

RESOLUTION NO. 10-02

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
AUTHORIZING THE AGENCY'S MULTIFAMILY BOND INDENTURES, THE ISSUANCE  
OF MULTIFAMILY BONDS, CREDIT FACILITIES FOR MULTIFAMILY PURPOSES,  
AND RELATED FINANCIAL AGREEMENTS  
AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the construction or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income (the "Developments");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments (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 making of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds; and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities for the purpose of financing the Program, including the making of Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

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

**Section 1. Determination of Need and Amount.** The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds (the "Bonds"), in an aggregate amount not to exceed the sum of the following amounts is necessary to provide sufficient funds for the Program:

- (a) the aggregate amount of prior multifamily bonds of the Agency (or of other issuers to the extent permitted by law) to be redeemed or maturing in connection with such issuance;
- (b) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose; and

- (c) if and to the extent the Bonds are “qualified 501(c)(3) bonds” under federal tax law, are not “private activity bonds” under federal tax law, or are determined by the Executive Director of the Agency (the “Executive Director”) to be intended not to be tax-exempt for federal income tax purposes, \$800,000,000.

**Section 2. Authorization and Timing.** The Bonds are hereby authorized to be issued at such time or times on or before the day 30 days after the date on which is held the first meeting in the year 2011 of the Board of Directors of the Agency at which a quorum is present, as 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; *provided, however*, that if the Bonds are sold at a time on or before the day 30 days after the date on which is held such meeting, pursuant to a forward purchase or drawdown agreement providing for the issuance of such Bonds on a later date on or before August 1, 2012, upon specified terms and conditions, such Bonds may be issued on such later date.

**Section 3. Approval of Indentures, Supplemental Indentures and Certain Other Financing Documents.** (a) 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 in connection with the issuance of Bonds, to execute and acknowledge and to deliver to a duly qualified bank or trust company selected by the Executive Director to act, with the approval of the Treasurer, as trustee, fiscal agent or paying agent of the Agency (the “Trustee”), one or more new indentures, trust agreements or similar documents providing for the issuance of bonds (the “New Indentures”), in one or more forms similar to one or more of the following (collectively, the “Prior Indentures”):

- (1) the Multi-Family Revenue Bonds (Federally Insured Loans) Indenture, dated as of April 17, 1979;
- (2) the Multi-Unit Rental Housing Revenue Bonds Indenture, dated as of July 12, 1979;
- (3) the Rental Housing Revenue Bonds (FHA Insured Loans) Indenture, dated as of June 1, 1982;
- (4) the Multi-Unit Rental Housing Revenue Bonds II Indenture, dated as of September 1, 1982;
- (5) the Multifamily Rehabilitation Revenue Bonds, 1983 Issue A Indenture, dated as of December 1, 1983;
- (6) the Multifamily Housing Revenue Bond (Insured Letter of Credit 1984-I) Indenture, dated as of March 1, 1984;
- (7) the Housing Revenue Bond Indenture, dated as of July 1, 1984;
- (8) the Multifamily Rehabilitation Revenue Bond, 1985 Issue A, Indenture, dated as of March 1, 1985;

- (9) the form of indenture approved by the Board of Directors of the Agency at its May 11, 1989 meeting for the Financial Guaranty Insurance Company program;
- (10) the Housing Revenue Bond II Indenture, dated as of July 1, 1992;
- (11) the Multifamily Housing Revenue Refunding Bond Indentures, dated as of July 1, 1993 (including as originally delivered and as amended and restated);
- (12) the Multifamily Housing Revenue Bond (Tara Village Apartments), 1994 Series A, Indenture, dated as of November 1, 1994;
- (13) the Multifamily Housing Revenue Bond (FHA Insured Mortgage Loans) Indenture, dated February 1, 1995;
- (14) the Multifamily Housing Revenue Bond II Indenture, dated as of October 1, 1995;
- (15) the Multifamily Housing Revenue Bond III Indenture, dated as of March 1, 1997;
- (16) the form of commercial paper note indenture presented to the May 11, 2000 meeting of the Agency;
- (17) the Multifamily Loan Purchase Bond Indenture, dated as of July 1, 2000;
- (18) the form of draw down bond indenture approved by Resolution No. 01-05, as amended by Resolution No. 01-39, adopted November 8, 2001;
- (19) the form of bond indenture approved by Resolution No. 02-02, as amended by Resolution 02-17, adopted June 6, 2002;
- (20) the Housing Program Bond Indenture, dated as of November 1, 2004;
- (21) the form of Fannie Mae stand-alone Indenture approved by Resolution No. 09-02;
- (22) the form of Freddie Mac stand-alone Indenture approved by Resolution No. 09-02;
- (23) the form of Master Pledge and Assignment approved by Resolution No. 09-02; or
- (24) the Affordable Multifamily Housing Revenue Bonds Indenture, dated as of December 1, 2009.

