

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5195

(REVOLVING LINE OF CREDIT)

A RESOLUTION relating to the Authority's Revolving Line of Credit Revenue Note, 2008; amending Resolution No. 5137 to extend the maturity of and revise the interest rate on that note, and authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution.

ADOPTED: NOVEMBER 24, 2008

This document was prepared by:

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WHEREAS, pursuant to Resolution No. 5137 (the "Note Resolution"), adopted November 10, 2007, the Housing Authority of the County of King (the "Authority") issued its Revolving Line of Credit Revenue Note, 2007 (the "2007 Note"), in the aggregate principal amount of not to exceed \$10,000,000 at any one time outstanding, and provided for the delivery of the 2007 Note to KeyBank National Association (the "Bank"), to provide bridge financing for the acquisition of housing and related facilities; and

WHEREAS, pursuant to the provisions of Section 12 of the Note Resolution authorizing the issuance of a Refunding Note and a proposal letter from the Bank dated January 3, 2008 (the "2008A Proposal Letter"), the Authority issued its Revolving Line of Credit Revenue Note, 2008 (the "Note"), in the aggregate principal amount of not to exceed \$9,225,000 at any one time outstanding, to refund and replace the 2007 Note; and

WHEREAS, the Note matured on November 20, 2008, and the Bank has delivered a proposal letter dated November 17, 2008 (the "2008B Proposal Letter"), to the Authority offering to extend the maturity of the Note to November 19, 2009, and to modify the interest rate for Draws on the Note, retroactive to November 20, 2008; and

WHEREAS, the Board of Commissioners of the Authority has determined that it is in the best interest of the Authority to accept such offer; NOW, THEREFORE,

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

Section 1. Definitions. All capitalized terms used but not defined in this resolution, including the recitals herein, shall have the meanings set forth in Resolution No. 5137.

Section 2. Amendment of Section 2 of Resolution No. 5137. Section 2 of Resolution No. 5137 is hereby amended to read as follows [*new text underlined, deleted text struck through*]:

Section 2. Authorization and Description of Note. For the purpose of providing funds with which to finance all or part of the costs of the Project and pay costs of issuing and interest on the Note, the Authority may borrow money from time to time pursuant to a line of credit extended by the Bank under the terms of this resolution, as amended, and the Proposal Letter, as supplemented by the 2008A Proposal Letter and the 2008B Proposal Letter (together, the "Proposal Letters"), and shall issue the Note in an aggregate principal amount of not to exceed \$10,000,000 (as such amount may be reduced upon the issuance of a Refunding Note pursuant to Section 12 of this resolution) at any one time outstanding.

The Note shall be designated the Revolving Line of Credit Revenue Note, 2007 (as such date may be modified upon the issuance of a Refunding Note pursuant to Section 12 of this resolution), of the Authority; shall be issued in registered form; shall be dated as of its date of delivery to the Bank; and shall

mature ~~one year from its date of delivery on November 19, 2009~~ (the "Maturity Date"). The Executive Director is authorized, without further action of the Board but with the consent and approval of the Bank, to extend the maturity date of the Note beyond the Maturity Date specified herein for up to three additional years, as long as no other terms of the Note or this resolution are revised, and to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity.

The Authority may make Draws upon the Note in any amount on any business day during the term of the Note for the Note purposes identified above, subject to the terms of the Proposal Letters. No Draw may exceed the total amount of the costs to be paid from such Draw, and the proceeds of each Draw shall be used immediately to pay those costs, or to reimburse the Authority for such costs paid by the Authority no earlier than 60 days prior to the date of the Draw. Draws shall be recorded in such form as the Authority and the Bank may agree. Draws shall be limited to an aggregate principal amount of \$10,000,000 (as such amount may be reduced upon the issuance of a Refunding Note pursuant to Section 12 of this resolution) outstanding at any one time.

From the original issue date of the Note to, but not including, January 11, 2008, ~~E~~each Draw on the Note shall initially bear interest at either the Prime Rate Option or the LIBOR Rate Option described in the Proposal Letter; from January 11, 2008, to, but not including November 20, 2008, each Draw on the Note shall initially bear interest at either the Prime Rate Option or the LIBOR Rate Option described in the 2008A Proposal Letter; and on and after

November 20, 2008, each Draw on the Note shall initially bear interest at either the Prime Rate Option or the LIBOR Rate Option described in the 2008B Proposal Letter; with such interest rate option chosen by the Executive Director or his or her designee at the time of each Draw. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the principal amount of the Draw outstanding on the basis of a 360-day year and actual days elapsed for the actual number of days the principal amount of the Draw is outstanding. In clarification of the provisions of the Proposal Letters, Prime Rate Option principal may be converted to LIBOR Rate Option principal at any time, in minimum amounts of \$100,000, upon three business days' notice to the Bank. LIBOR Rate Option principal may be converted to Prime Rate Option principal on any LIBOR reset date (as described in the Proposal Letters), upon three business days' notice to the Bank. The interest period for LIBOR Rate Option principal may also be changed on a LIBOR reset date to a different one of the permitted increments (1 month, 2 months, 3 months, 6 months, or 9 months), upon three business days' notice to the Bank.

Interest on the Note shall be payable quarterly in arrears, on the first business day of each January, April, July and October, to the maturity or earlier redemption of the Note. Draws may be used for the purpose of making interest payments. Principal of the Note, together with all accrued and unpaid interest thereon, is payable on the Maturity Date.

If the Note is not paid when properly presented at its Maturity Date, the Authority shall be obligated to pay interest on the Note at the rate of interest

thereon from and after the Maturity Date until the Note, both principal and interest, is paid in full.

The Authority finds that the fixing of the interest rate indices described in the Proposal Letters is in the best interest of the Authority.

Section 3. Except as amended by this resolution, all other provisions of Resolution No. 5137 shall remain in full force and effect.

Section 4. Authorization of Documents and Execution Thereof. The Board authorizes and directs the Executive Director of the Authority to do everything necessary to effect the modification of the Note authorized herein, including the delivery to the Bank of the modified Note and an approving opinion of Bond counsel, and the payment to the Bank of a \$7,500 renewal fee and the payment of costs and expenses, including legal fees, incurred by the Bank in connection with the modification.

Section 5. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in his absence be taken by the duly authorized acting Executive Director of the Authority.

Section 6. 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 7. 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 special open public meeting thereof, of which due notice was given as provided by law, this 24th day of November, 2008.

HOUSING AUTHORITY OF THE
COUNTY OF KING

By *Nancy Holland Young*
Nancy Holland-Young, Chair

ATTEST:

[Signature]
Stephen J. 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:

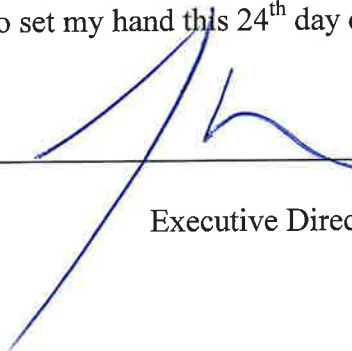
1. That the attached Resolution No.5195 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as finally adopted at a special open public meeting of the Authority held on November 24, 2008, and duly recorded in the minute books of the Authority;

2. Written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board by mail or by personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix 1;

3. Written notice of the special meeting was given to each local radio or television station and to each newspaper of general circulation that has on file with the Board a written request to be notified of special meetings, or to which such notice customarily is given; and

4. That such meeting was duly convened and held in all respects in accordance with law; 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 24th day of November, 2008.



Stephen J. Norman
Executive Director of the Authority