

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5679

(Workforce Housing Preservation Tax-Exempt Housing Revenue Note, 2021)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the County of King providing for the issuance of the Authority's Workforce Housing Preservation Tax-Exempt Revenue Note, 2021, in the principal amount of not to exceed \$161,500,000, the proceeds of which will be used to finance or refinance the acquisition of housing and related improvements and facilities; determining the form, terms and covenants of the note; creating a note fund; approving the sale and providing for the delivery of the note to Amazon.com, Inc. or an affiliate thereof; authorizing and directing appropriate officers of the Authority to negotiate, execute and deliver such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted March 15, 2021

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, RCW 35.82.070(2) provides that a housing authority may acquire and operate housing projects; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “own, hold, and improve real or personal property . . .,” “purchase, lease, obtain options upon . . . any real or personal property or any interest therein” and “lease or rent any dwellings, houses, accommodations, lands, 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

provides that the term “housing project” may be applied to the “acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of improvements and all other work in connection therewith”; 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, RCW 35.82.070(1) permits a housing authority to “make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority”; and

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue its Workforce Housing Preservation Tax-Exempt Revenue Note, 2021 (the “Note”), in a principal amount not to exceed \$161,500,000, to provide funds required to finance and/or refinance the acquisition of housing projects of the Authority and related improvements and facilities; and

WHEREAS, Amazon.com, Inc. or an affiliate thereof (the “Purchaser”) has proposed to extend financing to the Authority to 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 terms have the following meanings:

“Act” means chapter 35.82 of the Revised Code of Washington.

“Affordable Housing Covenant Agreement” or “Affordable Housing Covenant Agreements” means one or more Affordable Housing Covenant Agreements, as applicable, each governing the use of a Workforce Housing Project, to be made by the Authority for the benefit of the Purchaser, as any such agreement may be amended in accordance with its terms.

“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.

“Authorized Officers” means the Executive Director of the Authority and any Deputy Executive Director of the Authority.

“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.

“Continuing Covenant Agreement” means a Continuing Covenant and Note Purchase Agreement to be entered into between the Authority and the Purchaser with respect to the Note, as it may be amended in accordance with its terms.

“County” means King County, Washington.

“Draws” means incremental draws upon the Note.

“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.

“Hampton Greens Project” means the apartment complex containing 326 dwelling units located at 4747 148th Avenue NE, Bellevue, Washington, known as the Hampton Greens Apartments.

“Illahee Project” means the apartment complex containing 36 dwelling units located at 14049 Bel-Red Road, Bellevue, Washington 98007, known as the Illahee Apartments.

“Note” means the Workforce Housing Preservation Tax-Exempt Revenue Note, 2021.

“Note Fund” means the Workforce Housing Preservation Tax-Exempt Revenue Note Fund, 2021, 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.

“Pinewood Project” means the apartment complex containing 108 dwelling units located at 14911 NE 1st Place, Bellevue, Washington 98007, known as the Pinewood Village Apartment Homes.

“Proposal Letter” means the proposal letter to the Purchaser from the Authority, dated January 4, 2021, as it may be amended, setting forth certain proposed terms upon which the Purchaser may purchase the Note and extend grant funding to the Authority.

“Purchaser” means Amazon.com, Inc., or an affiliate thereof, as registered owner of the Note.

“Refunded Obligations” means, those portions of the bonds, notes, or other obligations of the Authority used to finance the acquisition of one or more Workforce Housing Projects and to be refunded with proceeds of the Note.

“Workforce Housing Project” or “Workforce Housing Projects” means, as applicable, one or more of the Hampton Greens Project, the Illahee Project, the Pinewood Project, and one or more other workforce housing properties to be acquired as housing projects of the Authority, which other properties are expected to include approximately 530 additional dwelling units.

Section 2. Authorization and Description of the Note and Application of Proceeds.

The Authority shall issue the Note in a principal amount not to exceed \$161,500,000 for the purpose of providing a portion of the funds required to finance certain Workforce Housing Projects, and/or to effect the current refunding of a portion of the Refunded Obligations used to finance the acquisition of certain Workforce Housing Projects. Such Note financing is declared and determined to be important for the feasibility of the Workforce Housing Projects. The Board finds that it is in the best interest of the Authority to issue the Note for the purpose set forth in this resolution. The Authorized Officers, and each of them acting alone, are delegated the discretionary authority to determine which Workforce Housing Projects will be acquired with proceeds of the Note, which of the Refunded Obligations will be refunded with proceeds of the Note, and in either case, in what amounts.

