

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5004

(POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 2005A)

A RESOLUTION providing for the issuance of refunding revenue bonds of the Authority in the aggregate principal amount of not to exceed \$50,000,000, the payment of which will be secured by a deed or deeds of trust and supported by a credit facility issued by Freddie Mac, for the purpose of providing all or part of the funds with which to (i) pay the cost of refunding all of the Authority's outstanding Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project) and Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), (ii) repay a draw on the Authority's Tax-Exempt Revolving Line of Credit Revenue Note, 2004, used to redeem the Authority's Revenue Bonds, 1993, Series A (Woodside East Project), (iii) pay the cost of acquiring and rehabilitating the Belle Park East Apartments to provide a housing project for the Authority, (iv) pay the cost of certain capital expenditures for the Projects, (v) pay the administrative costs of such refunding and redemption, and (vi) pay the costs of issuing the bonds; determining the form, terms and covenants of the bonds; approving the form and authorizing the execution and delivery of a master trust indenture to provide for the issuance of the bonds and future bonds issued to finance or refinance the acquisition, rehabilitation and/or construction of affordable housing facilities for rental to persons of low income; approving the forms of the deed or deeds of trust, a remarketing agreement, a reimbursement agreement and a refunding trust agreement relating to the bonds and the refunding; appointing a trustee and bond registrar and a remarketing agent for the bonds and a refunding trustee; authorizing the execution and delivery of the master trust indenture, the deed or deeds of trust, the remarketing agreement, the reimbursement agreement, the refunding trust agreement, the bonds and other agreements, documents and certificates; providing for the transfer of funds to the trustee for the bonds and the refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; and authorizing the Executive Director of the Authority to accept an offer from Banc of America Securities LLC to purchase the bonds.

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A RESOLUTION providing for the issuance of refunding revenue bonds of the Authority in the aggregate principal amount of not to exceed \$50,000,000, the payment of which will be secured by a deed or deeds of trust and supported by a credit facility issued by Freddie Mac, for the purpose of providing all or part of the funds with which to (i) pay the cost of refunding all of the Authority's outstanding Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project) and Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), (ii) repay a draw on the Authority's Tax-Exempt Revolving Line of Credit Revenue Note, 2004, used to redeem the Authority's Revenue Bonds, 1993, Series A (Woodside East Project), (iii) pay the cost of acquiring and rehabilitating the Belle Park East Apartments to provide a housing project for the Authority, (iv) pay the cost of certain capital expenditures for the Projects, (v) pay the administrative costs of such refunding and redemption, and (vi) pay the costs of issuing the bonds; determining the form, terms and covenants of the bonds; approving the form and authorizing the execution and delivery of a master trust indenture to provide for the issuance of the bonds and future bonds issued to finance or refinance the acquisition, rehabilitation and/or construction of affordable housing facilities for rental to persons of low income; approving the forms of the deed or deeds of trust, a remarketing agreement, a reimbursement agreement and a refunding trust agreement relating to the bonds and the refunding; appointing a trustee and bond registrar and a remarketing agent for the bonds and a refunding trustee; authorizing the execution and delivery of the master trust indenture, the deed or deeds of trust, the remarketing agreement, the reimbursement agreement, the refunding trust agreement, the bonds and other agreements, documents and certificates; providing for the transfer of funds to the trustee for the bonds and the refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; and authorizing the Executive Director of the Authority to accept an offer from Banc of America Securities LLC to purchase the bonds.

WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of affordable housing for low-income persons residing in King County, Washington; and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and operate housing projects; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may pledge any interest in real property; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Authority previously has issued bonds and notes dated the dates and in the original amounts set forth below (collectively, the "Refunded Bonds"):

<u>Name of Bonds</u>	<u>Dated Date</u>	<u>Original Principal Amount</u>
Senior Pooled Housing Refunding Revenue Bonds, Series 1995A	02/01/95	\$27,155,000
Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A	02/01/95	\$ 4,965,000
Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project)	08/01/96	\$ 2,645,000
Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project)	08/01/96	\$ 1,170,000

WHEREAS, after due consideration, it appears to the Board of Commissioners of the Authority (the "Board") that the Refunded Bonds may be refunded by the issuance and sale of the refunding revenue bonds authorized herein (the "2005A Bonds"), so that a substantial savings will be effected by the difference between the principal and interest cost over the life of

the portion of the 2005A Bonds used to refund the Refunded Bonds and the principal and interest cost over the life of the Refunded Bonds but for such refunding, which refunding will be effected by:

(a) The issuance of the 2005A Bonds and the payment of the costs of the issuance of the 2005A Bonds and the costs of the refunding;

(b) The call, payment and redemption on June 15, 2005, of all of the outstanding Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, at a price of 102% of par plus accrued interest;

(c) The call, payment and redemption on June 15, 2005, of all of the outstanding Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, at a price of 102% of par plus accrued interest;

(d) The payment of the principal of and interest on the Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), when due up to and including September 1, 2006, and the call, payment and redemption on September 1, 2006, of all of those then-outstanding bonds at a price of par; and

(e) The payment of the principal of and interest on the Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), when due up to and including September 1, 2006, and the call, payment and redemption on September 1, 2006, of all of those then-outstanding bonds at a price of par;

and

WHEREAS, in order to effect the refunding in the manner that will be most advantageous to the Authority, the Board finds it necessary and advisable that certain Government Obligations bearing interest and maturing at a time or times necessary to accomplish the refunding as aforesaid be purchased out of the proceeds of the sale of the 2005A Bonds authorized herein and, if necessary, other Authority money available therefor; and

WHEREAS, the Authority has made a draw on its Tax-Exempt Revolving Line of Credit Revenue Note, 2004 (the "Note") in the amount of \$5,645,297.98 to provide interim financing (pending the issuance of the 2005A Bonds) for refunding of the Authority's Revenue Bonds, 1993,

Series A (Woodside East Project), which financed the acquisition and rehabilitation of a 244-unit apartment complex known as the Woodside East Apartments located 16240 N.E. 13th Avenue in the City of Bellevue, Washington (the “Woodside East Project”), which provides housing for low-income persons in King County, Washington (the “County”); and

WHEREAS, the Authority desires to acquire and rehabilitate the 118-unit Belle Park East Apartments located at 16203 NE 13th Street in the City of Bellevue, Washington (the “Belle Park East Project”), to provide housing for low-income persons in the County; and

WHEREAS, the Board finds it necessary and advisable and in the best interest of the Authority to issue the 2005A Bonds to provide the funds required to (i) repay, on June 14, 2005, the draw on the Note relating to the refunding of the Authority’s Revenue Bonds, 1993, Series A (Woodside East Project), and interest accrued thereon through June 14, 2005, and thereby refinance the acquisition and rehabilitation of the Woodside East Project, (ii) finance the acquisition and rehabilitation the Belle Park East Project, (iii) finance certain capital expenditures for the Woodside East Project and the Refunded Projects (as defined herein), and (iv) pay costs of issuing the 2005A Bonds; and

WHEREAS, the Authority desires to borrow money or otherwise obtain credit from the Federal Home Loan Mortgage Corporation (“Freddie Mac”) to support the payment of principal and the purchase price of and interest on the 2005A Bonds; and

WHEREAS, the Authority desires to pledge its general revenues to secure repayment of certain obligations as requested by Freddie Mac in connection with obtaining such money or credit; and

WHEREAS, the Authority anticipates that it will in the future authorize the issuance of additional bonds for authorized Authority purposes (collectively with the 2005A Bonds, the “Bonds”) pursuant to the Master Indenture (as that term is defined in this resolution); and

WHEREAS, the Authority anticipates that Banc of America Securities LLC will offer to purchase the 2005A Bonds on the terms set forth in this resolution; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Acquired Obligations” means those Government Obligations purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution.

“Alternate Credit Facility” any Credit Facility, line of credit, standby bond purchase agreement or other security device issued in accordance with the Master Indenture.

“Authority” means the Housing Authority of the County of King, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Belle Park Project” means the 118-unit apartment complex known as the Belle Park East Apartments located at 16203 NE 13th Street, Bellevue, King County, Washington, the acquisition and rehabilitation of which by the Authority and rental of at least 50% of the dwelling units of which to low-income persons is declared to be housing project of the Authority.

