

(HA-2000-17)(CORR. COPY)

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 1033

ADOPTED ON DECEMBER 7, 1999

RESOLUTION AUTHORIZING THE AMENDMENT AND RESTATEMENT OF THE INDENTURE RELATING TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE REFUNDING BONDS, 1993 ISSUE E (CARMEL DEL MAR APARTMENTS PROJECT); AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT, REGULATORY AGREEMENT AND CERTAIN OTHER DOCUMENTS RELATING TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE PROVIDING FOR THE PURCHASE IN LIEU OF REDEMPTION OF THE BONDS; DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATED THERETO, AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND AGREEMENTS AND RELATED ACTIONS.

WHEREAS, the Housing Authority of the City of San Diego (the "Authority") previously issued its Multifamily Housing Revenue Bonds, 1985 Issue I (Carmel Del Mar Apartments Project) (the "Original Bonds") pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, and from the proceeds of the Original Bonds made a loan to Carmel Del Mar Apartments, a California Limited Partnership (the "Original Owner") pursuant to the Loan Agreement, dated as of December 1, 1985, between the Authority and the Original Owner (the "Original Loan Agreement"), in order to enable the Original Owner to finance the development of a multifamily rental housing project known as Carmel Del Mar Apartments (the "Project"); and

WHEREAS, in December, 1991, in connection with the purchase of the Project by Hibiscus Investments, Inc. (the "1991 Owner") from the Original Owner and pursuant to that certain Agreement for Assumption of Regulatory Agreement (the "1991 Assumption"), dated as

of December 6, 1991, recorded on December 9, 1991, as File No. 91-0632266 in the Official Records, and executed by the Authority, the Original Trustee, the Original Owner and the 1991 Owner, the 1991 Owner agreed to assume all of the obligations of the Original Owner under the Original Loan Agreement; and

WHEREAS, in November, 1993, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California and Sections 53580 through 53589.5 of the Government Code of the State of California (collectively, the "Act") and that certain Indenture of Trust, dated as of November 1, 1993 (the "1993 Indenture"), between the Authority and Seattle-First National Bank, as trustee (the "1993 Trustee"), the Authority issued its Housing Authority of the City of San Diego, Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1993 Issue E (Carmel Del Mar Apartments Project) (the "Bonds") for the purpose of refunding the Original Bonds, and made a loan of the proceeds thereof to the 1991 Owner pursuant to a Loan Agreement, dated as of November 1, 1993, between the Authority, the 1991 Owner and the 1993 Trustee (the "1993 Loan Agreement"); and

WHEREAS, in April, 1998, in connection with the purchase of the Project by PTR-California Holdings (3) Incorporated (together with its successors and assigns, the "Borrower") from the 1991 Owner and pursuant to that certain Assignment and Assumption Agreement (the "1998 Assumption"), dated as of April 1, 1998, recorded on April 1, 1998, as Document No. 1998-0181161 in the Official Records, and executed by the 1991 Owner and the Borrower, the Borrower agreed to assume all of the obligations of the 1991 Owner under the 1993 Loan Agreement; and

WHEREAS, the Borrower has now requested that substitute credit enhancement for the Bonds be provided by Fannie Mae, and in order to induce Fannie Mae to provide substitute credit enhancement has requested the Authority to execute and deliver an Amended and Restated

Trust Indenture, by and between the Authority and U.S. Bank Trust National Association, as Trustee (the "Indenture"), and a Financing Agreement, among the Authority, the Trustee and the Borrower (the "Financing Agreement"); and

WHEREAS, under the Financing Agreement, the 1993 Loan Agreement and related documents will be replaced by the Mortgage Loan (as defined in the Indenture), which will be evidenced by the Mortgage Note (as defined in the Indenture), secured by the Mortgage (as defined in the Indenture) and otherwise evidenced and secured by the other Mortgage Loan Documents (as defined in the Indenture); and

WHEREAS, in connection with the Mortgage Loan, the Mortgage Note, the Mortgage and certain other Mortgage Loan Documents will be executed by the Borrower in favor of the Authority and assigned (except for certain Reserved Rights (as defined in the Indenture)) by the Authority to the Trustee; and

WHEREAS, the Authority, the Trustee, Fannie Mae and the Borrower understand and intend that the substitution of the credit enhancement facility will be structured generally in the following manner: the Authority will originate the Mortgage Loan to the Borrower pursuant to the terms and provisions of the Financing Agreement and the Mortgage Loan Documents; the Authority will assign and deliver the Mortgage Loan, including the Mortgage Note, the Mortgage and the other Mortgage Loan Documents, to the Trustee and Fannie Mae, as their interests may appear, to provide security for, respectively, the owners of the Bonds and the Credit Facility Provider; and the Fannie Mae will deliver the credit enhancement facility to provide credit enhancement for the Mortgage Loan and liquidity support for the Bonds; and

