

RESOLUTION 82-56

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE  
AGENCY CONCERNING THE FINANCING OF LOANS  
RELATED TO SINGLE-FAMILY RESIDENCES  
AND THE ISSUANCE OF THE AGENCY'S  
HOME OWNERSHIP AND HOME IMPROVEMENT  
REVENUE BONDS

WHEREAS, the California Housing Finance Agency (herein called the "Agency") has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase single-family residences (herein called the "Residences");

WHEREAS the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of an ongoing program to make lower-than-market-rate loans for the permanent financing of Residences (herein called the "Loans"), each such Loan being insured for at least the first fifty percent (50%) of the principal amount of the Loan by a private mortgage guaranty insurer;

WHEREAS, because the Mortgage Subsidy Bond Tax Act of 1980 (herein called the "Tax Act") has severely restricted the Agency's ability to utilize fully its Home Ownership and Home Improvement Loans in Neighborhood Preservation Areas Program (herein called the "Program"), the Agency has determined, for the present, to restrict the proceeds of its Home Ownership and Home Improvement Revenue Bonds hereinafter issued to the purchase of Loans made on newly constructed or existing Residences meeting the requirements of the Tax Act and the Agency;

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (herein called the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the purchase of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and other expenditures of the Agency incident to, and necessary or convenient to the issuance of the bonds;

WHEREAS, the Financing Committee of this Board has approved the proposed issue of Home Ownership and Home Improvement Revenue Bonds;

WHEREAS, the Housing Bond Credit Committee in accordance with the Act has approved and has taken all other action required to be taken by it by the Act prior to the issuance of the Home Ownership and Home Improvement Revenue Bonds, 1982 Series A of the Agency; and

WHEREAS, pursuant to Resolution 82-52, the Agency has determined that its Home Ownership and Home Improvement Revenue Bonds, 1982 Series A are to be sold by a negotiated sale;

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

Section 1. The Agency is of the opinion and hereby confirms its previous determination that the issuance during calendar year 1982 of a series of Home Ownership and Home Improvement Revenue Bonds of the Agency designated as the "California Housing Finance Agency Home Ownership and Home Improvement Revenue Bonds, 1982 Series A" (herein called the "Bonds"), in an aggregate principal amount of not to exceed \$125,00,000, is necessary to provide sufficient funds to finance the purchase of Loans pursuant to the Program.

Section 2. Pursuant to the Act, the Bonds are authorized to be issued at such time on or before December 31, 1982, as the Executive Director of the Agency (herein called the "Executive Director") deems appropriate. The Bonds are to have the maturities and are to bear interest at the stated rates deemed appropriate by the Executive Director; provided no Bond shall have a term in excess of forty years or bear interest at a stated rate in excess of fourteen percent (14%) per annum.

Section 3. The Executive Director of the Agency is hereby expressly authorized and directed, for and on behalf and in the name of the Agency to determine the maturities, the Sinking Fund Installments, the portion of the Bonds which are to be Term Bonds, if any, the portion of the Bonds which are to be Serial Bonds, if any, the Bond Reserve Account Requirement, the Loan Reserve Account Requirement, the amounts representing the portion of a Principal Installment anticipated to be paid from regularly scheduled payments of the principal of the Loans, the Permitted Amounts, the Loan Prepayment Principal Requirements and the Specified Rate of Interest for the Bonds and upon consultation with the Agency's legal counsel, to approve a Supplemental Indenture containing such terms, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indenture by the authorized officers of the Agency. The Executive Director and the Secretary of the Board of

Directors of the Agency (herein called the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency to execute, acknowledge and to deliver to the Trustee thereunder a Supplemental Indenture in form acceptable to them. The date, the maturity dates, interest payment dates, denominations, forms, registration privileges, terms and place(s) of payment, terms of redemption, security and other terms of the Bonds shall be as provided in the Supplemental Indenture as finally executed (herein called the "Supplemental Indenture") and in the Indenture dated as of January 1, 1978, between the Agency and said Trustee as heretofore or hereafter amended and supplemented. Payments to a bond reserve account in the California Housing Finance Fund established pursuant to said Indenture shall be made from the proceeds of the Bonds in the amount and to the extent provided in such Indenture and in such Supplemental Indenture.

