

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA APPROVING THE ISSUANCE OF TAX EXEMPT REVENUE BONDS PURSUANT TO A PLAN OF FINANCE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$166,000,000 BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION AND IMPROVEMENT OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN PROPERTIES CONSISTING OF MOBILE HOME PARKS AND AN APARTMENT COMPLEX BY ONE OR MORE CALIFORNIA LIMITED LIABILITY COMPANIES WHOSE SOLE MEMBER WILL BE CARITAS AFFORDABLE HOUSING, INC., AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, one or more California limited liability companies (“LLCs”), whose sole member is or will be Caritas Affordable Housing, Inc. (the “Corporation” and, together with the LLCs, the “Borrowers”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), have requested that the California Municipal Finance Authority (the “Authority”) participate in the issuance of one or more series of tax exempt revenue bonds in a maximum aggregate principal amount not to exceed \$166,000,000 (the “Bonds”), pursuant to a plan of financing, to: (a) pay costs of the 2024 New Money Project (as defined below) and (b) refund all or a portion of the Authority’s outstanding Mobile Home Park Senior Revenue Bonds (Caritas Affordable Housing, Inc. Projects), Series 2014A (the “2014A Bonds”), and Mobile Home Park Subordinate Revenue Bonds (Caritas Affordable Housing, Inc. Projects), Series 2014B (the “2014B Bonds” and, together with the 2014A Bonds, the “2014 Bonds”), which 2014 Bonds were issued to finance and refinance the 2014 Project (as defined below, and as referred to herein collectively with the 2024 New Money Project, the “Project”); and

WHEREAS, the term “2024 New Money Project” means all or a portion of the costs of: (a) the acquisition, construction, improvement and equipping of property located at 220 Camino Corto, Vista, California 92083 (the “Estrella Apartment Project”) and at 2441 South El Camino Real, San Clemente, California 92672 (the “San Clemente Project”); (b) certain capital expenditures for the properties comprising the 2014 Project, including, but not limited to, the replacement of asphalt surfaces in and about such properties (the “Improvement Project”); and (c) certain working capital expenditures as permitted by the Code and the Treasury Regulations promulgated thereunder; and

WHEREAS, the term “2014 Project” means financing and refinancing all or a portion of the costs of the acquisition, construction, improvement and equipping of: (a) a 285-space mobile home park known as Valley Village Mobile Home Park, located at 6401 Country Club Drive, Rohnert Park, California 94928 (the “2014 Valley Village Project” and, together with the portion of the Improvement Project at the 2014 Valley Village Project, the “Valley Village Project”); (b) a 67-space mobile home park known as Sterling Shores Estates Manufactured Housing Community, located at 5830 Robin Hill Drive, Lakeport, California 95453 (the “2014 Sterling Shores Project”

and, together with the portion of the Improvement Project at the 2014 Sterling Shores Project, the “Sterling Shores Project”); (c) a 123-space mobile home park known as Desert Sands Estates Mobile Home Park, located at 4511 25th Street East, Lancaster, California 93535 (the “2014 Desert Sands Project” and, together with the portion of the Improvement Project at the 2014 Desert Sands Project, the “Desert Sands Project”); (d) a 164-space mobile home park known as Aztec Mobile Home Estates, located at 7425 Church Street, Yucca Valley, California 92284 (the “2014 Aztec Project” and, together with the portion of the Improvement Project at the 2014 Aztec Project, the “Aztec Project”); (e) a 100-space mobile home park known as Rancho Brea Mobile Home Estates, located at 1414 West Central Avenue, Brea, California 92821 (the “2014 Rancho Brea Project” and, together with the portion of the Improvement Project at the 2014 Rancho Brea Project, the “Rancho Brea Project”); (f) a 465-space mobile home park known as Friendly Village Mobile Home Park, located at 1301 East Avenue 1, Lancaster, California 93535 (the “2014 Friendly Village Project” and, together with the portion of the Improvement Project at the 2014 Friendly Village Project, the “Friendly Village Project”); (g) a 264-space mobile home park known as Hacienda Mobile Estates, located at 2330 East Avenue J 8, Lancaster, California 93535 (the “2014 Hacienda Project” and, together with the portion of the Improvement Project at the 2014 Hacienda Project, the “Hacienda Project”); (h) a 107-space mobile home park known as Estrella De Oro, located at 220 Camino Corto, Vista, California 92083 (the “2014 Estrella Project” and, collectively with the portion of the Improvement Project at the 2014 Estrella Project and the Estrella Apartment Project, the “Estrella Project”); and (i) a 159-space mobile home park known as Vista Manor Mobile Home Park, located at 200 Olive Avenue, Vista, California 92083 (the “2014 Vista Manor Project” and, together with the portion of the Improvement Project at the 2014 Vista Manor Project, the “Vista Project”); and

