CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION No. 76-3(A)
FIRST SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of $15,000,000 Principal Amount of California Housing Finance Agency 1976 Housing Loan Revenue Bonds, Series A (Supplemental to Resolution No. 76-3, Adopted February 17, 1976)

Adopted February 17, 1976

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RESOLUTION NO. 76-3(A)
FIRST SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of $15,000,000 Principal Amount of California Housing Finance Agency 1976 Housing Loan Revenue Bonds, Series A

WHEREAS, the Legislature of the State of California has enacted the Zenovich-Moscone-Chacon Housing and Home Finance Act to provide a comprehensive and balanced approach to the solution of housing problems of very low income households and persons and families of low or moderate income in the State of California; and

WHEREAS, this Board of Directors of the California Housing Finance Agency has determined that the issuance of its Housing Loan Revenue Bonds in the principal amount of $15,000,000 is necessary to provide sufficient funds for such purpose; and

WHEREAS, all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the issuance of said revenue bonds exist, have happened and have been performed in regular and due time, form and manner as required by law, and this Board of Directors is now duly empowered to issue said revenue bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA HOUSING FINANCE AGENCY, as follows:

ARTICLE XII

BONDS OF SERIES A

SECTION 12.01. *Definitions.* Unless the context otherwise requires, the terms in this Section defined shall, for all purposes of this Resolution, and of any Supplemental Resolution, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

Revenues

The term "Revenues" means all amounts received as repayment of principal, interest, and all other charges received for and all

other income and receipts derived by, the Agency from the financing of housing developments and other residential structures through the sale of Bonds of Series A and such other moneys as the Agency may, in its discretion make available, including all income and profit on moneys invested pursuant to Section 8.05, all sums received upon the foreclosure of any mortgages (less amounts payable in connection therewith, including costs of collection) and all amounts received pursuant to claims under any mortgage loan insurance together with all moneys in all accounts created herein.

Series A Minimum Bond Reserve Fund Requirement

The term "Series A Minimum Bond Reserve Fund Requirement" means the sum of (1) the interest falling due on then outstanding Bonds of Series A, assuming that all then outstanding Bonds of Series A are retired as scheduled, and (2) the principal amount of then outstanding Bonds of Series A falling due by their terms all as computed for the twelve-month period ending September 1 in each year during the term of the Bonds of Series A in which such sum is largest.

SECTION 12.02. *Authorization of Bonds of Series A.* A first series of Bonds, in the aggregate principal amount of fifteen million dollars ($15,000,000) at any one time outstanding, is hereby authorized to be issued under and subject to this Resolution and Resolution No. 76-3 authorizing the issuance of California Housing Finance Agency Housing Loan Revenue Bonds, adopted February 17, 1976. Said Bonds shall be designated as the "California Housing Finance Agency 1976 Housing Loan Revenue Bonds, Series A" (herein called the "Bonds of Series A").

The Bonds of Series A in such principal amount are hereby authorized to be necessary to provide sufficient funds for financing housing developments and other residential structures and for the payment of interest on Bonds of the Agency, establishment of reserves to secure such Bonds and other expenditures of the Agency incident to, and necessary or convenient to, issuance of such Bonds.

SECTION 12.03. *Terms of Bonds of Series A.* The Bonds of Series A shall be dated March 1, 1976, and shall bear interest at such rate or rates, not exceeding eight per cent (8%) per annum, as shall be fixed by the Agency at the time of the sale of the Bonds of Series A. Such interest shall be payable on March 1, 1977, and thereafter semiannually on March 1 and September 1 in each year. The Bonds of Series A shall mature on March 1 in each of the years, and in the amounts, as set forth in the following schedule:

Maturity Date March 1	Principal Amount	Maturity Date March 1	Principal Amount
1978	$500,000	1993	$500,000
1979	500,000	1994	500,000
1980	500,000	1995	500,000
1981	500,000	1996	500,000
1982	500,000	1997	500,000
1983	500,000	1998	500,000
1984	500,000	1999	500,000
1985	500,000	2000	500,000
1986	500,000	2001	500,000
1987	500,000	2002	500,000
1988	500,000	2003	500,000
1989	500,000	2004	500,000
1990	500,000	2005	500,000
1991	500,000	2006	500,000
1992	500,000	2007	500,000

The Bonds of Series A may be initially issued as coupon Bonds in the denomination of $5,000, or in fully registered form without coupons, in denominations of $5,000 or any authorized multiple thereof. The coupon Bonds of Series A shall be numbered A1 to A3000, inclusive, in the order of their respective maturities, and shall bear interest from March 1, 1976. The interest coupons attached thereto shall be numbered in consecutive numerical order from 1 up in the order of their respective maturities and each coupon shall represent six months' interest on the coupon Bond to which it is attached, except that the first coupon shall represent interest for the period from the date of such coupon Bond to March 1, 1977.

