

FIRST-TIME HOME BUYERS FINANCE COMMITTEE

RESOLUTION II (1983)

(First-Time Home Buyers Bond Act of 1982)

Resolution Authorizing the Issuance)
)
of First-Time Home Buyers Bonds,)
)
Series A, in the Principal Amount)
)
of \$15,000,000, and Rescinding)
)
Resolution I (1983))
_____)

WHEREAS, the Legislature of the State of California duly passed and adopted the First-Time Home Buyers Bond Act of 1982 (Health and Safety Code §§52525 et seq.) (herein called the "Act"), incorporating therein by reference the State General Obligation Bond Law (Government Code §§16720 et seq.);

WHEREAS, the people of the State of California, at a special election consolidated with the general election held in the State on November 2, 1982, approved the Act;

WHEREAS, the Act authorizes the issuance of general obligation bonds of the State for the purpose of providing the funds for a buy-down mortgage program (herein called the "Program") to be administered by the California Housing Finance Agency;

WHEREAS, the Board of Directors of the California Housing Finance Agency, by a resolution adopted November 10,

1983, has requested the First-Time Home Buyers Finance Committee to determine whether it is necessary or desirable to issue bonds under the Act in a principal amount not exceeding \$50,000,000, and has recommended the authorization of such bonds in that amount;

WHEREAS, on November 21, 1983, this Committee adopted its Resolution I (1983) authorizing the issuance of First-Time Home Buyers Bonds, Series A, in a principal amount not exceeding \$50,000,000; and

WHEREAS, it has been determined that only \$15,000,000 principal amount of such bonds should be issued and sold for the purposes of the Program at this time;

NOW, THEREFORE, BE IT RESOLVED by the First-Time Home Buyers Finance Committee as follows:

1. Resolution I (1983) of this Committee is hereby rescinded.

2. The First-Time Home Buyers Finance Committee has examined said resolution of the Board of Directors of the California Housing Finance Agency and supporting statements and hereby determines that it is necessary and desirable to issue and sell bonds under the Act in the principal amount of \$15,000,000; that all conditions, things and acts required by law to exist, happen and be performed precedent to and in connection with the issuance of said bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that this Committee is now duly

empowered to issue bonds in the principal amount of \$15,000,000, constituting the first series of the total issue of \$200,000,000 authorized to be issued under the Act. Each succeeding series of bonds issued under the Act shall be lettered in sequence except as convenience of lettering may otherwise require. The bonds herein authorized to be issued in the principal amount of \$15,000,000 shall be designated "Series A" and are herein called the "Bonds of Series A."

3. The Treasurer of the State of California (herein called the "Treasurer") is hereby authorized and directed to arrange for the preparation of the requisite number of suitable Bonds of Series A in conformity with the following specifications:

(a) Name of Bonds: State of California
First-Time Home Buyers
Bonds, Series A.

(b) Aggregate Par Value: \$15,000,000.

(c) Aggregate Number and Denomination: The Bonds of Series A shall be issued only in fully registered form, without coupons, in denominations of \$5,000 or any multiple thereof (not exceeding the amount maturing at any one time), shall be numbered in consecutive numerical order from R-A1 upward, and shall be issued in a number such that the aggregate principal amount outstanding shall never exceed \$15,000,000.

(d) Date of Bonds: December 1, 1983.

(e) The dates of maturity and the amount of the bonds maturing at each date of maturity shall be as follows:

<u>Dates of Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u> <u>Maturing</u>
1988	\$ 5,000
1989	5,000
1990	5,000
1991	5,000
1992	5,000
1993	5,000
1994	5,000
1995	5,000
1996	1,785,000
1997	5,275,000
1998	6,445,000
1999	1,455,000
	<u>\$15,000,000</u>
	=====

(f) Provisions for Redemption:

