

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**

**RESOLUTION NO. 5606**

**REGARDING UNWIND OF WONDERLAND ESTATES AND TALL CEDARS  
MANUFACTURED HOME PARKS NEW MARKETS TAX CREDIT FINANCING**

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**WHEREAS**, the South King County Affordable Community Group (“SKCACG”) was formed at the direction of Housing Authority of the County of King (“KCHA”) in part to complete infrastructure improvements (the “Project”) at the Wonderland Estates Manufactured Homes Park located at 14654 SE Renton-Maple Valley Road, Renton, WA (“Wonderland Estates”) and the Tall Cedars Manufactured Homes Park located at 401 37th Street SE, Auburn, WA (“Tall Cedars”) within King County; and

**WHEREAS**, the Project was financed using New Markets Tax Credits (“NMTC Financing”) under Section 45D of the Internal Revenue Code of 1986 (as amended, the “Code”); and

**WHEREAS**, in furtherance of the Project and to enable the Project to benefit from the NMTC Financing, KCHA, in its capacity as Leverage Lender (“Leverage Lender”), made a loan to Chase NMTC TCW Investment Fund, LLC (“Investment Fund”) pursuant to a certain Fund Loan Agreement dated November 18, 2011 (the “Leverage Loan Agreement”) and evidenced by a certain Promissory Note dated November 18, 2011 in the principal amount of \$12,965,095 (“Leverage Loan Note”);

**WHEREAS**, in furtherance of the Project and to enable the Project to benefit from the NMTC Financing, KCHA also transferred to SKCACG (a) the Wonderland Estates by long-term lease for a term of ninety-nine (99) years (the “WE Master Lease”), and (b) Tall Cedars by a separate long-term lease for a term of ninety-nine (99) years (the “TC Master Lease”); and

**WHEREAS**, in furtherance of the Project and to enable the Project to benefit from the NMTC Financing, KCHA New Markets Partner 10 LLC, a Washington limited liability company (“QLICI Lender”) was formed at the direction of KCHA and was certified as a “community development entity” (“CDE”) by the U.S. Department of Treasury Community Development Financial Institutions Fund (“CDFI Fund”) eligible to receive allocations or suballocations of New Markets of Tax Credits; and

**WHEREAS**, KCHA is a certified CDE and is a recipient of a \$28,000,000 allocation of New Markets Tax Credits (“NMTCs”) from the CDFI Fund, and in support of the Project, KCHA suballocated \$18,000,000 of its NMTC investment authority to QLICI Lender; and

**WHEREAS**, QLICI Lender admitted the Investment Fund as its investor member in exchange for an equity contribution in the original amount of \$18,000,0000 constituting a “qualified equity investment” as defined in Section 45D of the Code (“QEI”); and

**WHEREAS**, QLICI Lender used the proceeds of the QEI to make a “qualified low-income community investment” loan, as defined in Section 45D of the Code, in the amount of Seventeen Million Six Hundred Forty Thousand and No/100 Dollars (\$17,640,000.00) (the “QLICI Loan”) to SKCACG, which loan is evidenced by two Promissory Notes, each dated November 18, 2011, in the original principal amounts of Twelve Million Nine Hundred Sixty-Five Thousand, Ninety Five and No/100 Dollars (\$12,965,095.00) (the “QLICI Note A”) and Four Million Six Hundred Seventy-Four Thousand, Nine Hundred Five and No/100 Dollars (\$4,674,905.00) (the “QLICI Note B”); and

**WHEREAS**, the NMTC Financing must have a QLICI Loan remain outstanding for a seven-year compliance period (“Compliance Period”), and the Compliance Period for the Project will expire on November 30, 2018, at which time the NMTC Financing will be unwound in accordance with the terms of the applicable agreements of the NMTC Financing (the “Unwind”); and

**WHEREAS**, in connection with the Unwind, KCHA desires to take the following actions (collectively, the “Corporate Actions”):

acquire from Chase Community Equity, LLC (“Chase Investor”) all of its membership interest in Investment Fund pursuant to a Membership Interest Purchase Agreement by and among Investment Fund, KCHA and Chase Investor, and thereafter to hold, as sole member of Investment Fund, 100% of the membership interest in the Investment Fund and thereby to be the indirect holder of the Leverage Loan Note; and

once KCHA has become the 100% member of the Investment Fund, KCHA as Leverage Lender will enter into a Loan Satisfaction Agreement with the Investment Fund in order to forgive the Leverage Loan in full, including terminating the Leverage Loan Agreement and canceling the Leverage Loan Note; and

once KCHA has become the 100% member of the Investment Fund, KCHA, in its capacity as sole member of Investment Fund and the managing member of QLICI Lender, will cause QLICI Lender to enter into a Loan Satisfaction Agreement with SKCACG in order to forgive the outstanding amounts of the QLICI Loan in full, including (i) terminating the QLICI Loan Agreement, (ii) canceling the QLICI Note A and QLICI Note B, (iii) terminating the WE Master Lease and the TC Master Lease and the two related Memoranda of Lease; and (iv) accepting an assignment of all the assets and liabilities of SKCACG, including any amounts remaining in NMTC Financing reserve and control accounts; and

subsequent to the execution and delivery of the Loan Satisfaction Agreement and the performance of the obligations arising thereunder, KCHA, in its capacity as sole member of Investment Fund and the managing member of QLICI Lender will take all such steps as may be necessary and expedient to dissolve and liquidate the QLICI Lender, including without limitation, executing a Plan of Dissolution, filing with the Washington Secretary of State a Certificate of Cancellation, and filing any required reporting requirements with the CDFI Fund in connection with the dissolution of the QLICI Lender; and

concurrently with the dissolution of the QLICI Lender, KCHA will take all such steps as may be necessary and expedient to dissolve and liquidate the Investment Fund, including without limitation, filing with the Delaware Secretary of State Certificates of Cancellation for the Investment Fund pursuant to which the Investment Fund will be dissolved.

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

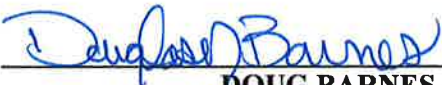
**Section 1: Authorization.** KCHA reaffirms its commitment to and authorization of the Corporate Actions and authorizes the Executive Director to execute and deliver any and all agreements, documents, certificates, and authorizations that are necessary, convenient or advisable to accomplish all of the Corporate Actions.

**Section 2: 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 Deputy Executive Director of the Authority.

**Section 3: 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 hereby ratified and confirmed.

**Section 7: 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 A PUBLIC MEETING THIS 19TH DAY OF NOVEMBER, 2018.**

**THE HOUSING AUTHORITY OF THE  
COUNTY OF KING, WASHINGTON**  
  
**DOUG BARNES, Chair  
Board of Commissioners**

  
**STEPHEN J. NORMAN  
Secretary-Treasurer**