The fully registered Bonds of Series A shall be numbered in consecutive numerical order from AR1 upwards. Each fully registered Bond of Series A shall bear interest from the interest payment

date next preceding the date of registration thereof unless it is registered as of an interest payment date, in which event it shall bear interest from that date, or unless it is registered prior to the first interest payment date, in which event it shall bear interest from March 1, 1976. Interest on fully registered Bonds shall be paid by check or draft mailed to the registered owner at his address as it appears on the bond registration books of the Trustee or at such address as he may have filed with the Trustee for that purpose.

Both the principal of and interest on the Bonds of Series A shall be payable in lawful money of the United States of America at the office of the Trustee, in Sacramento, California. In the case of coupon Bonds of Series A, both such principal and interest shall also be payable, at the option of the holder, at the principal office of the Paying Agent in New York, New York, or at the office of the Paying Agent in Chicago, Illinois.

SECTION 12.04. *Forms of Bonds of Series A.* The coupon Bonds of Series A, the interest coupons to be attached thereto and the Trustee's certificate of authentication to be executed thereon, the fully registered Bonds of Series A, the Trustee's certificate of authentication and registration, the corresponding coupon bond endorsement and the assignment to appear thereon shall be in substantially the following forms, respectively, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this First Supplemental Resolution:

[FORM OF COUPON BOND OF SERIES A]

No. A.... $5,000

UNITED STATES OF AMERICA

CALIFORNIA HOUSING FINANCE AGENCY

1976 HOUSING LOAN REVENUE BOND

SERIES A

The CALIFORNIA HOUSING FINANCE AGENCY a public instrumentality and political subdivision of the State of California, duly organized under and pursuant to the laws of the State of California (herein called the "Agency"), for value received, hereby promises to pay (but only out of the Revenues herein referred to) to the

bearer hereof, on March 1, ... (subject to any right of prior redemption herein mentioned), the principal sum of Five Thousand Dollars ($5,000), together with interest thereon from the date hereof until the principal hereof shall have been paid in full, at the rate of ..... per cent (.....%) per annum, payable on March 1, 1977, and thereafter semiannually on March 1 and September 1 in each year. Interest due on or before the maturity of this Bond shall be payable only according to the tenor, and upon presentation and surrender, of the respective interest coupons annexed hereto as they severally become due. Both the principal hereof and interest hereon are payable in lawful money of the United States of America at the office of the Treasurer of the State of California, acting as Trustee, in Sacramento, California, or, at the option of the holder, at the principal office of Bankers Trust Company in New York, New York, or at the office of The First National Bank of Chicago in Chicago, Illinois.

This Bond is one of a duly authorized issue of bonds of the Agency designated as the "California Housing Finance Agency Housing Loan Revenue Bonds" (herein called the "Bonds") of the series and designation indicated on the face hereof. Said issue of Bonds is unlimited in aggregate principal amount, except as otherwise provided in the Act and in the Resolution herein mentioned, and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, all issued and to be issued pursuant to Part III of Division 31 of the Health and Safety Code of the State of California (herein called the "Act"), and pursuant to a resolution of the Board of Directors of the Agency, adopted February 17, 1976, providing for the issuance of the Bonds, and a First Supplemental Resolution, adopted February 17, 1976, authorizing the issuance of the California Housing Finance Agency 1976 Housing Revenue Bonds, Series A (said resolution and First Supplemental Resolution being herein collectively called the "Resolution"). Reference is hereby made to the Resolution (a copy of which is on file at said office of the Trustee), to any resolutions supplemental thereto and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent

of the Revenues, as that term is defined in the Resolution, and the rights of the bearers and registered owners of the Bonds and of the bearers of the appurtenant coupons and the rights, duties and immunities of the Trustee and the rights and obligations of the Agency thereunder; and all the terms of the Resolution and the Act are hereby incorporated herein and constituted a contract between the Agency and the bearer from time to time of this Bond, and to all the provisions thereof the bearer of this Bond, by his acceptance hereof, consents and agrees.

The Bonds are special obligations of the Agency, payable from, and equally secured by a first lien on, the Revenues (as that term is defined in the Resolution). As and to the extent set forth in the Resolution, all such Revenues are irrevocably pledged to and constituted a trust fund, in accordance with the terms hereof and the provisions of the Resolution and the Act, for the security and payment of the principal of, and the interest and any redemption premium on, the Bonds; but nevertheless, in accordance with the Resolution, out of Revenues certain amounts may be applied for other purposes as provided in the Resolution.

