RESOLUTION NO. 2006-012

Adopted by the Housing
Authority of the City of Sacramento

July 18, 2006

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF HOUSING AUTHORITY OF THE CITY OF SACRAMENTO MULTIFAMILY HOUSING REVENUE BONDS (HURLEY CREEK SENIOR APARTMENTS) 2006 ISSUE E AND 2006 ISSUE E-S, AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A FINANCING AGREEMENT, AN INDENTURE OF TRUST, A LOAN AGREEMENT, A REGULATORY AGREEMENT, A SUBORDINATION AGREEMENT, A BOND PURCHASE AGREEMENT AND AN OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF, AND APPROVING OTHER RELATED DOCUMENTS AND OTHER RELATED ACTIONS IN CONNECTION THEREWITH; HURLEY CREEK SENIOR APARTMENTS

BACKGROUND

A. Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 34200 (the "Act"), authorizes housing authorities to incur indebtedness for the purpose of financing the acquisition, construction and development of multifamily rental housing facilities to be occupied in part by persons of low and very low income.

B. The Housing Authority of the City of Sacramento (the "Authority") hereby finds and declares that it is necessary, essential and a public purpose for the Authority to engage in a program (the "Program") of financing the acquisition, construction and development of multifamily rental housing facilities, and has determined to borrow money for such purpose by the issuance of revenue bonds as authorized by the Act.

C. The Authority hereby finds and declares that this resolution is being adopted pursuant to the powers granted by the Act.

D. Hurley Sacramento, LP, a California limited partnership (the "Borrower"), has requested that the Authority issue and sell the Bonds (hereinafter defined) for the purpose of financing the acquisition, construction and development of a multifamily rental housing project to be commonly known as the Hurley Creek Senior Apartments to be located on the Southwest corner of the intersection of Snowy Egret Boulevard and El Centro Road in the City of Sacramento, California (the "Project").

E. All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds and the implementation of the Program as contemplated by this resolution and the

documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. The Authority hereby finds and declares that the above recitals are true and correct.

Section 2. Pursuant to the Act, revenue bonds of the Authority designated as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Hurley Creek Senior Apartments) 2006 Issue E" in an aggregate principal amount not to exceed $13,105,000 (the "Senior Bonds") and as "Housing Authority of the City of Sacramento Multifamily Housing Revenue Bonds (Hurley Creek Senior Apartments) 2006 Issue E-S" in an aggregate principal amount not to exceed $1,660,000 (the "Subordinate Bonds" and together with the Senior Bonds, the "Bonds") are hereby authorized to be issued. The Bonds shall be executed by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority, and attested by the manual or facsimile signature of the Secretary of the Board of the Authority or the Clerk of the Sacramento Housing and Redevelopment Agency (the "Clerk"), in the form set forth in and otherwise in accordance with the Senior Indenture and the Subordinate Indenture (hereinafter defined).

Section 3. The following documents with respect to the Bonds (the "Bond Documents") between and/or among the Authority and the institutions named therein, in the forms on file with the Clerk, are hereby approved:

(a) a trust indenture with respect to the Senior Bonds (the "Senior Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee");

(b) a financing agreement with respect to the Senior Bonds (the "Financing Agreement") among the Authority, the Trustee and the Borrower;

(c) an indenture of trust with respect to the Subordinate Bonds (the "Subordinate Indenture") between the Authority and Wells Fargo Bank National Association, as trustee (the "Subordinate Trustee");

(d) a loan agreement with respect to the Subordinate Bonds (the "Loan Agreement") the Authority, the Subordinate Trustee and the Borrower;

(e) a regulatory agreement and declaration of restrictive covenants (the "Regulatory Agreement") among the Authority, the Trustee and the Borrower;

(f) a bond purchase and placement agreement (the "Bond Purchase and Placement Agreement") among the Authority, the Borrower and Capmark Securities Inc.;

(g) a preliminary official statement with respect to the Senior Bonds (the "Preliminary Official Statement");

(h) an Intercreditor Agreement with respect to the Senior Bonds; and

(i) subordination agreements with respect to the Senior and Subordinate Bonds.

The Chairperson, the Vice Chairperson or the Executive Director of the Authority (the "Designated Officers") are, and each of them acting alone is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Documents, and Clerk of the Sacramento Housing and Redevelopment Agency is hereby authorized and directed, for and in the name and on behalf of the Authority, to attest the Designated Officer's signature on the Bond Documents, if necessary, in substantially said forms, with such additions thereto or changes therein as are recommended or approved by such officers upon consultation with bond counsel to the Authority, including such additions or changes as are necessary or advisable in accordance with Section 5 hereof (provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of $14,765,000), the approval of such additions or changes to be conclusively evidenced by the execution and delivery by the Authority of the Bond Documents. The date, maturity 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 Senior Indenture and Subordinate Indenture, as applicable, as finally executed.

Section 4. The Bonds, when executed, shall be delivered to the applicable Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the applicable Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to the purchasers thereof in accordance with written instructions executed on behalf of the Authority by one of the Designated Officers, which instructions such officers are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the applicable Trustee. Such instructions shall provide for the delivery of the Bonds to the purchasers thereof upon payment of the purchase price therefor.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the Program and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority, including the Designated Officers, are 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, including, but not limited to, determining the principal amount of the Bonds to be issued and delivered (provided such aggregate principal amount shall not exceed

$14,765,000) and any remarketing provisions with respect thereto, and execute and deliver any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this Resolution and resolutions heretofore adopted by the Authority and in order to carry out the Program, including but not limited to those certificates, agreements, deeds of trust and other documents described in the Senior Indenture, the Financing Agreement, the Subordinate Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement, the Bond Placement Agreement, Intercreditor Agreement and Subordination Agreements and the other documents herein approved and any certificates, agreements or documents as may be necessary to further the purpose hereof, evidence credit support or additional security for the Bonds, but which shall not create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Bonds.

Section 6. This resolution shall take effect immediately upon its adoption.

Adopted by the City of Sacramento Housing Authority on July 18, 2006 by the following vote:

Ayes: Members Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: None.

Heather Fargo

Heather Fargo, Chair

Attest:

Shirley Concolino

Shirley Concolino, Secretary