

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION 5687

A RESOLUTION OF BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING PROVIDING FOR THE ACQUISITION OF MEMBER INTERESTS IN SOOSETTE CREEK LLC, AND THE ACQUISITION OF THE BIRCH CREEK APARTMENTS, AUTHORIZING THE ASSUMPTION, AMENDMENT AND/OR RESTRUCTURING OF OBLIGATIONS PERTAINING TO THE BIRCH CREEK APARTMENTS INCLUDING, WITHOUT LIMITATION, THE AUTHORITY'S REVENUE BONDS, 2008 (BIRCH CREEK APARTMENTS PROJECT), AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS AND OTHER DOCUMENTS WITH RESPECT TO SUCH ACQUISITION(S) AND/OR ASSUMPTIONS, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

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

Section 1. The Board of Commissioners (the "Board") of the Housing Authority of the County of King (the "Authority") hereby makes the following findings and determinations:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington (the "County").

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects" (RCW 35.82.070(2)); (ii) "make and execute contracts and other instruments" (RCW 35.82.070(1)); and (iii) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040).

(c) The Authority formed Soosette Creek LLC (the "Company") on October 15, 2007, and has served as the Company's managing member at all times. Soosette-Apollo Housing Capital, L.L.C. is the investor member of the Company, and Apollo Housing Manager II, Inc. is the special member of the Company (collectively, the "Non-Managing Members"). Pursuant to a Lease Agreement with the Authority dated April 30, 2008 (the "Lease"), the Company has a leasehold interest in the land and buildings comprising the Birch Creek Apartments, which are located at 27360 129th Place SE, Kent, Washington (the "Project"). The Company has claimed federal low-income housing tax credits ("LIHTCs") with respect to the Project. The compliance period with respect to such LIHTCs has expired, or will expire soon. The Non-Managing Members have expressed their desire to transfer their membership interests to or at the direction of the Authority, or to allow the Authority to acquire the Company's interests in the Project.

(d) The Authority has or may form a Washington limited liability company of which the Authority is, or will be, the sole manager and member or other wholly-owned affiliate (the "Replacement Member").

(e) Pursuant to Resolution No. 5182 of the Board adopted on August 18, 2008, and Trust Indenture dated August 28, 2008 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), the Authority previously issued its \$37,500,000 original principal amount Housing Authority of the County of King Revenue Bonds, 2008 (Birch Creek Apartments Project) (the "Bonds"). The Authority lent the proceeds of the Bonds to the Company pursuant to a Loan Agreement dated August 28, 2008 (the "Bond Loan Agreement"), to finance the acquisition (for federal tax purposes) and rehabilitation of the Project. The Company's obligations under the Bond Loan Agreement are secured by a Third Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Birch Creek Apartments Project – Fixed Rate Bonds) made by the Company for the benefit of the Authority (the "Bond Deed"). The Authority King County, Washington entered into a Contingent Loan Agreement dated August 15, 2008 (the "Contingent Loan Agreement") and the rights of the Authority under the Contingent Loan Agreement and any loans made by the County with respect to the Bonds have been assigned by the Authority the Trustee.

(g) Based on the need to preserve affordable rental housing opportunities within its area of operation, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution.

Section 2. **Acquisition of Membership Interests and Project.** The Authority and the Replacement Member each are authorized to acquire all or any portion of the membership interests of the Non-Managing Members in the Company, whether by gift from such Non-Managing Member(s) or upon payment to such Non-Managing Member(s). The Authority may acquire any Company's leasehold interest in the Project in lieu of (or subsequent to) acquiring the Non-Managing Members' membership interests in the Company, and/ or cause the Company's leasehold interest in the Project to be terminated (or otherwise cause the transfer of the Project to the Authority).

Section 3. **Assignment, Amendment and/or Transfer Documents.** The Executive Director of the Authority, any Deputy Executive Director, and their respective designees (collectively, the "Authorized Officers") and each of them acting alone, are authorized in their discretion to cause the Authority, the Replacement Member and the Company to enter into such transfer agreements, assignment and assumption agreements, amendments to the Operating Agreement of the Company (as previously amended and/or supplemented to date) and other agreements, as are deemed necessary or desirable by any Authorized Officer to properly evidence the transfer of the Non-Managing Member interests to the Authority and/or the Replacement Member, or to evidence the transfer of the Project to the Authority. Without limiting the foregoing authority, the Authority is authorized (acting on its own behalf, as the Replacement Member's manager, and/or as the Company's managing member) to enter into (i) assignment and assumption agreements with any lender that has made a loan to the Company; and (ii) an agreement with the Washington State Housing Finance Commission assuming responsibility for complying with the extended use agreement for the Project. An Authorized Officer's execution of any instrument contemplated by this Section 3 will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority of such terms

Section 4. **Purchase Price and Other Expenditures.** The Authority is authorized (acting on its own behalf, as the Replacement Member's manager, and/or as the Company's managing member) to pay to the Non-Managing Members, the Company, and/or their respective designees, the amount necessary to acquire the Non-Managing Members' interests in the Company, or to acquire the Company's leasehold interest in the Project. In addition to payments authorized pursuant to the

preceding sentence, the Authority is authorized to expend such additional funds as are necessary to pay for all governmental filing fees, application fees, registration fees, real estate excise taxes, Washington State Housing Finance Commission fees, and other costs relating to the actions authorized by this resolution.

