

HOUSING AUTHORITY OF THE CITY SAN DIEGO

RESOLUTION NO. 1512

DATE OF FINAL PASSAGE APRIL 19, 2011

A RESOLUTION OF THE HOUSING AUTHORITY OF THE  
CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF  
REVENUE BONDS TO FINANCE THE SORRENTO TOWER  
APARTMENTS AND AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds for the purpose of financing the acquisition, construction/rehabilitation and development of multifamily rental housing; and

WHEREAS, Sorrento Tower Housing Partners, LP, a California limited partnership, and entities related thereto (collectively, Borrower), has requested that the Authority issue multifamily housing revenue bonds in an amount not to exceed \$14,500,000 (Bonds) to assist in the financing of the acquisition, rehabilitation and development of a 198-unit senior citizen apartment project located at 2875 Cowley Way in the Claremont neighborhood of the City of San Diego, California and known as Sorrento Tower Apartments (Project); and

WHEREAS, on March 16, 2011, the Authority received an allocation in the amount of \$14,500,000 (Allocation Amount) from the California Debt Limit Allocation Committee in connection with the Project; and

WHEREAS, the Authority is willing to issue and deliver not to exceed \$14,500,000 aggregate principal amount of Bonds, provided that the aggregate principal amount of such Bonds issued as federally tax-exempt obligations shall not exceed the Allocation Amount, and loan the proceeds thereof to the Borrower to assist in providing financing for the Project, which

will allow the Borrower to reduce the cost of the Project and to assist in providing housing for low and very low income persons; and

WHEREAS, the Bonds are expected to be secured by a direct-pay Credit Enhancement Agreement provided by the Federal Home Loan Mortgage Corporation (Freddie Mac); and

WHEREAS, there have been prepared and made available to the Board of Commissioners of the Authority (Board) the following documents required for the issuance and delivery of the Bonds, and such documents are now in substantial form and appropriate instruments to be executed and delivered for the purposes intended: and

(1) Trust Indenture (Indenture), to be entered into between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (Trustee); and

(2) Financing Agreement (Financing Agreement), to be entered into among the Authority, the Trustee and the Borrower; and

(3) Regulatory Agreement and Declaration of Restrictive Covenants (Regulatory Agreement), to be entered into among the Authority, the Trustee, and the Borrower; and

(4) Preliminary Official Statement (Preliminary Official Statement), to be used in connection with the sale and issuance of the Bonds; and

(5) Bond Purchase Agreement (Bond Purchase Agreement), to be entered into among the Authority, the Borrower and [Citigroup Community Capital], as underwriter; and

(6) Intercreditor Agreement (Intercreditor Agreement), to be entered into by and among the Authority, the Trustee, Citibank N.A., as construction lender, and Freddie Mac;  
NOW, THEREFORE,

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

Section 1. The above recitals, and each of them, are true and correct.

Section 2. Pursuant to the Act and the Indenture, the Authority is hereby authorized to issue and deliver not to exceed \$14,500,000 principal amount of Bonds, which shall be designated as the "Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Sorrento Tower Apartments) 2011 Series B," with appropriate designations, modifications and series and sub-series designations as necessary; provided that the aggregate principal amount of any tax-exempt Bonds issued shall not exceed the Allocation Amount. The Bonds shall be issued in the form set forth in and otherwise in accordance with the Indenture, and such Bonds shall be executed on behalf of the Authority by the facsimile signature of the Chairperson of the Board of Commissioners of the Authority or the manual signature of any Authorized Signatory (as defined below), and attested by the facsimile signature of the Secretary of the Authority or the Assistant to the Secretary of the Authority, or the manual signature of any Authorized Signatory. The Bonds shall be issued and secured in accordance with the terms of the Indenture presented to this meeting, as hereinafter approved. Payment of the principal and purchase price of, and redemption premium, if any, and interest on, the Bonds shall be made solely from amounts pledged thereto under the Indenture. The Bonds shall not be deemed to constitute a debt or liability of the Authority.