This Bond shall not be deemed to constitute a debt or liability of the State of California or of any political subdivision thereof, other than the Agency, or a pledge of the faith and credit of the State of California or of any such political subdivision, other than the Agency, but shall be payable solely from Revenues. Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this Bond. The issuance of Bonds under the provisions of the Act shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

Bonds of Series A maturing on or before March 1, 1986 are not subject to redemption prior to their respective stated maturities. Bonds of Series A maturing on or after March 1, 1987 are subject to redemption prior to their respective stated maturities, at the option of the Agency, from any source of available funds, on any

date on or after March 1, 1986, as a whole, or in part in inverse order of maturities (and by lot within each maturity), at the following redemption prices (computed upon the principal amount of the Bonds of Series A called for redemption) together with accrued interest to the date of redemption:

104% if redeemed on or before September 1, 1990;
103% if redeemed thereafter and on or before September 1, 1994;
102% if redeemed thereafter and on or before September 1, 1998;
101% if redeemed thereafter and on or before September 1, 2002;
100% if redeemed thereafter and before maturity.

As provided in the Resolution, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and circulated in New York, New York, such publication to be not less than thirty nor more than sixty days before the redemption date.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Resolution, interest shall cease to accrue hereon from and after the date fixed for redemption, and coupons for such interest subsequently maturing shall be void.

If an event of default, as defined in the Resolution, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Resolution but such declaration and its consequences may be rescinded and annulled as further provided in the Resolution.

The Bonds of Series A are issuable as coupon Bonds in the denomination of $5,000, or as fully registered Bonds in denominations of $5,000 and any authorized multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, provided in the Resolution, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds of the same series and maturities bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations and of the same series and maturity, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be ex-

changed for a like aggregate principal amount of fully registered Bonds of authorized denominations and of the same series and maturity.

This Bond and the coupons appertaining hereto are negotiable and transferable by delivery, and the Agency, the Trustee and any paying agent of the Agency may treat the bearer hereof or the bearer of any coupon appertaining hereto as the absolute owner hereof or of such coupon, as the case may be, for all purposes, whether or not this Bond or such coupon shall be overdue, and the Agency, the Trustee and any such paying agent shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the bearers and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (1) extend the fixed maturity of this Bond or of any interest installment hereon, or reduce the interest rate hereon, or reduce the principal hereof or any premium payable on the redemption hereof, without the express consent of the holder of this Bond, or (2) reduce the percentage of Bonds required for written consent to an amendment or modification; all as more fully set forth in the Resolution.

It is hereby certified and recited that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other Bonds outstanding, does not exceed any limit prescribed by the Act and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

In Witness Whereof, California Housing Finance Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairperson and the facsimile signature of its Vice Chairperson and the facsimile countersignature of its Secretary, and the seal of the Agency to be imprinted or impressed hereon, and the interest coupons attached hereto to be exe-

cuted with the facsimile signature of its Secretary, all as of the 1st day of March, 1976.

CALIFORNIA HOUSING FINANCE AGENCY

By .....
Chairperson

By .....
Vice Chairperson

(Seal)

Countersigned:

.....
Secretary

[FORM OF INTEREST COUPON]

Coupon No. .....

THE CALIFORNIA HOUSING FINANCE AGENCY, on ....., ... (unless the Bond herein mentioned shall have been called for previous redemption and payment of the redemption price duly provided for) will pay to bearer, exclusively from the Revenues referred to in said Bond, at the office of the Treasurer of the State of California, acting as Trustee, in Sacramento, California, or, at the option of the holder, at the principal office of Bankers Trust Company in New York, New York, or at the office of The First National Bank of Chicago in Chicago, Illinois, upon surrender hereof, the sum set forth herein in lawful money of the United States of America, $..... being interest then due on its California Housing Finance Agency 1976 Housing Loan Revenue Bond, Series A, dated March 1, 1976. No. .....

.....
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Resolution.

.....

....., as Trustee

By _____

Authorized Officer

[FORM OF FULLY REGISTERED BOND OF SERIES A]

No. AR..... $.....