Each such New Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) For each series of Bonds, the Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, if appropriate, to execute and acknowledge and to deliver with respect to each series of Bonds, a supplemental

indenture (a "Supplemental Indenture") under a Prior Indenture or a New Indenture and in substantially the form of any supplemental indenture or series indenture executed or approved in connection with any of the Prior Indentures, in each case, with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

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 those matters required to be determined under the applicable Prior Indenture or New Indenture in connection with the issuance of each such series.

(c) For each series of Bonds, the Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, if and to the extent appropriate, a reimbursement agreement, a letter of credit agreement or any other arrangement with respect to credit enhancement or liquidity support, and any intercreditor agreement related thereto, in substantially the forms of the reimbursement agreements, letter of credit agreements or other such arrangements, and intercreditor agreements, contemplated under the Prior Indentures or New Indentures or used in connection with the bonds issued under one or more of the Prior Indentures.

(d) Any New Indenture, Supplemental Indenture, reimbursement agreement, letter of credit agreement or other such arrangement, or intercreditor agreement, as finally executed may include such modifications as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program, including, but not limited to, one or more of the following provisions:

- (1) for the Agency's insured or uninsured, limited or general, obligation to pay any debt secured thereby,
- (2) for a pledge of an amount of the Supplementary Bond Security Account to the extent necessary to obtain an appropriate credit rating or appropriate credit enhancement,
- (3) for a pledge of additional revenues which may be released periodically to the Agency from the lien of one or more indentures heretofore entered into by the Agency, including but not limited to one or more of the following:
  - (A) the Prior Indentures,
  - (B) the Home Mortgage Revenue Bond Indenture, dated as of September 1, 1982, as amended, and
  - (C) the indentures under which are issued the Single Family Mortgage Bonds,
- (4) for a deposit of such other available assets of the Agency in an appropriate amount in furtherance of the Program,

- (5) for risk sharing provisions dividing between the Agency and any credit provider, mortgage lender, commercial bank or other financial institution and/or FHA, in such manner as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program, the credit and financing risks relating to the Bonds and the Developments financed by the Bonds,
- (6) for liquidity support,
- (7) for contingent or deferred interest,
- (8) for the subordination of any pledge of or lien on revenues or other collateral to any pledge or lien securing other obligations, and
- (9) for the use or application of payments or receipts under any arrangement entered into under Section 9 of this resolution.

**Section 4. Approval of Forms and Terms of Bonds.** The Bonds shall be in such denominations, have such registration provisions, 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 each Indenture as finally approved shall provide. 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 in furtherance of the objectives of the Program; *provided, however*, that no Bond shall have a term in excess of fifty years or bear interest at a stated rate in excess of fifteen percent (15%) per annum, or in the case of variable rate bonds, a maximum floating interest rate of twenty-five percent (25%) per annum. Commercial paper shall be treated for these purposes as variable rate bonds. 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 for purchase by or on behalf of the Agency or a person other than the Agency, to accommodate the requirements of any provider of bond insurance or other credit enhancement or liquidity support or to accommodate the requirements of purchasers of Dutch auction bonds or indexed floaters.

**Section 5. Authorization of Disclosure.** The Executive Director is hereby authorized to circulate one or more preliminary official statements relating to the Bonds and to execute and circulate one or more official statements relating to the Bonds, and the circulation of such preliminary official statement and such official statement to prospective and actual purchasers of the Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds, including by posting of such information on one or more websites maintained by or at the direction of the Agency.

**Section 6. Authorization of Sale of Bonds.** The Bonds are hereby authorized to be sold at negotiated or competitive sale or sales. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more agreements, by and among the Agency, the Treasurer and such purchasers or underwriters as the Executive Director may select (the "Purchasers"), relating to the sale of the Bonds, in such

form as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said agreements by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of this Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and conditions set forth in each such agreement as finally executed on behalf of the Agency. The Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith deposit to be received by the Treasurer under the terms of such agreement in a special trust account for the benefit of the Agency, and the amount of such deposit shall be retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price thereof, or returned to the Purchasers, as provided in such agreement.

