

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5256

(YWCA Family Village at Issaquah - Phase I)

A RESOLUTION providing for the issuance of revenue bonds of the Authority in the aggregate principal amount of not to exceed \$7,000,000, the proceeds of which will be used to make a loan to the Young Women's Christian Association of Seattle-King County-Snohomish County (the "YWCA"), or to YWCA Family Village at Issaquah LLC, a Washington limited liability company of which the YWCA is or will be the sole member, for the purpose of providing all or a portion of the funds with which to finance the construction of Phase I of the YWCA Family Village at Issaquah development to provide housing for low income persons in King County, Washington, and to pay costs of issuing the bonds; determining the form, terms and covenants of the bonds; approving the forms of a trust indenture relating to the bonds, a loan agreement providing for repayment of the loan and a regulatory agreement governing the use of the facilities to be financed; authorizing the execution and delivery of the trust indenture, the loan agreement, the regulatory agreement, the bonds and other agreements, documents and certificates; and authorizing the Executive Director to appoint a trustee and bond registrar for the bonds and to accept an offer from Wachovia Bank, National Association, to purchase the bonds.

ADOPTED November 18, 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 housing for low-income persons residing in King County, Washington (the "County"); and

WHEREAS, the Young Women's Christian Association of Seattle-King County-Snohomish County (the "YWCA") has applied to the Authority for financial assistance in the principal amount of up to \$7,000,000 for the purpose of providing all or a portion of the funds with which to finance the construction of Phase I of the YWCA Family Village at Issaquah development to provide housing for low-income persons in the County (the "Project"); and

WHEREAS, the Project will be used to provide housing for low-income persons, and no more than an insubstantial portion of the proceeds of the Bonds (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used by the Borrower for any other purpose; 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, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue the Bonds, in an aggregate principal amount not to exceed \$7,000,000, the proceeds of which will be lent to the Borrower (defined below) for the purposes described herein; and

WHEREAS, the County has agreed to provide credit enhancement for the Bonds in the form of a Contingent Loan Agreement with the YWCA; and

WHEREAS, it is anticipated that Wachovia Bank, National Association, will offer to purchase the Bonds under the terms and conditions set forth herein;

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.

“Bond Registrar” means the entity serving as registrar, authenticating agent and paying agent under the Indenture, initially the Trustee.

“Bond” or “Bonds” means one or more of the revenue bonds of the Authority issued pursuant to, under the authority of and for the purposes provided in this resolution and the Indenture.

“Borrower” means the YWCA, or YWCA Family Village at Issaquah LLC, a Washington limited liability company of which the YWCA is or will be the sole member, formed or to be formed in connection with the Project.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contingent Loan Agreement” means the Contingent Loan Agreement between the YWCA and the County executed on October 30, 2009, by the YWCA and on November 2, 2009, by the County, providing credit enhancement for the Bonds and other obligations of the YWCA relating to the Project, together with any amendments or supplements thereto made in accordance with the terms thereof.

“County” means King County, Washington.

“Indenture” means the Trust Indenture between the Authority and the Trustee relating to the Bonds, including any supplements or amendments thereto made in conformity herewith and therewith.

“Loan” means the loan from the Authority to the Borrower of the proceeds of the Bonds.

“Loan Agreement” means the Loan Agreement by and between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Project” means, depending on the context (1) the construction of 98 rental dwelling units as part of Phase I of the YWCA Family Village at Issaquah development on real property legally described in Exhibit A to the Regulatory Agreement and the rental to low and

moderate income persons of all or a portion of such property, or (2) the dwelling units so constructed.

“Regulatory Agreement” means the Regulatory Agreement executed by the Borrower for the benefit of the Authority governing the use of the Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Trustee” means the entity serving as trustee under the Indenture.

“YWCA” means the Young Women’s Christian Association of Seattle-King County-Snohomish County, a Washington non-profit corporation determined to be exempt from federal income taxation pursuant to Section 501(c)(3) of the Code.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

Section 2. Authorization of Bonds and Application of Proceeds. The Authority shall issue the Bonds for the purpose of making a loan to the Borrower to provide a portion of the funds required to pay, or reimburse the Borrower for, costs of the Project and costs of issuing the Bonds. Such Bond financing is declared and determined to be important for feasibility of the Project. All proceeds of the Bonds shall be lent to the Borrower for those purposes, and shall be deposited with the Trustee, all as provided in the Indenture. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.