UNITED STATES OF AMERICA
CALIFORNIA HOUSING FINANCE AGENCY
1976 HOUSING LOAN REVENUE BOND
SERIES A

The CALIFORNIA HOUSING FINANCE AGENCY a public instrumentality and political subdivision of the State of California duly organized under and pursuant to the laws of the State of California (herein called the "Agency"), for value received, hereby promises to pay (but only out of the Revenues herein referred to) to .... or registered assigns, on March 1, ... (subject to any right of prior redemption herein mentioned), the principal sum of ..... Dollars ($.....), together with interest thereon from the interest payment date next preceding the date of registration hereof (unless this Bond is registered on an interest payment date, in which event it shall bear interest from that date, or unless this Bond is registered prior to March 1, 1977, in which event it shall bear interest from March 1, 1976), until the principal hereof shall have been paid in full, at the rate of ..... per cent (....%) per annum, payable on March 1, 1977, and thereafter semi-annually on March 1 and September 1 in each year. Both the principal hereof and interest hereon are payable in lawful money of the United States of America at the office of the Treasurer of the State of California, acting as Trustee, in Sacramento, California.

This Bond is one of a duly authorized issue of bonds of the Agency designated as the "California Housing Finance Agency Housing Loan Revenue Bonds" (herein called the "Bonds") of the series and designation indicated on the face hereof. Said issue of Bonds is unlimited in aggregate principal amount, except as otherwise provided in the Act and in the Resolution herein mentioned, and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, all issued and to be issued pursuant to Part III of Division 31 of the Health and Safety Code of the State of California (herein called the "Act"), and pursuant to a resolution of the Board of Directors of the Agency, adopted February 17, 1976, providing for the issuance of the Bonds, and a First Supplemental Resolution, adopted February 17, 1976, authorizing the issuance of the California Housing Finance Agency 1976 Housing Revenue Bonds, Series A (said resolution and First Supplemental Resolution being herein collectively called the "Resolution"). Reference is hereby made to the Resolution (a copy of which is on file at said office of the Trustee), to any resolutions supplemental thereto and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Resolution, and the rights of the bearers and registered owners of the Bonds and of the bearers of the appurtenant coupons and the rights, duties and immunities of the Trustee and the rights and obligations of the Agency thereunder; and all the terms of the Resolution and the Act are hereby incorporated herein and constituted a contract between the Agency and the bearer from time to time of this Bond, and to all the provisions thereof the bearer of this Bond, by his acceptance hereof, consents and agrees.

The Bonds are special obligations of the Agency, payable from, and equally secured by a first lien on, the Revenues (as that term is defined in the Resolution). As and to the extent set forth in the Resolution, all such Revenues are irrevocably pledged to and constituted a trust fund, in accordance with the terms hereof and the provisions of the Resolution and the Act, for the security and payment of the principal of, and the interest and any redemption pre-

mium on, the Bonds; but nevertheless, in accordance with the Resolution, out of Revenues certain amounts may be applied for other purposes as provided in the Resolution.

This Bond shall not be deemed to constitute a debt or liability of the State of California or of any political subdivision thereof, other than the Agency, or a pledge of the faith and credit of the State of California or of any such political subdivision, other than the Agency, but shall be payable solely from Revenues. Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this Bond. The issuance of Bonds under the provisions of the Act shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

Bonds of Series A maturing on or before March 1, 1986 are not subject to redemption prior to their respective stated maturities. Bonds of Series A maturing on or after March 1, 1987, are subject to redemption prior to their respective stated maturities, at the option of the Agency, from any source of available funds, on any date on or after March 1, 1986, as a whole, or in part in inverse order of maturities (and by lot within each maturity), at the following redemption prices (computed upon the principal amount of the Bonds of Series A called for redemption) together with accrued interest to the date of redemption:

104% if redeemed on or before September 1, 1990;
103% if redeemed thereafter and on or before September 1, 1994;
102% if redeemed thereafter and on or before September 1, 1998;
101% if redeemed thereafter and on or before September 1, 2002;
100% if redeemed thereafter and before maturity.

As provided in the Resolution, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and circulated in New York, New York, such publication to be not less than thirty nor more than sixty days before the redemption date.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Resolution, interest shall cease to accrue hereon from and after the date fixed for redemption, and coupons for such interest subsequently maturing shall be void.

If an event of default, as defined in the Resolution, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Resolution but such declaration and its consequences may be rescinded and annulled as further provided in the Resolution.

The Bonds of Series A are issuable as coupon Bonds in the denomination of $5,000, and as fully registered Bonds in denominations of $5,000 and any authorized multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, provided in the Resolution, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds of the same series and maturities bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations and of the same series and maturity, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds of authorized denominations and of the same series and maturity.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Agency and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Agency and of the bearers and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (1) extend the fixed maturity of this Bond or of any interest

installment hereon, or reduce the interest rate hereon, or reduce the principal hereof or any premium payable on the redemption hereof, without the express consent of the holder of this Bond, or (2) reduce the percentage of Bonds required for written consent to an amendment or modification; all as more fully set forth in the Resolution.

