

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5278

A RESOLUTION of the Housing Authority of the County of King amending Resolution No. 5099 to modify the terms of the Authority's revenue notes in the aggregate principal amount of not to exceed \$15,000,000 at any one time outstanding, issued to provide interim financing for the Authority's Greenbridge HOPE VI redevelopment project; and authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary for the purposes of this resolution.

ADOPTED April 21, 2010

This document was prepared by:

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WHEREAS, pursuant to RCW 35.82.070 and RCW 35.82.130, the Housing Authority of the County of King (the "Authority") is authorized to issue revenue bonds and notes from time to time and to use the proceeds of those obligations for any of its corporate purposes; and

WHEREAS, pursuant to Resolution No. 5099, adopted April 16, 2007, the Housing Authority of the City of Seattle (the "Authority") issued its Taxable Revolving Line of Credit Revenue Note, 2007 (Greenbridge Redevelopment) (the "Original Note") to evidence a line of credit extended by Bank of America, N.A. (the "Bank"), to provide interim financing for the Authority's Greenbridge Hope VI redevelopment project (the "Development"), including in particular the Nia Apartments rental housing portion of the Development, owned by the Authority and leased to Nia Apartments LLC, a Washington limited liability company of which the Authority is the managing member; and

WHEREAS, the Authority intends to construct 24 rental dwelling units as part of the Sixth Place Apartments rental housing component of the Development, which will be leased by the Authority to Sixth Place Apartments LLLP ("Sixth Place LLLP"), a

Washington limited liability limited partnership of which the Authority is or will be the sole general partner, to provide housing for low income persons within King County, Washington (the “County”); 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(5) provides that a housing authority may, among other things, “lease any . . . lands . . . embraced in any housing project and . . . establish and revise the rents or charges therefor”; and “sell, lease, exchange, transfer . . . or dispose of any real or personal property or any interest therein . . .”; 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, the Bank has delivered a proposal letter dated April 5, 2010 (the “2010 Proposal Letter”), to the Authority offering to modify the terms of its line of credit as set forth in this resolution, to continue to provide interim financing for the Development, including the Nia Apartments rental housing portion of the Development and the Sixth Place Apartments rental housing component of the Development; and

WHEREAS, the modified Bank line of credit will be evidenced by two notes: the Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment) (the “Series A Note”) and the Non-Revolving Line of Credit Revenue

Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments) (the “Series B Note”); and

WHEREAS, the Board of Commissioners of the Authority has determined that it is necessary and advisable that the Authority accept the Bank’s offer to modify the line of credit as described herein and; NOW, THEREFORE,

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

Section 1. Amendment of Section 1 of Resolution No. 5099 – Definitions.

Section 1 of Resolution No. 5099 is hereby amended and restated in its entirety to provide 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.

“Bank” means Bank of America, N.A., as registered owner of the Notes.

“Board” means the Board of Commissioners of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Contingent Loan Agreement” means the Contingent Loan Agreement dated as of February 28, 2007, between the Authority and the County.

“County” means King County, Washington.

“Deed of Trust” means the leasehold deed of trust under which Sixth Place LLLP will be the grantor and the Authority will be the beneficiary, encumbering Sixth Place LLLP’s leasehold interest in the Sixth Place Apartments rental housing component of the Development and securing repayment of the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Development” means the Authority’s Greenbridge HOPE VI redevelopment project located in King County, Washington.

“Draws” means incremental draws upon the Notes.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay debt service on the Notes and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Interest Period” means each one- to 12-month period beginning on each LIBOR Reset Date, the length to be determined by the Authority no later than 12:00 noon Pacific time three LIBOR Banking Days prior to the date of such LIBOR Reset Date, provided that absent

such a determination by the Authority for any subsequent Interest Period the length of such Interest Period shall be of the same length as the immediately preceding Interest Period. The first day of an Interest Period must be a LIBOR Banking Day. The date of the last day of an Interest Period and the actual number of days during an Interest Period will be determined by the Bank using the practices of the London interbank market. No Interest Period may extend beyond the Maturity Date.

“Lease” means the lease by and between the Authority and Sixth Place LLLP relating to the lease of the Sixth Place Apartments rental housing component of the Development to Sixth Place LLLP, and including any supplements or amendments thereto made in conformity herewith and therewith.