“Board” means the Board of Commissioners of the Authority.

“Bond” or “Bonds” means one or more of the Housing Authority of the County of King [Variable Rate Demand] Pooled Housing [Refunding] Revenue Bonds authorized by, and at any time outstanding pursuant to, the Master Indenture or any Supplemental Indenture.

“Bond Issue” means an issue of Bonds issued pursuant to the Master Indenture or any Supplemental Indenture, including the 2005A Bonds.

“Bond Registrar” means the entity serving as registrar, authenticating agent and paying agent under the Master Indenture, initially the Trustee.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means King County, Washington.

“Credit Enhancement Agreement” means a direct pay credit enhancement agreement between Freddie Mac and the Trustee, which provides credit enhancement and liquidity support for the 2005A Bonds, as such may be amended from time to time.

“Credit Facility” means the Credit Enhancement Agreement or any Alternate Credit Facility then in effect.

“Credit Facility Provider” means Freddie Mac or any obligated party under an Alternate Credit Facility then in effect.

“Deed of Trust” or “Deeds of Trust” means one or more deeds of trust, assignments of rents and security agreements under which the Authority will be the grantor and the Trustee will be the beneficiary, constituting a lien on the real property and improvements constituting the Project or Projects financed or refinanced with the proceeds of a Bond Issue, including any supplements or amendments thereto made in conformity herewith and therewith.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay amounts due to the Credit Facility Provider from time to time under the Reimbursement Agreement and are not now or hereafter pledged or restricted, by law, regulation, contract, covenant, resolution, trust deed or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Government Obligations” means tax-exempt, non-AMT direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, that are not subject to redemption prior to maturity.

“Master Indenture” means the Master Trust Indenture between the Authority and the Trustee relating to the Bonds as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Note” means the Authority’s Tax-Exempt Revolving Line of Credit Revenue Note, 2004.

“2005A Bond” or “2005A Bonds” means one or more of the Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A, authorized by, and at any time outstanding pursuant to, this resolution and the Master Indenture.

“Projects” means, collectively, the Refunded Projects, the Woodside East Project and the Belle Park East Project, and any other projects financed or refinanced with proceeds of a Bond Issue.

“Refunded Bond Indentures” means the Master Trust Indenture dated as of February 1, 1995, as supplemented by the First Supplemental Trust Indenture dated as of August 1, 1996, each between the Authority and Wells Fargo Bank, National Association, as successor trustee, relating to the Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, the Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, the Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), and the Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project).

“Refunded Bonds” means, collectively, the outstanding Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, the Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, the Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), and the Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), issued pursuant to, under the authority of and for the purposes provided in Resolutions Nos. 2665 and 2797 (the “Refunded Bond Resolutions”).

“Refunding Plan” means:

(a) the placement of sufficient proceeds of the 2005A Bonds which, with other money of the Authority, if necessary, will be held in cash or will acquire the Government Obligations to be deposited, with cash, if necessary, with the Refunding Trustee;

(b) the call, payment and redemption on June 15, 2005, of all of the outstanding Senior Pooled Housing Refunding Revenue Bonds, Series 1995A, at a price of 102% of par plus accrued interest;

(c) the call, payment and redemption on June 15, 2005, of all of the outstanding Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A, at a price of 102% of par plus accrued interest;

(d) the payment of the principal of and interest on the Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), when due up to and including September 1, 2006, and the call, payment and redemption on September 1, 2006, of all of those then-outstanding bonds at a price of par;

(e) the payment of the principal of and interest on the Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project), when due up to and including September 1, 2006, and the call, payment and redemption on September 1, 2006, of all of those then-outstanding bonds at a price of par; and

(f) The payment of the costs of issuing the 2005A Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

“Refunded Projects” means, collectively, the Cottonwood Apartments, the Carriage House Apartments, the Newporter Apartments, the Timberwood Apartments, the Cove East Apartments, and the Aspen Ridge Apartments (formerly known as the Campbell Hill Apartments), the rental of each of which to low- and moderate-income persons has been declared by the Refunded Bond Resolutions to be a housing project of the Authority.

