

Exhibit “A” Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, TO ASSIGN ANNADALE HOUSING PARTNERS' SUPERSEDED AND RESTATED NOTE TO DHI KING'S VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND CONVERT THE \$2,996,720 BALLOON LOAN TO A FIFTY-FIVE YEAR RESIDUAL RECEIPTS LOAN AT ZERO PERCENT INTEREST

WHEREAS, on December 5, 2013, the City Council (Council) approved the restructure of an existing \$2,996,720 loan to Annadale Housing Partners (Annadale) (the Superseded and Restated Note) to eliminate the accrued interest and late fees and ultimately reduce debt on the property in order to obtain tax credits to redevelop the property; and

WHEREAS, after the execution of the Superseded and Restated Note, Annadale's development partner backed out of the proposed redevelopment project causing the remaining members to sell the property; and

WHEREAS, DHI King's View Associates, L.P., a California Limited Partnership, (DHI) submitted a bid to acquire the multi-family portion of the Annadale project and has entered into a Purchase Agreement to acquire the property; and

WHEREAS, DHI anticipates using four percent tax credits, tax-exempt bonds, former HUD program funding, deferred developer fees and other forms of financing as needed to acquire and rehabilitate the multi-family portion of the Annadale property; and

WHEREAS, the City of Fresno (City), wishes to assign the Superseded and Restated Note from Annadale to DHI to finance the rehabilitation of Kings View Estate located at 2705 Martin Luther King Jr. Blvd, Fresno, CA 93706; and

WHEREAS, the City wishes to convert the Superseded and Restated Note from a balloon loan due on or before, December 1, 2017, to a fifty-five year residual receipts loan at zero-percent interest; and

WHEREAS, the City wishes to assign the entire Superseded and Restated Note to only the multi-family portion of the property, leaving the King's View Manor (Senior Housing) portion to be owned free and clear by Annadale; and

WHEREAS, the City agrees to subordinate the Superseded and Restated Note to no less than third position as may be required by senior financing; and

WHEREAS, prior to the City Manager entering into the assignment and loan conversion, DHI shall successfully access all remaining subsidies and equity assurances by no later than September 30, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The assignment of the Superseded and Restated Note to DHI is approved.
2. The conversion of the existing loan to a fifty-five year residual receipts loan at zero percent interest is approved.
3. Prior to the City Manager entering into the assignment and loan conversion, DHI shall successfully access all remaining subsidies and equity assurances by no later than September 30, 2017.
4. The Council authorizes the City Manager or his designee to execute the assignment and loan documents, subject to prior approval as to form by the City Attorney's Office.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____, 2016.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2016
Mayor Approval/No Return: _____, 2016
Mayor Veto: _____, 2016
Council Override Vote: _____, 2016

YVONNE SPENCE, CMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: _____
Tracy Parvanian
Deputy City Attorney

Exhibit A: Superseded and Restated Promissory Note
Rev. 10-01-16

Exhibit “A” To Resolution

COPY

**SUPERSEDED AND RESTATED
PROMISSORY NOTE
SECURED BY DEED OF TRUST**

(Project: Kingsview Manor/Kingsview Estates, Fresno CA)

DO NOT DESTROY THIS NOTE: When paid, this note must be surrendered to Borrowers for Cancellation.

Loan Amount:	\$2,996,720.00	Date: November 5 , 2013 <i>December</i>
Property Address:	2787 Martin Luther King Jr. Blvd Fresno, CA 93706 APN: 479-040-52	

For value received, the undersigned, Annadale Housing Partners, a California Limited Partnership ("Borrower"), promises to pay to the order of the City of Fresno, a California municipal corporation ("Lender"), the sum of Two Million Nine Hundred Ninety-Six Thousand Seven Hundred Twenty dollars and 00/100 (\$2,996,720.00), at zero percent interest with principle due and payable in full on the payment date or before the December 1, 2017, maturity date, subject to the following terms and conditions:

- (1) This Superseded and Restated Note restates and replaces in full, that certain Promissory Note dated February 26, 1989, in the original principal amount of Two Million Nine Hundred Ninety-Six Thousand Seven Hundred Twenty dollars and 00/100 (\$2,996,720.00) [the "Original Note"], as restated in the "Restated Note Secured By Third Deed of Trust" dated June 15, 1995, in the amount of Four Million Eight Hundred Thirty-Three Thousand Eight Hundred Seventy-One dollars and 00/100 (\$4,833,871.00) ["Restated Note"], by the Lender in favor of the Note holder. This Superseded and Restated Note shall evidence all of the indebtedness evidenced by the original Note and Restated Note that are deemed cancelled and no longer in force or effect.