It is hereby certified and recited that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other Bonds outstanding, does not exceed any limit prescribed by the Act and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

In Witness Whereof, California Housing Finance Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairperson and the facsimile signature of its Vice Chairperson and the facsimile countersignature of its Secretary, and the seal of the Agency to be imprinted or impressed hereon, and the interest coupons attached hereto to be executed with the facsimile signature of its Secretary, all as of the 1st day of March, 1976.

California Housing Finance Agency

By .....
Chairperson

By .....
Vice Chairperson

(Seal)

Countersigned:

.....
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION TO APPEAR ON REGISTERED BONDS]

This is one of the fully registered Bonds described in the within-mentioned Resolution which has been authenticated and registered this ..... day of ....., ...

.....

....., as Trustee

By .....

Authorized Officer

[FORM OF CORRESPONDING COUPON BOND ENDORSEMENT]

Notice: No writing below except by the Trustee

This registered Bond is issued in lieu of or in exchange for coupon Bond(s) of this issue, interest rate and maturity, numbered .....

.....

.....

.....

in the denomination of $5,000 each, not contemporaneously outstanding aggregating the face value hereof; and coupon Bond(s) of this series and of the same interest rate and maturity aggregating the face value hereof [and bearing the above serial number(s) which has (have) been reserved for such coupon Bond(s)] will be issued in exchange for this registered Bond and upon surrender and cancellation hereof and upon payment of charges, all as provided in the within-mentioned Resolution.

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto ..... the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) ..... attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

.....

Dated: .....

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

SECTION 12.05. *Redemption of Bonds of Series A.* Bonds of Series A maturing on or before March 1, 1986 shall not be subject to redemption prior to their respective stated maturities. Bonds of Series A maturing on or after March 1, 1987 shall be subject to redemption prior to their respective stated maturities, at the option of the Agency, from any source of available funds, on any date on or after March 1, 1986, as a whole, or in part in inverse order of maturities (and by lot within each maturity), at the following redemption prices (computed upon the principal amount of the Bonds of Series A called for redemption) together with accrued interest to the date of redemption:

104% if redeemed on or before September 1, 1990;
103% if redeemed thereafter and on or before September 1, 1994;
102% if redeemed thereafter and on or before September 1, 1998;
101% if redeemed thereafter and on or before September 1, 2002;
100% if redeemed thereafter and before maturity.

Except as in this Section 12.05 otherwise provided, the redemption of Bonds of Series A shall be subject to the provisions of Article IV.

SECTION 12.06. *Authentication and Delivery of Bonds of Series A.* After the Agency has filed with the Trustee a certified copy of this First Supplemental Resolution, together with the other docu-

ments required by Section 3.02 to be filed with the Trustee, and upon the execution and delivery to the Trustee by the Agency of the Bonds of Series A, the Trustee shall authenticate Bonds of Series A in an aggregate principal amount not exceeding fifteen million dollars ($15,000,000), and shall deliver them upon the written request of the Board.

SECTION 12.07. *Application of Proceeds of Bonds of Series A.* Upon receipt of payment for any of the Bonds of Series A when the same shall have been sold by the Agency, the Agency shall deposit the proceeds received from such sale in the California Housing Finance Fund with the Trustee who shall forthwith set aside such proceeds into the following respective accounts within said Fund each of which the Trustee shall establish, maintain and hold in trust so long as any of the Bonds of Series A are outstanding:

First, the Trustee shall set aside in an account to be known as the "Series A Interest Account," the amount of such proceeds representing interest accrued or premium received upon the sale of such Bonds.

Second, the Trustee shall set aside in an account to be known as the "Series A Bond Reserve Fund," an amount equal to the Minimum Bond Reserve Fund Requirement as defined in this First Supplemental Resolution.

Third, the Trustee shall set aside in two subaccounts within the Series A Program Fund the remainder of such proceeds, as follows: (i) five million dollars ($5,000,000) into an account to be known as the "Series A Mortgage Purchase and Loans to Lenders Program Account," and (ii) the remainder into an account to be known as the "Series A Direct Lending Program Account."

