

FORT ORD REUSE AUTHORITY Resolution 14-10

Resolution of the Fort Ord Reuse Authority Board Delegating Authority to Negotiate and Enter into an Extension of the Existing \$19,000,000 Loan with Rabobank, N.A.

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. In 2010 the Fort Ord Reuse Authority (the "Authority") borrowed \$19,000,000 (the "Loan") from Rabobank, N.A. ("Rabobank"), for a four year term ending on June 15, 2014; and
- B. The Loan is secured by among other things real property commonly known as the "Preston Park Apartments;" and
- C. Due to ongoing litigation between the City of Marina, one of the Authority's constituent members, on the one hand, and the Authority and Rabobank, on the other, it will not be possible for the Authority to repay the loan on its maturity date; and
- D. Resolution of the litigation via trial, arbitration, negotiation or otherwise is not expected before October, 2014; and
- E. It is the unanimous desire of the Board of the Authority to avoid the filing of a Notice of Default and possible foreclosure of the Loan on the Preston Park Apartments; and
- F. Rabobank has indicated its willingness to consider a possible extension of the Loan for a period of 180 days;

NOW, THEREFORE, BE IT RESOLVED by the unanimous consent of the Board of Directors of the Fort Ord Reuse Authority as follows:

- 1. Michael A. Houlemard, Jr., as the Executive Officer is hereby delegated the authority to negotiate with Rabobank for a 180 day extension of the Loan which is due on June 14, 2014 and to take all actions on the part of the Authority necessary to obtain an extension of the Loan. It is understood that Rabobank has not made a commitment to extend the Loan, and will not do so prior to completing its analysis and due diligence (including a new appraisal) and any such action is subject to the bank's internal approval process. The Authority believes that Rabobank will authorize the extension provided that the Authority's Board unanimously approves the extension request under terms generally reflecting the following:
 - (a) Term: six months, with a maturity date of December 15, 2014;
 - (b) Amount: Not to exceed \$19,000,000.00;
 - (c) Interest rate: To be fixed for six months at the rate of 5.98% per anum;
 - (d) Extension fee: Not to exceed 25 basis points;
 - (e) Swap contract: The extension will not have a SWAP during the extension period; and
 - (f) Appraisal charges and other costs of closing shall be borne by the Authority.

2. Michael A. Houlemard, Jr., as the Executive Officer is further authorized to execute and deliver all such instruments, documents, certificates and agreements, for and on behalf of the Authority, as he determines are necessary or appropriate to extend the Loan as described in Section 1 above.

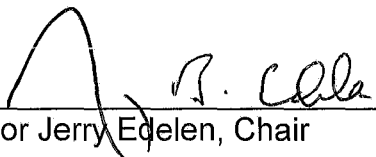
BE IT FURTHER RESOLVED, that any and all acts previously taken by Mr. Houlemard and the Authority in furtherance of and consistent with the actions authorized under these resolutions are hereby ratified.

BE IT FURTHER RESOLVED, that Rabobank is authorized to rely and act on the foregoing resolutions until written notice of revocation by all of the Board is received by the bank at 915 Highland Point Dr., Suite 350, Roseville, CA 95678.

AND BE IT FINALLY RESOLVED, that this Resolution is to be presented to Rabobank in addition to any other Resolutions that have been presented to it on behalf of the Authority prior to the dates set forth below.

Upon motion by Mayor Pro-Tem Oglesby, seconded by Councilmember Alexander, the foregoing Resolution was passed on this 16 day of May, 2014, by the following vote:

AYES: BEACH, EDELEN, GUNTER, LUCIUS, OGLESBY, PARKER,
PENDERGRASS, RUBIO, SELFRIDGE,
NOES: NONE.
ABSTENTIONS: NONE.
ABSENT: CALCAGNO, MORTON, O'CONNELL, POTTER.



Mayor Jerry Edelen, Chair

ATTEST:



Michael A. Houlemard, Jr., Clerk