

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 1168
ADOPTED ON JULY 30, 2002

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,768,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS WINDWOOD VILLAGE APARTMENTS, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, as amended [the Act], the Housing Authority of the City of San Diego [the Authority] is authorized to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily rental housing; and

WHEREAS, CIC PHR, L.P., a California limited partnership [the Borrower], has requested the Authority to issue such revenue bonds to finance the acquisition and construction by the Borrower of a multifamily rental housing project located north of State Highway Route 56 and east of Old Carmel Valley Road in the Pacific Highlands Ranch Subarea of the North City area; and

WHEREAS, the Board of Commissioners of the Authority [the Board] has determined to approve the issuance by the Authority of up to \$6,768,000 principal amount of the

Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Windwood Village Apartments) in two or more series as provided herein [collectively, the Bonds] and the financing of two or more mortgage loans to be made to the Borrower from the proceeds of the Bonds to be used to finance the Project [collectively, the Mortgage Loan]; and

WHEREAS, in accordance with the allocation granted by the California Debt Limit Allocation Committee, \$6,768,000 principal amount of such Bonds may bear interest that is excluded from gross income for federal income tax purposes; and

WHEREAS, said \$6,768,000 principal amount is within the amount approved by the City Council of the City of San Diego on April 2, 2002, after publication of the “TEFRA” notice and the holding of the “TEFRA” hearing as required by the Treasury Regulations; and

WHEREAS, Newman & Associates, Inc. [the Underwriter] has expressed its intention to purchase one series of the Bonds and Bank of America, N.A. has expressed its intention to purchase or to have one of its related entities purchase the other series of the Bonds, and the Board finds that the public interest and necessity require that the Authority at this time make arrangements for the sale of both series of the Bonds; and

WHEREAS, there have been prepared and presented to the Board for consideration at this meeting the following documents:

- (1) The form of Trust Indenture [the Senior Indenture] by and between the Authority and trustee named therein [the Senior Trustee], including the related form of Bond;
- (2) The form of Financing Agreement [the Financing Agreement], by and among the Authority, the Borrower and the Senior Trustee;
- (3) The form of Indenture [the “Subordinate Indenture” and, together with the Senior Indenture, the “Indentures”], by and between the Authority and the trustee named therein,

as trustee [the Subordinate Trustee], including the related form of Bond;

(4) The form of Loan Agreement [the Loan Agreement], by and between the Authority and the Borrower;

(5) The form of Regulatory Agreement and Declaration of Restrictive Covenants [the Regulatory Agreement], by and among the Authority, the Senior Trustee, Subordinate Trustee and the Borrower, to be entered into with respect to the Project;

(6) The form of Official Statement relating to the senior series of the Bonds [the Official Statement];

(7) The form of Bond Purchase Agreement relating to the senior series of the Bonds [the Bond Purchase Agreement], by and among the Authority, the Borrower and the Underwriter;

(8) The form of Intercreditor Agreement [the Intercreditor Agreement], by and among the Authority, the Senior Trustee and the Federal National Mortgage Association [Fannie Mae], to be entered into with respect to the Project; and

(9) The forms of Subordination Agreements [each a “Subordination Agreement”], by and among the Authority, the Senior Trustee, the Subordinate Trustee, Bank of America, N.A., Fannie Mae and the Borrower, as appropriate, to be entered into with respect to the Project; and

WHEREAS, it appears that each of the documents and instruments above referred to which is now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

1. Finding and Determination. It is found and determined that it is necessary and desirable for the Authority to provide for the financing of the acquisition and construction of the Project through the issuance and sale of the Bonds in order to assist persons of low or moderate income within the City of San Diego in obtaining decent, safe and sanitary housing and to achieve certain other public purposes.

2. Authorization of Bonds. For the purpose of financing the acquisition and construction of the Project, the Authority determines to issue the Bonds in two or more series and in an aggregate principal amount not to exceed \$6,768,000. The Bonds shall bear such rates of interest and shall mature on such dates as provided in the Indentures. The Bonds shall be in substantially the forms set forth in the Indentures, with such appropriate variations, omissions, insertions and provisions as are required or permitted by the Indentures. The Bonds shall be special, limited obligations of the Authority and shall be payable as to principal and interest, and the obligations of the Authority under the Indentures shall be paid and satisfied, solely from the revenues, receipts and other moneys and assets pledged therefor under the Indentures.