Section 5. **Bond Restructuring.** In addition to the authority provided in Section 3 hereof, if the Authority determines to acquire the Company's interest in the Project, the Authority further approves the assignment and assumption by the Authority of the obligations of the Company with respect to the Bonds, including, but not limited to, any obligations of the Company under the Bond Loan Agreement with respect to the Bonds and the Continuing Disclosure Agreement dated as of August 1, 2008, between the Company and The Bank of New York Mellon Trust Company, N.A. (the "Continuing Disclosure Agreement"). The Authorized Officers, and each of them acting alone, are authorized in their discretion to cause the Authority and the Company to enter into such assignment and assumption agreements, and supplements or amendments of the Bond Indenture, the Bond Loan Agreement, the Bond Deed, the Continuing Disclosure Agreement, the Contingent Loan Agreement, and other documents relating to the Bonds as are requested or required by the Trustee, or deemed necessary or desirable by any Authorized Officer, in connection with the assignment and assumption of the Company's obligations with respect to the Bonds. An Authorized Officer's execution of any instrument contemplated by this Section 5 will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority of such terms.

Section 6. **Amended and Operating Agreement; Termination of Company.** If the Authorized Officers, or any of them, determine that it is in the Authority's interests to cause the Company to acquire the Non-Managing Members' interests in the Company, then the Authority is authorized to enter into, and to cause the Company to enter into, an amended and restated operating agreement (the "Operating Agreement") for the Company in a form approved by the Authorized Officer executing the Operating Agreement. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf and as the Replacement Member's manager) to execute and deliver the Operating Agreement. An Authorized Officer's execution of the Operating Agreement will constitute conclusive evidence of his or her approval of the terms thereof and the approval by the Authority (acting on its own behalf and as the Replacement Member's manager) of such terms. Once the Authority and/or the Replacement Member are the only member(s) of the Company, and such transfer has been approved by all relevant lenders and parties with the right to enforce transfer restrictions, the Authorized Officers, and each of them acting alone, are hereby delegated the discretionary authority to cause the Company to transfer the Project to the Authority. Once the Company's interest in the Project is terminated, the Authority shall cause the Company to be unwound and shall cause liquidating distributions to be made by the Company. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any and all documents necessary to liquidate and terminate the Company.

Section 7. **Supplemental Authorization.** The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any affidavits, certificates, letters, documents, agreements, instruments and government forms that such Authorized Officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein. Notwithstanding any other Authority resolution, rule, policy, or procedure,

the Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as managing member of the Company, and as the Replacement Member's manager, as applicable) to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 8. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 9. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may, in such person's absence, be taken by the duly authorized acting Deputy Executive Director of the Authority.

Section 10. 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 THE ANNUAL OPEN PUBLIC MEETING THIS 17TH DAY OF MAY, 2021.

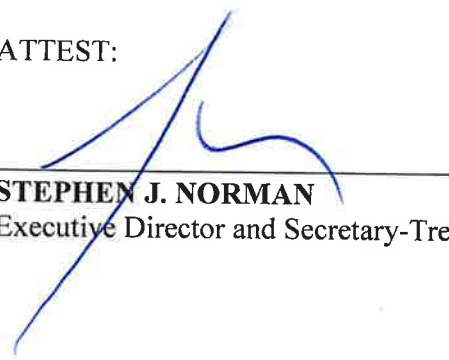
**THE HOUSING AUTHORITY OF THE
COUNTY OF KING**

By:



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 Executive Director and Secretary-Treasurer of the Housing Authority of the County of King (the "Authority"), and keeper of the records of the Authority, CERTIFY:

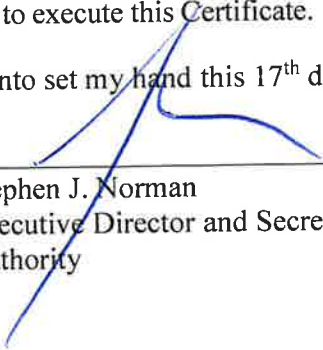
1. That the attached Resolution No. 5687 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 17, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

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) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) 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

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 17th day of May, 2021.



Stephen J. Norman
Executive Director and Secretary-Treasurer of the
Authority