

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5350

(GREEN RIVER HOMES)

A RESOLUTION of the Housing Authority of the County of King authorizing (i) the negotiation of the terms of an operating agreement for Green River Homes 2 LLC in connection with the admission of an investor member to the LLC, (ii) the negotiation and execution of a lease agreement relating to the lease of Green River Homes to the LLC, and (iii) the application by the LLC for an allocation of low-income housing tax credits; and determining related matters.

ADOPTED NOVEMBER 9, 2011

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(2) provides that a housing authority may “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof . . .”; 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(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, including but not limited to partnership agreements and joint venture agreements . . .”; and

WHEREAS, Green River Homes located in Auburn, Washington (the “Project”), is owned and operated by the Authority as public housing under an Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, due to its age and deficiencies in the original design and construction, the Project is in need of substantial renovations, upgrades and physical improvements, the cost of which cannot be paid for with available operating and capital funds through HUD’s public housing program; and

WHEREAS, the Authority previously approved restructuring the underlying ownership of the Project in order to recapitalize the Project and finance necessary renovations, upgrades and physical improvements, subject to HUD approval; and

WHEREAS, HUD has approved the restructuring; and

WHEREAS, the restructuring of the Project will require the use of various funding sources, including tax-exempt and taxable bonds or notes, federal low-income housing tax credits, and state and local grants and loans; and

WHEREAS, certain of these sources to be used in connection with the restructuring will require the creation of a limited liability company to maximize the benefits and minimize the risks to the Authority; and

WHEREAS, pursuant to the authorization provided in Resolution No. 5334 adopted by the Board of Commissioners of the Authority on July 13, 2011, the Authority has created Green River Homes 2 LLC (the “LLC”), a Washington limited liability company of which the Authority is presently the sole member, to accomplish the restructuring; NOW, THEREFORE,

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

Section 1. Admission of Investor to LLC. The Authority is authorized to negotiate the terms of an amended and restated operating agreement (the “LLC Agreement”) for the LLC, under which the Authority will be the sole managing member and entities affiliated with RBC Capital Markets (“RBC”) will be the investor member(s), substantially in accordance with the terms and conditions of the letter of intent received from RBC dated September 29, 2011 (the “Letter of Intent”), with such changes as the Executive Director of the Authority shall deem necessary or appropriate, and to execute the LLC Agreement and all other documents contemplated by the Letter of Intent or the LLC Agreement, including but not limited to a Company Management Fee Agreement, a Guaranty Agreement, a Development Agreement, a Management Agreement, a Pledge and Security Agreement, a Tax Certification, and an Option and Right of First Refusal and Development Agreement, all on behalf of the Authority either in its individual capacity or as managing member of the LLC.

Section 2. Low Income Housing Tax Credit Application. The Board authorizes the Executive Director of the Authority, on behalf of the Authority in its individual capacity or as the managing member of the LLC, to execute and deliver any and all such documents as may be necessary for the LLC to apply for, obtain, and receive an award of 2011 Low Income Housing Tax Credits from the Washington State Housing Finance Commission. Such documentation may include the Low Income Housing Tax Credit Application and the exhibits and attachments thereto and such other documents as the Washington State Housing Finance Commission may require with respect to the allocation of tax credits including, but not limited to, affidavits, certifications, credit reservation contracts, regulatory use agreements, and allocation documents.

Section 3. Lease Agreement. The Authority is authorized to negotiate the terms of a Lease Agreement between the Authority and the LLC, under which the LLC will lease the Project

from the Authority, and to execute such Lease Agreement on behalf of the Authority, in its own behalf and as managing member of the LLC. Such Lease Agreement shall be substantially in the form on file with the Executive Director of the Authority, with such changes, including material changes, as he shall deem necessary or appropriate.

Section 4. Predevelopment Activities. The Authority's Executive Director is further authorized and directed to take all necessary and appropriate action in connection with the structuring of financing for the Project and the design and development of the improvements to be constructed in connection therewith, including, but not limited to: (i) preparing all appropriate resolutions for Board review and approval; (ii) preparing all documents required so that the Authority and the LLC comply with state and federal securities laws; and (iii) negotiating contracts relating to the use, management and naming of buildings in the Project.

Section 5. Ancillary Documents. The Authority's Executive Director is hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in his discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the LLC and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

Section 6. Necessary 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 7. Acting 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 duly authorized acting Deputy Executive Director of the Authority.

Section 8. 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.

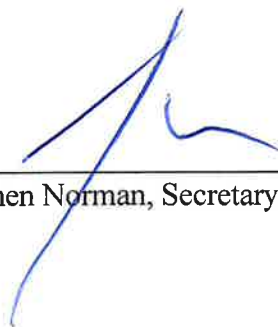
Section 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 9th day of November, 2011.

HOUSING AUTHORITY OF THE COUNTY OF
KING



Nancy Holland-Young, Chair
Board of Commissioners



Stephen Norman, Secretary

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. 5350 (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 9, 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 and eligible to vote on this Resolution 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 9th day of November, 2011.

HOUSING AUTHORITY OF THE COUNTY OF
KING



Stephen Norman, Executive Director

CERTIFICATE