

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS REGULAR MEETING

MARCH 23, 2015

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) being held via teleconference was called to order in the City of Los Angeles on March 23, 2015 at 10:15 a.m. by President Mike McCormick.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

W. Michael McCormick, President	Vernon
Sylvia Ballin	San Fernando
Gil Hurtado	South Gate
Ricardo Pacheco	Baldwin Park
Jose Solache	Lynwood

Alternate Members Of The Board of Directors Present

None

Guests Present

Pam Newcomb	Newcomb Williams Financial Group
Preston Olsen	Ballard Spahr
George Turk	Millennium Housing
Janees Williams	Newcomb Williams Financial Group
Wes Wolf	Wolf & Company, Inc.

Staff Present

Michael Maurer	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

IV. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

V. NEW BUSINESS.

A. APPROVAL/ADOPTION OF RESOLUTION NO. 2015-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$38,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (PALOMAR EAST ESTATES) SERIES 2015, INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (PALOMAR ESTATES WEST) SERIES 2015, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH)

Staff reported generally as follows:

At the February 18, 2015 Board of Directors meeting, the ICFA Board approved the refinancing of two manufactured home communities by ICFA for Millennium Housing in the City of San Marcos (Palomar Estates East and Palomar Estates West) for approximately \$38.5 million. At that same meeting, the Board approved/adopted a resolution approving the necessary bond documents for this financing (Resolution No. 2015-1).

It has been decided to split the transaction into two separate bond issues. Given the fact that the Board approved the transaction and authorized only one set of bond documents for both parks (Indenture of Trust, Loan Agreement, Regulatory Agreement, Administration and Oversight Agreement, Preliminary Official Statement, and Purchase Contract), General Legal Counsel believes that the Board should approve separate bond documents for each park.

Some of the reasons for splitting the transaction into two separate bond issues are as follows:

- Each park is now strong enough to stand on its own (which was not the case when Millennium originally purchased the parks 12 years ago)
- The parks are each on separate ground leases
- The parks have always been managed separately, each with its own manager and maintenance staff
- The accounting is simpler
- Residents can track exactly where their dollars are going and will not have the suspicion that the "other" park is being favored

- The ground rent payments are calculated differently (one is based on percentage of the rents and the other lease has an inflation factor); and
- The parks are, in fact, separate and distinct

It should be pointed out that there is no need for the City of San Marcos to hold a new TEFRA hearing. The public hearing notice and the City TEFRA resolution identify the properties and state that the properties will be refinanced with the proceeds of one or more series of bonds issued by ICFA in an amount not to exceed \$38,500,000. Therefore, nothing in the TEFRA documents is affected by the new structure.

After discussing the legalities of what would happen if the transaction was not split, President McCormick asked if there were any more questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Sylvia Ballin, and unanimously carried as follows:

1. To approve/adopt Resolution 2015-2 approving the two bond issuances and the various agreements and documents relating thereto; and
2. To authorize President McCormick and staff to execute all necessary documents.

VI. COMMENTS FROM BOARD MEMBERS.

Jose Solache, City of Lynwood, noted that Jim Morton, former Lynwood Council Member and long-time ICFA Board Member, recently passed away.

Congratulations were offered to Sylvia Ballin on her successful re-election.

VII. COMMENTS FROM STAFF.

There were no comments from staff.

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, March 23, 2015
Page 4

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned in memory of Jim Morton at 10:20 a.m.

Respectfully submitted,

/s/

Deborah J. Smith
Executive Director