RESOLUTION NO. 130-2005

Adopted August 16, 2005

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $17,000,000 TO ASSIST CEATRICE POLITE, L.P., A CALIFORNIA LIMITED PARTNERSHIP, WITH THE ACQUISITION AND REHABILITATION OF RESIDENTIAL FACILITIES AT 321 CLEMENTINA STREET, SAN FRANCISCO; AUTHORIZING CERTAIN OFFICERS TO ENTER INTO BOND DOCUMENTS WITH RESPECT TO SUCH BONDS, APPROVING OFFICIAL STATEMENTS AND APPROVING AND AUTHORIZING ACTIONS AND DOCUMENTS RELATING THERETO; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “Law”), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

2. The Agency is authorized by Chapter 8, commencing with Section 33750, of Part 1 of Division 24 of the Health and Safety Code of the State of California (the “Act”) to issue revenue bonds, the interest on which is tax-exempt under State and federal laws, and make loans to finance the cost of acquisition, rehabilitation and development of multifamily residential housing developments for occupancy, in part, by persons of very low and low income.

3. Ceatrice Polite, L.P., a California limited partnership (the “Borrower”), has requested that the Agency issue its housing revenue bonds in order to finance the acquisition and rehabilitation of a 91-unit multifamily rental housing development known as Ceatrice Polite Apartments (the “Project”). The Borrower is established solely to acquire, rehabilitate and own the Project on the real property located at 321 Clementina Street, San Francisco, in the Yerba Buena Center Redevelopment Project Area, San Francisco, California (the “Site”).

4. The Agency by its Resolution No. 54-2005, adopted on April 5, 2005, expressed its intention to issue tax-exempt mortgage revenue bonds in one or more series in an amount of not to exceed $10,125,000 for such purposes (the “Bonds”). On March 29, 2005, the Agency held a public hearing on the proposed issuance of the Bonds, as required under the Internal Revenue Code of 1986, following published notice of such hearing on March 12 and March 19, 2005, and the Mayor of the
City and County of San Francisco, as the “applicable elected representative”, approved the issuance of the Bonds on April 6, 2005.

5. On May 19, 2005, the California Debt Limit Allocation Committee awarded an allocation to the Agency to issue tax-exempt bonds in an amount not to exceed $10,125,000 for the financing of the Project.

6. The Agency intends to issue its Multifamily Housing Revenue Bonds (GNMA Collateralized-Ceatrice Polite Apartments) 2005 Series A-1 (Senior Series) (the “Series A-1 Bonds”), its Variable Rate Demand Multifamily Housing Revenue Bonds (Ceatrice Polite Apartments) 2005 Series A-2 (Subordinate Tax-Exempt Series) (the “Series A-2 Bonds,” and together with the Series A-1 Bonds, the “Tax-Exempt Bonds”), and its Taxable Multifamily Housing Revenue Bonds (Ceatrice Polite Apartments) 2005 Series A-3 (Subordinate Taxable Series) (the “Series A-3 Bonds,” and together with the Series A-1 Bonds and the Series A-2 Bonds, the “Bonds”), and loan the proceeds thereof to the Borrower. The payment of the principal and purchase price of, and interest on, the Series A-1 Bonds will be supported by a GNMA Collateralized Security. The Agency intends to sell the Series A-1 Bonds to Red Capital Markets, Inc. (the “Underwriter”) pursuant to a Bond Purchase Agreement with respect to the Series A-1 Bonds among the Agency, the Borrower and the Underwriter (the “Series A-1 Bond Purchase Contract”). The payment of the principal and purchase price of, and interest on, the Series A-2 Bonds will be supported by a direct pay letter of credit issued by National City Bank (the “Credit Bank”). The Agency intends to sell the Series A-2 Bonds to the Underwriter pursuant to a Bond Purchase Agreement with respect to the Series A-2 Bonds among the Agency, the Borrower and the Underwriter (the “Series A-2 Bond Purchase Contract”). The Agency intends to sell the Series A-3 Bonds to TODCO/YBC 2 (the “Seller”), the current owner of the Project, in a private placement in payment, in part, of the acquisition price of the Project pursuant to a Bond Purchase Agreement with respect to the Series A-3 Bonds among the Agency, the Borrower, the Seller and Red Capital Markets, Inc., as placement agent (the “Series A-3 Bond Purchase Contract”).