Section 3. Description of Bonds. The Bonds shall be issued in registered form in an aggregate principal amount not to exceed \$7,000,000. The Bonds shall be dated such date, shall be in such denominations, shall bear interest (at a weighted average rate not to exceed 6.0% per annum) payable on such dates and at such rates, shall mature at such times (but in no event later than 40 years from the issue date of the Bonds) and in such amount, shall have such

prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Indenture, which document is incorporated herein by this reference.

Section 4. Security for the Bonds. The Bonds shall be secured by payments received from the Borrower under the terms of the Loan Agreement. Under the Loan Agreement, the Authority will assign to the Trustee the right to collect all Loan Payments received from the Borrower thereunder on behalf of the registered owners of the Bonds. Payment of the Bonds shall be further supported by the Contingent Loan Agreement.

The Bonds shall be special, nonrecourse obligations of the Authority payable solely from sources described herein and in the Indenture.

The Bonds shall not be a debt of the County, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the County, the State of Washington nor any political subdivision thereof (except the Authority, solely from the sources identified herein and in the Indenture) shall be liable for payment of the Bonds nor in any event shall principal of, premium, if any, on and interest on the Bonds be payable out of any funds or assets other than those pledged to that purpose by the Authority herein and in the Indenture. The Authority has no taxing power.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

Section 5. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution, the Indenture and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The Bonds shall be authenticated by the Bond Registrar as set forth in the Indenture. No Bonds shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 6. Designation of Bonds as “Qualified Tax Exempt Obligations.” The Authority has determined and certifies that (a) the Bonds are “qualified 501(c)(3) bonds” within the meaning of Section 145 of the Code; (b) based on representations made by the YWCA, the reasonably anticipated amount of tax-exempt governmental and qualified 501(c)(3) obligations which will be issued for the benefit of the Borrower and all entities subordinate to the YWCA (including any entity which the YWCA controls, which derives its authority to issue tax exemptions from the YWCA or which issues tax-exempt obligations on behalf of the YWCA) during the calendar year in which the Bonds are issued will not exceed \$30,000,000; and (c) based on representations made by the YWCA, the amount of tax-exempt obligations issued for the benefit of the YWCA, including the Bonds, designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$30,000,000. The Authority designates the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code.

Section 7. Preservation of Tax Exemption for Interest on Bonds. The Authority covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the Authority treated as proceeds of the Bonds at any time during the term of the Bonds which would cause interest on the Bonds to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirement of Section 148 of the Code is applicable to the Bonds, it will

take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Bonds, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Borrower as payments for those purposes).

The Loan Agreement shall require the Borrower to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such reimbursement or other money received under the terms of the Loan Agreement, in so complying.

Section 8. Authorization of Bond Documents and Execution Thereof. The Board approves the Indenture, the Loan Agreement and the Regulatory Agreement 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 Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Loan Agreement, the Indenture and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds and the documentation of the loan from the Authority to the Borrower. The Executive Director of the Authority is authorized and directed to do everything necessary for the issuance, execution and delivery of the Bonds, including appointing the Trustee and “deeming final” the preliminary official statement for the Bonds for the sole purpose of the Bond purchaser’s compliance with Securities and Exchange Commission Rule 15c2-12(b)(1), and to execute and deliver, on behalf of the Authority, the Indenture, the Loan Agreement and the Regulatory Agreement, and any other documents that

may be useful or necessary in connection with the issuance of the Bonds and the perfection of the security interests in the Project and other funds and assets and to ensure the proper use and application of the proceeds from the sale of the Bonds.

Section 9. Authorization of Purchase Contract. It is anticipated that Wachovia Bank, National Association, will present a purchase contract (the “Bond Purchase Contract”) to the Authority offering to purchase the Bonds under the terms and conditions provided herein and therein. The Board finds that entering into such a Bond Purchase Contract is in the best interest of the Authority, and therefore authorizes the Executive Director of the Authority to accept the offer contained in the Bond Purchase Contract and to execute the Bond Purchase Contract on behalf of the Authority.

Section 10. 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 by a Deputy Executive Director of the Authority, respectively.

Section 11. 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 12. 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 thereof this 18th day of November, 2009.

HOUSING AUTHORITY OF THE COUNTY OF
KING

By:


Nancy Holland-Young, Chair

ATTEST:



Stephen Norman, Executive Director

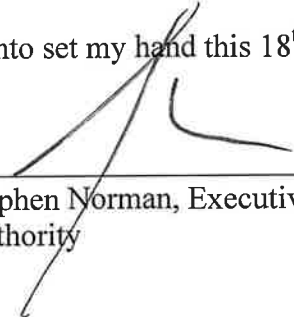
CERTIFICATE

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. 5256 (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 18th day of November, 2009.



Stephen Norman, Executive Director of the
Authority

