

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5019

(SUMMERFIELD APARTMENTS PROJECT)

A RESOLUTION providing for the issuance of revenue bonds of the Authority in an aggregate principal amount not to exceed \$3,750,000, the proceeds of which will be used to make a loan to a Washington limited liability company of which either The Young Women's Service Association of Seattle-King County or the Young Women's Christian Association of Seattle-King County-Snohomish County will be the sole member for the purpose of providing all or part of the funds with which to acquire and rehabilitate a 52-unit apartment complex known as the Summerfield Apartments to provide housing for low-income persons in the King County, Washington, and to pay costs of issuing the bonds; determining the form, terms and covenants of the bonds; approving the forms of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facilities to be financed and a trust indenture relating to the bonds; authorizing the execution and delivery of the trust indenture, the loan agreement, the regulatory agreement, the bonds and other agreements, documents and certificates; appointing a trustee, bond registrar and remarketing agent for the bonds; and authorizing the Executive Director of the Authority to accept an offer from Seattle Northwest Securities Corporation to purchase the bonds.

This document was prepared by:

*FOSTER PEPPER & SHEFELMAN PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101*

(206) 447-4400

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

WHEREAS, the Young Women's Christian Association of Seattle-King County-Snohomish County intends to create a Washington limited liability company of which it or its affiliate, The Young Women's Service Association of Seattle-King County, will be the sole member (the "Borrower"), and has applied to the Authority for financial assistance in the principal amount of up to \$3,750,000 for the purpose of providing part of the funds with which the Borrower will acquire and rehabilitate a 52-unit apartment complex known as the

Summerfield Apartments, located at 14720 NE 1st Place in the City of Bellevue, Washington, to provide housing for low-income persons within the County (the "Project"); and

WHEREAS, the Project will be used to provide housing for low-income persons, and no more than an insubstantial portion of the proceeds of the Bonds (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used by the Borrower for any other purpose; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low-income"; 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, it is in the best interest of the Authority to issue the Bonds, in an aggregate principal amount not to exceed \$3,750,000, the proceeds of which will be lent to the Borrower for the purposes described herein; and

WHEREAS, it is anticipated that Seattle Northwest Securities Corporation will offer to purchase the Bonds under the terms and conditions set forth herein;

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:

“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.

“Bank” means U. S. Bank National Association, or any other financial institution or insurance organization issuing an Alternate Credit Facility then in effect.

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

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

“Bond” or “Bonds” means one or more of the Variable Rate Demand Revenue Bonds, 2005 (Summerfield Apartments Project), of the Authority issued pursuant to, under the authority of and for the purposes provided in this resolution and the Indenture.

“Borrower” means the Washington limited liability company to be formed in connection with the Project, of which either the Young Women’s Christian Association of Seattle-King County-Snohomish County or The Young Women’s Service Association of Seattle-King County will be the sole member.

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

“Deed of Trust” means the deed of trust under which the Borrower will be the grantor and the Trustee and the Bank will be co-beneficiaries, encumbering the Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Indenture” means the Trust Indenture between the Authority and the Trustee relating to the Bonds, including any supplements or amendments thereto made in conformity herewith and therewith.

“Letter of Credit” means the Letter of Credit issued by the Bank to the Trustee to support payment of the Bonds, and any extension thereof, and any Alternate Credit Facility issued in substitution therefor (and any extension thereof).

“Loan Agreement” means the Loan Agreement by and between the Authority and the Borrower, relating to the loan of Bond proceeds to the Borrower (the “Loan”) and repayment of the Loan by the Borrower, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Project” means, depending on the context (1) the acquisition and rehabilitation of the 52-unit apartment complex known as the Summerfield Apartments, located at 14720 NE 1st Place in the City of Bellevue, Washington, or (2) the Summerfield Apartments.

“Regulatory Agreement” means the Regulatory Agreement executed by the Borrower for the benefit of the Authority governing the use of the Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Remarketing Agent” means the entity serving as remarketing agent under the Remarketing Agreement, initially Seattle Northwest Securities Corporation.

“Remarketing Agreement” means the Remarketing Agreement among the Borrower, the Trustee and the Remarketing Agent relating to the Bonds, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Trustee” means the entity serving as trustee under the Indenture, initially U.S. Bank National Association.

