

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 1055

ADOPTED ON JUNE 6, 2000

A RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING BONDS FOR THE CANYON RIM PROJECT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,440,000 AND FOR THE STRATTON APARTMENTS PROJECT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,100,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF THOSE MULTIFAMILY RENTAL HOUSING PROJECTS, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS NECESSARY TO ISSUE THE BONDS AND IMPLEMENT THIS RESOLUTION, AND RATIFYING AND APPROVING ANY ACTION HERETOFORE TAKEN IN CONNECTION WITH THE BONDS.

WHEREAS, pursuant to Section 34312.3 of the California Health & Safety Code (“Housing Law”), the Housing Authority of The City of San Diego (the “Authority”) is empowered to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation refinancing or development of multifamily rental housing; and

WHEREAS, Fairfield Residential LLC, a California limited partnership, on behalf of itself and one or more partnerships or limited liability companies to be formed by it (herein called the “Borrower”), intends to acquire and rehabilitate a 504-unit project located at 10931 Gerana Street in The City of San Diego (the “Canyon Rim Project”) and a 312-unit project located at 5765 Mount Alifan Drive in The City of San Diego (the “Stratton Apartments Project” and together with the Canyon Rim Project The “Projects”); and

WHEREAS, the Borrower has requested the Authority to issue tax-exempt multifamily housing revenue bonds and loan the proceeds of the bonds to the Borrower to finance the acquisition and rehabilitation of the Projects; and

WHEREAS, the Board of Commissioners of the Authority (the “Board”) desires to assist the Borrower by making a portion of the units in the Projects available for low and very low income persons or families, and in order to accomplish such purposes it is desirable for the Authority to provide the issuance of the Bonds and financing of the Projects; and

WHEREAS, the Authority will loan the proceeds of the Bonds to the Borrower; and

WHEREAS, Fannie Mae will, subject to the satisfaction of certain conditions, facilitate the financing of the Projects by causing the issuance of a credit facility (the “Credit Facility”) guaranteeing payments of principal and interest on the Bonds; and

WHEREAS, Government Code Section 50191 requires a local agency to file an application with the California Debt Limit Allocation Committee (the “Committee”) prior to the issuance of the multifamily housing revenue bonds; and

WHEREAS, the Committee has allocated (i) \$17,600,000 for the Stratton Apartments Project and (ii) \$29,440,000 for the Canyon Rim Project of the State of California 2000 State ceiling for private activity bonds under Section 146 of the Internal Revenue Code of 1986 for the financing of such Projects; and

WHEREAS, the Committee may in the future allocate additional portions of the State of California 2000 State ceiling for private activity bonds under Section 146 of the Internal Revenue Code of 1986 for the financing of the Projects; NOW, THEREFORE,

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

1. In accordance with the Housing Law and pursuant to the Indenture (hereinafter defined), the Authority is authorized to issue the bonds to be designated as “Housing Authority of The City of San Diego Variable Rate Demand Multifamily Housing Revenue Bonds (The Stratton Apartments Project) Series 2000A” in an aggregate principal amount not to exceed \$17,600,000

and “Housing Authority of The City of San Diego Variable Rate Demand Taxable Multifamily Housing Revenue Bonds (The Stratton Apartments Project) Series 2000A-T” in an aggregate principal amount not to exceed \$2,500,000 (together, the “Stratton Bonds”), with an interest rate or rates, a maturity date or dates and other terms as provided in the Indenture as finally executed for the Stratton Bonds. The Stratton Bonds shall be in the form set forth in and otherwise in accordance with the Indenture for the Stratton Bonds, and shall be executed by the manual or facsimile signature of the Executive Director of the Authority and the manual or facsimile seal of the Authority shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority.

2. In accordance with the Housing Law and pursuant to the Indenture (hereinafter defined), the Authority is authorized to issue the bonds to be designated as “Housing Authority of The City of San Diego Variable Rate Demand Multifamily Housing Revenue Bonds (Canyon Rim Project) Series 2000B” in an aggregate principal amount not to exceed \$29,440,000 and “Housing Authority of The City of San Diego Variable Rate Demand Taxable Multifamily Housing Revenue Bonds (Canyon Rim Project) Series 2000B-T” in an aggregate principal amount not to exceed \$3,000,000 (together, the “Canyon Rim Bonds” and collectively with the Stratton Bonds, the “Bonds), with an interest rate or rates, a maturity date or dates and other terms as provided in the Indenture as finally executed for the Canyon Rim Bonds. The Canyon Rim Bonds shall be in the form set forth in and otherwise in accordance with the Indenture for the Canyon Rim Bonds, and shall be executed by the manual or facsimile signature of the Executive Director of the Authority and the manual or facsimile seal of the Authority shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority.