WHEREAS, in order to obtain the consent of the holders of the Bonds to the Amended and Restated Indenture, the Borrower has requested that the Authority execute and deliver a supplemental indenture providing for the purchase in lieu of redemption of the Bonds; and

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

- (1) The form of Indenture, including the form of Bond;
 - (2) The form of Financing Agreement;
 - (3) The form of Second Amended and Restated Regulatory Agreement (the "Regulatory Agreement"), by and among the Authority, the Trustee and the Borrower;
 - (4) The form of Assignment and Intercreditor Agreement (the "Intercreditor Agreement"), by and among the Authority, the Trustee and Fannie Mae;
 - (5) The form of disclosure document relating to the Bonds (the "Official Statement");
- and
- (6) The form of Supplemental Indenture (the "Supplemental Indenture"), by and between the Authority and the Trustee; 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. The Authority finds and determines that the foregoing recitals are true and correct and that it is necessary and desirable for the Authority to take the actions requested by the Borrower in order to facilitate the acceptance of the substitute credit facility for the Bonds.

2. Authorization and Approval of Indenture. To provide for the amended and restated terms of the Bonds, to prescribe the amended and restated terms and conditions upon which they are to be secured and held and upon which the Mortgage Loan is to be made, and to reflect the

substitute credit facility, the Chairman, the Vice Chairman, the Chief Executive Officer and the Secretary or a deputy Secretary, 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 Indenture (a copy of the form of which is on file in the Housing Commission offices as Document No. 682), in substantially the form presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Indenture presented to this meeting, which form of Indenture is in all respects approved and incorporated by reference and made a part hereof.

3. Authorization and Approval of Financing Agreement. To provide for the terms of the Mortgage Loan, and the duties and obligations of the Borrower, the Trustee and the Authority relating to the Mortgage Loan, while reflecting the substitute credit facility, the Designated Officers are each authorized to execute and deliver the Financing Agreement (a copy of the form of which is on file in Housing Commission offices as Document No. 683), in substantially the form presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Financing Agreement presented to this meeting, which form of Financing Agreement is in all respects approved.

4. Authorization and Approval of Regulatory Agreement. To continue to evidence the requirements of the Act and the Internal Revenue Code with respect to the Bonds and the Project, while reflecting the substitute credit facility, the Designated Officers are each authorized to execute and deliver with respect to the Project a Regulatory Agreement (a copy of the form of

which is on file in the Housing Commission offices as Document No. 684), in substantially the form presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Regulatory Agreement presented to this meeting, which form of Regulatory Agreement is in all respects approved.

5. Authorization and Approval of the Intercreditor Agreement. To provide for the assignment by the Authority to the Trustee and Fannie Mae of certain rights under the Mortgage Loan, Mortgage Loan Documents and Financing Agreement and to provide for the respective interests of the Authority, the Trustee and Fannie Mae in the Mortgage Loan, the Designated Officers are each authorized to execute and deliver the Intercreditor Agreement (a copy of the form of which is on file in Housing Commission offices as Document No. 685), in substantially the form presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Intercreditor Agreement presented to this meeting, which form of Intercreditor Agreement is in all respects approved.

6. Approval of Official Statement. The form of Official Statement relating to the Bonds, to be used in connection with the offer and sale of the Bonds, in substantially the form presented to the Board (a copy of which is on file in the Housing Commission offices as Document No. 686), is approved. The Authority ratifies and approves distribution of the Official Statement to prospective purchasers of the Bonds. Any Designated Officer is authorized to execute and deliver the Official Statement, with such additions thereto or changes therein as such Designated Officer may approve or recommend.

7. Approval of Supplemental Indenture. To provide for the amendment of the 1993 Indenture to allow for the purchase of the Bonds in lieu of redemption, the Designated Officers are each authorized to execute and deliver the Supplemental Indenture (a copy of the form of which is on file in Housing Commission offices as Document No. 687), in substantially the form presented to this meeting and with such changes as may be approved by the Designated Officers executing the same, upon consultation with the General Counsel to the Authority, their execution thereof to constitute conclusive evidence of their approval of all changes from the form of Supplemental Indenture presented to this meeting, which form of Supplemental Indenture is in all respects approved.

8. Actions Ratified and Authorized. All actions heretofore taken by the officers and agents of the Authority with respect to the amendment and restatement of documents in connection with the substitution of a new credit facility with respect to 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 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 substitution of the new credit facility and the amendment and restatement of the documents, and execution and delivery of the Supplemental Indenture relating to the Bonds in accordance with the Act and this resolution.

9. Further Consents, Approvals, Amendments 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 Authority's 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 any Project, any substitution of security for the Bonds or any redemption of the Bonds, may be taken or given by any Designated Officer without further authorization by the Board of Commissioners, and such Designated Officer is authorized and directed to give any such consent, approval, notice, order or request, to execute and deliver any such amendment, and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution and the Authority's lending program.

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

11. 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.

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

APPROVED: CASEY GWINN, General Counsel

By
Prescilla Dugard
Deputy Counsel

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