

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5255

(REVOLVING LINE OF CREDIT)

A RESOLUTION relating to the Authority's Revolving Line of Credit Revenue Note, 2008; amending Resolution No. 5137, as previously amended by Resolution No. 5195, to extend the maturity of and revise the interest rate on and security for 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 18, 2009

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WHEREAS, pursuant to Resolution No. 5137 (the "Original 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 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 Original 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 principal amount of not to exceed \$9,225,000 at any one time outstanding, to refund and replace the 2007 Note; and

WHEREAS, pursuant to Resolution No. 5195 (the "Amending Resolution"), adopted November 24, 2008, the Authority authorized the extension of the maturity of the Note and the modification of the interest rate for Draws on the Note; and

WHEREAS, the Note matures on November 19, 2009, and the Bank has delivered a proposal letter (the "2009 Proposal Letter"), to the Authority offering to extend the maturity of the Note to November 18, 2010, and to modify the interest rate for Draws on the Note; 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.

1.1 Additional Definitions. As used in this resolution, the following terms have the following meanings:

"Contingent Loan Agreement" means the Contingent Loan Agreement (Wonderland Estates) by and between the County and the Authority executed on October 30, 2009, by the Authority and on November 2, 2009, by the County, together with any amendments or supplements thereto made in accordance with the terms thereof.

"County" means King County, Washington.

"County Credit Enhanced Rate" means the variable rate of interest per annum equal to the difference of the Prime Rate minus 0.58%, multiplied by 62.5%.

"Non Credit Enhanced Rate" means the variable rate of interest per annum equal to the sum of the Prime Rate plus 0.02%, multiplied by 62.5%.

"Prime Rate" means the rate of interest per annum announced from time to time by the Bank as its prime rate, with the Prime Rate changing on the date each change in said prime rate is announced by the Bank. The Prime Rate may not be the lowest interest rate charged by the Bank on commercial or other extensions of credit.

1.2 Original Resolution and Amending Resolution Definitions. All other capitalized terms used but not otherwise defined in this resolution shall have the meanings assigned to them in Resolution No. 5137, as amended and supplemented by Resolution No. 5195.

Section 2. Amendment of Section 2 of the Original Resolution, as Previously Amended by the Amending Resolution. Section 2 of Resolution No. 5137, as previously amended by Section 2 of Resolution No.5195, 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~~ and the 2009 Proposal Letter (collectively 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 on November 18, 2010 ~~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 and to revise the formula for calculating the rate of interest borne by Draws on the Note, as long as the revised interest rate formula does not result in an increase in the spread over the Prime Rate by more than one percent per annum, all 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 and change in interest rate.

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, 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~~ from November 20, 2008, to but not including November 19, 2009, 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; and on and after November 19, 2009, each Draw on the Note (including all other principal amounts outstanding under the Note on such date) shall bear interest at the County Credit Enhanced Rate, if the Contingent Loan Agreement is then in effect and the applicable conditions set forth in the 2009 Proposal Letter have been satisfied, or the Non Credit Enhanced Rate, if the Contingent Loan Agreement is not then in effect or the applicable conditions set forth in the 2009 Proposal Letter have not yet been satisfied. 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. No LIBOR Rate Option is available on and after November 19, 2009. The interest rate may be changed from the Non Credit Enhanced Rate to the County Credit Enhanced Rate at any time that the conditions described in the 2009 Proposal Letter have been satisfied and the Contingent Loan Agreement is in effect, or from the County Credit Enhanced Rate to the Non Credit Enhanced Rate at any time that the Contingent Loan Agreement is no longer in effect, in either case upon 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 1. Amendment of Section 7 of the Original Resolution. Section 7 of Resolution No. 5137 is hereby amended to read as follows [*new text underlined, deleted text struck through*]:

Section 2. Note Fund; Security for the Note. The Note Fund is created as a special fund of the Authority and is to be known as the Revolving Line of Credit

Revenue Note Fund, 2007. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Note. The Authority pledges to deposit into the Note Fund, from General Revenues, from revenues derived from any portion of the Project for which draws under the Note are used, from any obligations issued to provide financing for any such portions of the Project, from the proceeds of any loans made by the County pursuant to the Contingent Loan Agreement and from any other money of the Authority available therefor, amounts sufficient to pay the principal of and interest on the Note when due. The Authority pledges its General Revenues to repayment of any loans made by the County pursuant to the Contingent Loan Agreement.

The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity with payments on the Note. At its option, the Authority may pledge any portion of the General Revenues to the payment of other obligations of the Authority, such payments to have priority over the payments to be made on the Note with respect to that portion of the General Revenues so pledged.

The Note shall not be a debt of King County, the State of Washington or any political subdivision thereof, and the Note shall so state on its face. Neither King County, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the Note nor in any event shall principal of and interest on the Note be payable out of any funds other than the Note Fund of the Authority established herein. The owner of the Note shall not have recourse to any other fund of the Authority other than the



Note Fund, or to any other receipts, revenues or properties of the Authority other than as described herein and in the Note. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Note.

Section 4. Except as amended by this resolution, all other provisions of Resolution No. 5137, as previously amended by Resolution No. 5195, shall remain in full force and effect.

Section 5. 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 6. 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 a Deputy Executive Director 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, including execution of the Contingent Loan Agreement, are ratified and confirmed.



Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

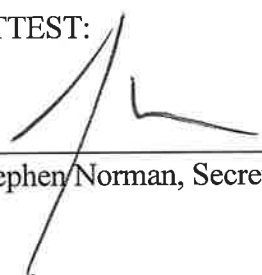
ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting thereof, of which due notice was given as provided by law, this 18<sup>th</sup> day of November, 2009.

HOUSING AUTHORITY OF THE COUNTY OF  
KING

By

  
Nancy Holland-Young, Chair

ATTEST:

  
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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. 5255 (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 November 18, 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; 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 18<sup>th</sup> day of November, 2009.



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Executive Director of the Authority