SECTION 12.08. *Series A Program Fund.* The moneys in the Series A Direct Lending Program Account shall be used for the making of loans directly to private housing sponsors, both limited dividend (as that term is defined in the Act) and nonprofit, which will construct, develop, and acquire low-rent housing projects. The

moneys in the Series A Mortgage Purchase and Loans to Lenders Program Account shall be used to purchase loans from qualified mortgage lenders or to be made available to qualified mortgage lenders for the making of loans, including those for the purpose of refinancing of existing mortgage obligations. The housing units so financed shall be rented to persons and families which the Agency deems to be unable to pay the amounts at which unassisted private enterprise is providing suitable, decent, safe, and sanitary housing. Housing developments so financed may also include such commercial and other nonhousing facilities as are determined by the Agency to be an integral part of such housing developments and necessary or convenient in connection with the provision of housing pursuant to the Act. Moneys in the Series A Program Fund may also be used for costs incidental to such purposes, including the costs of the authorization, issuance and sale of the Bonds of Series A.

SECTION 12.09. *Series A Supplementary Reserve Account.* Forthwith upon the receipt of the proceeds of the sale of the Bonds of Series A, the Agency shall direct the Trustee to deposit One Million Five Hundred Thousand Dollars ($1,500,000) from the Supplementary Bond Security Account, established in the California Housing Finance Fund pursuant to Section 41715 of the Act, into the Series A Supplementary Reserve Account which shall be established, and maintained and held in Trust by the Trustee. In the event that the amount in the Series A Bond Reserve Fund falls below the Series A Minimum Bond Reserve Fund Requirement and Revenues are insufficient to restore the Series A Bond Reserve Fund to the Series A Minimum Bond Reserve Fund Requirement, the Trustee shall transfer to the Series A Bond Reserve Fund from the Series A Supplementary Reserve Account the amount necessary to restore the Series A Bond Reserve Fund to the Series A Minimum Bond Reserve Fund Requirement. The moneys in the Series A Supplementary Reserve Account shall be used solely for the foregoing purpose, provided that if the issuance of bonds of the State of California as provided in the Act (commencing with Section 41800) is approved by the voters, all moneys in the Series A Supplementary Reserve Account shall upon replacement by general obligation bond proceeds be transferred to accounts of the Agency.

SECTION 12.10. *Pledge of Revenues; Series A Revenue Fund.* All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of, and the interest and any redemption premium on the Bonds of Series A, and Revenues shall not be used for any other purpose while any of the Bonds of Series A remain outstanding; *except* that out of Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 12.12. Said pledge shall constitute a first and exclusive lien on the Revenues for the payment of the Bonds of Series A in accordance with the terms thereof.

All Revenues collected or received by the Agency shall be deemed to be held, and to have been collected or received by the Agency as the agent of the Trustee, and shall be held in trust and shall be deposited by the Agency with the Trustee monthly, but in any event upon the then accumulation of $50,000, whichever first occurs, and all such Revenues shall be forthwith deposited by the Trustee upon the receipt thereof in a special fund, designated the "Series A Housing Loan Revenue Bond Revenue Fund (hereinafter called the "Series A Revenue Fund"), which the Trustee shall establish and maintain so long as any of the Bonds of Series A are outstanding.

SECTION 12.11. *Revenue Administration.* All Revenues, except as herein provided, will be accounted for through the Series A Revenue Fund. All such Revenues, whether held in trust by the Agency or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article set forth, and shall be accounted for separate and apart from all other moneys, funds, accounts or other resources of the Agency. All Revenues at any time paid into the Series A Revenue Fund shall be held by the Trustee in trust for the benefit of the holders at any time of the Bonds of Series A issued hereunder and the coupons appertaining thereto, entitled to be paid therewith, and the Agency shall have no beneficial right or interest in any of such moneys except only as in this First Supplemental Resolution provided. All Revenues deposited in the Series A Revenue Fund shall be held, disbursed, allocated and applied as hereinafter provided.

SECTION 12.12. *Establishment and Maintenance of Funds for Revenues; Use and Withdrawal of Revenues.* All Revenues in the Series A Revenue Fund (except for principal prepayments, which shall be deposited only in the Series A Redemption Fund established pursuant to Section 12.13) shall be deposited by the Trustee on or before the fifth day of each month in the following respective accounts (each of which the Trustee shall establish, maintain and hold in trust so long as any of the Bonds of Series A are outstanding) in the following order of priority, the requirements of each such fund at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

(1) Series A Interest Fund,
(2) Series A Principal Fund,
(3) Series A Bond Reserve Fund,
(4) Series A Surplus Fund.

