

RESOLUTION 80-58

ESTABLISHING VARIOUS RESERVES

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WHEREAS, it is a prudent business practice to maintain adequate reserves to insure against unforeseen situations; and

WHEREAS, it is also a prudent business practice to develop reserves to help secure the issuance of notes, bonds, and other credit instruments:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency as follows:

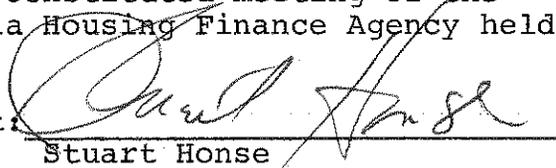
1. Unrestricted Operating Account funds, in excess of those needed to meet operating expense, and other ongoing expenses shall be deposited as follows:

First, into a "Operating Reserve Account" which shall be computed and shall be maintained at not less than two percent (2%) of the aggregate outstanding loan balance of all multi-unit projects completed and under construction. Said Operating Reserve Account shall be used solely for the purposes of paying expenses necessary to protect the security interests of holders of the Agency's bonds or the management, acquisition, or disposition of any property, funds, assets, or loan that are either acquired with the proceeds of any bonds or pledged or held in trust for the benefit of holders of the Agency's bonds.

2. Board of Directors authorization shall be required for any commitment of funds from the "Operating Reserve Account" in excess of One Hundred Thousand Dollars (\$100,000).

3. This Resolution shall take effect immediately.

I hereby certify that this is a true and correct copy of Resolution 80-58 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on August 14, 1980.

Attest:   
Stuart Honse  
Secretary

8/14/80