(1) The Bonds of Series A shall be subject to redemption prior to their respective stated maturities, at the option of the State, as a whole or in part, (A) on any interest payment date, from revenues of the Program (including buy-down mortgage repayments and investment earnings) received in excess of amounts needed to pay administrative expenses of the Program and to reimburse the General Fund of the State (with interest) for amounts advanced to pay the principal of and interest on the Bonds of Series A, and (B) on any interest payment date on or after August 1, 1986, from proceeds of the Bonds of Series A in excess of amounts needed for the purposes of the Program; in each case upon payment of the principal amount of the Bonds

of Series A being redeemed plus interest accrued thereon to the date fixed for redemption, without premium. If less than all of the Bonds of Series A are to be redeemed on any interest payment date, the bonds to be redeemed shall be selected from such maturities and in such amounts as the State shall determine, and, if less than all of the Bonds of Series A of any one maturity are to be redeemed, such bonds shall be selected by lot.

(2) Notice of redemption shall be given, not less than 10 nor more than 60 days before the date fixed for redemption, by mail to each of the registered owners of Bonds of Series A designated for redemption at their addresses appearing on the bond registration books of the Treasurer on the date the Bonds of Series A to be redeemed are selected. Each notice of redemption shall state the redemption date, the place or places of redemption, the maturities to be redeemed, and, if less than all of any such maturity, the numbers of the bonds of such maturity to be redeemed and, in the case of bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said bonds the redemption price thereof or of said specified portion of the principal thereof in the case of a bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall

cease to accrue, and shall require that such bonds be then surrendered, with a written instrument of transfer duly executed by the registered owner thereof or by his attorney duly authorized in writing.

Notice of redemption of Bonds of Series A shall be given by the Treasurer.

Upon surrender of any Bond of Series A redeemed in part only, the State shall execute and the Treasurer shall authenticate and deliver to the registered owner thereof, at the expense of the State, a new Bond or Bonds of Series A of authorized denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the bond surrendered.

Notice of redemption having been duly given as aforesaid, and moneys being held by the Treasurer for payment of the redemption price of, and interest accrued to the redemption date on, the Bonds of Series A (or portions thereof) so called for redemption, on the redemption date designated in such notice, the Bonds of Series A (or portions thereof) so called for redemption shall become due and payable at the redemption price specified in such notice and interest accrued thereon to the redemption date, interest on the bonds so called for redemption shall cease to accrue, said bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Resolution, and the holders of said bonds shall have no rights in respect thereof

except to receive payment of said redemption price and accrued interest.

(g) Annual Rate of Interest: Not to exceed eleven per cent (11%) per annum, payable on August 1, 1984, and thereafter semiannually on February 1 and August 1 in each year. The first interest payment shall represent interest from the date of the Bonds of Series A to August 1, 1984, and each succeeding payment shall represent six months' interest. The exact rate or rates of interest shall be determined at the time of the sale of the Bonds of Series A on the basis of the lowest true interest cost to the State in accordance with the bid of the successful bidder therefor. The rate or rates of interest need not be uniform for all of the Bonds of Series A, and shall be in multiples of one-twentieth of one per cent. The interest rate on each separate maturity of the Bonds of Series A shall be uniform for the bonds of that maturity.

4. The technical form and language of the Bonds of Series A shall be substantially as follows:

United States of America

STATE OF CALIFORNIA

FIRST-TIME HOME BUYERS BOND, SERIES A

No. R-A _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
		December 1, 1983	

REGISTERED OWNER:

PRINCIPAL SUM:

THE STATE OF CALIFORNIA, for value received, promises to pay to the registered owner named above or registered assigns, on the maturity date stated above, subject to any right of prior redemption mentioned in this bond, the principal sum stated above together with interest thereon from the interest payment date next preceding the date of registration of this bond (unless this bond is registered as of an interest payment date, in which event it shall bear interest from that date, or unless this bond is registered prior to August 1, 1984, in which event it shall bear interest from December 1, 1983) until this bond shall be fully paid, at the interest rate per annum stated above, payable on August 1, 1984, and thereafter semiannually on February 1 and August 1 in each year. Interest shall cease to accrue upon this bond from and after the date of maturity hereof unless this bond is duly presented for payment and remains unpaid after such presentation. Both the principal of and interest on this bond are payable in lawful money of

the United States of America at the office of the Treasurer of the State of California, in Sacramento, California. The principal hereof is also payable, at the option of the registered owner, at the office of any duly authorized agent of the State Treasurer.