“LIBOR Banking Day” means a day other than a Saturday or a Sunday on which the Bank is open for business in New York, New York, and London, England, and dealing in offshore dollars.

“LIBOR Fixed Rate” means, for any applicable Interest Period, the rate per annum equal to the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) at approximately 11:00 a.m. London time, two London Banking Days before the commencement of the Interest Period, for U.S. Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If

such rate is not available at such time for any reason, then the rate for that Interest Period will be determined by such alternate method as reasonably selected by the Bank.

“LIBOR Reset Date” means, with respect to the first Interest Period for any Draw bearing interest at a LIBOR-based rate, the date of such Draw and, with respect to subsequent Interest Periods for Draws bearing interest at a LIBOR-based rate, the first day of that Interest Period.

“Loan” means the loan to Sixth Place LLLP of proceeds of Draws on the Series B Note.

“Loan Agreement” means the Financing Agreement by and between the Authority and the Sixth Place LLLP, relating to the Loan, and, if the Authority so determines, certain other loans made by the Authority to Sixth Place LLLP with respect to the Series B Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“London Banking Day” means a day on which banks in London, England are open for business and dealing in offshore dollars.

“Notes” means, together, the Series A Note and the Series B Note.

“Note Fund” means the Authority’s Revolving Line of Credit Revenue Note Fund, 2010 (Greenbridge Redevelopment), created by the Note Resolution for the purpose of paying principal of and interest on the Notes.

“Note Register” means the books or records maintained by the Note Registrar containing the name and mailing address of the registered owner of the Notes.

“Note Registrar” means the Executive Director of the Authority.

“Note Resolution” means Resolution No. 5099 of the Authority, adopted April 16, 2007, as amended by this resolution.

“Prime Rate” means the rate of interest publicly announced from time to time by the Bank as its Prime Rate. Any change in the Prime Rate shall take effect at the opening of business on the day specified in the public announcement of a change in the Bank’s Prime Rate.

“Project” means the Series A Project and the Series B Project.

“Proposal Letter” means the letter to the Authority from the Bank dated April 3, 2007 (the “2007 Commitment Letter”), offering to purchase the Original Note under the terms contained therein, together with the letter to the Authority from the Bank dated April 5, 2010 (the “2010 Proposal Letter”), proposing to amend the terms of the Original Note under the terms contained therein. To the extent that the terms of the 2010 Proposal Letter contradict the terms of the 2007 Commitment Letter, the terms of the 2010 Proposal Letter shall control.

“Regulatory Agreement” means the Regulatory Agreement to be executed by Sixth Place LLLP for the benefit of the Authority

governing the use of the Sixth Place Apartments rental housing component of the Development, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Series A Note” means the Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment), of the Authority issued pursuant to the Note Resolution.

“Series A Account” means the account of that name within the Note Fund.

“Series A Project” means any capital purpose in connection with the Development.

“Series B Note” means the Non-Revolving Line of Credit Revenue Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments), of the Authority issued pursuant to the Note Resolution.

“Series B Account” means the account of that name within the Note Fund.

“Series B Project” means any capital purpose in connection with the Sixth Place Apartments rental housing component of the Development that qualifies for tax-exempt financing.

“Sixth Place LLLP” means Sixth Place Apartments LLLP, a Washington limited liability limited partnership of which the Authority is or will be sole the general partner.

“Taxable LIBOR Note Rate” means (a) from date of issuance of the Original Note to but not including May 1, 2010, the fixed rate of interest per annum equal to the LIBOR Fixed Rate, plus 0.55% per annum, and (b) on and after May 1, 2010, the fixed rate of interest per annum equal to the LIBOR Fixed Rate, plus 0.75% per annum, which rate shall be adjusted on each LIBOR Reset Date.

“Taxable Prime Note Rate” means (a) from date of issuance of the Original Note to but not including May 1, 2010, the rate of interest per annum equal to the Prime Rate, minus 2.15% per annum, and (b) on and after May 1, 2010, the rate of interest per annum equal to the Prime Rate minus 1.75% per annum, which rate shall be adjusted on each day on which the Prime Rate changes.

