

HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO  
RESOLUTION NO. 1007  
ADOPTED ON JUNE 8, 1999

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST AND RELATED ACTIONS WITH RESPECT TO THE REISSUANCE OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO \$51,500,000 MULTIFAMILY HOUSING REVENUE BONDS, 1985 ISSUE L, \$43,640,000 MULTIFAMILY HOUSING REVENUE BONDS, 1985 ISSUE K, \$14,550,000 MULTIFAMILY HOUSING REVENUE BONDS, 1994 ISSUE A.

WHEREAS, the Housing Authority of the City of San Diego [the Authority] has previously issued its \$51,500,000 Multifamily Housing Revenue Bonds, 1985 Issue L [the Nobel Bonds] pursuant to an Indenture of Trust dated as of December 1, 1985, as amended by that certain Amended and Restated Indenture of Trust dated as of July 1, 1986, that certain First Supplemental Indenture of Trust dated as of November 1, 1992 and that certain Second Supplemental Indenture of Trust dated as of June 1, 1996 [collectively, the Original Nobel Indenture], between the Authority and U.S. Bank Trust National Association, as successor trustee under the Original Nobel Indenture [the Nobel Trustee]; and

WHEREAS, the Authority has previously issued its \$43,640,000 Multifamily Housing Revenue Bonds, 1985 Issue K [the La Cima Bonds] pursuant to an Indenture of Trust dated as of December 1, 1985, as amended by that certain Amended and Restated Indenture of Trust dated as of July 1, 1986, that certain First Supplemental Indenture of Trust dated as of November 1, 1992 and that certain Second Supplemental Indenture of Trust dated as of June 1, 1996 [collectively, the Original La Cima Indenture], between the Authority and U.S. Bank Trust National Association, as successor trustee under the Original La Cima Indenture [the La Cima Trustee]; and

WHEREAS, the Authority has previously issued its \$14,550,000 Multifamily Housing Revenue Bonds, 1994 Issue A [the Paseo Bonds, and together with the Nobel Bonds and the La Cima Bonds, the Bonds] pursuant to an Indenture of Trust dated as of January 1, 1994, as amended by that certain First Amended and Restated Indenture of Trust dated as of May 15, 1998, between the Authority and U.S. Bank Trust National Association, as successor trustee under the Original Indenture [the Paseo Trustee, and together with the Nobel Trustee and the La Cima Trustee, the Trustees] [collectively, the Original Paseo Indenture, and together with the Original Nobel Indenture and the Original La Cima Indenture, the Original Indentures]; and

WHEREAS, the Authority has previously made loans [the Developer Loans] to Nobel Court Ltd., La Cima Ltd. and Vista Court Ltd., each a California limited partnership [collectively, the Developers] to enable the Developers to finance the construction, respectively, of a 685-unit multifamily residential development located at 8895 Caminito Plaza Centro, a 514-unit multifamily rental housing project located at 7500 Charmant Drive, and a 250-unit multifamily rental housing project located at 10024 Paseo Montril Drive, each in the City of San Diego [the City], California and known, respectively, as the Nobel Court Apartments, the La Cima Apartments and the Paseo Point Apartments [collectively, the Developments], to be occupied partially (at least 20 percent) by persons of low or moderate income within the meaning of Section 103(b)(12)(C) of the Internal Revenue Code of 1954, as amended, all for the public purpose of assisting persons of low and moderate income within the City and surrounding areas to obtain decent, safe and sanitary housing; and

WHEREAS, in order to implement the making of the Developer Loans, the Authority entered into that certain Loan Agreement dated as of December 1, 1985, as amended by that certain First Amendment to Loan Agreement dated as of July 1, 1986, that certain Second Amendment to Loan Agreement dated as of November 1, 1992 and that certain Third Amendment to Loan Agreement dated as of June 1, 1996 [the Nobel Loan Agreement], that certain Loan Agreement

dated as of December 1, 1985, as amended by that certain First Amendment to Loan Agreement dated as of July 1, 1986, that certain Second Amendment to Loan Agreement dated as of November 1, 1992 and that certain Third Amendment to Loan Agreement dated as of June 1, 1996 [the La Cima Loan Agreement] and that certain Loan Agreement dated as of January 1, 1994, as amended by that certain Loan Agreement Amendment dated as of May 15, 1998 [the Paseo Loan Agreement, and together with the Nobel Loan Agreement and the La Cima Loan Agreement, the Loan Agreements] with the respective Developers and the respective Trustees pursuant to which the Authority agreed to make and the Developers agreed to accept the Developer Loans to enable the Developers to finance the construction and development of the Developments; and