Section 3. Description of the Note. The Note shall be called the Authority’s Workforce Housing Preservation Tax-Exempt Revenue Note, 2021; shall be in a principal amount of not to exceed \$161,500,000; shall be dated its date of delivery; shall be numbered R-1; and shall mature 20 years from its date of delivery (the “Maturity Date”). Each Draw on the Note shall bear interest at a rate of 1.875% per annum, calculated on the basis of a 360-day year of twelve 30-day months.

The interest rate on the Note shall be subject to adjustment upon the occurrence of a Determination of Taxability or an Event of Default (each as defined in the Continuing Covenant Agreement), as described in the Note and the Continuing Covenant Agreement.

Interest on the Note shall be payable quarterly, commencing not later than three months following the date of issue, and thereafter on each payment date specified in the Note, until the Maturity Date or earlier prepayment of the Note in full. The Authority finds that the fixing of the interest rate described herein is in the best interest of the Authority.

The Note shall be subject to redemption at a redemption price equal to par plus accrued interest (a) in whole, upon 30 days' prior notice (or such shorter period acceptable to the Purchaser), and (b) in part, from available Excess Revenues (as defined in the Continuing Covenant Agreement) if such redemption is required or permitted by the terms of the Continuing Covenant Agreement and the Note.

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

The Note and the Continuing Covenant Agreement shall have such other provisions consistent with the purposes of this resolution as are set forth in the Note. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Note. The execution or authentication of the Note by an Authorized Officer shall be conclusive evidence of approval of the terms of the Note as set forth therein.

Section 4. Draws on the Note. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for the Authority, to make one or more Draws on the Note. The Authority may make Draws upon the Note in any amounts during the term of the Note

for the purposes identified above, subject to the terms of the Continuing Covenant Agreement and the Note. No Draw may exceed the total amount of the costs to be paid (or refinanced) from such Draw, and the proceeds of each Draw shall be used promptly to pay (or refinance) 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 Purchaser may agree. Draws on the Note shall be limited to an aggregate amount of \$161,500,000.

Section 5. Note Registrar; Registration and Transfer of the 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 be assigned or transferred by the Purchaser in whole (a) to a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (b) to an affiliate of the Purchaser, or (c) as otherwise agreed by the Purchaser and the Authority. In connection with any assignment or transfer, the Note must be endorsed in the manner provided thereon and surrendered to the Note Registrar, and the assignee or transferee shall deliver to the Authority an executed Certificate of Transferee in the form attached to the Note. The Note Registrar shall not be obligated to exchange or transfer the Note during the five days preceding any interest payment date, prepayment date or the maturity date.

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 and shall be paid in immediately available funds (which may include, without limitation, payments by wire transfer) delivered on or before each payment date, to the Registered Owner appearing on the Note Register on the date payment is delivered in accordance with wire transfer or other instructions provided by the Registered Owner. 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, for destruction or cancellation in accordance with law.

Section 7. Note Fund; Security for the Note. The Note Fund is hereby established as a special fund of the Authority and is to be known as the Workforce Housing Preservation Tax-Exempt Revenue Note Fund, 2021. 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 General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Note when due. This pledge of General Revenues shall be valid and binding from the time when it is made. The General Revenues so pledged and thereafter received by the Authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further action, and lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the parties have notice thereof.

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 of lien with Note. The Authority may also pledge any specific revenues, which otherwise would be General Revenues, to

the payment of other obligations, such payments to have priority over the payments to be made under the Note from General Revenues.

The Authority covenants to create no lien upon, or pledge of, its General Revenues that is senior to the pledge of its General Revenues to the payment of the Note (except as expressly provided above with respect to pledges of specific revenues which would otherwise become General Revenues). In the event that the Authority fails to comply with this covenant, the Purchaser may, at its option, require that the Authority record a deed of trust encumbering the Authority's fee interest in one or more Workforce Housing Projects financed or refinanced with proceeds of Draws on the Note, which deed of trust would secure the Authority's obligation to repay the Note. Notwithstanding the foregoing, any such deed of trust, and the requirement therefor, would be subject to the use restrictions, bond covenants, deed of trust, and other encumbrances then of record with respect to the applicable Workforce Housing Project.

