

RESOLUTION NO. 2852-2005

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION AND REHABILITATION OF THE DUNCAN PLACE APARTMENTS

WHEREAS, the California Statewide Communities Development Authority (the "Authority") is authorized by the laws of the State of California (the "Law") to execute and deliver multifamily housing revenue obligations for the purpose of financing the acquisition, construction and rehabilitation of multifamily residential rental facilities located within the area of operation of the Authority which are to be occupied, in part, by very low and low income tenants; and

WHEREAS, Fort Bragg Duncan Place, LP, or a limited liability company or other limited partnership to be formed by Micon Real Estate (the "Borrower") has requested the Authority to issue and deliver multifamily housing revenue obligations in the anticipated principal amount of \$2,000,000 (the "Obligations"), the proceeds of which may only be used for the purpose of financing the acquisition and rehabilitation of a 44-unit multifamily residential rental facility commonly known as the Duncan Place Apartments which is located at 301 Cypress Street in the City of Fort Bragg, California (the "Project"); and

WHEREAS, the Obligations which are expected to be issued and delivered to finance the acquisition and rehabilitation of the Project would be considered "qualified exempt facility bonds" under Section 142 (a) of the Internal revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected representative" with respect to the Project hold a public hearing on the issuance and delivery of the Obligations; and

WHEREAS, the City Council of the City of Fort Bragg as the "applicable elected representatives" to hold said public hearing, has held said public hearing at which all those interest in speaking with respect to the proposed financing of the Project were heard.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.
2. For purposes of the requirements of the Code only, the City Council hereby approves the proposed financing of the Project by the Authority with the proceeds of the Obligations.
3. The issuance and delivery of the Obligations shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party and subject to the sale of the Obligations by the Authority.
4. The adoption of this Resolution is solely for the purpose of meeting the requirements of the Code and shall not be construed in any other manner, the City nor its staff having

fully reviewed or considered the financial feasibility of the Project or the expected financing or operation of the Project with regards to any State of California statutory requirements, and such adoption shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the City, of or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

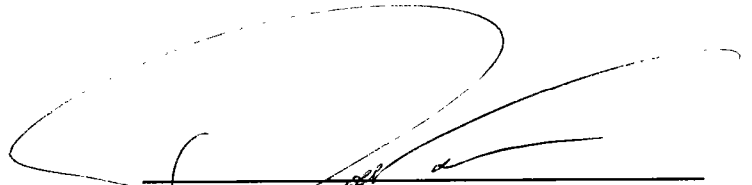
5. The City Clerk of the City shall forward a certified copy of this Resolution and a copy of the affidavit of publication of the public hearing notice to:

Thomas A. Downey
Jones Hall, A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108

6. This resolution shall take effect upon its adoption.

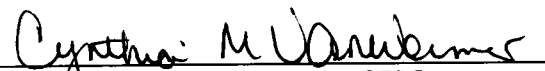
The above and foregoing Resolution was introduced by Councilmember Melo, seconded by Councilmember Baltierra, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 28th day of March, 2005, by the following vote:

AYES: Councilmembers Gjerde, Baltierra, Hammerstrom, Melo, and Mayor
Turner.
NOES: None.
ABSENT: None.
ABSTAIN: None.



DAVE TURNER,
Mayor

ATTEST:


Cynthia M. VanWormer, CMC
City Clerk