All Revenues in each of said funds shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(1) *Series A Interest Fund.* On or before the fifth day of each month, except as hereinafter provided, the Trustee shall deposit in the Series A Interest Fund (the initial payment into which is provided for in Section 12.07) an amount of Revenues equal to at least one-sixth of the aggregate semiannual amount of interest becoming due and payable on the outstanding Bonds of Series A on the next succeeding March 1 and September 1 until deposits have been made for the full semiannual amount of interest next becoming due on all outstanding Bonds of Series A; provided, however, that during the period from the date of delivery of and payment for the Bonds of Series A through the month of February, 1977, such monthly payments shall be sufficient, together with the accrued interest deposited in the Series A Interest Fund pursuant to Section 12.07, on a monthly pro rata basis during the period from said date of delivery through February, 1977, to pay the aggregate semiannual amount of interest becoming due and payable on the Bonds of Series A on March 1, 1977. No deposit need be made into the Series A Interest Fund if the amount contained therein is at least equal to

the interest to become due on the next interest payment date upon all of the Bonds of Series A issued hereunder and then outstanding. Except as provided in Section 7.02, all moneys in the Series A Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds of Series A as it shall become due and payable (including accrued interest on any Bonds of Series A purchased or redeemed prior to maturity pursuant to this First Supplemental Resolution).

(2) *Series A Principal Fund.* On or before the fifth day of each month, commencing in the month of March, 1977, except as hereinafter provided, the Trustee shall deposit in the Series A Principal Fund an amount of Revenues equal to at least one-twelfth of the aggregate yearly amount of principal becoming due and payable on the outstanding Bonds of Series A on the next succeeding March 1, until deposits have been made in an amount sufficient to pay the principal amount of all Bonds of Series A issued hereunder and maturing by their terms on such March 1.

No deposit need be made into the Series A Principal Fund so long as there shall be in such Fund moneys sufficient to pay the principal of all Bonds of Series A issued hereunder and then outstanding and maturing by their terms on the next succeeding March 1. Except as provided in Section 7.02 all moneys in the Series A Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds of Series A as they shall become due and payable.

(3) *Series A Bond Reserve Fund.* The Trustee shall deposit in the Series A Bond Reserve Fund such amounts as shall be required to maintain the Series A Bond Reserve Fund in an amount equal to the Series A Minimum Bond Reserve Fund Requirement. For the purpose of determining the required balance in the Series A Bond Reserve Fund, all investments of moneys therein shall be valued at par, if purchased at par, and shall be valued at amortized value if purchased at other than par. Except as provided in Section 7.02, all moneys in the Series A Bond Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest on the Bonds of Series A in the event that there are insufficient moneys therefor in the Series A Surplus Fund and that

no other moneys of the Agency are available therefor, or for payment or redemption of all the Bonds of Series A outstanding, or, in the event that there are insufficient moneys in the Series A Surplus Fund, for the purchase of property at foreclosure or other sale thereof. So long as the Agency is not in default hereunder, any amount in the Series A Bond Reserve Fund in excess of the amount then required to be maintained therein shall be withdrawn by the Trustee from the Series A Bond Reserve Fund and transferred to the Series A Redemption Fund. Upon discharge, by payment at maturity or call and redemption, of all of the Bonds of Series A outstanding, all moneys in the Series A Bond Reserve Fund shall be disbursed by the Trustee to the Agency.

(4) *Series A Surplus Fund.* All moneys remaining in the Series A Revenue Fund on the fifth day of each month (except for principal prepayments, which shall be deposited only in the Series A Redemption Fund established pursuant to Section 12.13), after the setting aside and transferring of all of the sums required to be set aside or transferred by the Trustee by the provisions of subsections (1), (2), (3) and (4) hereof, shall be transferred by the Trustee to the Series A Surplus Fund. Moneys in the Series A Surplus Fund may be used and withdrawn by the Trustee, as directed by the Agency or its designee, for any or all of the following purposes, exclusively:

(a) To be (i) used and withdrawn by the Trustee for the purpose of purchasing Bonds of Series A at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest) as it may in its discretion determine, but not to exceed the par value thereof, or (ii) transferred by the Trustee to the Series A Redemption Fund for the purpose of calling and redeeming Bonds of Series A; or

(b) To be used to make any deposits required by the provisions of subsections (1), (2), (3) and (4) hereof if no other Revenues are available therefor.

(c) To be used to purchase property at foreclosure or other sale.

(d) Upon declaration by the Agency to be surplus moneys under Section 41366 of the Act, to be used as therein permitted.

SECTION 12.13. *Series A Redemption Fund.* All mortgage principal prepayments shall upon receipt by the Trustee be transferred from the Series A Revenue Fund to an account, to be known as the "Series A Redemption Fund," which the Trustee shall establish, maintain and hold in trust so long as any of the Bonds of Series A are outstanding. Moneys in the Series A Redemption Fund may be used and withdrawn by the Trustee to redeem Bonds of Series A, pursuant to Article IV, or to purchase Bonds of Series A at public or private sale, pursuant to Section 12.15. The Trustee shall invest all moneys in the Series A Redemption Fund not so used in accordance with the provisions of Section 12.14.