“Tax-Exempt LIBOR Note Rate” means the fixed rate of interest per annum equal to 64% of the LIBOR Fixed Rate, plus 1.20% per annum, which rate shall be adjusted on each LIBOR Reset Date.

“Tax-Exempt Prime Note Rate” means the rate of interest per annum equal to 64% of the Prime Rate, minus 0.40% per annum, which rate shall be adjusted on each day on which the Prime Rate changes.

Section 2. Amendment of Section 2 of Resolution No. 5099 – Authorization and Description of Notes. Section 2 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 2. Authorization and Description of Notes. For the purpose of providing interim financing for the Development, and paying

costs of issuing and interest and fees on the Notes, including making a loan to Sixth Place LLLP with proceeds of Draws on the Series B 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 and the Proposal Letter, and shall issue the Notes in an aggregate principal amount not to exceed \$15,000,000 at any one time outstanding.

The Notes shall be designated the Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment) (the "Series A Note") and the Non-Revolving Line of Credit Revenue Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments) (the "Series B Note"), of the Authority; shall be issued in registered form; shall be dated as of their date of delivery to the Bank; and shall mature on December 31, 2011 (the "Maturity Date"). The Executive Director of the Authority is authorized, without further action of the Board but with the consent and approval of the Bank, to extend the maturity date of the Notes beyond the Maturity Date specified herein for up to three additional years, as long as no other terms of the Notes or the Note Resolution are revised and to do everything necessary for the execution and delivery of such documents as are useful or necessary in connection with such extension of maturity.

The Authority may request Draws upon the Notes on any LIBOR Banking Day that is at least three LIBOR Banking Days prior to the date for which payment of such Draw is requested, for the purposes identified

above, subject to the terms of the Proposal Letter. Draws bearing interest at a rate based on the LIBOR Fixed Rate must be in an amount of \$100,000 or greater. Draws on the Series A Note may be used only to finance the Series A Project and to pay interest on the Series A Note and costs of issuing the Notes. Draws on the Series B Note may be used only to finance the Series B Project and pay interest on the Series B Note and costs of issuing the Series B Note.

Draws shall be recorded in such form as the Authority and the Bank may agree. Draws on the Series B Note shall be limited to an aggregate principal amount equal to \$5,500,000. Total Draws on the Notes shall be limited to an aggregate principal amount outstanding at any one time equal to \$15,000,000.

Each Draw on the Series A Note shall bear interest at either the Taxable Prime Note Rate or the Taxable LIBOR Note Rate, and each Draw on the Series B Note shall bear interest at either the Tax-Exempt Prime Note Rate or the Tax-Exempt LIBOR Note Rate, 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 basis of a 360-day year and actual number of days elapsed for the actual number of days the principal amount is outstanding. Interest on the Notes shall be payable quarterly in arrears on the first business day of each January, April, July and October after the

date of issue of the Notes. Principal of the Note, together with all accrued and unpaid interest thereon, is payable on the Maturity Date.

The Authority may request Draws upon the Notes for the purposes identified above, subject to the terms of the Proposal Letter, (i) if the Draw is to bear interest at the Taxable LIBOR Note Rate or the Tax-Exempt LIBOR Note Rate, on any LIBOR Banking Day that is at least three London Banking Days prior to the date for which payment of such Draw is requested, or (ii) if the Draw is to bear interest at the Taxable Prime Note Rate or the Tax-Exempt Prime Note Rate, by 1:00 p.m. on any business day for which payment of such Draw is requested.

If there occurs any nonpayment of principal, interest, fees or other amounts with respect to either of the Notes when due, then the Bank may provide notice of such default to the Authority, and the Authority shall be obligated to pay interest on that Note at a rate equal to 3.0% per annum in excess of the interest rate otherwise applicable under the Note until the Note, both principal and interest, as the case may be, is paid in full.

If the interest on the Series B Note is determined to be included in gross income for federal income tax purposes, then the outstanding amounts of the Series B Note shall be deemed to be (and to have been) amounts outstanding under the Series A Note retroactive to the date of taxability, and the Authority shall pay to the Bank the difference between the interest actually paid with respect to that Series B Note and the interest

that would have been paid had the outstanding amounts been drawn on the Series A Note.

The Authority finds that the fixing of the above interest rate indices is in the best interest of the Authority. Interest on the Series A Note will not be excluded from gross income of the registered owner for federal income tax purposes.

Section 3. Amendment of Section 3 of Resolution No. 5099 – Designation of Officers to Make Draws. Section 3 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 3. Designation of Officers to Make Draws. The Board authorizes the Executive Director or his or her designee to make Draws against the Notes in such amounts, at such times and with such interest rate option as he or she may determine hereafter, those Draws to be made in accordance with the terms and provisions set forth herein and in the Proposal Letter.

Section 4. Amendment of Section 4 of Resolution No. 5099 – Note Registrar; Registration and Transfer of Notes. Section 4 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 4. Note Registrar; Registration and Transfer of Notes. The Executive Director of the Authority shall serve as Note Registrar for the Notes. The Note Registrar shall keep, or cause to be kept, at his or her office in Tukwila, Washington, sufficient books for the registration of the Notes (the “Note Register”), which shall contain the name and mailing

address of the registered owner of the Notes. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Notes in accordance with the provisions of the Notes and the Note Resolution, to serve as the Authority's paying agent for the Notes and to carry out all of the Note Registrar's powers and duties under the Note Resolution.

The Notes shall be issued only in registered form as to both principal and interest and recorded on the Note Register. The Notes may not be assigned or transferred by the Bank, except that the Bank may assign or transfer the Notes to any successor to the business and assets of the Bank.

Section 5. Amendment of Section 5 of Resolution No. 5099 – Place, Manner and Medium of Payment. Section 5 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 5. Place, Manner and Medium of Payment. Both principal of and interest on the Notes shall be payable in lawful money of the United States of America solely out of the applicable account within the Note Fund.

Payment of interest on each interest payment date, and of principal at maturity or prepayments of principal, shall be paid by check or draft of the Authority mailed or by immediately available funds delivered on or before each interest payment date or the maturity or prepayment date to the registered owner at the address appearing on the Note Register on the

last day of the month preceding the payment date. Upon the final payment of principal of and interest on the Notes the registered owner shall surrender the Notes at the principal office of the Note Registrar in Tukwila, Washington, for destruction or cancellation in accordance with law.

Section 6. Amendment of Section 6 of Resolution No. 5099 – Optional and Mandatory Prepayment of the Notes. Section 6 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 6. Optional and Mandatory Prepayment of Notes. The Authority reserves the right and option to prepay the Notes, in whole or in part, at any time prior to the Maturity Date at par plus accrued interest to the date of prepayment, subject to the payment of a potential prepayment fee as described in the Proposal Letter. In addition, the Authority shall repay, or shall cause Sixth Place LLLP to repay, as applicable, the Series B Note to the extent of any proceeds received from (a) the sale of low-income housing tax credits with respect to the Sixth Place Apartments rental housing component of the Development, or (b) a HOPE VI grant payment with respect to the Sixth Place Apartments rental housing component of the Development received from the U.S. Department of Housing and Urban Development and not intended to be expended for other costs of the Development. Any such prepayment described in the preceding sentence is to be made within five days of receipt of such funds, except that such prepayment may be deferred to the end of the

then-current Interest Period to avoid payment of the prepayment fee or, with respect to the Series B Note, to the completion of the construction of the Series B Project, whichever is later. The Bank may in its sole discretion waive any prepayment fee. Written notice to the Bank of any intended prepayment or redemption of the Notes shall not be required. Interest on the Notes or the portion thereof so prepaid shall cease to accrue on the date of such prepayment. Principal of the Series A Note may be reborrowed until the Maturity Date.