“Refunding Trust Agreement” means the Refunding Trust Agreement between the Authority and the Refunding Trustee providing for the payment or defeasance of the Refunded Bonds.

“Refunding Trustee” means the entity serving as refunding trustee under the Refunding Trust Agreement, initially Wells Fargo Bank, National Association.

“Reimbursement Agreement” means the Reimbursement and Security Agreement between the Authority and Freddie Mac pursuant to which the Credit Enhancement Agreement is issued, and any other agreement pursuant to which an Alternate Credit Facility is issued.

“Remarketing Agent” means the entity serving as remarketing agent under the Remarketing Agreement, initially Banc of America Securities LLC.

“Remarketing Agreement” means the Remarketing Agreement among the Authority, the Trustee and the Remarketing Agent providing for the remarketing of the 2005A Bonds.

“State” means the State of Washington.

“Supplemental Indenture” means any indenture supplementing the Master Indenture as contemplated therein.

“Trustee” means the entity serving as trustee under the Master Indenture, initially Wells Fargo Bank, National Association.

“Woodside East Project” means the 244-unit apartment complex known as the Woodside East Apartments located at 16240 N.E. 13th Avenue, Bellevue, Washington King County, Washington, the rental of which to low- and moderate-income persons has been declared by prior resolution of the Board to be a housing project of the Authority.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Master Indenture.

Section 2. Authorization of 2005A Bonds and Application of Proceeds. The Authority shall issue the 2005A Bonds for the purposes of providing all or a part of the funds required to (i) carry out the Refunding Plan, (ii) repay, on June 14, 2005, the draw on the Note used to redeem the Authority’s Revenue Bonds, 1993, Series A (Woodside East Project), including interest on such draw through June 14, 2005, in order to refinance the acquisition and rehabilitation of the Woodside East Project, (iii) pay the cost of certain capital expenditures for the Projects, (iv) pay the administrative costs of such refunding and redemption, as applicable, (v) finance the acquisition and rehabilitation of the Belle Park East Project, which acquisition, rehabilitation and the rental of at least 50% of the dwelling units of the Project to low-income persons is declared to be a

housing project and corporate purpose of the Authority, and (vi) pay costs of issuing the 2005A Bonds. All proceeds of the 2005A Bonds shall be used, at the direction of the appropriate officers of the Authority and in accordance with the Master Indenture and the Refunding Trust Agreement, for such purposes. The Board finds that it is in the best interest of the Authority to issue the 2005A Bonds, payment of which will be secured by the Deed[s] of Trust and supported by the Credit Facility, for the purposes set forth in this resolution.

Section 3. Description of 2005A Bonds. The 2005A Bonds shall be called the Variable Rate Demand Pooled Housing Refunding Revenue Bonds, Series 2005A, of the Authority; shall be issued in registered form; shall be in the aggregate principal amount of not to exceed \$50,000,000; and shall be dated such date, shall be in such denominations, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Master Indenture, which document is incorporated herein by this reference.

Section 4. Security for the 2005A Bonds. The Bonds shall be secured by a pledge of the Project Revenues and Investment Earnings, all monies and securities held by the Trustee in the funds and accounts established under the Master Indenture, all payments made by the Credit Facility Provider pursuant to the Credit Facility and, until released as provided in the Master Indenture, by the Trustee's interest in the Deeds of Trust, all as defined and set forth in the Master Indenture.

The Bonds shall be special, nonrecourse obligations of the Authority payable solely from the Trust Estate pledged under the Master Indenture, including proceeds of draws on the Credit Facility. The 2005A Bonds shall not be a debt of the County, the State or any political

subdivision thereof, and the 2005A Bonds shall so state on their face. Neither the County, the State nor any political subdivision thereof (except the Authority, from the sources identified herein and in the Master Indenture) shall be liable for payment of the 2005A Bonds nor in any event shall principal of, premium, if any, on and interest on the 2005A Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the Master Indenture. The Authority has no taxing power.

The Authority pledges its General Revenues as additional security for the repayment of certain recourse obligations of the Authority under the Reimbursement Agreement.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the obligations of the Authority under the Reimbursement Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Reimbursement Agreement with respect to that portion of the General Revenues so pledged.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the 2005A Bonds.

