

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5366

A RESOLUTION providing for the issuance of a revolving line of credit revenue note of the Authority in the principal amount of not to exceed \$16,500,000 at any one time outstanding, which note shall be issued to provide interim financing for the development, renovation and rehabilitation of the Park Lake Homes II, Phase III (Fairwind) HOPE VI redevelopment project; determining the form, terms and covenants of the note; creating a note fund; and approving the sale and providing for the delivery of the note to Bank of America, N.A.

Adopted February 15, 2012

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, pursuant to RCW 35.82.130, 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, the Board of Commissioners of the Authority has determined that it is necessary and advisable that the Authority borrow money to provide interim financing for the development, renovation and rehabilitation of housing and related facilities in connection with the Park Lake Homes II, Phase III (Fairwind) HOPE VI redevelopment project (the "Project"); and

WHEREAS, Bank of America, N.A. (the "Bank") has proposed to extend a line of credit evidenced by a revolving line of credit note of the Authority on the terms set forth in this resolution to provide money for those purposes; 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.

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

“BBA LIBOR” means the British Bankers Association LIBOR Rate.

“BBA LIBOR Daily Floating Rate” means a fluctuating rate of interest that can change on each banking day. The rate will be adjusted on each banking day to equal BBA LIBOR for U.S. Dollar deposits for delivery on the date in question for a one-month term beginning on that date. The Bank will use the BBA LIBOR Rate as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) as determined at approximately 11:00 a.m. London time two London Banking Days prior to the date in question, as adjusted from time to time in the Bank’s sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by the Bank to be substantially equivalent to BBA LIBOR for a one-month interest period.

“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 between the Authority and the County executed on October 30, 2009, by the Authority and on November 2, 2009, by the County, providing credit enhancement for the Note and other obligations of the Authority relating to the Park Lake Homes II (Seola Gardens) HOPE VI redevelopment project, together with any amendments or supplements thereto made in accordance with the terms thereof.

“County” means King County, Washington.

“Draws” means incremental draws upon the Note.

“Fixed Rate Interest Period” means a period equal to one, two, three, four, five, six, seven, eight, nine, ten, eleven or twelve month(s), provided that (i) if any Fixed Rate Interest Period would end on a day other than a business day, such Fixed Rate Interest Period shall be extended to the next succeeding business day unless such next succeeding business day would fall in the next calendar month, in which case such Fixed Rate Interest Period shall end on the next preceding business day, and (ii) any Fixed Rate Interest Period that commences on the last business day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Fixed Rate Interest Period) shall end on the last business day of the last calendar month of such Fixed Rate Interest Period. No Fixed Rate Interest Period may extend beyond the Maturity Date.

“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 Note 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.

“LIBOR Banking Day” means a day other than a Saturday or Sunday on which banks are open for business in New York, New York, and London, United Kingdom, and dealing in offshore dollars.

“LIBOR Fixed Rate (CLA Advances)” means the rate per annum equal to the LIBOR Fixed Rate Index, plus 1.25%.

“LIBOR Fixed Rate (Non-CLA Advances)” means the rate per annum equal to the LIBOR Fixed Rate Index, plus 1.75.

“LIBOR Fixed Rate Index” means the percentage rate arrived at by dividing (a) the London Inter-Bank Offered Rate, by (b) the difference of 1.00 minus the Reserve Percentage.

“LIBOR Floating Rate (CLA Advances)” means the rate per annum equal to the LIBOR Floating Rate Index, plus 1.25%.

“LIBOR Floating Rate (Non-CLA Advances)” means the rate per annum equal to the LIBOR Floating Rate Index, plus 1.75%.

“LIBOR Floating Rate Index” means the percentage rate arrived at by dividing (a) the BBA LIBOR Daily Floating Rate, by (b) the difference of 1.00 minus the Reserve Percentage.