7. All acts, conditions and things required by the Law, the Act and by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing and to authorize the execution of documents related thereto, for the purposes, in the manner and upon the terms contemplated in this Resolution.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. Pursuant to the Act, the Agency hereby authorizes the issuance and delivery of revenue bonds to be designated as “Redevelopment Agency of the City and County of San Francisco Multifamily Housing Revenue Bonds (GNMA Collateralized-Ceatrice Polite Apartments) 2005 Series A-1 (Senior Series),” “Redevelopment Agency of the City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds (Ceatrice Polite Apartments) 2005 Series A-2 (Subordinate Tax-Exempt Series),” and “Redevelopment Agency of the City and County of San Francisco Taxable Multifamily Housing Revenue Bonds (Ceatrice Polite Apartments) 2005 Series A-3 (Subordinate Taxable Series), in an aggregate principal amount not to exceed $17,000,000 (the "Bonds"). The Chair, Executive Director, the Deputy Executive Director, Finance and Administration, and the Secretary of the Agency (each an “Authorized Officer”), each acting alone, are hereby authorized and directed to execute the Bonds for and on behalf of the Agency by manual or facsimile signature, in the form set forth in the Indenture (as defined below), with such changes, deletions and insertions as may be approved by such Authorized Officer and legal counsel to the Agency, such approvals being conclusively evidenced by the execution and delivery thereof, and the Authorized Officers, each acting alone, are hereby authorized and directed to attest the Bonds in said form and otherwise in accordance with the Indenture. The Bonds, when executed, shall be delivered to or upon the order of the Trustee.

2. The following documents, substantially in the forms lodged with Agency General Counsel (collectively, the “Bond Documents”), are hereby approved:

(a) the trust indenture with respect to the Series A-1 Bonds (the “Series A-1 Indenture”) between the Agency and Wells Fargo Bank, National Association, as trustee (the “Series A-1 Trustee”);

(b) the financing agreement with respect to the Series A-1 Bonds (the "Financing Agreement") among the Agency, the Series A-1 Trustee and the Borrower;

(c) the subordinate indenture with respect to the Series A-2 Bonds (the “Series A-2 Indenture”) between the Agency and Wells Fargo Bank, National Association, as trustee (the “Series A-2 Trustee”);

(d) the subordinate tax-exempt loan agreement with respect to the Series A-2 Bonds (the “Series A-2 Loan Agreement”) among the Agency, the Series A-2 Trustee and the Borrower;
(e) the subordinate indenture with respect to the Series A-3 Bonds (the “Series A-3 Indenture”) between the Agency and Wells Fargo Bank, National Association, as trustee (the “Series A-3 Trustee”); 

(f) the subordinate taxable loan agreement with respect to the Series A-3 Bonds (the “Series A-3 Loan Agreement”) among the Agency, the Series A-3 Trustee and the Borrower; 

(g) the regulatory agreement and declaration of restrictive covenants (the “Regulatory Agreement”) among the Agency, the Series A-1 Trustee and the Borrower; 

(h) the bond purchase agreement with respect to the Series A-1 Bonds (the “Series A-1 Purchase Contract”) among the Agency, the Borrower and Red Capital Markets, Inc. (the “Underwriter”); and 

(i) the bond purchase agreement with respect to the Series A-2 Bonds (the “Series A-2 Purchase Contract”) among the Agency, the Borrower and Red Capital Markets, Inc. (the “Underwriter”); 

(j) the bond placement agreement with respect to the Series A-3 Bonds (the “Series A-3 Placement Agreement”) among Red Capital Markets, Inc., as placement agent, the Agency, the Borrower and TODCO/YBC 2 (the “Seller”); and 

(k) the subordination and intercreditor agreement among the Agency, the Borrower, the Trustee, Red Mortgage Capital, Inc. and Provident Community Development Company.

The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Agency to execute and deliver the Bond Documents, in such forms, with such changes, additions or deletions as may be approved by such Authorized Officer and legal counsel to the Agency.

3. The Official Statement with respect to the Series A-1 Bonds and the Official Statement with respect to the Series A-2 Bonds (collectively, the “Official Statements”), substantially in the forms on file with Agency General Counsel, are hereby approved. The Agency hereby authorizes the distribution of the Official Statements, in either preliminary or final form, to potential purchasers of the respective Bonds, provided that the Underwriter shall ensure that all purchasers of the respective Bonds receive copies of the final respective Official Statements. The Authorized Officers, each acting alone, are hereby authorized for and on behalf of the Agency to execute and deliver the Official Statements in such forms, with such changes, additions or deletions as may be approved by such Authorized
4. All actions heretofore taken by the officers and agents of the Agency with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified. The Executive Director, the Deputy Executive Director, Finance and Administration, the Secretary and Assistant Secretaries, the Agency General Counsel and Deputy General Counsels and other officers of the Agency, including the Authorized Officers, are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates, including, without limitation, any intercreditor agreements required by the various lenders in the financing and a tax certificate, which they may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery and any subsequent remarketing of the Bonds, and otherwise to implement the purposes of this Resolution.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel