

RESOLUTION 2014-03-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY REQUESTING THE JACKSONVILLE CITY COUNCIL TO ENACT AN ORDINANCE (1) AUTHORIZING AND APPROVING A SECOND NOTE MODIFICATION AGREEMENT AND SECOND MORTGAGE MODIFICATION AGREEMENT AMONG THE CITY, VCP-ROOSEVELT BUILDING, LTD. AND VCP-ROOSEVELT GARAGE, LLC; AND A SECOND NOTE MODIFICATION AGREEMENT AND SECOND MORTGAGE MODIFICATION AGREEMENT BETWEEN THE CITY AND VCP-LYNCH BUILDING, LTD.; (2) REQUIRING AN ACKNOWLEDGEMENT AND CONSENT OF GUARANTOR BY THE VESTCOR COMPANIES, INC. FOR EACH LOAN MODIFICATION; AND (3) PROVIDING FOR OVERSIGHT OF THE PROJECT BY THE DOWNTOWN INVESTMENT AUTHORITY.

WHEREAS, on February 21, 2006, the City of Jacksonville ("City") made a \$15,505,900 loan (the "Roosevelt Loan") to VCP-Roosevelt Building, Ltd. ("VCP-Roosevelt") to enable it to renovate and convert to residential units the former hotel located at 31 West Adams Street then commonly known as the "Roosevelt Hotel Building" and now known as "The Carling"; and

WHEREAS, in connection with the Roosevelt Loan, the borrower VCP-Roosevelt on February 21, 2006, executed and delivered to the City the (a) Consolidated, Amended and Restated Promissory Note in the original principal amount of \$15,505,900 with a 20-year repayment term and an annual rate of interest of 1.4%, as modified by that certain Note and Modification Agreement effective March 1, 2010, which modification provided for interest only payments ending on February 1, 2013 (the "Roosevelt Note") and (b) the Amended and Restated Mortgage, Security Agreement and Fixture Filing recorded at Official Records Book 13099, Page 1347 of the current public records of Duval County, Florida, as amended by that certain Mortgage Modification Agreement dated March 1, 2010 and recorded at Official Records Book 15612, Page 1888 of the current public records of Duval County (the "Roosevelt Mortgage"), securing the Roosevelt Note; and

WHEREAS, on June 30, 2003, the City made a \$17,816,000 loan (the "Lynch Loan") to VCP-Lynch Building, Ltd. (the "VCP-Lynch") to enable it to renovate and convert to residential units the former office building located at the northeast corner of Main and Forsyth Streets, then known as the "Lynch Building" and now known as "11E"; and

WHEREAS, in connection with the Lynch Loan, the borrower VCP-Lynch executed and delivered to the City on June 30, 2003 the (a) Amended and Restated Promissory Note in the original principal amount of \$17,816,000 with a 20-year repayment term and an annual rate of interest of 1.525%, as modified by that certain Note Modification Agreement effective March 1, 2010, which modification provided for interest only payments ending on February 1, 2013 (the "Lynch Note"), and (b) the Amended and Restated Mortgage, Assignment of Rents and Security Agreement recorded at Official Records Book 11196, Page 1995 of the current public records of

Duval County, Florida, as amended by that certain Mortgage Modification Agreement dated March 1, 2010 and recorded at Official Records Book 15612, Page 1895 of the current public records of Duval County, Florida (the "Lynch Mortgage"), securing the Lynch Note; and

WHEREAS, due to the depressed real estate rental market, the borrowers VCP-Roosevelt and VCP-Lynch have each requested a modification of the respective loans and mortgages by suspending the monthly principal payments for three years commencing as of October 1, 2013 with VCP Roosevelt to continue to pay the regular monthly interest payments due under the Roosevelt Note, and with VCP Lynch to pay one-half principal and regular monthly interest payments due under the Lynch Note, and with no extension to the 20-year term of either loan; now therefore

BE IT RESOLVED by the Downtown Investment Authority:

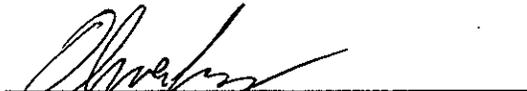
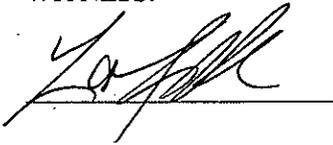
Section 1. The above recitals are true and correct and incorporated herein by reference.

Section 2. The Downtown Investment Authority approves and hereby requests the Jacksonville City Council to enact an ordinance (1) authorizing and approving a Second Note Modification Agreement and Second Mortgage Modification Agreement among the City, VCP-Roosevelt, and VCP-Roosevelt Garage, LLC; and a Second Note Modification Agreement and Second Mortgage Modification Agreement between the City and VCP-Lynch; (2) requiring an acknowledgement and consent of guarantor by The Vestcor Companies, Inc. for each loan modification; and (3) providing for oversight of the project by the Downtown Investment Authority.

Section 3. This resolution shall become effective upon its approval by the Downtown Investment Authority this 21st day of March, 2014.

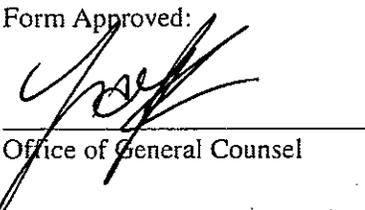
WITNESS:

Downtown Investment Authority


Oliver Barakat, Chairman

VOTE: In Favor: 7 Opposed: 0 Abstained: _____

Form Approved:


Office of General Counsel