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

“London Inter-Bank Offered Rate” means, for any applicable Fixed Rate Interest Period, the rate per annum equal to BBA LIBOR at approximately 11:00 a.m. London, England time two London Banking Days before the commencement of the Fixed Rate Interest Period, for U.S. Dollar deposits (for delivery on the first day of such Fixed Rate Interest Period) with a term

equivalent to such Fixed Rate Interest Period. If such rate is not available at such time for any reason, then the London Inter-Bank Offered Rate for that Fixed Rate Interest Period will be determined by such alternate method reasonably selected by the Bank to be substantially equivalent to BBA LIBOR for the applicable Fixed Rate Interest Period.

“Maturity Date” means July 31, 2014, as such date may be extended in accordance with Section 3.

“Note” means the Authority’s Revolving Line of Credit Revenue Note, 2012, (Fairwind Project).

“Note Fund” means the Authority’s Revolving Line of Credit Revenue Note Fund, 2012 (Fairwind Project), created by this resolution for the purpose of paying principal of and interest on the Note.

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

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

“Project” means development, renovation and rehabilitation of housing and related facilities in connection with the Park Lake Homes II, Phase III (Fairwind) HOPE VI redevelopment project.

“Reserve Percentage” means the total of the maximum reserve percentages for determining the reserves to be maintained by member banks of the Federal Reserve System for Eurocurrency Liabilities, as defined in Federal Reserve Board Regulation D, rounded upward to the nearest 1/100th of one percent. The percentage will be expressed as a decimal, and will include, but not be limited to, marginal, emergency, supplemental, special, and other reserve percentage.

“Term Sheet” means the term sheet with respect to the Note provided to the Authority by the Bank dated November 10, 2011, as it may be amended, setting forth certain terms under which the Bank proposes to purchase the Note.

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 revolving line of credit extended by the Bank under the terms of this resolution and the Term Sheet, and shall issue the Note in a principal amount of not to exceed \$16,500,000 at any one time outstanding.

The Note shall be designated the Revolving Line of Credit Revenue Note, 2012 (Fairwind Project) of the Authority; shall be issued in registered form; shall be dated its date of delivery to the Bank; and shall mature on the Maturity Date.

The Authority may request Draws upon the Note in any amount on any business day during the term of the Note for the purposes identified above, subject to the terms of the Term Sheet. Draws bearing interest at the LIBOR Fixed Rate (CLA Advances) or the LIBOR Fixed Rate (Non-CLA Advances) must be in minimum amounts of \$100,000, and notice thereof must be given to the Bank no later than the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate will be set for such Draw (*i.e.*, the LIBOR Banking Day preceding the date which is two London Banking Days before the commencement of the Fixed Rate Interest Period for such Draw). 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. Draws shall be recorded in such form as the Authority and the Bank may agree. Draws shall be limited to an aggregate principal amount outstanding at any one time of \$16,500,000. Draws bearing interest

at the LIBOR Fixed Rate (Non-CLA Advances) and LIBOR Floating Rate (Non-CLA Advances) shall be limited to an aggregate principal amount outstanding at any one time of \$3,000,000; provided that the Authority may not request a Draw bearing interest at the LIBOR Fixed Rate (Non-CLA Advances) or LIBOR Floating Rate (Non-CLA Advances) if it is eligible to receive a Draw bearing interest at a LIBOR Fixed Rate (CLA Advances) or LIBOR Floating Rate (CLA Advances).

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.

Each Draw on the Note to which the Contingent Loan Agreement applies shall bear interest at the LIBOR Floating Rate (CLA Advances) or the LIBOR Fixed Rate (CLA Advances), with such interest rate option chosen by the Executive Director or his or her designee at the time of each Draw, and if the LIBOR Fixed Rate (CLA Advances) is elected, for a Fixed Rate Interest Period selected by the Executive Director or his or her designee at the time of each Draw, subject to conversion to another interest rate type or Fixed Rate Interest Period, and also to adjustment upon default as described herein. Each Draw on the Note to which the Contingent Loan Agreement does not apply shall bear interest at the LIBOR Floating Rate (Non-CLA Advances) or the LIBOR Fixed Rate (Non-CLA Advances), with such interest rate option chosen by the Executive Director or his or her designee at the time of each Draw, and if the LIBOR Fixed Rate (Non-CLA Advances) is elected, for a Fixed Rate Interest Period selected by the Executive Director or his or her designee at the time of each draw, subject to conversion to another interest rate type or Fixed Rate Interest Period, and also to adjustment upon default as described herein.