Section 4. The Bonds are hereby authorized to be sold at a negotiated sale. The selection of Merrill Lynch White Weld Capital Markets Group (Merrill Lynch, Pierce, Fenner & Smith Incorporated) and Shearson/American Express Incorporated, as senior managers (herein called the "Senior Managers") is hereby confirmed. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver a purchase contract relating to the Bonds, by and among the Agency, the Treasurer, the Senior Managers and such other underwriters, if any, as the Executive Director may select, in such form as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery of said purchase contract by the Executive Director.

Section 5. The Treasurer is hereby authorized and requested, without further action of this Board and unless instructed otherwise by this Board, to sell the Bonds at the times and places and pursuant to the terms and conditions set forth in the purchase contract as finally executed. The Treasurer is hereby further authorized and requested to cash and deposit the proceeds of any good faith deposit check to be received by the Treasurer under the terms of said purchase contract in a special trust account for the benefit of the Agency, and the amount of said check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to the Underwriters as provided in said purchase contract.

Section 6. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds.

Section 7. The Executive Director is hereby authorized and directed to execute, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate principal amount not to exceed \$125,000,000 in accordance with the Indenture and said Supplemental Indenture, in fully registered form as set forth in the Supplemental Indenture.

Section 8. The Bonds when so executed, shall be delivered to the Trustee under the Indenture and the Supplemental Indenture to be authenticated by or caused to be authenticated by said Trustee. Said Trustee is hereby requested and directed to cause the Registrar appointed by the Supplemental Indenture to authenticate the Bonds by executing the Registrar's Certificate of Authentication appearing thereon, and to deliver or cause to be delivered the Bonds when duly executed and authenticated to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to said Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser or purchasers thereof, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 9. The circulation of a Preliminary Official Statement relating to the Bonds having been previously approved by this Board and having occurred, the Executive Director is hereby authorized and directed to execute an Official Statement substantially in the form of the Preliminary Official Statement previously circulated to prospective purchasers of the Bonds, with such changes and insertions therein as he may approve upon consultation with counsel to the Agency, such approval to be conclusively evidenced by the execution and delivery of said Official Statement by the Executive Director, and the circulation of said Official Statement to prospective and actual purchasers of the Bonds is hereby approved.

Section 10. The circulation to prospective participants in the Program of documents relating to the Program (herein called the "Program Documents"), including, but not limited to, the Program Manual, Lender Application and Offer to Originate and Service Loans, and the Mortgage Purchase and Servicing Agreement, having been previously approved by this Board and having occurred, the officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, for and on behalf and in the

name of the Agency, to execute and deliver Program Documents in such form as the Executive Director shall approve upon consultation with counsel to the Agency, such approval to be conclusively evidenced by the execution and delivery by the officers of the Agency or their authorized deputies, of such Program Documents.

Section 11. The Treasurer and the officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 12. In the Executive Director's absence or upon his written authorization, all actions by the Executive Director herein approved or authorized may be taken by the Director of Financing of the Agency.

CERTIFICATE OF SECRETARY

I, Arthur Packenham, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true and correct copy of the Resolution 82-56 duly adopted at a special meeting of the Board of Directors of the California Housing Finance Agency duly called and held in San Francisco, California, on the 20th day of July, 1982, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: Hess, Mazirow, Schenk (by Collins), Turner (by Jones),  
Unruh (by Gagan), Frank

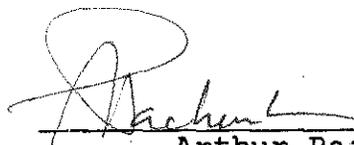
NOES: None

ABSTENTION: None

ABSENT: Cantu, Kruer, Ruffin, Wilson

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 20th day of July, 1982.



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Arthur Packenham  
Secretary of the Board of  
Directors of the California  
Housing Finance Agency