Section 7. Amendment of Section 7 of Resolution No. 5099 – Note Fund;

Security for the Notes. Section 7 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 7. Note Fund; Security for the Notes. The Note Fund is created as a special fund of the Authority designated the Revolving Line of Credit Revenue Note Fund, 2007 (Greenbridge Redevelopment), consisting of the Series A Note Account and the Series B Note Account. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Notes. The Authority pledges to deposit into the Series A Account of the Note Fund, from (i) its General Revenues, if necessary, and (ii) if applicable, from funds received from the County pursuant to the Contingent Loan Agreement, amounts sufficient to pay the principal of and interest on the Series A Note when due. The Authority pledges to deposit into the Series B Account of the Note Fund, from (i) amounts received from Sixth Place LLLP derived from the sale of

low-income housing tax credits in connection with the Sixth Place Apartments rental housing component of the Development (ii) funds received in connection with HOPE VI grant payment with respect to the Sixth Place Apartments rental housing component of the Development from the U.S. Department of Housing and Urban Development and not intended to be expended for other costs of the Development, (iii) its General Revenues, if necessary, and, (iv) if applicable, from funds received from the County pursuant to the Contingent Loan Agreement, amounts sufficient to pay the principal of and interest on the Series B Note when due. The Authority covenants that it will cause Sixth Place LLLP to execute any documents reasonably required by the Bank to effect the pledge of such amounts as security for the Notes.

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 Notes. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made on the Notes with respect to that portion of the General Revenues.

The Notes shall not be a debt of the County, the State of Washington or any political subdivision thereof, and the Notes shall so state on their face. Neither the 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 Notes nor in any event shall principal of and interest on the Notes be payable out of any funds other than the Note Fund of the Authority established herein. The owner of the Notes 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 Notes. 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 Notes.

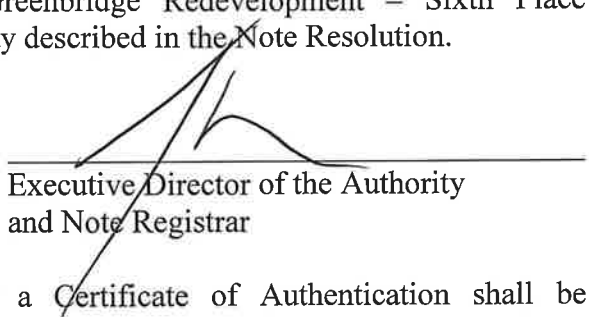
Section 8. Amendment of Section 8 of Resolution No. 5099 – Form and Execution of Notes. Section 8 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 8. Form and Execution of Notes. The Notes shall be prepared in forms consistent with the provisions of the Note Resolution 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.

To be valid or obligatory for any purpose or entitled to the benefits of this resolution, the Notes shall bear a Certificate of Authentication in the following form:

CERTIFICATE OF AUTHENTICATION

This Note is the fully registered [Revolving Line of Credit Revenue Note, 2010, Series A (Taxable) (Greenbridge Redevelopment)]/[Non-Revolving Line of Credit Revenue Note, 2010, Series B (Tax-Exempt) (Greenbridge Redevelopment – Sixth Place Apartments)], of the Authority described in the Note Resolution.



Executive Director of the Authority
and Note Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of the Note Resolution.

If any officer whose facsimile signature appears on the Notes ceases to be an officer of the Authority authorized to sign notes before the Notes are authenticated or delivered by the Note Registrar or issued by the Authority, the Notes nevertheless may be authenticated, delivered and issued and, when authenticated, issued and delivered, shall be as binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign the Notes. The Notes also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Notes, is an officer of the Authority authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Notes.

Section 9. Amendment of Section 9 of Resolution No. 5099 – Commitment Letter Reporting Requirements; Covenants. Section 9 of Resolution No. 5099 is hereby amended and restated in its entirety to provide as follows:

Section 9. Commitment Letter Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Notes remain outstanding to deliver, or to cause Sixth Place LLLP, as applicable, to deliver, to the Bank the following financial information and statements:

- Upon receipt, the Authority's annual state Audit Report;
- Within 180 days of each fiscal year end, the Authority's internally prepared annual financial statement;
- Within 60 days of the end of each quarter, the Authority's internally prepared quarterly financial statements (except fiscal year-end);
- Within 45 days of adoption, the Authority's annual budget;
- Within 180 days of each fiscal year end, Sixth Place LLLP's internally prepared annual report on the operating results of the Sixth Place Apartments rental housing component of the Development;
- Within 60 days of the end of each quarter, Sixth Place LLLP's internally prepared Asset Management Report and the Construction Management Report for the Sixth Place Apartments rental housing component of the Development.

