

**THE HOUSING AUTHORITY OF THE COUNTY OF KING  
RESOLUTION NO.5343**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ACTIONS THAT  
ENSURE THE SUCCESSFUL INVESTMENT OF NEW MARKET TAX  
CREDITS INTO THE WONDERLAND PROJECT**

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**WHEREAS**, the King County Housing Authority (“KCHA”) is the owner and developer of the Tall Cedars Mobile Home Park, a 127-space mobile home park located in Auburn, and Wonderland Estates, a 109-space mobile home park located in Southeast King County (collectively, “Wonderland”), which serve a low-income population that qualifies as a targeted population and a low-income community as defined in Section 45D(e) of the Internal Revenue Code of 1986, as amended (“Code”); and

**WHEREAS**, KCHA desires to develop and renovate certain infrastructure systems in connection with the Wonderland (“Project”); and

**WHEREAS**, KCHA further desires to utilize new markets tax credit (“NMTC”) under Section 45D of the Code to assist the Project by entering into an NMTC financing transaction in which JPMorgan Chase Bank, N.A. (“Equity Investor”) will acquire the NMTCs (“NMTC Financing”); and

**WHEREAS**, to enable the Project to benefit from NMTC Financing, KCHA, as the allocatee, desires to sub-allocate to KCHA New Markets Partner 10 LLC, a Washington limited liability company and a qualified community development entity as defined in Section 45D of the Code (“KCHA SUB-CDE”), \$18,000,000 (“Sub-Allocation”) of KCHA’s \$28,000,000 of 2010 allocation of NMTC authority granted under the Allocation Agreement dated April 20, 2011; and

**WHEREAS**, in conjunction with the Sub-Allocation, KCHA as the Managing Member of KCHA SUB-CDE, desires to cause the SUB-CDE to accept the \$18,000,000 equity investment of Chase NMTC TCW Investment Fund, LLC (“Fund”) to be contributed for a 99.99% member’s equity interest in KCHA SUB-CDE; and



**WHEREAS**, to enable the Project to benefit from the NMTC Financing, KCHA desires to assist the formation South King County Affordable Community Group, a Washington nonprofit corporation, which shall apply for federal tax-exempt status as a 501(c)(3) nonprofit corporation and which will serve as the qualified active low income business (“QALICB”) in the NMTC Financing; and

**WHEREAS**, in furtherance of the Project and to enable the Project to benefit from NMTC Financing, KCHA as the Managing Member of KCHA SUB-CDE, the lender, desires to enter into one or more loans with QALICB as the borrower, which loans will qualify as qualified low-income community investments, as defined in Section 45D of the Code, and will be evidenced by one or more promissory notes in the aggregate amount of approximately \$17,640,000 but not to exceed \$18,000,000 (collectively, the “QLICI Loan”); and

**WHEREAS**, in order to maximize the benefit from using the NMTC in connection with financing the Project, KCHA desires to loan approximately \$12,945,000 but not to exceed \$13,500,000 to the Fund; and

**WHEREAS**, to enable the Project to benefit from NMTC Financing, KCHA desires to transfer Wonderland to the QALICB pursuant to a long-term ground lease (“Ground Lease”); and

**WHEREAS**, in furtherance of the Project and in connection with the QLICI Loan, it may be necessary for KCHA in its individual capacity, as the allocatee, and/or as the managing member of the SUB-CDE, in each case as guarantor or indemnitor, to enter into certain indemnification and guaranty agreements for the benefit of Equity Investor and KCHA SUB-CDE, including, without limitation, certain tax credit indemnification agreements, environmental indemnification agreements, and payment and performance guaranties.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:**



1. Executive Director Stephen J. Norman, or in his absence Dan Watson or Connie Davis (each an "Authorized Officer"), on behalf of KCHA, is hereby authorized, empowered and directed to cause KCHA:

1.1. to affirm its commitment and authorization of the accomplishment of all of the above-contemplated transactions (collectively, the "Financing Steps"); and

1.2. to do all things and to execute any and all agreements, documents, certificates and authorizations which may be necessary, convenient or advisable to accomplish all of the Financing Steps, and to retain, authorize and instruct their attorneys and other consultants in regard to the foregoing.

2. On behalf of KCHA, on its own behalf or in its capacity as the allocatee and as the managing member of KCHA SUB-CDE, the Authorized Officer is hereby authorized, empowered and directed to take such actions set forth above and take such further actions, and to execute such additional documents and instruments to which KCHA or KCHA SUB-CDE is a party, as the Authorized Officer may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Authorized Officer on any document or instrument or the performance of any such actions shall be conclusive evidence of such Authorized Officer's authority to take such actions or execute such documents or instrument on behalf of KCHA and/ or KCHA SUB-CDE.

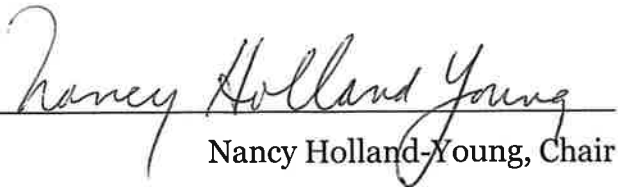
3. Any and all acts heretofore taken by the Authorized Officer in connection with the matters authorized by the foregoing resolutions are hereby ratified, confirmed, adopted and approved by the Board.

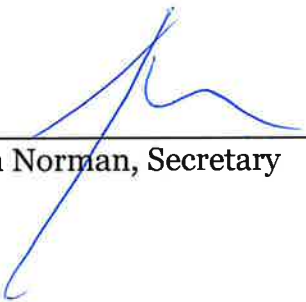
4. These resolutions shall be in full force and effect from and after its adoption and approval.



ADOPTED by the Board of Commissioners of the King County Housing Authority at a regular open public meeting this 21<sup>st</sup> day of September, 2011.

**HOUSING AUTHORITY OF THE  
COUNTY OF KING**

By:   
Nancy Holland-Young, Chair

  
Stephen Norman, Secretary





## CERTIFICATION

I, the undersigned, the duly chosen, qualified and acting Executive Director of the King County Housing Authority (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 5343 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a special meeting of the Authority held on September 21, 2011, 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 21<sup>st</sup> day of September, 2011.

  
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Executive Director of the Authority