This bond is one of a duly authorized issue of bonds of the State of California in the aggregate principal amount of Two Hundred Million Dollars (\$200,000,000), all of like tenor and effect (except for such variations, if any, as may be required to designate varying series, dates, numbers, maturities, interest rates or redemption features), and is one of the bonds of Series A of said issue. This bond is issued pursuant to the First-Time Home Buyers Bond Act of 1982, approved by the people of the State of California at an election held in said State on November 2, 1982, and in conformity with a resolution of the First-Time Home Buyers Finance Committee (herein called the "Resolution").

The Bonds of Series A are subject to redemption prior to their respective stated maturities, at the option of the State, in certain circumstances and from certain sources of funds (as provided in the Resolution), as a whole or in part, on any interest payment date, at the principal amount thereof and accrued interest thereon to the date of redemption, without premium. If less than all of the Bonds of Series A are to be redeemed on any date, the bonds to be redeemed shall be selected from such maturities and in such

amounts as the State shall determine, and, if less than all of the Bonds of Series A of any one maturity are to be redeemed, such bonds shall be selected by lot.

Bonds of Series A are issuable only as fully registered bonds. This bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the principal office of the Treasurer of the State of California, Sacramento, California, but only in the manner and subject to the limitations 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 State Treasurer and any duly authorized agent of the State Treasurer may treat the registered owner hereof as the absolute owner hereof for all purposes, and the State Treasurer and any such agent shall not be affected by any notice to the contrary.

It is hereby certified that all 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 and have been performed in due time, form and manner as required by law, and that this bond constitutes a valid and legally binding general obligation of the State of California. The full faith and credit of the

State of California are hereby pledged for the punctual payment of both the principal hereof and the interest hereon.

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

IN WITNESS WHEREOF, the Treasurer of the State of California has caused his facsimile signature and the facsimile signatures of the Governor and the Controller to be affixed to this bond, and has caused the Great Seal of the State of California to be hereon imprinted or impressed, all at the City of Sacramento, State of California, this 1st day of December, 1983.

(Seal)

Governor of the State of California

Treasurer of the State of California

Controller of the State of California

(Form of Certificate of Registration)

CERTIFICATE OF REGISTRATION

This is one of the Bonds described in the within-
mentioned Resolution, which has been registered on _____

TREASURER OF THE STATE OF CALIFORNIA,
as Registrar

By _____
Deputy Treasurer

5. Pending the issuance of definitive Bonds of Series A, temporary Bonds of Series A may be issued, exchangeable for definitive Bonds of Series A when they are executed and available for delivery. Such temporary Bonds of Series A shall be in substantially the same form as definitive Bonds of Series A, except that only one temporary Bond of Series A shall be issued for each maturity and each such temporary Bond shall be in a principal amount equal to the full principal amount of Bonds of Series A maturing on its maturity date.

6. The Treasurer of the State of California is hereby appointed to act as registrar of the Bonds of Series A. The Treasurer shall keep at his principal office in Sacramento, California, sufficient books for the registration and transfer of the Bonds of Series A.

Only such Bonds of Series A as shall bear thereon a certificate of registration in the form hereinbefore set forth, executed by the registrar, shall be or become valid or obligatory for any purpose or entitled to the benefits of this resolution. Such certificate of the registrar shall be conclusive evidence that the Bonds of Series A so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this resolution.

Any Bond of Series A may, in accordance with its terms, be transferred, upon the books required to be kept by the registrar, by the person in whose name it is registered,

in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the registrar, duly executed.