3. Execution and Delivery of the Bonds. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chairman, Vice Chairman, the Executive Director, Housing Finance and Development Manager of the San Diego Housing Commission, or Chief Operating Officer of the San Diego Housing Commission, and the official seal of the Authority, or a facsimile thereof, shall be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary or a deputy Secretary of the Authority.

4. Approval of the Indentures. The Indentures, in the forms on file in the Housing Commission offices, are approved. The Chairman, the Vice Chairman, the Executive Director, the Housing Finance and Development Manager of the San Diego Housing Commission, the

Chief Operating Officer of the San Diego Housing Commission and the Secretary or a Deputy Secretary of the Authority, or the designee of any such officer (such officer and any of his or her respective designees are hereinafter referred to as the “Designated Officers”) are each authorized to execute and deliver the Indentures in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the forms of the Indentures presented to this meeting.

5. Approval of Financing Agreement and Loan Agreement. The Financing Agreement and the Loan Agreement, in the respective forms on file in Housing Commission offices, are approved. The Designated Officers are each authorized to execute and deliver the Financing Agreement and the Loan Agreement in such forms, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the forms of the Financing Agreement and the Loan Agreement presented to this meeting.

6. Approval of Regulatory Agreement. The Regulatory Agreement, in the form on file in the Housing Commission offices, is approved. The Designated Officers are each authorized to execute and deliver the Regulatory Agreement in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the form of the Regulatory Agreement presented to this meeting.

7. Approval of Official Statements. The Official Statements, in the form on file in

the Housing Commission offices, is approved. Distribution by the Underwriter of the Official Statements in preliminary form [the Preliminary Official Statement] to prospective investors in the senior series of the Bonds is approved. The Designated Officers are each authorized to execute and deliver the Official Statements in such form, together with such changes as maybe approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the forms of the Official Statements presented to this meeting. The Designated Officers are authorized to execute certificates to the effect that the Preliminary Official Statements and the Official Statements, as of their respective dates, are deemed final by the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

8. Approval of Bond Purchase Agreements. The Bond Purchase Agreement, in the form on file in the Housing Commission offices, is approved. The Authority is authorized to sell the senior series of the Bonds to the Underwriter pursuant to the terms and conditions of the Bond Purchase Agreement and to sell the subordinate series of the Bonds by means of a direct placement with Bank of America, N.A., or a related entity. Any Designated Officer is authorized to execute and deliver the Bond Purchase Agreements in such form, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the forms of the Bond Purchase Agreements presented to this meeting (provided that, in any event, the initial aggregate principal amount of the Bonds shall not be in excess of \$6,768,000, the initial true interest cost of either series of the Bonds shall not be in excess of 8.0% per annum and the purchaser's discount or fee with respect to either series

of the Bonds shall not be in excess of 3.0% of the principal amount of such series of the Bonds).

9. Approval of Intercreditor Agreement and Subordination Agreements. The Intercreditor Agreement and the Subordination Agreements, in the forms on file in the Housing Commission offices, are approved. The Designated Officers are each authorized to execute and deliver the Intercreditor Agreement and the Subordination Agreements in such forms, together with such changes as may be approved by the Designated Officer executing the same, upon consultation with the General Counsel to the Authority, such execution thereof to constitute conclusive evidence of the approval of all changes from the forms of the Intercreditor Agreement and the Subordination Agreements presented to this meeting.

10. Actions Ratified and Authorized. All actions heretofore taken by the officers and agents of the Authority with respect to the issuance and sale of the Bonds are approved, confirmed and ratified, and the Designated Officers are each authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements (including one or more investment agreements and a tax agreement) and other documents, including but not limited to those described in any of the documents approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the making of the Mortgage Loan in accordance with the Act and this Resolution.

11. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution or otherwise appropriate in the administration of the Bonds and the lending program financed thereby, including without limitation any of the foregoing which may be necessary or desirable in connection with any amendment of such documents, any transfer of

the Project, any substitution of security for the Bonds, or any redemption of the Bonds may be taken or given by the Chairman, the Vice Chairman or the Executive Director of the Authority, or the Housing Finance and Development Manager or the Chief Operating Officer of the San Diego Housing Commission, without further authorization by the Board of Commissioners, and the Chairman, the Vice Chairman, the Executive Director, the Housing Finance and Development Manager of the San Diego Housing Commission and the Chief Operating Officer of the San Diego Housing Commission are authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

12. Conflicting Resolutions Repealed. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, repealed.

13. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining provisions of this Resolution.

14. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By _____
Prescilla Dugard
Deputy General Counsel

PD:cdk
07/11/02
Orig.Dept.:SDHC
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