

RESOLUTION NO. 11-05

RESOLUTION AMENDING RESOLUTION NO. 11-02 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 acquisition, construction, rehabilitation, refinancing 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;

WHEREAS, on January 20, 2011, this Board of Directors (the "Board") of the Agency adopted Resolution No. 11-02 (the "Multifamily Bond Resolution") authorizing, among other things, the issuance of bonds and the execution and delivery of related financial agreements (including certain forms of the indentures to provide for the issuance of and securing the bonds) for the purpose of financing Loans;

WHEREAS, the Agency has determined to amend the Multifamily Bond Resolution to specify and limit the purposes for which new indentures may be executed and delivered;

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

Section 1. Indentures for Refunding Bonds. Section 3 of the Multifamily Bond Resolution is hereby amended and restated to read as follows:

"Section 3. Approval of Refunding Bond Indentures and Certain Other Financing Documents Related to Refunding Bonds. (a)

Refunding Bonds may be issued under and pursuant to any one or more of the following (collectively, the "Refunding Bond Prior Indentures"):

- (1) the Multifamily Housing Revenue Bond II Indenture, dated as of October 1, 1995;
- (2) the Multifamily Housing Revenue Bond III Indenture, dated as of March 1, 1997;
- (3) the Multifamily Loan Purchase Bond Indenture, dated as of July 1, 2000;
- (4) the form of Fannie Mae stand-alone Indenture approved by Resolution No. 09-02;
- (5) the form of Freddie Mac stand-alone Indenture approved by Resolution No. 09-02;
- (6) the form of Master Pledge and Assignment approved by Resolution No. 09-02;
- (7) the form of FHA/GNMA stand-alone Indenture approved by Resolution No 10-08;
- (8) the Affordable Multifamily Housing Revenue Bonds Indenture, dated as of December 1, 2009.

(b) 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, if appropriate, to execute and acknowledge and to deliver with respect to each series of Refunding Bonds, either an indenture (which may include a supplemental indenture) in substantially the form of the conduit stand-alone Refunding Bond Prior Indentures specified in subsections (a)(4) through (a)(7) of this Section 3 (a "Refunding Bond Stand-alone Indenture") or a supplemental indenture (a "Refunding Bond Supplemental Indenture" and, collectively with the Refunding Bond Stand-alone Indentures, "Refunding Bond Indentures") under a Refunding Bond Prior Indenture specified in subsections (a)(1) through (a)(3) and (a)(8) of this Section 3 in substantially the form of any supplemental indenture or series indenture executed or approved in connection with any of the Refunding Bond 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

deemed appropriate by the Executive Director in furtherance of the objectives of the Program; *provided, however*, that no Refunding Bond shall bear interest at a stated rate in excess of fifteen percent (15%) per annum or have a final maturity later than forty-five years from the earlier of the date of issuance of the Refunded Bonds or, if the Refunded Bonds were refunding bonds, the original bonds in the series of refunding.

Refunding Bonds and the related Refunding Bond Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Refunding 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 indexed floaters; *provided, however*, that variable rate Refunding Bonds may not be issued to refund fixed rate bonds."

Section 3. Indentures for New Money Bonds. Section 8 of the Multifamily Bond Resolution is hereby amended and restated to read as follows:

"Section 8. Approval of New Money Bond Indentures and Certain Other Financing Documents. (a) New Money Bonds may be issued under and pursuant to any one or more of the following (collectively, the "New Money Bond Prior Indentures"):

- (1) the form of Fannie Mae stand-alone Indenture approved by Resolution No. 09-02;
- (2) the form of Freddie Mac stand-alone Indenture approved by Resolution No. 09-02;
- (3) the form of Master Pledge and Assignment approved by Resolution No. 09-02;
- (4) the form of FHA/GNMA stand-alone Indenture approved by Resolution No 10-08; or
- (5) the Affordable Multifamily Housing Revenue Bonds Indenture, dated as of December 1, 2009.

(b) 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 New Money Bonds, either an indenture (which may include a supplemental indenture) in substantially the form of the conduit stand-alone New Money Bond Prior Indentures specified in subsections (a)(1) through (a)(4) of this Section 8 (a "New Money Bond Stand-alone Indenture") or a supplemental indenture (a "New Money Bond Supplemental Indenture," and, collectively with the New Money Bond Stand-alone Indentures, "New Money Bond Indentures") under the New Money Bond Prior Indenture specified in subsection (a)(5) of this Section 8 in

determined under the applicable Refunding Bond Indenture in connection with the issuance of each such series of Refunding Bonds.

(c) For each series of Refunding 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, letter of credit agreement, standby bond purchase agreement, or 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, standby bond purchase agreements, other such arrangements and intercreditor agreements contemplated under the Refunding Bond Indentures or used in connection with the Refunded Bonds.

(d) Any Refunding Bond Indenture, reimbursement agreement, letter of credit agreement, standby bond purchase agreement, other such arrangement or intercreditor agreement executed in connection with the issuance of Refunding Bonds 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 general obligation to pay any debt secured thereby, or
- (2) 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 Refunding Bonds and the Developments financed by such Refunding Bonds;

provided, however, that in each such case the Executive Director shall have determined that the inclusion of such provisions with respect to the Refunding Bonds is not expected to result in greater financial risk to the Agency or its General Fund than existed with respect to the related Refunded Bonds."

Section 2. Refunding Bonds. Section 4 of the Multifamily Bond Resolution is hereby amended and restated to read as follows:

Section 4. Approval of Forms and Terms of Refunding Bonds.
Refunding 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 Refunding Bond Indenture as finally approved shall provide. Refunding Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates

substantially the form of any supplemental indenture or series indenture executed or approved in connection with such New Money Bond Prior Indenture, 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 New Money Bond Indenture in connection with the issuance of each such series of New Money Bonds."

Section 4. New Money Bonds. Section 9 of the Multifamily Bond Resolution is hereby amended and restated to read as follows:

"Section 9. Approval of Forms and Terms of New Money Bonds. New Money 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 New Money Bond Indenture as finally approved shall provide. New Money Bonds shall have the maturity or maturities and shall bear interest at fixed or convertible rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; *provided, however,* that no New Money 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.

New Money Bonds and the related New Money Bond Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such New Money 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."

Section 5. Execution of Bonds. Section 13 of the Multifamily Bond Resolution is hereby amended and restated to read as follows:

"Section 13. 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 Refunding Bond Indenture, or New Money Bond Indenture in one or more of the forms set forth in such indenture."

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. 11-05 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of March, 2011, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: CRESWELL, GUNNING, HUNTER, CARROLL (for Lockyer), SMITH,
PETERS (for Stevens), CAREY

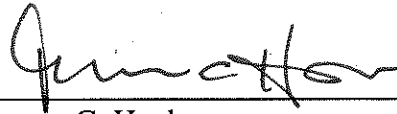
NOES: NONE

ABSTENTIONS: NONE

ABSENT: HUDSON, SHINE

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 16th day of March, 2011.

[SEAL]



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