- (2) This Superseded and Restated Note is to remain secured by that Deed of Trust executed by the Borrower dated February 26, 1989, and recorded as Document No. 89021519 on February 28, 1989, in the Official Records of Fresno County, California, which Deed of Trust has been modified and subordinated to the lien of the First Trust Deed and the Second Trust Deed by that certain Modification and Subordination of Deeds of Trust of even date herewith made by Borrower and Lender (as amended, modified or supplemented from time to time, the "City Deed of Trust" insured in the same 3th position lien on the property), and referenced is here made to the City Deed of Trust for a statement of its terms and provisions.

- (3) Any failure to make payment in full on the payment date or before the maturity date shall constitute a default under this Superseded and Restated Note. On the occurrence of an uncured default or on the occurrence of any other event that under the terms of the Superseded and Restated Note give rise to the right to accelerate the balance of the indebtedness, then, at the option of the Lender, this Note will immediately become due without any further presentment, demand, protest, or notice of any kind.

- (4) In the event of default, the Borrower agrees to pay all costs including, without limitation, reasonable attorney fees, incurred by the holder of this Superseded and Restated Note in enforcing payment, whether or not suit is filed, and including, without limitation, all costs, attorney fees, and expenses incurred by the holder of this Superseded and Restated Note in connection with any bankruptcy, reorganization, arrangement, or other similar proceedings involving the undersigned that in any way affects the exercise by the holder of this Superseded and Restated Note of its rights and remedies under this Superseded and Restated Note. All costs incurred by the holder of this Note in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by the Borrower. The Borrower will pay to the Lender all attorney fees and other costs referred to in this paragraph on demand.
- (5) The Lender hereby agrees that the Borrower shall first pay-off the balance of outstanding loans secured by the First Trust Deed and Second Trust Deed.
- (6) The Borrower hereby agrees not to request, and the Lender will not provide, any additional City of Fresno funds to the Borrower for the Borrower's proposed redevelopment project at the property.
- (7) The Lender hereby agrees to support the Borrower in the Borrower's efforts to secure funding for: 1) the Borrower's redevelopment project at the property and 2) pay-off of the Superseded and Restated Note.
- (8) The Superseded and Restated Note pay-off shall be paid in lawful money of the United States of America at: City of Fresno, Finance Department, 2600 Fresno Street, Room 2156, Fresno, CA 93721.

In addition, as used in this Superseded and Restated Note, the following terms will have the following meanings:

Payment Date. means the date the Borrower secures funding from refinancing, take out financing, or project financing and pays in full the Superseded and Restated Note.

Maturity Date. means four (4) years from the date the Lender enters the date above.

Any notice, payoff, demand, or request relating to any matter set forth herein shall be in writing and shall be delivered to:

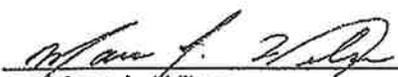
City of Fresno: Development and Resource Management Department
 Housing and Community Development Division
 2600 Fresno Street, Room 3070
 Fresno, CA 93721

Annadale Housing
Partners, LP: Marc A. Wilson, President
 Central Valley Affordable Housing, LLC,
 6356 N. Fresno Street
 Fresno, CA 93710

In witness whereof, the Borrower has caused this Superseded and Restated Note to be executed by its authorized agent as of the date and year first above written.

Annadale Housing Partners, a California Limited Partnership

By: Its General Partner and Investment Limited Partner
Central Valley Affordable Housing, LLC
a California Limited Liability Company

By:  _____

Name: Marc A. Wilson

Title: President

(Attach notary certificate of acknowledgment)

Date: 12-5-13