Section 5. Form and Execution of 2005A Bonds. The 2005A Bonds shall be printed, lithographed or typewritten on good bond paper in a form consistent with the provisions of this resolution, the Master Indenture and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The 2005A Bonds shall be authenticated by the Bond Registrar as set forth in the Master Indenture. No 2005A Bond shall be valid for any purpose until so authenticated. The authorized

signing of a Certificate of Authentication shall be conclusive evidence that the 2005A Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 6. Preservation of Tax Exemption for Interest on 2005A Bonds. The Authority covenants that it will take all actions necessary to prevent interest on the 2005A Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the 2005A Bonds or other funds of the Authority treated as proceeds of the 2005A Bonds at any time during the term of the 2005A Bonds which would cause interest on the 2005A Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code is applicable to the 2005A Bonds, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the 2005A Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the 2005A Bonds from being included in gross income for federal income tax purposes.

The Authority certifies that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 7. Refunding of the Refunded Bonds.

(a) Transfer of Reserve Accounts for Refunded Bonds. The money on deposit in the principal and interest accounts and debt service reserve accounts maintained as security for the Refunded Bonds established pursuant to the Refunded Bond Indentures shall be transferred to

the Trustee and used to pay a portion of the cost of acquiring the Acquired Obligations. The money on deposit in other accounts maintained in connection with the Refunded Bonds under the Refunded Bond Indentures shall be transferred to the Trustee and used as set forth in the Master Indenture.

(b) Use of 2005A Bond Proceeds; Acquisition of Acquired Obligations. The proceeds of the sale of the 2005A Bonds necessary to carry out the Refunding Plan shall be transferred immediately upon the receipt thereof by the Trustee to the Refunding Trustee and used, together with other money of the Authority to be deposited with the Refunding Trustee, if necessary, to discharge the obligations of the Authority relating to the outstanding Refunded Bonds under the respective Refunding Bond Resolutions and Refunded Bond Indentures by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations must satisfy the requirements of a verification by a nationally recognized independent certified public accounting firm as required by and more particularly described in the Refunding Trust Agreement.

(c) Substitution of Acquired Obligations. After the purchase of any Acquired Obligation by the Refunding Trustee, the Authority reserves the right to substitute therefor cash or Government Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and

regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the effective date of the Refunding Trust Agreement, and that it obtain, at its expense: (1) verification by a nationally recognized independent certified public accounting firm confirming that the payments of principal of and interest on the Government Obligations, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from bond counsel to the Authority to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules and regulations then in force and applicable to the 2005A Bonds, will not cause the interest on the 2005A Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the 2005A Bonds. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the Authority to be used for any lawful Authority purpose.

(c) Administration of Refunding Plan. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations) and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this resolution. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the Refunded Bond Indentures, this resolution, the laws of the State, the Refunding Trust Agreement and the Master Indenture.

(d) Authorization for Refunding Trust Agreement. To carry out the Refunding Plan provided for by this resolution, the Executive Director of the Authority is authorized and directed

to execute and deliver to the Refunding Trustee a Refunding Trust Agreement substantially in the form on file with the Executive Director of the Authority and by this reference made a part hereof, with such changes as the Executive Director of the Authority shall deem necessary or appropriate, setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation and expenses of such Refunding Trustee as described therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Executive Director of the Authority is authorized to make such changes therein which do not change the substance and purpose thereof or which assure that the escrow provided therein and the 2005A Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the 2005A Bonds from gross income for federal income tax purposes.

Section 8. Calls for Redemption of the Refunded Bonds. The Authority calls for redemption any then-outstanding Refunded Bonds at the following times and prices (expressed as a percentage of par), plus accrued interest to each redemption date:

<u>Name of Bonds</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
Senior Pooled Housing Refunding Revenue Bonds, Series 1995A	06/15/05	102%
Subordinate Pooled Housing Refunding Revenue Bonds, Series 1995A	06/15/05	102%
Senior Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project)	09/01/06	100%
Subordinate Pooled Housing Revenue Bonds, Series 1996A (Campbell Hill Apartments Project)	09/01/06	100%

Such calls for redemption shall be irrevocable after the delivery of the 2005A Bonds to the initial purchaser thereof.

