

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5214

(PARK LAKE HOMES II)

A RESOLUTION of the Housing Authority of the County of King authorizing (i) applications for funding and credit enhancement for the first two phases of the Authority's Park Lake Homes II HOPE VI redevelopment project, (ii) the negotiation of the terms of one or two limited liability companies in connection with such funding with investor members, and (iii) participation in the formation of such companies.

ADOPTED March 24, 2009

This document was prepared by:

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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(2) provides that a housing authority may "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof . . ."; 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(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, including but not limited to partnership agreements . . ."; and

WHEREAS, the Authority has been awarded a \$20,000,000 grant from the U.S. Department of Housing and Urban Development (“HUD”) in connection with the Park Lake Homes II HOPE VI redevelopment project (the “Park Lake Homes II Redevelopment”); and

WHEREAS, the total financing for the Park Lake Homes II Redevelopment will require the use of various funding and credit enhancement sources, including low-income housing tax credits, and public and private federal, state and local grants and loans; and

WHEREAS, certain of these sources to be used in connection with the first two phases of the Park Lake Homes II Redevelopment (the “Projects”) will require the creation of one or two limited liability companies to maximize the benefits and minimize the risks to the Authority; NOW, THEREFORE,

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

Section 1. Formation of LLCs. The Authority is authorized to: (i) participate in the formation of, and become the sole managing member in, one or two Washington limited liability companies (“LLCs”), which LLCs (A) shall have initial operating agreements (the “LLC Agreements”) substantially in the form of the initial operating agreement for Seola Crossing LLC, each with the Authority as the sole member, or substantially in the form of operating agreements used in previous Greenbridge rental projects, each with the Authority as the sole managing member and with one or more additional properly selected investor member(s) and (B) shall have certificates of formation (“Certificates of Formation”) in such form as is required by chapter 25.15 RCW; and (ii) expend such funds as are necessary to form the LLCs (including all filing fees, application fees, registration fees, and other costs). The Board intends that the LLCs will develop the Projects and receive low income housing tax credits in connection therewith. The Authority’s Executive

Director is authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, the LLC Agreements, the Certificates of Formation and all such forms, certificates, applications and other documents that are necessary to form the LLCs; (ii) approve any changes to the LLC Agreements and the Certificates of Formation, including any material changes; (iii) determine whether the LLCs should initially be single-member limited liability companies or multiple-member limited liability companies (in which case he shall select one or more additional initial members of the LLCs); and (iv) determine the names of the LLCs. The Authority's Executive Director is delegated the authority to cause, in his discretion, the LLCs to be created as Washington limited partnerships, in which case all references in this resolution to limited liability company or companies, operating agreements, managing members, investor members, chapter 25.15 RCW and certificates of formation shall be deemed to be references to limited partnerships, limited partnership agreements, general partners, limited partners, chapter 25.10 RCW and certificates of limited partnership, respectively.

Section 2. Funding. The Authority's Executive Director is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the LLCs' managing member) to: (i) apply for, and enter into contracts relating to, such funding for the Projects as he deems necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), and other federal, state and local funds; (ii) lend or grant all or any portion of the money derived from such funding sources to the LLCs, and/or cause any contracts relating to such funding to be assigned to the LLCs; (iii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iv) apply to the Washington State Housing Finance Commission for allocations of low income housing tax credits for the Projects,

enter such agreements (including credit reservation and carryover allocation contracts), provide such documents (including cost certifications) necessary to secure such allocations, and cause such allocations (or any portions thereof) to be assigned to the LLCs if the allocations initially are made to the Authority; (v) seek and approve investors to serve as members in the LLCs in connection with the receipt of low income housing tax credits for the Projects; (vi) negotiate with potential investors regarding their acquisition of limited partner or member interests in the LLCs; and (vii) cause to be prepared and negotiated documents pursuant to which up to \$6,500,000 of Authority funds are lent to the LLCs.

Section 3. Predevelopment Activities. The Authority's Executive Director is further authorized and directed to take all necessary and appropriate action in connection with the structuring of financing for the Projects and the design and development of the improvements to be constructed in connection therewith, including, but not limited to: (i) preparing all appropriate resolutions for Board review and approval; (ii) preparing all documents required so that the Authority and the LLCs comply with state and federal securities laws; (iii) applying for bond insurance and other credit enhancement for any bonds to be issued by the Authority to provide financing for the Projects (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (iv) applying for and entering into one or more hedging instruments (such as interest rate swaps) for any such bonds issued or to be issued by the Authority (but only if the Authority's Executive Director determines such hedges to be cost effective and the aggregate notional principal amount of all such hedges does not exceed \$14,000,000; (v) soliciting investment banking firms to serve as the lead underwriter(s) and as members of selling groups (if any) for any bonds to be issued for the Projects, and selecting such lead underwriter(s) and the members of any selling group (if the Executive Director determines that selling groups are

desirable); (vi) applying for ratings of any bonds to be issued by the Authority (but only if the Authority's Executive Director determines such ratings to be desirable); (vii) assisting in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority; and (viii) negotiating contracts relating to the use, management and naming of buildings in the Projects.

Section 4. Ancillary Documents. The Authority's Executive Director is hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in his discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the LLCs and the Authority (and/or others) providing for the development of the Projects, contracts with architects, engineers and other consultants, and construction contracts.

Section 5. Necessary Expenditures. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

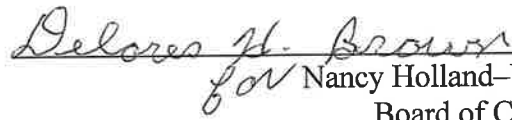
Section 6. Other Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may be taken by the duly authorized Deputy Executive Director or Assistant Executive Director for Administrative Affairs of the Authority.

Section 7. 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 8. 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 an open special meeting this 24th day of March, 2009.

HOUSING AUTHORITY OF THE COUNTY OF
KING


for Nancy Holland-Young, Chair,
Board of Commissioners

ATTEST:



Stephen J. Norman
Secretary-Treasurer

CERTIFICATE

[MODIFY IF ADOPTED AT A SPECIAL MEETING]

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. 5214 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a special meeting of the Authority held on March 24, 2009, 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 and eligible to vote on this Resolution 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 March, 2009.

HOUSING AUTHORITY OF THE COUNTY OF
KING



Executive Director

CERTIFICATE