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

Section 2. Authorization of Bonds and Application of Proceeds. The Authority shall issue the Bonds for the purpose of making a loan to the Borrower to provide a portion of the

funds required to accomplish the Project and pay costs of issuing the Bonds. Such Bond financing is declared and determined to be important for feasibility of the Project. All proceeds of the Bonds shall be lent to the Borrower for those purposes, and shall be deposited with the Trustee, all as provided in the Indenture. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.

Section 3. Description of Bonds. The Bonds shall be issued in registered form in an aggregate principal amount not to exceed \$3,750,000. The Bonds 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 Indenture, which document is incorporated herein by this reference.

Section 4. Security for the Bonds. The Bonds shall be secured by payments received from the Borrower under the terms of the Loan Agreement. Under the Loan Agreement, the Authority has assigned to the Trustee the right to collect all Loan Payments received from the Borrower thereunder on behalf of the registered owners of the Bonds. Payment of the Bonds shall be further supported by the Letter of Credit, as set forth in the Indenture. The Bonds also shall be secured by the Deed of Trust.

The Bonds shall be special, nonrecourse obligations of the Authority payable solely from Loan Payments and amounts held by the Trustee under the Indenture, including proceeds of draws on the Letter of Credit.

The Bonds shall not be a debt of the County, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the County, the State of Washington nor any political subdivision thereof (except the Authority, solely from the sources identified herein and in the Indenture) shall be liable for payment of the Bonds nor in any event

shall principal of, premium, if any, on and interest on the Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the Indenture. The Authority has no taxing power.

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

Section 5. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution, the 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 Bonds shall be authenticated by the Bond Registrar as set forth in the Indenture. No Bonds shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the 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 Bonds. Subject to the last paragraph of this Section 6, the Authority covenants that it will take all actions necessary to prevent interest on the 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 Bonds or other funds of the Authority treated as proceeds of the Bonds at any time during the term of the Bonds which would cause interest on the Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirement of Section 148 of the Code is applicable to the Bonds, it will take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the 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 Bonds from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Borrower as payments for those 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.

The Borrower has agreed in the Loan Agreement to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such reimbursement or other money received under the terms of the Loan Agreement, in so complying.

Section 7. Authorization of Bond Documents and Execution Thereof. The Board approves the Loan Agreement, the Indenture and the Regulatory 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 U.S. Bank National Association as Trustee and Bond Registrar for the Bonds and Seattle Northwest Securities Corporation as Remarketing Agent for the Bonds. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Loan Agreement, the Indenture and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds. The Executive Director of the Authority is authorized and directed to do everything necessary for the issuance, execution and delivery of the Bonds and to execute and deliver the Indenture, the Loan Agreement, the Regulatory Agreement and any other documents that may be useful or necessary in connection with the issuance of the Bonds and the perfection of the security interests in the Project and other funds and assets and to ensure the proper use and application of the proceeds from the sale of the Bonds.

Section 8. Authorization of Purchase Contract. It is anticipated that Seattle Northwest Securities Corporation will present a purchase contract (the “Bond Purchase Contract”) to the Authority offering to purchase the Bonds under the terms and conditions provided herein and therein. The Board finds that entering into such a Bond Purchase Contract is in the best interest of the Authority, and therefore authorizes the Executive Director of the Authority to accept the offer contained in the Bond Purchase Contract and to execute the Bond Purchase Contract on behalf of the Authority.

Section 9. 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 10. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 11. 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 8th day of August, 2005.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By: 

Chair, Board of Commissioners

ATTEST:



Executive Director and Secretary-Treasurer

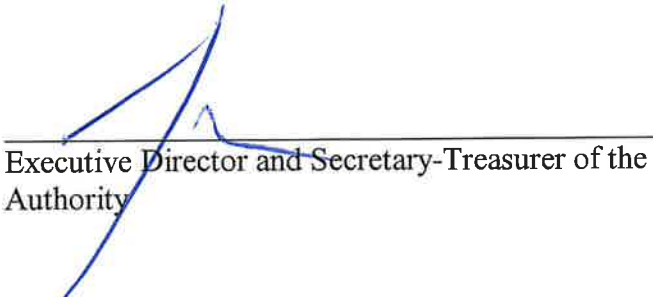
CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary-Treasurer 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. 5019 (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 8th day of August, 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 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 8th day of August, 2005.



Executive Director and Secretary-Treasurer of the
Authority