The interest rate applicable to a Draw may be changed from the LIBOR Floating Rate (Non-CLA Advances) or the LIBOR Fixed Rate (Non-CLA Advances) to the LIBOR Floating Rate (CLA Advances) or the LIBOR Fixed Rate (CLA Advances) at any time that the Contingent Loan Agreement is in effect, or from the LIBOR Floating Rate (CLA Advances) or the LIBOR Fixed Rate (CLA Advances) to the LIBOR Floating Rate (Non-CLA Advances) or the LIBOR Fixed Rate (Non-CLA Advances) at any time that the Contingent Loan Agreement is no longer in effect with respect to such Draw, in any case upon notice to the Bank. Draws bearing interest at (1) the LIBOR Floating Rate (CLA Advances) may be converted to bear interest at the LIBOR Fixed Rate (CLA Advances), and (2) the LIBOR Floating Rate (Non-CLA Advances) may be converted to bear interest at the LIBOR Fixed Rate (Non-CLA Advances), each at any time, in minimum amounts of \$100,000, upon notice to the Bank given no later than the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate will next be set for such Draw (*i.e.*, the LIBOR Banking Day preceding the date which is two London Banking Days before the commencement of the next Fixed Rate Interest Period for such Draw). Draws bearing interest at a LIBOR Fixed Rate (CLA Advances) will automatically be converted to bear interest at the LIBOR Floating Rate (CLA Advances) and Draws bearing interest at a LIBOR Fixed Rate (Non-CLA Advances) will automatically be converted to bear interest at the LIBOR Floating Rate (Non-CLA Advances) on the last day of the applicable Fixed Rate Interest Period unless the Authority elects to continue the applicable LIBOR Fixed Rate (CLA Advances) or LIBOR Fixed Rate (Non-CLA Advances) and provides notice of such election to the Bank by the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate will next be set for such Draw (*i.e.*, the LIBOR Banking Day preceding the date which is two London Banking Days before the commencement of the next Fixed Rate Interest

Period for such Draw). The Fixed Rate Interest Period applicable to principal bearing interest at a LIBOR Fixed Rate (CLA Advances) or a LIBOR Fixed Rate (Non-CLA Advances) may also be changed on the last day of Fixed Rate Interest Period to a different permitted Fixed Rate Interest Period, if notice of the new Fixed Rate Interest Period is given to the Bank prior to the LIBOR Banking Day preceding the day on which the London Inter-Bank Offered Rate would be set for such new Fixed Rate Interest Period (*i.e.*, the LIBOR Banking Day preceding the date which is two London Banking Days before the commencement of the new Fixed Rate Interest Period). The rate applicable to outstanding Draws bearing interest at a LIBOR Floating Rate (CLA Advances) or a LIBOR Floating Rate (Non-CLA Advances) shall be adjusted on each banking day to correspond with fluctuations in the BBA LIBOR Daily Floating Rate.

Interest on the Note shall be payable quarterly in arrears, on the first day of each March, June, September and December, 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, subject to prepayment as described in Section 7 hereof.

If the Note is not paid when properly presented at the Maturity Date, the Authority shall be obligated to pay interest on the Note from and after the Maturity Date until the principal of and interest on the Note is paid in full.

If an event of default occurs in the payment to the Bank of principal, interest, fees or other amounts when due (an "Event of Default"), including failure to repay the Note in full on or before the Maturity Date, the Bank may increase the applicable interest rate spread by 3.0% per annum.

The Contingent Loan Agreement shall be deemed to “apply” to Draws for purposes of the availability of the LIBOR Floating Rate (CLA Advances) or LIBOR Fixed Rate (CLA Advances) only if all of the conditions set forth in the Term Sheet under the heading “Conditions Precedent to all CLA Advances” have been satisfied or waived by the Bank.

The Authority finds that the fixing of the interest rate indices described herein and in the Term Sheet is in the best interest of the Authority.