**Section 7. Authorization of Execution of Bonds.** The Executive Director is hereby authorized and directed to execute, and the Secretary of this Board is hereby authorized and directed to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with each New Indenture or Supplemental Indenture in one or more of the forms set forth in such New Indenture or Supplemental Indenture.

**Section 8. Authorization of Delivery of Bonds.** The Bonds when so executed, shall be delivered to the Trustee to be authenticated by or caused to be authenticated by the Trustee. The Trustee is hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by the execution of the certificate of authentication and registration appearing thereon, and to deliver or cause to be delivered the Bonds when duly executed and authenticated to the Purchasers 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 the Trustee.

**Section 9. Authorization of Related Financial Agreements.** The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed (i) to reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk, (ii) to result in a lower cost of borrowing when used in combination with the issuance or carrying of bonds or investments, or (iii) to enhance the relationship between risk and return with respect to the Program or any portion thereof. To the extent authorized by Government Code Section 5922, such agreements or other documents may include (a) interest rate swap agreements, (b) forward payment conversion agreements, (c) futures or other contracts providing for payments based on levels of, or changes in, interest rates or other indices, (d) contracts to exchange cash flows for a series of payments, or (e) contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, interest rate, spread or similar exposure, and in each such case may be entered into in anticipation of the issuance of bonds at such times as may be determined by such officers. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, where applicable, or any other criteria in furtherance of the objectives of the Program.

**Section 10. Authorization of Program Documents.** The Executive Director and the other officers of the Agency are hereby authorized and directed to execute all documents they deem necessary or appropriate in connection with the Program, including, but not limited to, regulatory agreements, loan agreements, origination and servicing agreements (or other loan-to-lender documents), servicing agreements, developer agreements, financing agreements, investment agreements, agreements to enter into escrow and forward purchase agreements, escrow and forward purchase agreements, refunding agreements and continuing disclosure agreements, in each case with such other parties as the Executive Director may select in furtherance of the objectives of the Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Program. Any such sale of Loans may be on either a current or a forward purchase basis.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Program. Any such sale of foreclosed properties may be on an all cash basis or may include financing by the Agency. The Executive Director and the other officers of the Agency are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts, necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

**Section 11. Authorization of Credit Facilities.** In addition, the Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities for the purposes of (i) financing the purchase of Loans on an interim basis, prior to the financing of such Loans with Bonds, whether issued or to be issued; (ii) financing expenditures of the Agency incident to, and necessary or convenient to, the issuance of Bonds, including, but not limited to, Agency expenditures to pay costs of issuance, capitalized interest, redemption price of prior bonds of the Agency, costs relating to credit enhancement or liquidity support, costs relating to investment products, or net payments and expenses relating to interest rate hedges and other financial products; and (iii) enabling the Agency to restructure existing debt and related purposes, including, but not limited to, the redemption of existing bonds and the acquisition of bonds that have been put to liquidity providers as bank bonds. Any credit facility entered into pursuant to this Section 11 may be from any appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant to Government Code Section 16312; *provided, however,* that the aggregate outstanding principal amount of credit facilities authorized under this Section 11 or the comparable sections of Resolution No. 10-01 (the single family financing resolution adopted at the same meeting) and Resolution No. 06-06, as amended (the Bay Area

Housing Plan resolution) may not at any time exceed \$1,000,000,000 (separate and apart from the amount of bonds authorized by Section 1 of this resolution and such other resolutions).

The Executive Director and the other officers of the Agency are hereby authorized to use available Agency moneys (other than and in addition to the proceeds of bonds) to make or purchase loans to be financed by bonds (including bonds authorized by prior resolutions of this Board) in anticipation of draws on a credit facility, the issuance of Bonds or the availability of Bond proceeds for such purposes.

The Executive Director and the other officers of the Agency are hereby authorized to use available Agency moneys to purchase Agency bonds to enable the Agency to restructure its debt and for related purposes. Any Agency bonds so purchased shall remain outstanding for all purposes except to the extent that the Executive Director or the other officers of the Agency expressly provide for the retirement or redemption, and cancellation, of such bonds. Any Agency bonds so purchased may be purchased and resold, in each case on such terms as may be determined by the Executive Director and the other officers of the Agency in the best interests of the Agency. The agency may establish any account or accounts as may be necessary or desirable in connection with the purchase of such bonds.

**Section 12. Ratification of Prior Actions.** All actions previously taken by the officers of the Agency in connection with the implementation of the Program, the issuance of the Bonds, the issuance of any prior bonds (the "Prior Bonds"), the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above are hereby approved and ratified.