Whenever any Bond or Bonds of Series A shall be surrendered for transfer, the State shall execute and the registrar shall register and deliver a new fully registered Bond or Bonds of Series A, of the same maturity and for a like aggregate principal amount. The State may charge a sum not exceeding \$5.00 for each new bond delivered upon any such transfer (but no such charge shall be made in the case of an exchange of definitive bonds for temporary bonds), and the registrar shall require the payment by the bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfers of Bonds of Series A shall be required to be made during the 15 days next preceding each interest payment date.

The Treasurer may resign as registrar and may remove any successor registrar and appoint a successor registrar which shall be a bank or trust company doing business and having an office in either the State of New York or the State of California.

7. The Treasurer is hereby authorized to cause all or any part of the Bonds of Series A to be sold to the highest bidder, for cash, upon sealed bids, in such amounts

and at such time or times as he in his discretion deems advisable, and to cause due notice of such sale or sales to be published as provided by law. He may also, in his discretion, combine the series of bonds herein authorized with any other series of bonds heretofore or hereafter authorized by any committee of the State for purposes of sale. Pursuant to Health and Safety Code §52529.5 and a resolution of the First-Time Home Buyers Policy Committee adopted on November 10, 1983, the Treasurer is authorized to sell the Bonds of Series A at less than the par value thereof, but such discount shall not exceed six per cent of the par value thereof.

The notice of sale of the Bonds of Series A shall be in substantially the following form (with such variations as the Treasurer may find necessary or appropriate):

NOTICE OF SALE

\$15,000,000

STATE OF CALIFORNIA FIRST-TIME HOME BUYERS BONDS,

SERIES A

(GENERAL OBLIGATION BONDS)

NOTICE IS HEREBY GIVEN that sealed bids will be received by _____, Treasurer of the State of California, at his office in Room 110, 915 Capitol Mall, Sacramento, California, at _____.m. on _____, _____, 19__, for the purchase of State of

California First-Time Home Buyers Bonds, Series A, more particularly described below:

Issue: \$15,000,000 principal amount, issuable only as fully registered bonds without coupons in denominations of \$5,000 or any authorized multiple thereof, all dated December 1, 1983, and constituting the first series of an issue of \$200,000,000 aggregate principal amount of State of California First-Time Home Buyers Bonds which was approved by a vote of the people of the State at an election held on November 2, 1982.

Interest Rate: Not to exceed eleven per cent (11%) per annum, payable on August 1, 1984, and thereafter semiannually on February 1 and August 1 in each year, by check or draft mailed to the person whose name appears on the registration books as the registered owner thereof. Bidders must specify the rate or rates of interest which the bonds shall bear. Bidders may specify any number of separate rates and the same rate or rates may be repeated as often as desired; but (i) each interest rate specified in any bid must be a multiple of one-twentieth of one per cent (1/20 of 1%); (ii) no bond shall bear more than one rate of interest; (iii) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (iv) all bonds of the same maturity shall bear the same rate of interest; and (v) any premium must be paid in funds immediately available in Sacramento, California, as part of

the purchase price. Bids which do not conform to the terms of this paragraph will be rejected.

Maturities: The bonds will mature on August 1 in each of the years 1988 to 1999, inclusive, as follows:

<u>Dates of Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u> <u>Maturing</u>
1988	\$ 5,000
1989	5,000
1990	5,000
1991	5,000
1992	5,000
1993	5,000
1994	5,000
1995	5,000
1996	1,785,000
1997	5,275,000
1998	6,445,000
1999	1,455,000

Redemption: The bonds are subject to redemption prior to their respective stated maturities, at the option of the State, as a whole or in part, (A) on any interest payment date, from revenues of the Program (including buy-down mortgage repayments and investment earnings) received in excess of amounts needed to pay administrative expenses of the Program and to reimburse the General Fund of the State (with interest) for amounts advanced to pay the principal of and interest on the Bonds of Series A, and (B) on any interest payment date on or after August 1, 1986, from proceeds of the Bonds of Series A in excess of amounts needed for the purposes of the Program; in each case upon payment of the principal amount of the Bonds of Series A being redeemed

plus interest accrued thereon to the date fixed for redemption, without premium. If less than all of the Bonds of Series A are to be redeemed on any date, the bonds to be redeemed shall be selected from such maturities and in such amounts as the State shall determine, and, if less than all of the Bonds of Series A of any one maturity are to be redeemed, such bonds shall be selected by lot.