Section 3 Authorization for Extension and Modification of Note. The Executive Director is authorized, without further action of the Board but with the consent and approval of the Bank, in the Bank’s sole discretion, to extend the then-current Maturity Date of the Note to any date on or before July 31, 2019, to modify the interest rate formulae applicable to Draws on the Note and to modify the designation of the Note, if the Executive Director determines that such extension and/or modification is in the best interest of the Authority, all as long as no other material terms of the Note or this resolution are revised. The Executive Director is authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and modification of the interest rate formula and/or designation, including but not limited to the payment of Bank fees and execution of documents. The Executive Director’s execution of documents in connection with the modification or extension of the Note as described herein will constitute conclusive evidence of his or her approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

Section 4. Designation of Officers to Make Draws. The Board authorizes the Executive Director or his designee to make Draws against the Note 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 Term Sheet.

Section 5. Note Registrar; Registration and Transfer of Note. The Executive Director of the Authority shall serve as Note Registrar for the Note. 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 Note (the "Note Register"), which shall contain the name and mailing address of the registered owner of the Note. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Note in accordance with the provisions of the Note and this resolution, to serve as the Authority's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution.

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

Section 6. Place, Manner and Medium of Payment. Both principal of and interest on the Note shall be payable in lawful money of the United States of America solely out of 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 Note, the registered owner shall surrender the Note at the principal office of the Note Registrar in Tukwila, Washington, for destruction or cancellation in accordance with law.

Section 7. Prepayment of Note. The Authority reserves the right to prepay all or a portion of the principal of the Note at any time. Prepayments of Draws bearing interest at the LIBOR Floating Rate (CLA Advances) or LIBOR Floating Rate (Non-CLA Advances) may be prepaid without premium or penalty. Draws bearing interest at a LIBOR Fixed Rate (CLA Advances) or LIBOR Fixed Rate (Non-CLA Advances) are subject to the payment of a potential prepayment fee in an amount sufficient to compensate the Bank for any loss, cost or expense incurred by it as a result of the prepayment, excluding any loss of anticipated profits, but including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain the funding of the Note or from fees payable to terminate the deposits from which such funds were obtained. The Authority shall also pay any customary administrative fees charged by the Bank in connection with the foregoing. For purposes of this paragraph, the Bank shall be deemed to have funded any Draws at or converted to the LIBOR Fixed Rate (CLA Advances) or LIBOR Fixed Rate (Non-CLA Advances) by a matching deposit or other borrowing in the applicable interbank market, whether or not the loan was in fact so funded. In addition, the Authority shall repay the Note to the extent of any proceeds received from the sale of low income housing tax credits with respect to the Project, such prepayment 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 Fixed Rate Interest Period for principal bearing interest at a LIBOR Fixed Rate (CLA Advances) or LIBOR Fixed Rate (Non-CLA Advances) to avoid payment of any prepayment fee. The Bank may in its sole discretion waive any prepayment fee. Written notice to the Bank of any intended prepayment or redemption of the Note shall not be required. Interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Section 8. 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, 2012 (Fairwind Project). 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 amounts received from a limited liability company or limited partnership of which the Authority is or will be the sole managing member or the sole general partner (the "LLC") from the sale of low income housing tax credits in connection with the Project, and, with respect to Draws being interest at the LIBOR Floating Rate (CLA Advances) or LIBOR Fixed Rate (CLA Advances), from funds received from the County pursuant to the Contingent Loan Agreement, amounts sufficient to pay the principal of and interest on the Note when due.

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, provided that such issuance does not cause an Event of Default under 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, provided such pledge does not cause an event of default under the Note.

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. 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.

None of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Note.

Section 9. Form and Execution of Note. The Note shall be prepared in a form consistent with the provisions of this 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, each of the Note 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, 2012 (Fairwind Project), 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 this resolution.

If any officer whose facsimile signature appears on the Note ceases to be an officer of the Authority authorized to sign notes before the Note are authenticated or delivered by the Note Registrar or issued by the Authority, the Note 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 Note. The Note also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Note, 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 Note.