WHEREAS, payment of principal of and interest on the Bonds, as well as the purchase price of the Bonds in the event of a liquidity drawing for the purchase price of the Bonds, is currently secured by Irrevocable Letters of Credit [the Letter of Credits]; and

WHEREAS, each of the Letters of Credit for the Nobel Bonds and the La Cima Bonds terminates on June 30, 1999, and for the Paseo Bonds terminates on August 15, 1999 and the Developers desire to provide replacements for the Letters of Credit and to extend the maturity for the Bonds; and

WHEREAS, the Original Nobel Indenture and the Original La Cima Indenture provide that upon satisfaction of the conditions of Section 212 of each such Indenture, the respective Developer may deliver to the Trustee a Substitute Letter of Credit or an Alternate Security as a replacement for the Letters of Credit; and

WHEREAS, the Original Paseo Indenture provides that upon satisfaction of the conditions of Section 3.04 of such Indenture, the Developer may deliver to the Trustee a Substitute Letter of Credit as a replacement for the Letter of Credit; and

WHEREAS, the Developers desire to replace each of the Letters of Credit with an Alternate

Security issued by the Federal Home Loan Mortgage Corporation [Freddie Mac] in the form of a Credit Enhancement Agreement [collectively, the Credit Enhancement Agreements] which will provide for (i) liquidity draws by the Trustee as necessary to pay the purchase price of the Bonds while the Bonds bear interest at the Variable Interest Rate and (ii) draws in an amount equal to the principal and interest payments due and owing under the Developer Loans; and

WHEREAS, the Authority desires to extend the maturities of the Bonds to December 1, 2022; and

WHEREAS, it is necessary to make certain amendments to the Original Indentures, the Loan Agreements and certain of the other documents executed with respect to the Bonds to provide for replacement of the Letter of Credit with the Credit Enhancement Agreement and to extend the maturity of the Bonds; and

WHEREAS, Sections 1001 and 10.01, as applicable, of the Original Indentures provides that the Original Indenture may be amended at any time by Supplemental Indentures, with the consent of all Bondholders to extend the date of maturity of the Bonds; and

WHEREAS, Sections 1102 and 11.02, as applicable, of the Original Indentures provide that the Authority, the Developers and the Trustees may, with the consent of all of the Bondholders, enter into amendment of the Developer Loan Documents to extend the time of payment of amounts payable under the Loan Agreements; and

WHEREAS, Sections 1103 and 11.03, as applicable, of the Original Indentures provide that no amendments may be made to any of the respective Developer Loan Documents unless the Authority has received opinions of Bond Counsel to the effect that such amendments, changes or modifications will not impair the exemption of the interest on the Bonds from federal income taxation and the State of California personal income taxation; and

WHEREAS, the Developers have requested that the Authority and the Trustee approve certain amendments to the Original Indentures and the respective Developer Loan Documents in

order to permit the delivery of the Credit Enhancement Agreements by Freddie Mac; and

WHEREAS, the Authority desires to approve certain amendments to the Original Indentures and the respective Developer Loan Documents in order to permit the extension of the maturity of the Bonds and the delivery of the Credit Enhancement Agreements; and

WHEREAS, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel to the Authority, will render opinions to the effect that such amendments to the Original Indentures and the respective Developer Loan Documents will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds; and

WHEREAS, any capitalized terms not defined herein shall have the meaning set forth in the Original Indentures; and

WHEREAS, the Authority desires to approve an Amended and Restated Indenture of Trust dated as of June 1, 1999 [the Nobel Amended and Restated Indenture], an Amended and Restated Indenture of Trust dated as of June 1, 1999 [the La Cima Amended and Restated Indenture] and an Amended and Restated Indenture of Trust dated as of June 1, 1999 [the Paseo Amended and Restated Indenture, and together with the Nobel Amended and Restate Indenture and the La Cima Amended and Restated Indenture, the Amended and Restated Indentures] the form of which has been presented at this meeting, as requested by the Developers and to authorize its officers to grant any needed consents or take any other actions required to effectuate the amendments to the Original Indentures, the substitution of the Freddie Mac Credit Enhancement Agreements, the extension of the maturities of the Bonds and the remarketing of the Bonds; and

WHEREAS, the Authority desires to approve an Amended and Restated Loan Agreement dated as of June 1, 1999 [the Nobel Amended and Restated Loan Agreement], an Amended and Restated Loan Agreement dated as of June 1, 1999 [the La Cima Amended and Restated Loan Agreement] and an Amended and Restated Loan Agreement dated as of June 1, 1999 [the Paseo