WHEREAS, the maximum aggregate principal amount of Bonds to be issued for: (a) the Vista Project will not to exceed \$12,900,000; (b) the San Clemente Project will not to exceed \$16,800,000; (c) the Valley Village Project will not to exceed \$33,000,000; (d) the Sterling Shores Project will not to exceed \$11,500,000; (e) the Desert Sands Project will not to exceed \$10,150,000; (f) the Aztec Project will not to exceed \$16,300,000; (g) the Rancho Brea Project will not to exceed \$12,350,000; (h) the Friendly Village Project will not to exceed \$13,150,000; (i) the Hacienda Project will not to exceed \$12,900,000; and (j) the Estrella Project will not to exceed \$26,950,000 (but in no event will the combined principal amount of Bonds issued for the Project exceed \$166,000,000); and

WHEREAS, the Desert Sands Project, the Friendly Village Project and the Hacienda Project are or will be located within the territorial limits of the City of Lancaster, California (the “City”), a member of the Authority; and

WHEREAS, each of the Desert Sands Project, the Friendly Village Project and the Hacienda Project is, or will be when acquired, owned and operated by one or more of the Borrowers; and

WHEREAS, not less than twenty percent (20%) of the residential units of the Desert Sands Project, the Friendly Village Project and the Hacienda Project shall be occupied by individuals whose income is fifty percent (50%) or less of area median gross income; and

WHEREAS, pursuant to Section 147(f) of the Code and the Treasury Regulations promulgated thereunder, the issuance of the Bonds by the Authority and the related plan of financing must be approved by the City because the Desert Sands Project, the Friendly Village Project and the Hacienda Project are located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds by the Authority under Section 147(f) of the Code and the Treasury Regulations promulgated thereunder; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the Treasury Regulations promulgated thereunder, and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (as amended from time to time, the “Agreement”), among certain program participants, including the City; and

WHEREAS, on or before May 21, 2024, the Authority’s bond counsel caused a notice to appear in the Antelope Valley Press, which is a newspaper of general circulation in the City, stating that a public hearing with respect to the issuance of the Bonds by the Authority for the Desert Sands Project, the Friendly Village Project and the Hacienda Project would be held by the City’s City Council on May 28, 2024; and

WHEREAS, pursuant to Section 147(f) of the Code, the City has, following notice duly given, held a public hearing on May 28, 2024 regarding the issuance of the Bonds by the Authority, and an opportunity was provided for persons to comment on the matter of the Bonds and of the Desert Sands Project, the Friendly Village Project and the Hacienda Project; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER AS FOLLOWS:

Section 1. The foregoing recitals with respect the Project, the Bonds and the use of the proceeds of the Bonds for the Desert Sands Project, the Friendly Village Project and the Hacienda Project are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority and the related plan of financing related to the Desert Sands Project, the Friendly Village Project and the Hacienda Project. It is the purpose and intent of the City Council that this resolution constitutes approval of the issuance of the Bonds by the Authority (a) by the “applicable elected representative” of the governmental unit having geographic jurisdiction of the area which contains the Desert Sands Project, the Friendly Village Project and the Hacienda Project in accordance with Section 147(f) of the Code and the Treasury Regulations promulgated thereunder, and (b) by the City Council in accordance with Section 4 of the Agreement.

Section 3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The approval by the City of the issuance of the Bonds by the Authority relating to the Desert Sands Project, the Friendly Village Project and the Hacienda Project is neither an approval of the underlying credit issues of the proposed Desert Sands Project, Friendly Village Project and Hacienda Project nor an approval of the financial structure of the Bonds. Neither the City nor any department, official or officer thereof shall have any responsibility or liability whatsoever with respect to the Bonds or any portion of the Project. The Bonds shall not constitute an obligation or indebtedness of the City, and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.

Section 4. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire, rehabilitate or construct the Project or any refinancing of the Project or any portion thereof; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project or any portion thereof; (iii) make any contribution or advance any funds whatsoever to the Authority or the Borrowers; or (iv) take any further action with respect to the Authority or the City's membership therein.

Section 6. This resolution shall take effect immediately upon its adoption.

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