Section 10. Term Sheet Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Note remain outstanding to deliver to the Bank the following financial information and statements:

- Within 180 days of each fiscal year end, the Authority's internally prepared annual financial statements;
- Within 60 days of each quarter end, the Authority's internally prepared quarterly financial statements (except the fiscal year end quarter);
- Within 45 days of adoption, the Authority's annual budget;
- Within 60 days of each quarter end, the Authority's internally prepared Asset Management Report and the Construction Management Report for the Project; and
- Within 10 days of receipt, the Authority's annual State Audit Report.

The Authority further covenants and agrees, for so long as the Note remains outstanding, as follows:

- (a) It will provide other financial information as the Bank may from time to time reasonably request.
- (b) On or before the Maturity Date, it shall issue debt obligations in an amount sufficient to generate net proceeds, together with other available resources of the Authority, to pay the Note in full.
- (c) It will not encumber, pledge or grant any lien (whether voluntary or involuntary) against any of the Project real property, without the prior written consent of the Bank.
- (d) It shall cause the owner of the Project to preserve and maintain the Project while the Note are outstanding.

(e) It shall cause the owner of the Project to not sell or dispose of any portion of the Project without the prior written consent of the Bank.

(f) It shall establish, maintain and collect rents and charges sufficient for payment of (i) all costs of operation and maintenance, and (ii) for payment of all amounts which the Authority is obligated to pay from its General Revenues.

(g) It waives the right to a jury trial in any proceeding by or against the Bank relating to the Note.

Section 11. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Note and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Note. The appropriate Authority officials are authorized and directed to do everything necessary for the issuance, execution and delivery of the Note. The Executive Director of the Authority is authorized to execute the Note and any other documents reasonably required to be executed in connection with the issuance of the Note and to ensure the proper use and application of the proceeds of the Note, and to effect any extension of the maturity of the Note as described in Section 3.

The Note will be prepared at the Authority's expense and will be delivered to the Bank together with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Note.

Section 12. Approval of Transaction. The Bank has proposed to purchase the Note at a price of par, under the terms and conditions contained in this resolution and the Term Sheet, including the payment of a fee to the Bank in the amount of \$5,000 plus the fees and expenses of the Bank's legal counsel, not to exceed \$1,500, and any other out-of-pocket costs incurred by the Bank, each payable at closing, and payment of an unused commitment fee to be paid to the Bank quarterly in arrears on each interest payment date in the amount of 0.30% per annum of the

difference between \$16,500,000 and the average aggregate principal amount outstanding under the Note for the preceding quarterly period, calculated on the basis of the actual number of days elapsed in a 360-day year. This fee will be due only for quarters in which the ratio of the average principal amount outstanding under the Note to \$16,500,000 is less than 50%. The Board finds that the Bank's proposal is in the best interest of the Authority and authorizes the Executive Director of the Authority to accept an offer on the same terms and conditions as contained in the Term Sheet, and covenants that it will comply with all terms and conditions of the Term Sheet. The Authority covenants that it will pay or cause to be paid, when due, the fees described in this Section 12 and pledges its General Revenues to the payment of such fees.

Section 13. 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 14. 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.

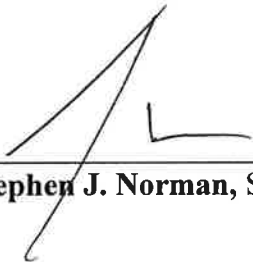
Section 15. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open special meeting this 15th day of February 2012.

**HOUSING AUTHORITY OF THE
COUNTY OF KING**



Nancy Holland-Young, Chair



Stephen J. Norman, Secretary

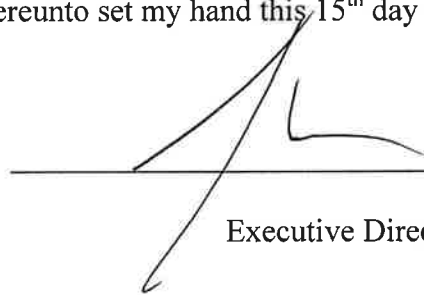
CERTIFICATE

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. 5366 (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 February 15, 2012, 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 15th day of February 2012.



Stephen J. Norman,
Executive Director of the Authority