HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5162
(Springwood Apartments Project – KCHA Loans)

A RESOLUTION of the Housing Authority of the County of King authorizing a loan or loans of Authority funds to Soosette Creek LLC, a Washington limited liability company, to provide financing for the Springwood Apartments Project.

ADOPTED April 21, 2008

This document was prepared by:

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A RESOLUTION of the Housing Authority of the County of King authorizing a loan or loans of Authority funds to Soosette Creek LLC, a Washington limited liability company, to provide financing for the Springwood Apartments Project.

WHEREAS, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income”; 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, the Authority has formed Soosette Creek LLC, a Washington limited liability company of which the Authority is the managing member (the “LLC”), to accomplish the restructuring of the underlying ownership of the Springwood Apartments located in Kent, Washington (the “Project”), in order to recapitalize the Project and finance necessary
renovations, upgrades and physical improvements, which Project will be leased by the LLC from the Authority to provide housing for low-income persons; and

WHEREAS, total financing for the Project will require the use of various funding sources, including tax-exempt bonds, low income housing tax credits, state and local grants and/or loans and tax-exempt and taxable bridge financing; and

WHEREAS, pursuant to Resolution No. 5117, the Authority authorized the submission of applications to King County, Washington (the “County”), and the State of Washington Department of Community, Trade and Economic Development (the “State”) for loans to provide part of the financing for the Project; and

WHEREAS, pursuant to Resolutions Nos. 5158 and 5159 adopted April 21, 2008, the Authority has authorized the issuance of its Non-Revolving Line of Credit Revenue Bridge Notes, 2008, Series A (Tax-Exempt) and Series B (Taxable) (Springwood Apartments Project), in an aggregate principal amount not to exceed $40,000,000 (of which not more than $30,000,000 may be outstanding at any one time), and its Taxable Non-Revolving Line of Credit Acquisition Bridge Note, 2008 (Springwood Apartments Project), in a principal amount not to exceed $2,750,000 (collectively, the “Bridge Notes”), to provide bridge financing for the Project; and

WHEREAS, pursuant to Resolution No. 5160 and Resolution No. 5161, each adopted April 21, 2008, the Authority has authorized the issuance of two series of tax-exempt bonds (collectively, the “Bonds”) in an aggregate principal amount not in excess of $43,000,000 to provide financing for the Project; and

WHEREAS, the Authority expects to make loans to the LLC in an amount equal to the principal amount of the Bridge Notes and the Bonds, collectively; and
WHEREAS, the Authority expects that it will make additional loans to the LLC to complete the financing for the Project; and

WHEREAS, the Authority has determined that the loans authorized herein are important for the feasibility of the Project;

As amended: WHEREAS, this project may be anticipated to provide, at some point in its operation, excess cash flow to the Housing Authority and:

WHEREAS, it is critical that this property be maintained in excellent physical condition over the long term and that resources be available to enable the Housing Authority to do so;

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.

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

“Deed of Trust” means the leasehold deed of trust under which the LLC will be the grantor and the Authority will be the beneficiary, encumbering the LLC’s leasehold interest in the Project, and including any supplements or amendments thereto made in conformity therewith and therewith.

“Loan” means the loans to the LLC of Authority funds as authorized herein.
“Loan Agreement” means the Master Loan Agreement by and between the Authority and the LLC relating to the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

“LLC” means Soosette Creek LLC, a Washington limited liability company of which the Authority is the managing member.

“Project” means, depending on the context, (2) the acquisition, for federal tax purposes, and rehabilitation of the Springwood Apartments located at 27360 129th Place SE, Kent, Washington, to be leased, together with the underlying property, by the LLC from the Authority, or (2) the Springwood Apartments.

Section 2. The Loan: Authorization of Loan Documents and Executive Thereof. The Executive Director is authorized and directed to take all actions required of the Authority in connection with making a loan or loans of Authority funds to the LLC in an aggregate amount not to exceed $6,000,000 (collectively, the “Loan”), to provide financing for the Project. The Board approves the Loan Agreement and the Deed of Trust 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. The Executive Director of the Authority is authorized and directed to execute and deliver, on behalf of the Authority or the LLC, as applicable, the Loan Agreement, the Deed of Trust and any other documents reasonably required to be executed in connection with Loan, and to ensure the proper use and application of the proceeds of the Loan.

Section 3. 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 the Deputy Executive
Director or Assistant Executive Director for Administrative Affairs of the Authority, respectively.

Section 4. 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.

As amended: Section 5. Reinvestment in the Project. The Housing Authority will conduct periodic capital needs assessments on the property and shall take such steps it deems necessary, including reservation of any excess cash flow that KCHA receives from the property, to assure that adequate resources are available to address on-going capital requirements after acquisition by the Authority.

Section 6. 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 this 21st day of April, 2008.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: Nancy Holland-Young, Chair

ATTEST:

Secretary