, the City loaned the proceeds received from the issuance and sale of the Bonds to the Borrower (the "Loan");

WHEREAS, the City, the Borrower and the Trustee entered into an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2002 (the "Regulatory Agreement") which Regulatory Agreement shall remain in effect until August 1, 2040;

WHEREAS, the interests of the Lancaster Redevelopment Agency upon dissolution were transferred to the Lancaster Housing Authority;

WHEREAS, the City, the Borrower and Urban Futures, Inc. entered into an Amended and Restated Administration Agreement, dated as of October 1, 2002, (the "Administration Agreement") for the purpose of ensuring compliance with the Regulatory Agreement;

WHEREAS, Urban Futures, Inc. desires to assign the duties under the Administration Agreement to an affiliated entity, Urban Futures Bond Administration;

WHEREAS, on January 31, 2014, the Borrower is providing for the redemption of the Bonds and the payment to GE Bondholder as holder of the Bonds of the purchase price of the Bonds pursuant to the terms and conditions of the Indenture and the Loan Documents (as defined in the Loan Agreement);

WHEREAS, in connection with the payment of the Bonds, the Borrower will obtain a new loan from Centerline Mortgage Partners, Inc., a Delaware corporation (the "Lender");

WHEREAS, on or about January 31, 2014, Lender will make a loan (the "Loan") to Riva Park Development, LLC, a California limited liability company, Borrower's successor-in-interest ("RPDLLC") in the original principal amount of \$9,300,000.00 pursuant to a Multifamily Loan and Security Agreement between Lender and RPDLLC dated as of the date hereof (as supplemented or amended from time to time, the "Loan Agreement") and evidenced by a Multifamily Note by RPDLLC to Lender dated as of the date hereof (as supplemented or amended from time to time the "Note"). The Loan will be secured by a mortgage lien pursuant to a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing which will be recorded among the land records (as supplemented or amended from time to time, the "Security Instrument" and together with the Note, the Loan Agreement, and all other documents evidencing, securing or otherwise executed in connection with the Loan, the "Loan Documents"); and

WHEREAS, as a condition to Lender's making the new Loan, Lender has required that the City enter into a Subordination Agreement substantially in the form presented at this meeting.

NOW THEREFORE, the City Council of the City of Lancaster does hereby resolve as follows:

1. The Subordination Agreement dated as of the 31st day of January, 2014 is approved in substantially the form presented herewith with such changes, additions or deletions as may be approved by the City Manager.

2. The Administration Agreement dated as of the 31st day of January, 2014 is approved in substantially the form presented herewith with such changes, additions or deletions as may be approved by the City Manager.

3. The City hereby consents to the transfer of the Project to Riva Park Development, LLC, a California limited liability company, subject to payment in full of all amounts due under the Bond documents.

4. The City Manager is hereby authorized and directed to execute the Subordination Agreement and the Administration Agreement and deliver the same to the parties thereto.

This Resolution shall be in full force and effect immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2014, 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 OF LANCASTER

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Resolution No. 14-03, 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 _____, _____.

(seal)