Amended and Restated Loan Agreement, and together with the Nobel Amended and Restated Loan Agreement and the La Cima Amended and Restated Loan Agreement, the Amended and Restated Loan Agreements] the form of which has been presented at this meeting, as requested by the Developers and to authorize its officers to grant any needed consents or take any other actions required to effectuate the amendments to the Original Loan Agreements; and

WHEREAS, the Authority desires to approve an Amended and Restated Regulatory Agreement dated as of June 1, 1999 [the Nobel Amended and Restated Regulatory Agreement], an Amended and Restated Regulatory Agreement dated as of June 1, 1999 [the La Cima Amended and Restated Regulatory Agreement] and an Amended and Restated Regulatory Agreement dated as of June 1, 1999 [the Paseo Amended and Restated Regulatory Agreement, and together with the Nobel Amended and Restated Regulatory Agreement and the La Cima Amended and Restated Regulatory Agreement, the Amended and Restated Regulatory Agreements] the form of which has been presented at this meeting, as requested by the Developers and to authorize its officers to grant any needed consents or take any other actions required to effectuate the amendments to the Regulatory Agreements;

WHEREAS, the Authority desires to approve an Amended and Restated Intercreditor Agreement dated as of June 1, 1999 [the Nobel Amended and Restated Intercreditor Agreement], an Amended and Restated Intercreditor Agreement dated as of June 1, 1999 [the La Cima Amended and Restated Intercreditor Agreement] and an Amended and Restated Intercreditor Agreement dated as of June 1, 1999 [the Paseo Amended and Restated Intercreditor Agreement, and together with the Nobel Amended and Restated Intercreditor Agreement and the La Cima Amended and Restated Intercreditor Agreement, the Amended and Restated Intercreditor Agreements] the form of which has been presented at this meeting, as requested by the Developers and to authorize its officers to grant any needed consents or take any other actions required to effectuate the amendments to the Intercreditor Agreements; NOW, THEREFORE, BE IT RESOLVED

1. In accordance with the Housing Law and pursuant to the Original Indentures, the Authority is authorized to reissue the Bonds, with a maturity date or dates and other terms as provided in the Amended and Restated Indentures as finally executed. The Bonds shall be in the form set forth in and otherwise in accordance with the Amended and Restated Indentures, and shall be executed by the manual or facsimile signature of the Chairman or 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. The Amended and Restated Indentures between the Authority and U.S. Bank Trust National Association, as trustee [the New Trustee], in substantially the form presented to the Board, copies of which are on file with the Secretary of the Authority, are approved. 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 affix and attest the seal of the Authority on, the Amended and Restated Indentures in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with item 6 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 Amended and Restated Indentures as finally executed.

3. The Amended and Restated Loan Agreements, among the Authority, the Developers and the New Trustee, in substantially the forms presented to the Board, copies of which are on file in the office of the Executive Director as Document Nos. 671, 672, and 673 are approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to affix and attest the seal of the Authority on, the Amended and Restated Loan Agreements, in substantially said form, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with item 6 hereof.

4. The Amended and Restated Regulatory Agreements, among the Authority, the Trustee and the Developers, in substantially the form presented to the Board, copies of which are on file in the office of the Executive Director as Document Nos. 674, 675, and 676 are approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to affix and attest the seal of the Authority on, the Amended and Restated Regulatory Agreements, in substantially said forms, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with item 6 hereof.

5. The Amended and Restated Intercreditor Agreements, among the Authority, the Trustee and the Developers, in substantially the form presented to the Board, copies of which are on file in the office of the Executive Director as Document Nos. 677, 678, and 679 are approved. Any Authorized Officer is authorized to execute, and the Secretary of the Authority is authorized to affix and attest the seal of the Authority on, the Amended and Restated Intercreditor Agreements, in substantially said forms, with such additions thereto and changes therein as such Authorized Officer may approve or recommend in accordance with item 6 hereof.

6. Any Authorized Officer executing a document approved herein, in consultation with General Counsel to the Authority and Stradling Yocca Carlson & Rauth, Bond Counsel, is authorized to approve and make such modifications, changes or additions to the Amended and Restated Indentures, the Amended and Restated Loan Agreements, the Amended and Restated Regulatory Agreements, and the Amended and Restated Intercreditor Agreements, 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.

7. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the reissuance 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 Amended and Restated Indentures 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.

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

9. 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.

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

APPROVED: CASEY GWINN, General Counsel

By \_\_\_\_\_  
Prescilla Dugard  
Deputy Counsel

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