

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5387

(DEFEASANCE OF CAPITAL FUND PROGRAM REVENUE BONDS, 2007 (EGIS HOUSING PROGRAM))

A RESOLUTION providing for the defeasance and redemption of the outstanding Housing Authority of the County of King Capital Fund Program Revenue Bonds, 2007 (Egis Housing Program); authorizing the execution and delivery of an escrow deposit agreement and other agreements, documents and certificates relating to the bonds and their defeasance and redemption; authorizing the appointment of an escrow agent and engagement of an accountant to serve as verification agent with respect to the bonds to be defeased; providing for the transfer of funds to the escrow agent; and providing for the defeasance, call, payment and redemption of the outstanding bonds.

ADOPTED July 11, 2012

This document was prepared by:

*FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

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WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of affordable housing for low-income persons residing in King County, Washington; 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 Authority previously issued its \$9,250,000 original aggregate principal amount Capital Fund Program Revenue Bonds, 2007 (Egis Housing Program) (the "2007 Egis CFP Bonds"); and

WHEREAS, the Authority used the proceeds of the sale of the 2007 Egis CFP Bonds to make a loan to Egis Housing Limited Partnership, a Washington limited partnership of which the Authority is the sole general partner (the "Partnership") to provide part of the funds with which to rehabilitate eight apartment buildings as part of the Authority's senior/disabled mid-rise rehabilitation project, to provide housing for low-income persons (the "Project"); and

WHEREAS, after due consideration, it appears to the Board of Commissioners of the Authority (the "Board") that it is in the best interests of the Authority to defease and redeem the 2007 Egis CFP Bonds, which defeasance and redemption will be effected by:

- (a) The establishment of an escrow to pay the 2007 Egis CFP Bonds in full on their maturity or redemption date;
- (b) The deposit of available funds of the Authority sufficient to fund the escrow;
- (c) The call, payment and redemption on or around June 1, 2017, of all then-outstanding 2007 Egis CFP Bonds, at a price of 100% of par, plus accrued interest; and

WHEREAS, in order to effect the defeasance and redemption in the manner that will be most advantageous to the Authority, the Board finds it necessary and advisable that certain Defeasance Quality Obligations (as defined in the hereinafter defined Indenture) bearing interest and maturing at a time or times necessary to accomplish the defeasance and redemption, be purchased with Authority money available therefor; 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:

"Acquired Obligations" means those Defeasance Quality Obligations purchased to accomplish the defeasance and redemption of the 2007 Egis CFP Bonds as authorized by this resolution.

"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.

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

“Escrow Agent” means the entity serving as refunding trustee or escrow agent under the Escrow Deposit Agreement.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement or Refunding Trust Agreement between the Authority and the Escrow Agent providing for the defeasance of the 2007 Egis CFP Bonds.

“Indenture” means the Master Trust Indenture dated as of September 1, 2007, between the Authority and the Trustee.

“Loan” means the loan by the Authority to the Borrower of the proceeds of the Bonds to provide a portion of the financing for the Project.

“Loan Agreement” means the Loan and Disbursement Agreement (Egis Housing Program – Authority Loan C) between the Authority and the Partnership dated September 6, 2007, relating to the Bonds, as it may be amended from time to time.

“Loan Documents” shall have the meaning ascribed thereto in the Loan Agreement.

“Partnership” means Egis Housing Limited Partnership, a Washington limited partnership of which the Authority is the sole general partner.

“Trustee” means the entity serving as trustee under the Indenture, currently The Bank of New York Mellon Trust Company, N.A., as successor to The Bank of New York Trust Company, N.A.

“2007 Egis CFP Bonds” means the outstanding Housing Authority of the County of King Capital Fund Program Revenue Bonds, 2007 (Egis Housing Program).

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

Section 2. Defeasance and Redemption of the 2007 Egis CFP Bonds.

(a) Transfer of Reserve Accounts for 2007 Egis CFP Bonds. In accordance with, and as permitted by, the terms of the Indenture, the money on deposit in the Debt Service Fund, Debt Service Reserve Fund, Capital Program Fund and Redemption Fund established pursuant to the Indenture shall be transferred to the Escrow Agent and used to pay a portion of the cost of acquiring the Acquired Obligations.

(b) Acquisition of Acquired Obligations. On a date determined by the Executive Director of the Authority, the money on deposit in the funds established pursuant to the Indenture described in Section 2(a), together with other available money of the Authority, shall be transferred to the Escrow Agent and used to discharge the obligations of the Authority relating to the outstanding 2007 Egis CFP Bonds under the Indenture by providing for the payment of the amounts required to defease the 2007 Egis CFP Bonds in accordance with the Indenture. To the extent practicable, such obligations shall be discharged fully by the Escrow Agent's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to pay the principal of and interest on the 2007 Egis CFP Bonds as the same become due and payable to maturity or the date(s) selected for redemption as set forth in the Escrow Agreement.

(c) Authorization for Escrow Agreement. To carry out the defeasance and redemption provided for by this resolution, the Executive Director of the Authority is authorized and directed to execute and deliver an Escrow Agreement, setting forth the duties, obligations

and responsibilities of the Escrow Agent in connection with the payment, redemption, defeasance and retirement of the 2007 Egis CFP Bonds as provided herein, and stating the provisions for payment of the fees, compensation and expenses of such Escrow Agent.

(d) Authorization to Engage and Appoint Escrow Agent and Verification Agent. In order to effect the defeasance and redemption provided for by this resolution in accordance herewith and with the Indenture, the Executive Director of the Authority is authorized and directed to appoint and engage a bank or trust company to serve as Escrow Agent, and an accountant or firm of accountants to verify the sufficiency of the escrow established pursuant to the Escrow Agreement in accordance with the provisions of the Indenture.

Section 3. Calls for Redemption of the 2007 Egis CFP Bonds. The Executive Director of the Authority is authorized and directed to give or cause to be given notices of redemption, at the times and in the manner required by the Indenture, in order to effect the redemption prior to maturity of the 2007 Egis CFP Bonds to be redeemed in accordance herewith and in accordance with the Escrow Agreement.

Section 4. Authorization of Documents and Execution Thereof; Additional Authorization for Defeasance and Redemption. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in the Escrow Agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the defeasance and redemption of the 2007 Egis CFP Bonds. The Executive Director of the Authority is further authorized and directed execute and do everything necessary for the defeasance and redemption of the 2007 Egis CFP Bonds.

Section 5. Authorization of Amendments to Loan Documents and Execution Thereof.

The Board hereby authorizes and directs the Executive Director of the Authority to execute and deliver, on behalf of the Partnership and/or the Authority, as applicable, any amendments to the Loan Documents, or related documents, as may be necessary or desirable in connection with the defeasance and redemption of the 2007 Egis CFP Bonds.

Section 6. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by a duly authorized acting Deputy Executive Director of the Authority.

Section 7. 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 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

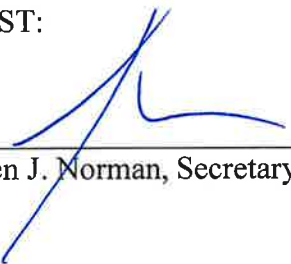
Section 9. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public special meeting this 11th day of July, 2012.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: 
Nancy Holland-Young, Chair
Board of Commissioners

ATTEST:



Stephen J. Norman, Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 5387 (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a special meeting of the Authority held on July 11, 2012, and duly recorded in the minute books of the Authority.

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's office at 600 Andover Park West, Tukwila, WA 98188 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. 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 11th day of July, 2012.



Stephen J. Norman
Secretary and Executive Director of the Authority

CERTIFICATE