Payment: Both principal and interest are payable in lawful money of the United States of America. Principal is payable at the office of the Treasurer of the State of California, Sacramento, California, or, at the option of the registered owner, at the office of any duly authorized agent of the Treasurer.

Registration: The bonds are issuable only as fully registered bonds without coupons. The Treasurer of the State of California will act as registrar for the bonds and will keep the books for the registration and transfer of the bonds at his office in Sacramento, California.

Purpose of the Issue: The bonds were authorized to provide funds to make financing opportunities available to first-time home buyers in California through a buy-down mortgage program (herein called the "Program") administered by the California Housing Finance Agency.

Security: The bonds are general obligations of the State of California, payable out of the General Fund of the State. The full faith and credit of the State of California

are pledged for the punctual payment of both principal and interest.

Tax-Exempt Status: In the event that prior to the delivery of the bonds (a) the income received by any private holder from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax law, either by the terms of such law or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect on holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the State, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

Legal Opinion: The joint legal opinion of the Attorney General of the State of California and of Orrick, Herrington & Sutcliffe, A Professional Corporation, of San Francisco, California, will be furnished to the successful bidder, together with a certificate of the Attorney General that no litigation is then pending affecting the validity of the issuance of the bonds. A copy of the joint legal opinion will be printed on each bond without cost to the purchaser.

TERMS OF SALE

Basis of Award: The bonds will be awarded to the bidder whose bid will result in the lowest net effective rate, determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments to the date of the bonds and to the price bid, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest net effective rate, the State Treasurer shall determine by lot which bidder shall be awarded the bonds. The purchaser must pay accrued interest, computed on a 360-day year basis, from the date of the bonds to the date of delivery. The cost of preparing the bonds will be borne by the State.

Estimate of True Interest Cost: Bidders are requested (but not required) to supply an estimate of the true interest cost to the State on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the State.

Prompt Award: The State Treasurer will take action awarding the bonds or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time is waived by the successful bidder. Notice of award will be given promptly to the successful bidder.

Form of Bid and Deposit: All bids must be unconditional, for not less than all of the bonds hereby offered for sale, and for not less than 97-1/2% of the principal amount thereof, plus accrued interest to the date of delivery. Each bid must be accompanied by a deposit of a certified check or cashier's check for one-half of one per cent (0.5%) of the principal amount of the bonds hereby offered for sale, drawn on a bank or trust company authorized to transact and transacting business in the State of California, payable to the State Treasurer. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Treasurer of the State of California and endorsed "Proposal for State of California First-Time Home Buyers Bonds, Series A." Deposits of unsuccessful bidders will be returned by the State promptly after the time fixed for the receipt of bids. The deposit of the successful bidder will, immediately upon the acceptance of his bid, become the property of the State of California, and will be credited upon the purchase price of the bonds at the time of delivery thereof. If the purchase price is not paid in full upon tender of the bonds, the successful bidder shall have no right to the bonds or to the recovery of his bid deposit, or to any allowance or credit by reason of such deposit, unless it shall appear that the bonds would not be validly issued if delivered to the purchaser in the form and manner proposed. However, in the event of such nonpayment

the State reserves any and all rights granted by law to recover the agreed purchase price of the bonds, and in addition any damages suffered by the State.

Right of Rejection: The State Treasurer may reject all bids and may, with the approval of the First-Time Home Buyers Finance Committee, waive any irregularity or informality in any bid.