**Section 13. Authorization of Related Actions and Agreements.** The Treasurer, the Executive Director 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 agreements and documents which they deem necessary or advisable in order to consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including executing and delivering any amendment or supplement to any agreement or document relating to Bonds or Prior Bonds in any manner that would be authorized under this resolution if such agreement or document related to Bonds authorized by this resolution. Such agreements may include, but are not limited to, remarketing agreements, tender agreements or similar agreements regarding any put option for Bonds or Prior Bonds, broker-dealer agreements, market agent agreements, auction agent agreements or other agreements necessary or desirable in connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to, an auction rate mode or an indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior Bonds, reimbursement agreements relating to any credit enhancement or liquidity support or put option provided for the Bonds or the Prior Bonds, continuing disclosure agreements and agreements for necessary services provided in the course of the issuance of the bonds, including but not limited to, agreements with bond underwriters, remarketing agents, placement agents, bond trustees, bond counsel and financial advisors and contracts for consulting services or information services relating to the financial management of the Agency, including advisors or consultants on interest rate swaps, cash flow management, and similar matters, and

contracts for financial printing and similar services. The Agency's reimbursement obligation under any such reimbursement agreement may be a special, limited obligation or a general obligation and may, subject to the rights of the Bondholders, be secured by a pledge of the same revenues and assets that may be pledged to secure Bonds or by a pledge of other revenues and assets.

This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

Section 14. **Additional Delegation.** All actions by the Executive Director approved or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency, the Comptroller of the Agency or any other person specifically authorized in writing by the Executive Director, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant.

1 SECRETARY'S CERTIFICATE

2  
3 I, Thomas C. Hughes, Secretary of the Board of Directors of the California  
4 Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of  
5 the Resolution No. 10-02 duly adopted at a regular meeting of the Board of Directors of the  
6 California Housing Finance Agency duly called and held on the 21st day of January, 2010, of  
7 which meeting all said directors had due notice; and that at said meeting said resolution was  
8 adopted by the following vote:  
9

10 AYES:

11  
12 NOES:

13  
14 ABSTENTIONS:

15  
16 ABSENT:  
17

18 I further certify that I have carefully compared the foregoing copy with the  
19 original minutes of said meeting on file and of record in my office; that said copy is a full,  
20 true, and correct copy of the original resolution adopted at said meeting and entered in said  
21 minutes; and that said resolution has not been amended, modified, or rescinded in any manner  
22 since the date of its adoption, and the same is now in full force and effect.  
23

24 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
25 of the Board of Directors of the California Housing Finance Agency hereto this \_\_\_\_ day of  
26 \_\_\_\_\_, \_\_\_\_.  
27

28  
29  
30 [SEAL]

\_\_\_\_\_  
Thomas C. Hughes  
Secretary of the Board of Directors of the  
California Housing Finance Agency

SECRETARY'S CERTIFICATE

I, Thomas C. Hughes, 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 No. 10-02 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of January, 2010, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

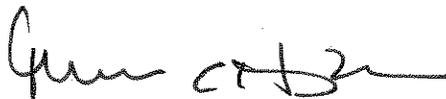
AYES: PETERS (for Bonner), GUNNING, HUDSON, HUNTER, JACOBS, CARROLL  
(for LOCKYER), MACRI-ORTIZ, SHINE, SMITH, CAREY

NOES: NONE

ABSTENTIONS: NONE

ABSENT: NONE

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 21st day of January, 2010.



\_\_\_\_\_  
Thomas C. Hughes  
Secretary of the Board of Directors of the  
California Housing Finance Agency

[SEAL]

1 SECRETARY'S CERTIFICATE

2  
3 I, Thomas C. Hughes, Secretary of the Board of Directors of the California  
4 Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of  
5 Resolution No. 10-02, duly adopted at a regular meeting of the Board of Directors of the  
6 California Housing Finance Agency duly called and held on the 21st day of January, 2010, of  
7 which meeting all said directors had due notice; and that at said meeting said resolution was  
8 adopted by the following vote:  
9

10 AYES:

11  
12 NOES:

13  
14 ABSTENTIONS:

15  
16 ABSENT:  
17

18 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal  
19 of the Board of Directors of the California Housing Finance Agency hereto this 21st day of  
20 January, 2010.  
21  
22  
23

24  
25 [SEAL]

\_\_\_\_\_  
26 Thomas C. Hughes  
27 Secretary of the Board of Directors of the  
California Housing Finance Agency