The Authority covenants that:

- It will cause Sixth Place LLLP to work diligently to complete, preserve and maintain the relevant portion of the Development;
- It will not sell or dispose of any portion of the Development, or permit Sixth Place LLLP to sell or dispose of its interest in any portion of the Development, without the prior written consent of the Bank; and
- It will establish, maintain and collect rents and charges from the operation of its properties sufficient to produce General Revenues in an amount sufficient to pay all amounts payable solely from the Authority's General Revenues.

Section 10. Preservation of Tax Exemption for Interest on the Series B Note.

The Authority covenants that it will take all actions necessary to prevent interest on the Series B Note 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 Series B Note or other funds of the Authority treated as proceeds of the Series B Note at any time during the term of the Series B Note that would cause interest on the Series B Note to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Series B Note, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Series B Note, 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 Series B Note from being included in gross income for federal income tax purposes.

Section 11. Authorization of Documents and Execution Thereof. The Board approves the Loan Agreement, the Lease 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 Notes, the Loan Agreement, the Lease and the Note Resolution and the consummation by the Authority of all other transactions contemplated by the Note Resolution in connection with the issuance of the Notes and the documentation of the Loan from the Authority to Sixth Place LLLP. The Board

authorizes and directs the Executive Director of the Authority to do everything necessary to effect the modification of the Original Note as described herein, including the delivery to the Bank of the Notes and an approving opinion of bond counsel, and the payment of a fee of \$2,500 and all reasonable costs and expenses, including legal fees, incurred by the Bank in connection with the modification. The Executive Director is further authorized and directed and to ensure the proper use and application of the proceeds of the Notes, and to effect any extension of the maturity of the Notes as described in Section 2 of Resolution No. 5099, as amended, including payment of any extension fees.

Section 12. Authorization of Partnership Documents and Execution Thereof.

The Board approves the Deed of Trust substantially in the form on file with the Executive Director of the Authority, with such changes as the Executive Director of the Authority shall deem necessary or appropriate, and authorizes and directs the Executive Director of the Authority to execute and deliver on behalf of Sixth Place LLLP the Lease, the Deed of Trust, the Loan Agreement and the Regulatory Agreement, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Notes.

Section 13. Approval of Transaction. The Bank has proposed to permit the extension of maturity and modification of Original Note, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of (i) a renewal fee in the amount of \$2,500, (ii) the reasonable fees of counsel to the Bank not to exceed \$1,250, and (iii) an unused commitment fee in the amount of 12 basis points (0.12%) per annum, payable for quarters in which the average outstanding combined amounts of the Series A Note and the Series B Note are less than \$3,750,000 and

calculated on the amount by which \$15,000,000 exceeds the daily outstanding combined amounts of the Series A Note and the Series B Note. The Board finds that the Bank's proposal is in the best interest of the Authority. The Authority consents and agrees to the election of Washington law to govern the Notes and the related transaction and the waiver of jury trial, all as set forth in the Proposal Letter. The Executive Director of the Authority is authorized and directed to do everything necessary for the extension of maturity and modification of the Original Note and the issuance of the Series A Note and the Series B Note on the terms set forth in this resolution.

Section 14. 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 a Deputy Executive Director of the Authority, respectively.


Section 15. 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 16. Resolution No. 5099, as Amended in Full Force and Effect. Except as amended by this resolution, all other provisions of Resolution No. 5099, shall remain in full force and effect.

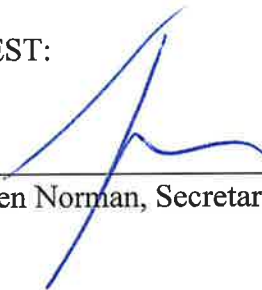
Section 17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 21st day of April, 2010.

HOUSING AUTHORITY OF THE
COUNTY OF KING

By: 
Nancy Holland-Young, Chair

ATTEST:



Stephen Norman, Secretary-Treasurer

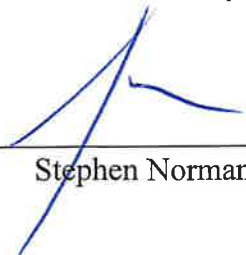
CERTIFICATE

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. 5278 (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 the 21st day of April, 2010, 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 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 21st day of April, 2010.



Stephen Norman, Executive Director
of the Authority

