

RESOLUTION NO. 85-60

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE
AGENCY CONCERNING THE FINANCING OF LOANS
FOR SINGLE-FAMILY RESIDENCES, THE
ISSUANCE OF THE AGENCY'S HOME OWNERSHIP
MORTGAGE BONDS FOR THAT PURPOSE,
AMENDMENT OF RESOLUTION NO. 85-9 AND THE
RESCISSION OF RESOLUTION NO. 84-19

WHEREAS, the California Housing Finance Agency (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 moderately priced single-family residences (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 (the "Program") to make lower-than-market-rate loans for the permanent financing of Residences (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Program, including 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, heretofore, the Board of Directors of the Agency has, pursuant to its Resolution No. 85-9, approved the offering and sale of one or more series of Home Mortgage Revenue Bonds (as that term is defined in Resolution No. 85-9) and one or more series of Insured Bonds (as that term is defined in Resolution No. 85-9) in the aggregate principal amount of not to exceed the lesser of \$575,000,000 or the amount allocated to the Agency pursuant to Chapter 3.5 of Part 1 of Division 31 of the Health and Safety Code of the State of California (the "Agency Allocation");

WHEREAS, heretofore, the Agency has issued, pursuant to the Act and the terms of Resolution No. 85-9, Home Mortgage Revenue Bonds in the total aggregate amount of \$325,003,468.50;

WHEREAS, the Board of Directors of the Agency has determined to approve the offering and sale of one or more series of single family mortgage revenue bonds issued under a new indenture to provide funds to finance the Program (the "Bonds"), in the aggregate principal amount of not to exceed the lesser of \$236,996,531.50 or the amount of the Agency Allocation not heretofore issued, from time to time during the course of calendar year 1985, at such fixed, adjustable or variable interest rates as the Executive Director of the Agency deems appropriate;

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State of California; and

WHEREAS, heretofore, the Board of Directors of the Agency has, pursuant to its Resolution No. 84-19, provided for, among other things, the reservation of moneys in the Supplementary Bond Security Account and the Housing Insurance Fund and the establishment of the Conventional Multi-Unit Mortgage Insurance Program; at this time, the Board of Directors of the Agency has determined that such actions are no longer desired by the Agency;

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 determines that the issuance of one or more series of Bonds in an aggregate principal amount not to exceed the lesser of \$236,996,531.50 or the remaining Agency Allocation, is necessary to provide sufficient funds to finance the purchase of Loans pursuant to the Program. The Bonds are hereby authorized to be issued at such time or times on or before December 31, 1985, as the Executive Director of the Agency (the "Executive Director") deems appropriate upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance.

Section 2. The Executive Director is hereby authorized and directed to submit to the Housing Bond Credit Committee a statement of the purpose for which the Bonds are proposed to be issued and the tentative aggregate amount of such proposed issues.

Section 3. The Executive Director and the Secretary of the Board of Directors of the Agency (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 Treasurer as Trustee under the

Indenture and any Co-Trustee appointed thereunder (collectively, the "Trustees") an Indenture and one or more Supplemental Indentures pertaining to the Bonds in substantially the form presented at this meeting, each with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Executive Director is authorized to select, with the approval of the Treasurer, one or more Co-Trustees as he deems appropriate in furtherance of the objectives of the Program. The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Program, among other things, the Supplementary Security for the Bonds (as that term is defined in the Indenture) and, the mortgage reserve account requirement, supplementary reserve account requirement and bond reserve account requirement for the Bonds. The Supplementary Security for the Bonds is hereby expressly authorized to be a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act into the Supplementary Reserve Account (as that term is defined in the Indenture) in an amount to be determined by the Executive Director.

Section 4. The Bonds shall be limited obligations of the Agency and shall be in such denominations, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as the Indenture as finally approved and each Supplemental Indenture as finally approved shall provide. The Bonds shall be issued in registered form only. The Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director; provided that no Bond shall have a term in excess of forty years or bear interest at a stated rate in excess of twelve percent (12%) per annum. Any of the Bonds and the Supplemental Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Bonds prior to maturity to a person other than the Agency.

Section 5. The Bonds are hereby authorized to be sold at negotiated sale or sales. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, upon consultation with the Treasurer, to execute and deliver one or more purchase contracts with

Merrill Lynch Capital Markets (Merrill Lynch, Pierce, Fenner & Smith, Incorporated), Shearson Lehman Brothers Inc., and/or such other underwriters, if any, as the Executive Director may select in consultation with the Treasurer, in the form or forms approved by the Executive Director upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contract by the Executive Director.

Section 6. The Treasurer is hereby authorized and requested, without further action of the Board of Directors of the Agency and unless instructed otherwise by the Board of Directors of the Agency, to sell each series of Bonds at the time and place and pursuant to the terms and conditions set forth in the applicable 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 a 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 applicable Bonds, as the case may be, as part of the purchase price thereof or returned to the underwriters as provided in the applicable purchase contract.

Section 7. 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 8. The Executive Director is hereby authorized and directed to execute, and the Secretary 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 of not to exceed the lesser of \$236,996,531.50 or the remaining Agency Allocation, in accordance with the Indenture and the Supplemental Indenture(s), in one or more of the forms set forth in the Supplemental Indenture(s).

Section 9. The Bonds, when so executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by executing the certificate of authentication and registration appearing thereon, and to deliver the Bonds when duly executed and authenticated to the Underwriters 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. Such instructions shall provide for the delivery of the Bonds to the underwriters upon payment of the purchase price or prices thereof.

Section 10. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more Mortgage Purchase and Servicing Agreements with such lender or lenders as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders is to be deemed approved by this Board as if it had been made by this Board.

Section 11. The Executive Director is hereby authorized to circulate one or more Preliminary Official Statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more Official Statements relating to the Bonds, and the circulation of such Preliminary Official Statements and such Official Statements to prospective and actual purchasers of the Bonds is hereby approved.

Section 12. All actions previously taken by the Agency relating to the Program and the issuance of the Bonds, including, but not limited to, the distribution of its Program Manual, Lender Application and Offer to Originate and Service Loans, Mortgage Purchase and Servicing Agreement and Servicer's Guide are hereby ratified.

Section 13. The Treasurer and 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 agreements and 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. Such agreements may include a tender agreement or similar agreement regarding any put option for the Bonds.

Section 14. In the Executive Director's absence or upon his authorization, all actions by the Executive Director herein approved or authorized may be taken by the Director of Financing of the Agency.

Section 15. Resolution 85-9 is hereby amended to authorize the issuance of Bonds (as that term is defined therein), and to authorize and direct the Executive Director and Secretary to execute and attest, respectively, said Bonds in an aggregate amount not to exceed the lesser of \$562,000,000 or the unissued amount of the Agency

Allocation. Resolution 85-9 as amended is hereby ratified and affirmed.

Section 16. Resolution 84-19 is hereby rescinded in full, and as of the date hereof shall be of no further force and effect.

SECRETARY'S CERTIFICATE

I, Robert L. McWhirk, 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 Resolution 85-60 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held in San Diego, California, on the 10th day of October, 1985, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: DeSantis, Gordon, Kruer, Langston, Mazirow, Unruh
(by Val)

NOES: None

ABSTENTIONS: None

ABSENT: Baldwin, Hendricks, O'Brien, Sterpa

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 10th day of October, 1985.

[SEAL]



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