The proper officials of the Authority are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required pursuant to the respective Refunded Bond Indentures in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 9. Authority Findings with Respect to Refunding. The Board finds and determines that the issuance and sale of the 2005A Bonds at this time is in the best interest of the Authority. In making such finding and determination, the Board has given consideration to the fixed maturities of the 2005A Bonds and the Refunded Bonds, the costs of issuance of the 2005A Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the 2005A Bonds and other money of the Authority, if any, used in the Refunding Plan pending payment and redemption of the Refunded Bonds.

The Board further finds and determines that the money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with Section 8 of this resolution will, to the extent practicable, discharge and satisfy the obligations of the Authority under the respective Refunded Bond Resolutions and Refunded Bond Indentures with respect to each issue of Refunded Bonds, and the pledges, charges, trusts, covenants and agreements of the Authority made therein, and that the Refunded Bonds shall no longer be deemed to be outstanding under their respective Refunded Bond Resolutions and Refunded Bond Indentures immediately upon the deposit of such money with the Refunding Trustee.

Section 10. Authorization of Documents and Execution Thereof. The Board approves the Master Indenture, the Deeds of Trust, the Remarketing Agreement and the Reimbursement Agreement substantially in the forms on file with the Executive Director of the Authority, with such changes as the Executive Director of the Authority shall deem necessary or appropriate, and appoints Wells Fargo Bank, National Association, as Trustee and Bond Registrar for the Bonds and Refunding Trustee for the Refunded Bonds, and Banc of America Securities LLC as Remarketing Agent. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the 2005A Bonds, the Master Indenture, the Deeds of Trust, the Remarketing Agreement, the Reimbursement Agreement, the Refunding Trust Agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the 2005A Bonds and the refunding of the Refunded Bonds. The Executive Director of the Authority is authorized and directed execute and do everything necessary for the issuance, execution and delivery of the 2005A Bonds, the Master Indenture, the Deeds of Trust, the Remarketing Agreement, the Reimbursement Agreement, the Refunding Trust Agreement and any other

documents that may be useful or necessary in connection with the refunding of the Refunded Bonds, the issuance of the 2005A Bonds and the perfection of the security interests in the Projects and other funds and assets of the Authority, and to ensure the proper use and application of the proceeds from the sale of the 2005A Bonds, including but not limited to documents necessary to provide for credit enhancement with respect to the 2005A Bonds. The Executive Director of the Authority is further authorized to approve and execute an official statement for the Bonds.

Section 11. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.

Section 12. Approval of Bond Purchase Contract. It is anticipated that Banc of America Securities LLC of Seattle, Washington, will present a purchase contract (the "Bond Purchase Contract") to the Authority offering to purchase the 2005A Bonds under the terms and conditions provided herein. The Board finds that entering into the Bond Purchase Contract is in the best interest of the Authority, and therefore authorizes the Executive Director of the Authority to accept such offer on behalf of the Authority.

The 2005A Bonds will be prepared at the Authority's expense and will be delivered to the purchaser thereof, with the approving legal opinion of Foster Pepper & Shefelman PLLC (or its successor), municipal bond counsel of Seattle, Washington, regarding the 2005A Bonds.

The proper Authority officials are authorized and directed to do everything necessary for the prompt delivery of the 2005A Bonds to the purchaser thereof and for the proper application and use of the proceeds of the sale thereof.

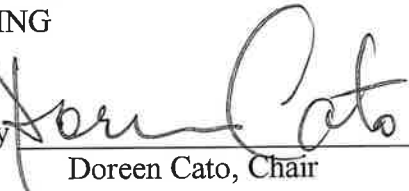
Section 13. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution (including the prior call and redemption of the Authority's Revenue Bonds, 1993, Series A (Woodside East Project)) are ratified and confirmed.

Section 14. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at a regular open public meeting thereof this 9th day of May, 2005.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By


Doreen Cato, Chair

ATTEST:


Stephen Norman, Secretary-Treasurer

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No.5004 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 9th day of May, 2005, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of May, 2005.



Executive Director of the Authority