3. The form of trust indenture, between the Authority and Wells Fargo Bank, N.A., as trustee (the “Trustee”), in substantially the form presented to the Board, a copy of which is on file in the

office of the Executive Director as Document No. 692, is approved for both the Stratton Bonds and the Canyon Rim Bonds. The form of trust indenture is referred to herein as the “Indenture” and as modified for the Stratton Bonds, the “Stratton Indenture” and, as modified for the Canyon Rim Bonds, the “Canyon Rim Indenture.” Any one of the Chairman or Executive Director or any designee thereof (each, an “Authorized Officer”) is authorized to execute, and the Secretary of the Authority is authorized to attest, the Stratton Indenture and the Canyon Rim Indenture in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption, and other terms of the Bonds shall be as provided in the applicable Indenture as finally executed.

4. The form of financing agreement, among the Authority, the Borrower and the Trustee, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 693, is approved for the Stratton Bonds and the Canyon Rim Bonds. The form of financing agreement is referred to herein as the “Financing Agreement” and, as modified for the Stratton Bonds, the “Stratton Financing Agreement” and, as modified for the Canyon Rim Bonds, the “Canyon Rim Financing Agreement.” Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Stratton Financing Agreement and the Canyon Rim Financing Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof.

5. The form of regulatory agreement and declaration of restrictive covenants, among the Authority, the Trustee and the Borrower, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 694, is approved for

the Stratton Bonds and the Canyon Rim Bonds. The form of regulatory agreement and declaration of restrictive covenants is referred to herein as the “Regulatory Agreement” and, as modified for the Stratton Bonds, the “Stratton Regulatory Agreement” and, as modified for the Canyon Rim Bonds, the “Canyon Rim Regulatory Agreement. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, the Stratton Regulatory Agreement and the Canyon Rim Regulatory Agreement, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof.

6. The Authority is authorized to sell the Bonds to Newman & Associates, Inc. (the “Purchaser”) pursuant to the terms and conditions of two bond purchase contracts (each a “Purchase Contract”) among the Authority, the Borrower and the Purchaser, in substantially the form presented to the Board, a copy of which is on file in the office of the Executive Director as Document No. 695, and such Purchase Contracts are approved for the Stratton Bonds and the Canyon Rim Bonds. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to attest, each Purchase Contract, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with Section 8 hereof.

7. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Purchaser is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Executive Director of the Authority, or her written designee, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to reflect the terms imposed by any rating

agency or Fannie Mae or to make the information therein accurate and not misleading. Each Authorized Officer is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officer to make such Official Statement complete and accurate as of its date. The Purchaser is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority as described above.

8. Any Authorized Officer executing a document approved herein, in consultation with General Counsel to the Authority and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, is authorized to approve and make such modifications, changes or additions to the Stratton Indenture, the Canyon Rim Indenture, the Stratton Financing Agreement, the Canyon Rim Financing Agreement, the Stratton Regulatory Agreement, the Canyon Rim Regulatory Agreement, each Purchase Contract, the Preliminary Official Statement and the final Official Statement, or other document as may be necessary or advisable, and the approval of any modification, change or addition to any of the aforementioned agreements shall be evidenced conclusively by the execution and delivery thereof by such Authorized Officer. Further, any Authorized Officer, acting alone, is authorized to execute any assignment agreement related to any mortgage note, mortgage, deed of trust or other document related to the loan made to the Borrower from the proceeds of the Bonds.

9. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the Bonds are approved, confirmed and ratified, and the officers, employees and agents of the Authority are authorized and directed, 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 and other documents, including but not limited to

those documents described in the Indenture and the other documents herein 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 to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Board. In the event that the Secretary of the Authority is unavailable to sign any document related to the Bonds, any Deputy Secretary of the Authority may sign on behalf of the Secretary.

10. All prior resolutions or parts thereof in conflict with this resolution herewith are, to the extent of such conflict, repealed.

11. 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 sections, paragraphs or provisions of this resolution.

12. This resolution shall take effect immediately upon its adoption.

APPROVED: CASEY GWINN, General Counsel

By _____
Theresa C. McAteer
Deputy Counsel

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