Section 3. The Indenture in the form presented at this meeting is hereby approved. The Chairperson of the Board of Commissioners, or Executive Director of the Authority, or the Vice President of Real Estate, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby (each such person is

referred to herein individually as an Authorized Signatory), acting alone, is authorized to execute by manual signature and deliver the Indenture, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof. The date, maturity date or dates (which shall not extend beyond May 1, 2055), interest rate or rates (which shall not exceed 12%), 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 Indenture as finally executed.

Section 4. The Financing Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Financing Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 5. The Regulatory Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Regulatory Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 6. The Bond Purchase Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Bond Purchase Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are

approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 7. The form, terms and provisions of the Preliminary Official Statement in the form presented at this meeting are hereby approved and the Commission hereby approves the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds. Any Authorized Signatory, acting alone, is authorized to certify on behalf of the Authority that the Preliminary Official Statement as to the sections therein related directly to the Authority is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Any Authorized Signatory, acting alone, is authorized to execute, at the time of sale of the Bonds, said Preliminary Official Statement in final form, with such changes, deletions and/or insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are hereby approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 8. The Intercreditor Agreement in the form presented at this meeting is hereby approved. Any Authorized Signatory, acting alone, is authorized to execute by manual signature and deliver the Intercreditor Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 9. The Authority is hereby authorized to deliver the Bonds to the purchaser thereof pursuant to the terms and conditions of the Indenture.

Section 10. The Bonds shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the certificate of authentication of the Trustee appearing thereon, and to deliver the Bonds, when

duly executed and authenticated, to the purchasers thereof in accordance with written instructions executed and delivered on behalf of the Authority by an Authorized Signatory, which any Authorized Signatory, acting alone, is hereby authorized and directed to execute and deliver such instructions to the Trustee. Such instructions shall provide for the delivery of the Bonds to the purchaser thereof in accordance with the Indenture upon payment of the purchase price thereof.

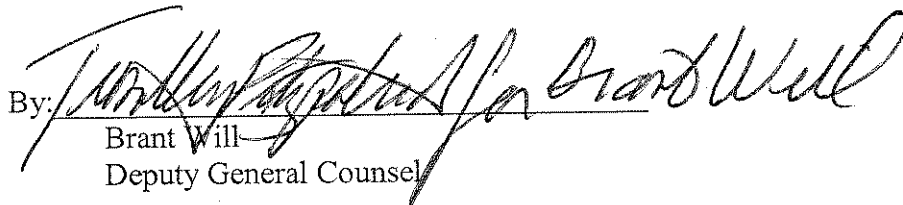
Section 11. All actions heretofore taken by the officers and agents of the Authority with respect to the financing of the Project and the sale and issuance of the Bonds are hereby approved, ratified and confirmed, and any Authorized Signatory, acting alone, is hereby authorized and directed, for and 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 any tax certificates, a subordination or intercreditor agreement, an interest rate protection agreement, any endorsement and/or assignment of the deed of trust and such other documents as 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 release, conversion 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 Authority and otherwise in order to carry out the financing of the Project.

Section 12. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the release and conversion of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such

documents, any transfer or other disposition of the Project, any addition or substitution of security for the Bonds or any redemption of the Bonds, may be given or taken by any Authorized Signatory, as appropriate, without further authorization by the Commission or Authority, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem necessary or desirable to further the purposes of this Resolution and the financing of the Project; provided such action shall not create any obligation or liability of the Authority other than as provided in the Series Indenture and other documents approved herein.

Section 13. This resolution shall take effect immediately upon its adoption.

APPROVED: JAN I. GOLDSMITH, General Counsel

By:   
Brant Will  
Deputy General Counsel

BCW:jdf  
4/5/2011  
Or.Dept:Housing Authority

Passed and adopted by the Housing Authority of the City of San Diego on April 19, 2011 by the following vote:

	Yeas	Nays	Excused	Not Present
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carl DeMaio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**AUTHENTICATED BY:**

Anthony Young

Chair of the Housing Authority  
of the City of San Diego, California

[seal]

Richard C. Gentry

Executive Director of the Housing Authority  
of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of  
RESOLUTION NO. 1512 passed and adopted by the Housing Authority of the City of San  
Diego, California on April 19, 2011.

By:

  
**Lisette Diaz**

Deputy Secretary of the Housing Authority  
of the City of San Diego, California