Delivery and Payment: The bonds will be initially delivered to the successful bidder on or before December 29, 1983, at the office of the State Treasurer, Sacramento, California. The bonds then delivered will consist of one bond for each maturity date, in the full amount maturing on that date, registered in the name of the successful bidder. Payment for the bonds must be made in funds immediately available in Sacramento, California. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the State Treasurer shall fail to tender the bonds for delivery by December 29, 1983, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

The bonds initially issued may be exchanged at the office of the State Treasurer, Sacramento, California, as soon as definitive bonds are available. It is expected that such definitive bonds will be available for delivery on January 10, 1984, or within two weeks after any bond initially delivered to the successful bidder is presented for

exchange (together with instructions as to names and addresses of the registered owners and the denominations in which the definitive bonds to be exchanged for such bond are to be issued), whichever is later.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the bonds, but neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses of printing CUSIP numbers on the bonds shall be paid by the State, but the CUSIP Service Bureau charge for the assignment of said numbers shall be paid by the purchaser.

Official Statement: The State Treasurer has prepared an Official Statement relating to the bonds and will furnish up to 1,000 copies to the successful bidder without cost. A copy of the Official Statement may be obtained from the undersigned at P.O. Box 1919, Sacramento, California 95809.

Treasurer of the State of California

Dated:

Sacramento, California

8. This Committee, on behalf of the State of California and for the benefit of the holders of any of the Bonds of Series A, hereby covenants and agrees as follows:

(a) The State shall not use or permit the use of any proceeds of the Bonds of Series A or any other funds of the California Housing Finance Agency (herein called the "Agency"), directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Agency with respect to the loans acquired with the proceeds of the Bonds of Series A (herein called the "Loans") in any manner, and shall not take or permit to be taken any other action or actions within its control, which would cause any Bond of Series A to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code (herein called the "Code"). The Agency shall require that any person (or any "related person" as defined in Section 103(b)(6)(C) of the Code) from whom it may acquire Loans shall not, pursuant to an arrangement, formal or informal, purchase Bonds of Series A in an amount related to the amount of Loans to be purchased from such person.

(b) The State shall not use or permit the use of any proceeds of Bonds of Series A or any other funds of the Agency, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions within its control, which would result in any of the Bonds of Series A being treated as an obligation not described in

Section 103(a) of the Code by reason of classification of such bond as an "industrial development bond" within the meaning of Section 103(b) of the Code.

(c) The Agency shall in good faith attempt to meet all the requirements of Section 103A(d), (e), (f) and (j) of the Code, to the extent applicable, before the Loans are executed. The Agency shall establish reasonable procedures to insure compliance with such requirements. Such procedures shall include reasonable investigations by the Agency or by agents on behalf of the Agency to determine that the Loans satisfy such requirements. The Agency shall require that a Loan may be assumed only if the Agency has determined that the conditions of Treasury Regulations Section 6a.103A-2(j)(3) are satisfied. Any failure of a Loan, the home financed thereby or the borrowers with respect thereto to meet such requirements shall be corrected within a reasonable period after such failure is discovered. At least twenty per cent (20%) of the proceeds of the Bonds of Series A which are devoted to providing owner-financing shall be made available for owner-financing of targeted area homes (within the meaning of Section 103A of the Code) for at least one year after the date on which owner-financing is first made available with respect to targeted area homes, and the Agency shall attempt with reasonable diligence to place such proceeds in qualified mortgages on such homes. The Agency

shall in good faith attempt to meet the requirements of Section 103A(i) of the Code.

IN WITNESS WHEREOF, and in order to insure the authenticity of this resolution, the following members of the First-Time Home Buyers Finance Committee, constituting by law a quorum, and now meeting in regular session after due notice of such meeting was given in writing to each member of the Committee, hereby direct the Secretary of the Committee to attest this resolution in his official capacity and hereunto subscribe their names to evidence their adoption of the foregoing resolution.

[Signature]
GOVERNOR

[Signature]
CONTROLLER

[Signature]
TREASURER

[Signature]
DIRECTOR OF FINANCE

CHAIRPERSON OF THE BOARD OF
DIRECTORS OF THE CALIFORNIA
HOUSING FINANCE AGENCY

Adopted: 12-7-83

Attest: *[Signature]*