

**RESOLUTION NO. 4107**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
AUTHORIZING THE CITY MANAGER TO EXECUTE A SUBORDINATION  
AGREEMENT AND ANY AMENDMENTS THERETO WITH BENITO FLC, L.P.  
RESULTING IN THE CITY'S HOME LOAN SECURITY INSTRUMENT BECOMING  
SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR  
LATER SECURITY INSTRUMENT**

**WHEREAS**, on August 3, 2005, the City Council approved an application for grant funds to the State Department of Housing and Community Development for a HOME Investment Partnership Program grant of \$4,000,000 for the Benito Street Farm Labor Center/Affordable Housing Project ("Benito Street Project"); and

**WHEREAS**, on July 31, 2006, the City received a completed contract from State Department of Housing and Community Development for \$3,810,000 of which \$3,710,000 is loaned for new construction of the Benito Street Project, \$50,000 for Activity Delivery and \$50,000 for City's Administration; and

**WHEREAS**, on August 16, 2006, the City Council executed a Subordination Agreement with CITICORP NORTH AMERICA, INC ("CITICORP"), subordinating its interest for the HOME Loan (in the amount of \$3,710,000) to second position; and

**WHEREAS**, USDA, as Senior Lien holder, has requested that the City subordinate its interest (\$3,710,000) to third position; and

**WHEREAS**, it has been a consistent City policy to subordinate its interest in housing projects where City Funds have been loaned and where the amount of the City loan is less than the amount to which the City is being asked to subordinate.

**NOW THEREFORE, BE IT HEREBY RESOLVED** by the City Council of the City of Soledad that the City Council does agree to subordinate its interest in the HOME loan to Third Position, and the City Manager is authorized and directed to execute a subordination agreement with Benito FLC, L.P and USDA.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Soledad duly held on the 7<sup>th</sup> day of November 2007 by the following vote:

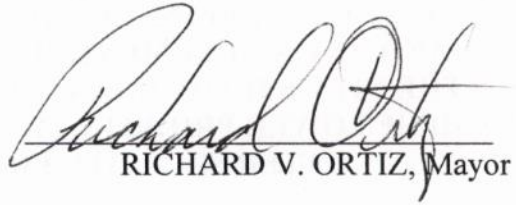
**AYES**, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

**NOES**, Councilmembers: None

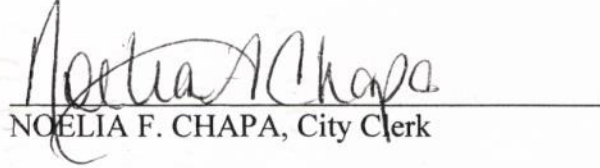
**ABSTAIN**, Councilmembers: None

**ABSENT**, Councilmembers: None

Resolution No. 4107  
Page 2

  
RICHARD V. ORTIZ, Mayor

ATTEST:

  
NOELIA F. CHAPA, City Clerk