The Note shall not be a debt of the County, the State of Washington or any political subdivision thereof (except the Authority from the source specified herein), and the Note shall so state on its face. Neither the County, the State of Washington nor any political subdivision thereof (except the Authority from the source 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 of the Authority established herein. 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.

Neither the Authority (except to the extent of the pledge of its General Revenues) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Note.

Section 8. Lost, Stolen or Destroyed Note. In case the Note shall be lost, stolen or destroyed after delivery to the Registered Owner, the Note Registrar may execute and deliver a new Note of like date and tenor to the Registered owner upon the Registered Owner filing with the Note Registrar evidence satisfactory to the Note Registrar that such Note was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity reasonably satisfactory to the Authority.

Section 9. Form and Execution of Note. The Note shall be 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 the Executive Director and shall be impressed with the seal of the Authority or shall bear a manual or facsimile thereof. The Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Note bears a Certificate of Authentication manually signed by the Note Registrar stating "This Note is the fully registered Workforce Housing Preservation Tax-Exempt Revenue Note, 2021, of the Authority described in the Note Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. 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 bearing his or her facsimile signature is authenticated or delivered by the Note Registrar or issued by the Authority, the Note nevertheless may be authenticated, issued and delivered 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 notes. 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. Preservation of Tax Exemption for Interest on Note. The Authority covenants that it will take all actions necessary to prevent interest on the Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Note or other funds of the Authority treated as proceeds of the Note at any time during the term of the Note which would cause interest on the Note to be included in gross income for federal income tax purposes. The Authority also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Note, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Note, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Note from being included in gross income for federal income tax purposes.

Section 11. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute and deliver the Continuing Covenant Agreement, the Affordable Housing Covenant Agreements, and such other instruments and agreements as may be necessary or desirable in connection with the sale of the Note to the Purchaser, the issuance of the Note, and the proper use and application of proceeds of the Note. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Note, the Continuing Covenant Agreement, the Affordable Housing Covenant Agreements, 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 Note will be prepared at the Authority's expense and will be delivered to the Purchaser together with the legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding the validity of the Note and the tax-exempt status of interest on the Note.

Section 12. Approval of Transaction. The Purchaser has offered to purchase the Note at a price of par, and to provide \$24,000,000 of grant funding to the Authority, all in accordance with the terms and conditions contained in this resolution and the Proposal Letter, including the payment the fees and expenses of the Purchaser's legal counsel, and any other out-of-pocket costs incurred by the Purchaser, each payable at closing. The Board finds that the Purchaser's offer is in the best interest of the Authority and accepts such offer. Without limiting the generality of the foregoing and the authorization contained elsewhere in this resolution, the Board authorizes the Authorized Officers, and each of them acting alone, to negotiate, approve, execute and deliver a covenant agreement or other use restriction applicable to the Illahee Project.

Section 13. Acting Officers Authorized. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in his absence be taken by a duly authorized Deputy Executive Director of the Authority. Any action authorized by this resolution to be taken by a Deputy Executive Director of the Authority, may in his or her absence be taken by a duly authorized acting Deputy Executive Director of the Authority.

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. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall

be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

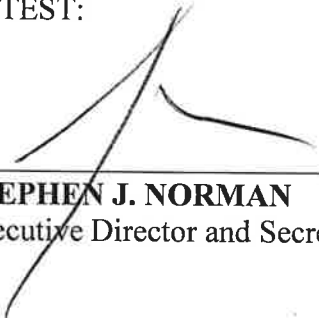
Section 16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 15th DAY OF MARCH, 2021.

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


DOUGLAS J. BARNES, Chair
Board of Commissioners

ATTEST:

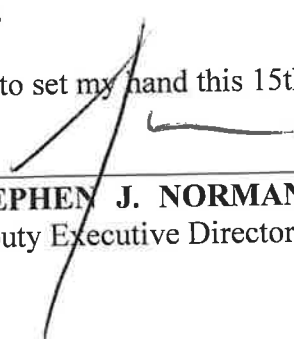

STEPHEN J. NORMAN
Executive Director and Secretary-Treasurer

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 Resolution No. 5679 (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 March 15, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;
2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) [the Meeting was not conducted in person], (b) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (c) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;
3. The public was notified of access options for remote participation in the Meeting via the Authority's website and email to stakeholders; and
4. The 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 the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, 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 March, 2021.



STEPHEN J. NORMAN, Acting Secretary and
Deputy Executive Director of the Authority

CERTIFICATE