SECTION 12.14. *Investment of Moneys in Accounts.* Moneys in the Series A Interest Fund and the Series A Principal Fund may be invested in obligations which will, as nearly as practicable, mature on or before the respective semiannual interest payment dates or annual bond maturity dates on which such moneys will be needed for the payment of interest or the retirement of Bonds of Series A. No more than one-half of the moneys in the Series A Bond Reserve Fund may be invested in obligations that will mature beyond ten years from the date of investment and no investment of such moneys may be made in obligations maturing beyond the final maturity date of the Bonds of Series A. Moneys in the Series A Revenue Fund, the Series A Surplus Fund and the Series A Redemption Fund may be invested in obligations maturing not later than the date on which it is estimated that such moneys will be required by the Trustee.

All interest and profit received on investments shall be deposited in and for the purposes of the Series A Revenue Fund, and any loss on such investments shall be replenished from any Revenues then available after the deposits required by subsections (1), (2), (3) and (4) of Section 12.12 have been made or from any moneys then available in the Series A Surplus Fund.

The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

The Agency covenants with the holders of all Bonds of Series A at any time outstanding that it will make no use of the proceeds of the Bonds of Series A which will cause such Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 103(d) of the Internal Revenue Code of 1954, as amended. To that end, so long as any of the Bonds of Series A are outstanding, the Agency and the Trustee, with respect to the proceeds of such Bonds, shall comply with all requirements of said Section 103(d) and of all regulations of the United States Department of the Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

SECTION 12.15. *Purchase of Bonds of Series A.* The Trustee, from the Series A Redemption Fund or other available funds may purchase Bonds of Series A at public or private sale, as and when and at such prices as the Trustee may in its discretion determine, but at a price (including brokerage and other charges, but excluding accrued interest) not exceeding the par value thereof.

SECTION 12.16. *Appointment of Paying Agents.* Bankers Trust Company in New York, New York, and The First National Bank of Chicago in Chicago, Illinois, are hereby appointed as Paying Agents for the purpose of paying the principal of and interest on any of the coupon Bonds of Series A presented for payment in New York, New York, or Chicago, Illinois. The Agency agrees that so long as any Bonds of Series A are outstanding and unpaid, it will maintain Paying Agents for the payment of the principal of, and the interest (and premium, if any) on, the coupon Bonds of Series A in New York, New York, and in Chicago, Illinois. The Agency may remove any Paying Agent and any successor thereto and appoint a successor thereto; but any such successor shall be a bank or trust company doing business and having an office either in New York, New York, or in Chicago, Illinois, as the case may be. Any such Paying Agent designated by the Agency shall continue to be the Paying Agent of the Agency for the purpose of paying the principal of and interest on the coupon Bonds of Series A in New York, New York, or in Chicago, Illinois, as the case may be, until the designation of a successor as such Paying Agent.

SECTION 12.17. *Terms of Bonds of Series A Subject to the Master Resolution.* Except as in this First Supplemental Resolution expressly provided, every term and condition contained in the Master Resolution shall apply to this First Supplemental Resolution and to the Bonds of Series A with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the First Supplemental Resolution.

SECTION 12.18. *Order to Print Bonds of Series A.* The Chairperson of this Board of Directors is hereby authorized and directed to cause within five (5) days of the adoption of this First Supplemental Resolution to be lithographed, printed or engraved a sufficient number of Bonds of Series A and coupons of suitable quality, said Bonds of Series A and coupons to be prepared in final proof form for the appropriate interest rates to be inserted thereon upon the sale of the Bonds of Series A.

SECTION 12.19. *Effective Date of Resolution.* This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17th day of February, 1976, by the following vote:

Ayes: Directors

Noes:

Absent:

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Secretary of
the California Housing Finance Agency

(Seal)

SECRETARY'S CERTIFICATE

I, Gary P. Kane, Secretary of the California Housing Finance Agency (hereinafter called the "Agency"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the members of the Agency duly and regularly held at the regular meeting place thereof on February 17, 1976, of which meeting all of the members of the Agency (herein called the "Agency"), hereby certify as follows:

At said meeting said resolution was adopted by the following vote:

Ayes: Directors

Noes:

Absent:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes;

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: February 17, 1976.

_____

Secretary of
the California Housing Finance Agency

(Seal)