

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5242

A RESOLUTION of the Housing Authority of the County of King authorizing the Executive Director to approve, execute and deliver all documents relating to the Zephyr Apartments rental housing component of the Authority's Park Lake Homes, Site II, HOPE VI redevelopment project (now known as Seola Gardens), including but not limited to Bond Documents, Housing Authority Loan Documents and HUD Documents.

ADOPTED October 7, 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(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, total financing for the Zephyr Apartments component (the "Project") of the Park Lake Homes Site II, HOPE VI redevelopment project (now known as Seola Gardens) will require the use of various funding sources, including tax-exempt bonds, low income housing tax credits and federal grants; and

WHEREAS, pursuant to Resolution No. 5214 adopted March 24, 2009, the Authority authorized the formation of a Washington limited liability company of which the Authority is the sole managing member (the "Company"); and

WHEREAS, in connection with the receipt of low income housing tax credits for the Project, it is necessary and in the best interest of the Authority to include one or more for-profit investors and investor representatives (collectively, the "Investor Members"), as non-managing members of the Company; and

WHEREAS, in connection with the financing for the Project the Authority will lease the Project to the Company; and

WHEREAS, the Authority expects to make a loan to the Company from non-federal Authority funds, in an amount equal to the principal amount of the Line of Credit described below; and

WHEREAS, the United States Department of Housing and Urban Development ("HUD") has made a grant to the Authority to pay Project expenses, and the Authority expects to make a loan to the Company in an amount equal to a portion of the value of that grant to the Project in connection with the Company's lease of the Project from the Authority, and

WHEREAS, the HUD Mixed Finance Closing may occur before the Project construction contract is signed, such that HUD may require certain guarantees and assurances from the Authority that sufficient funds will be available to construct and permanently finance the project, and

WHEREAS, in the alternative, the HUD Mixed Finance Closing may be delayed until after the signing of the Construction Contract and the start of Project construction, such that HUD acknowledgment of an early construction start may be required; and

WHEREAS, the Authority has secured a line of credit (the "Line of Credit") with Bank of America, N.A., to provide interim financing for the Project pending receipt of grant proceeds from HUD; and

WHEREAS, the Authority expects that it will make additional loans to the Company 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; and

WHEREAS, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as managing member of the Company and developer of the Project, and to obtain the various funding sources on behalf of the Project described above and to make such funds available to the Company; NOW, THEREFORE,

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

Section 1. Approval of Company Documents. The Executive Director is authorized and directed, on behalf of the Authority, to enter into an Operating Agreement for the Company with the Investor Members as non-managing members thereof. In particular, the Authority's Executive Director is authorized to: execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable, (i) those documents listed in Exhibit A and all such forms, certificates, applications and other documents as are necessary to form the Company (collectively, the "Company Documents"); (ii) any documents required to transfer the allocation of low income housing tax credits for the Project from the Authority to the Company; and (iii) any other documents reasonably required to be executed by the Authority or the Company to carry out the

transactions contemplated by the Company Documents. The Executive Director of the Authority is further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as managing member of the Company, under the provisions of or as necessary to carry out the transactions contemplated by the Company Documents.

From and after the date the Company Documents are executed, the Executive Director (or his designee) is authorized and directed, without further Board approval, to take such actions on behalf of the Authority that are required to be taken by the managing member of the Company.

Section 2. Approval of Housing Authority Loan Documents. The Executive Director is further authorized and directed to take all actions required of the Authority in connection with the loans to be made by the Authority to the Company in connection with the Project. In particular, the Authority's Executive Director is authorized to: execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable, (i) those documents approved by Resolution No. 5214 and those documents listed in Exhibit B (collectively, the "Housing Authority Loan Documents"), with such changes, including material changes, as the Executive Director of the Authority deems necessary or advisable, and (ii) any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the Housing Authority Loan Documents.

Section 3. Approval of HUD Documents. The Executive Director is further authorized and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable, (i) those documents listed in Exhibit C (the "HUD Documents"), substantially in the forms on file with the Authority, with such changes,

including any material changes, as the Executive Director deems necessary or advisable; and (ii) any other documents reasonably required to be executed by the Authority or the Company to carry out the transactions contemplated by the HUD Documents.

Section 4. Selection of Tax Credit Investor; Approval of Tax Credit Documents. The Executive Director is authorized to select the Investor Members and to negotiate the terms of an amended and restated operating agreement admitting the Investor Members to the Company. The Executive Director is further authorized and directed to execute and deliver, on behalf of the Authority in its own behalf or in its capacity as managing member of the Company, as applicable, (i) those documents listed in Exhibit D (the "Tax Credit Documents"); and (ii) any other documents reasonably required to be executed by the Authority or the Company to obtain low-income housing tax credits for the Project, to complete the development and operation of the Project and to carry out the transactions contemplated by the Tax Credit Documents.

Section 5. Assurances in Advance of Construction Contract. The Executive Director is further authorized, for purposes of effecting a HUD Mixed Finance Closing in advance of determining the Maximum Allowable Contract Cost for Project construction, to provide such reasonable assurances and guarantees as HUD may require that all necessary Project construction and permanent financing will be available to the Project.

Section 6. Early Construction Start. If necessary to avoid Project construction delays, the Authority may begin construction of the Project in advance of a HUD Mixed Finance Closing upon receiving HUD acknowledgment of an early construction start.

Section 7. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed), on behalf of the Authority and/or the Company, any government forms,

affidavits, certificates, letters, documents, agreements and instruments that either such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein.

In particular, the Executive Director is authorized and directed to execute, deliver and, if applicable, file (or cause to be executed, delivered, and, if applicable, filed) those documents listed in Exhibit E (the "Additional Documents") substantially in the form on file with the Authority, with such changes, including any material changes, as the Executive Director deems necessary or advisable.

Section 8. 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.

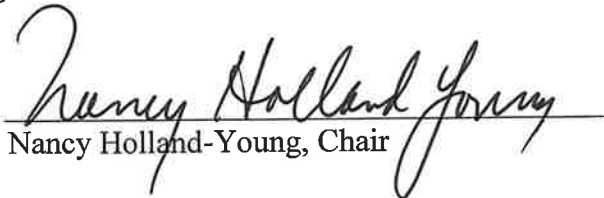
Section 9. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or the Deputy Executive Director or Assistant Executive Director for Administrative Affairs 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.

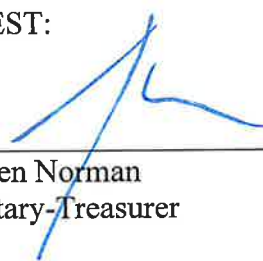
Section 11. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at a special meeting this 7th day of October, 2009.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: 
Nancy Holland-Young, 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. 5242 (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 October 7, 2009, and duly recorded in the minute books of the Authority.

2. That 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 of Commissioners 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. That 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 Authority 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 7th day of October, 2009.



Executive Director of the Authority

CERTIFICATE

