

RESOLUTION NO. _____

RESOLUTION OF THE GARDEN GROVE HOUSING AUTHORITY
AUTHORIZING THE EXECUTION OF A THIRD AMENDMENT TO
INTERCREDITOR AGREEMENT RELATING TO THE SUBSTITUTION OF A
LETTER OF CREDIT FOR THE AUTHORITY'S \$12,000,000 VARIABLE RATE
DEMAND MULTIFAMILY HOUSING REVENUE BONDS (VALLEY VIEW
SENIOR VILLAS PROJECT), SERIES A OF 1990 (THE "BONDS") AND
APPROVING RELATED ACTIONS

WHEREAS, the Garden Grove Housing Authority (the "Authority") has previously determined to engage in a multifamily rental housing revenue bond finance program (the "Program") pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") for persons and families within the income limits established by the Act; and

WHEREAS, on July 2, 1990, the Authority adopted Resolution No. 107 authorizing the issuance of its \$12,000,000 Variable Rate Demand Multifamily Housing Revenue Bonds (Valley View Senior Villas Project), Series A of 1990, of which \$9,100,000 are currently outstanding (the "Bonds") issued on July 25, 1990 pursuant to an Indenture of Trust (the "Indenture") between the Authority and Seattle-First National Bank, the predecessor to U.S. Bank Trust National Association (the "Trustee"), for the purpose of financing the multifamily residential rental project located in the City of Garden Grove known as "Valley View Senior Villas" currently owned by Garden Grove Senior Housing, L.P., a California limited partnership (the "Owner"); and

WHEREAS, the payment of principal and interest on the Bonds is currently secured by a letter of credit (the "Comerica Letter of Credit") issued by Comerica Bank-California, a California banking corporation ("Comerica"); and

WHEREAS, the Owner desires to cause to be delivered to the Trustee a letter of credit (the "Union Bank Letter of Credit") issued by MUFG UNION BANK, N.A., a national banking association ("Union Bank") in substitution for the Comerica Letter of Credit, all in accordance with the requirements of the Indenture; and

WHEREAS, in connection with the issuance of the Bonds, the Authority, the Trustee and Wells Fargo Bank, N.A. entered into an Intercreditor Agreement dated as of July 15, 1990, as amended, and in connection with the substitution of the Union Bank Letter of Credit for the Comerica Letter of Credit, Union Bank is requiring an amendment to the Intercreditor Agreement in substantially the form of the Third Amendment to Intercreditor Agreement (the "Third Amendment") presented at this meeting.

NOW, THEREFORE, THE GARDEN GROVE HOUSING AUTHORITY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. Subject to all conditions precedent to the effectiveness of any credit substitution under the Indenture, the Loan Agreement or any related documents (the "Financing Documents"), the Third Amendment is hereby approved. The Executive Director, Finance Director, and Secretary of the Authority are hereby authorized and directed to execute, acknowledge, deliver and accept, as appropriate, any such further instruments, certificates, amendments or agreements as

may be necessary or appropriate to consummate the substitution of the Union Bank Letter of Credit for the Comerica Letter of Credit, including without limitation the Third Amendment, and any such further instruments, certificates, amendments or agreements as may be necessary or appropriate for the administration of the Bonds, the Indenture and the other Financing Documents; provided that such actions will not adversely affect, or are reasonably necessary to maintain, (i) the new rating to be assigned the Bonds by the rating agency or (ii) the tax exempt status of the Bonds, and which will in no event impose additional pecuniary expense on the Authority or adversely affect any of the low income targeting provisions of the Regulatory Agreement or the Loan Agreement. Any amendments to Financing Documents may be executed by the Executive Director or the Finance Director of the Authority and attested by the Secretary of the Authority, the execution thereof by such officers of the Authority to be conclusive evidence of the Authority's approval thereof pursuant hereto. In the absence of the Executive Director, Finance Director or Secretary of the Authority, any authorized official or Authority Board member is hereby authorized and directed to sign, execute or attest any document as provided herein in lieu thereof.

Section 2. Any amendments to the Indenture, the Loan Agreement or any other Financing Document shall be subject to receipt by the Trustee and the Authority of any opinions of Bond Counsel or others necessary or advisable pursuant to the Financing Documents to assure the maintenance or improvement of any existing ratings on the Bonds, the preservation of the tax status of interest on the Bonds, and the compliance of any such amendments with any conditions to the effectiveness thereof under the Indenture or any other Financing Document.

Section 3. This resolution shall take effect upon adoption.

IN WITNESS WHEREOF, this Resolution is adopted and approved the 26th day of April, 2016.

Chair of the Garden Grove Housing Authority

(SEAL)

ATTEST:

Secretary of the Garden Grove Housing Authority