

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

**RESOLUTION NO. 5425**

*(Laurelwood Gardens)*

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of the Laurelwood Gardens project (the “Project”) to the Authority; (ii) the submission to the Washington State Housing Finance Commission of a request for consent to transfer the Project; (iii) the assignment and assumption by the Authority of the obligations of KCHA-Laurelwood Gardens Limited Partnership (the “Partnership”) under the Financing Lease pertaining to the Laurelwood Gardens project and other obligations of the Partnership pertaining to the Authority’s Revenue Bonds, 1997 (Laurelwood Gardens Project) (the “Bonds”); (vi) the subsequent redemption of the Bonds and termination of the leasehold interest of the Partnership in the Project; (iv) the assumption of the other obligations and liabilities of the Partnership with respect to the Project, including without limitation the Family Assistance Program Housing Assistance Payments Contract; (v) the acquisition of the leasehold interest of the Partnership in the Project by the Authority or the interest of the limited partner in the Partnership by the Authority and subsequent dissolution of the Partnership; and (vi) the Executive Director to approve, execute and deliver all documents necessary to effectuate the foregoing.

**WHEREAS**, the Housing Authority of the County of King (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within King County, Washington; and

**WHEREAS**, RCW 35.82.070(2) provides that a housing authority may, among other things, “prepare, carry out, acquire, lease and operate housing projects; . . .” 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

**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;” and

“sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;” and

**WHEREAS**, RCW 35.82.080(1) provides that a housing authority may, among other things, “make and execute contracts and other instruments, . . . necessary or convenient to the exercise of the powers of the authority;” and

**WHEREAS**, the Authority is the general partner of KCHA-Laurelwood Gardens Limited Partnership, a Washington limited partnership (“Partnership”), and National Equity Fund 1997 Limited Partnership, an Illinois limited partnership (“Limited Partner”) is the limited partner; and

**WHEREAS**, the Authority is the fee owner of the real property located at 29505 21<sup>st</sup> Ave. S., Federal Way, King County, Washington (the “Property”), and pursuant to the terms of a Financing Lease between the Authority and the Partnership dated as of November 25, 1997 (the “Lease”), the Partnership has a leasehold interest in that certain 91-unit multi-family apartment complex located on the Property commonly known as Laurelwood Gardens (the “Project”); and

**WHEREAS**, the Project was financed in part with low income housing tax credits (“LIHTC”) and proceeds of the Authority’s Revenue Bonds, 1997 (Laurelwood Gardens Project) (the “Bonds”); and

**WHEREAS**, the Project has been operating as “qualified low income housing” pursuant to Section 42 of the Internal Revenue Service Code (“Code”) and, as such, the Partnership has been receiving LIHTC during the 15-year compliance period pursuant to the Code (“Compliance Period”); and

**WHEREAS**, the Compliance Period for the Project is now expiring; and

**WHEREAS**, the Authority desires to own the Project and continue its operation as affordable low income housing project; and

**WHEREAS**, the Authority has determined that the Limited Partner has received all of the tax and other economic benefits originally anticipated by the Limited Partner; the Limited Partner is willing to transfer its interest in the Partnership (the “Limited Partnership Interests”) to the Authority; and the Authority desires to acquire the interest of the Limited Partner in the Partnership or, in the alternative, the Authority desires to acquire the leasehold interest and the Project; and

**WHEREAS**, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to acquire the leasehold interest of the Partnership in the Project or in the alternative to acquire the Limited Partnership Interests for sole consideration of the assumption of the debt encumbering the Project(the “Debt”); and

**WHEREAS**, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to obtain consents necessary to effect the Authority’s assumption of the Debt, and to negotiate, execute and deliver such documents as may be required in connection with the foregoing, including, without limitation, any loan assumption documents; and

**WHEREAS**, the Authority, in its own capacity and as general partner of the Partnership, desires to take such steps as are reasonably necessary to obtain consent of Solid Ground to the Authority’s assumption of the Partnership’s interest in the Family Assistance Program Housing Assistance Payments Contract (“PHAP Contract”), and to negotiate, execute and deliver such documents as may be required by Solid Ground in connection with the foregoing; and

**WHEREAS**, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Project from the Partnership to the Authority; and

**WHEREAS**, the Authority, in its own capacity and as general partner of the Partnership desires to take such steps as are reasonably necessary to acquire the Limited Partnership Interest, and cause the dissolution of the Partnership upon transfer of the Project to the Authority; and

**WHEREAS**, the Authority, in its own capacity and as general partner of the Partnership desires to take such steps, make such reasonable expenditures, including, but not limited to attorney’s fees and costs, and to ratify all steps already taken, as are reasonably necessary to transfer the leasehold interest and the Project from the Partnership to the Authority; to take such steps that are reasonably necessary to obtain the Commission’s approval of the transfer of the Project from the Partnership to the Authority; cause the Authority to assume the Partnership’s leasehold interest in the Project; cause the Authority to assume the Debt and remaining assets of the Partnership, including the PHAP Contract; cause the Authority to assume the interest of the Limited Partner in the Partnership and cause the dissolution of the Partnership upon transfer of the Project to the Authority.

**WHEREAS**, in the alternative, the Authority, desires to take such steps make such reasonable expenditures, including, but not limited to attorney’s fees and costs, and to ratify all steps already taken, as are reasonably necessary to transfer the Limited Partnership Interests to the Authority; to take such steps that are reasonably necessary to obtain the required consents necessary to transfer the limited partnership interest; and

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**RESOLVED**, that the Authority, in its own capacity and as general partner of the Partnership is authorized, empowered and directed to take such steps that are reasonably necessary to effectuate the transfer of the leasehold interest and the Project from the Partnership to the Authority or in the alternative to acquire the Limited Partnership Interests, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate the Project transfer;

**RESOLVED**, that the Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures, including, but not limited to, attorney's fees and costs necessary or required in conjunction with the transfer of the leasehold interest in the Project from the Partnership to the Authority or in the alternative to acquire the Limited Partnership Interests

**RESOLVED**, that the Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable for (1) the Authority to assume all of the Partnership's obligations with respect to the Debt, including, without limitation, all of the Partnership's obligations under: (a) the Leasehold Deed of Trust, Assignment of Rents and Leases and Security Agreement (Laurelwood Gardens Bonds) (the "Bond Deed of Trust") made as of November 25, 1997, by the Partnership for the benefit of The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company, as trustee for the Bonds (the "Trustee"), (b) the Hazardous Substances Warranty/Indemnity Agreement (Laurelwood Gardens Bonds) (the "Hazardous Substances

Agreement”) dated as of November 1, 1997, made by the Authority and the Partnership for the benefit of the Trustee, (c) the Continuing Disclosure Agreement (the “Disclosure Agreement”) dated as of November 1, 1997, between the Partnership and the Trustee, and (d) any other document entered into in connection with the Bonds (collectively with the Lease, the Bond Deed of Trust, the Hazardous Substances Agreement and the Disclosure Agreement, the “Bond Documents”); and (2) the Partnership to assign to the Authority all of its obligations under the Bond Documents;

**RESOLVED**, that the Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any amendments to the Lease or the other Bond Documents as may be necessary or desirable in connection with the transactions contemplated by this resolution;

**RESOLVED**, that the Executive Director of the Authority is authorized and granted the discretionary authority to give or cause to be given notices of redemption, at the times and in the manner required by the Trust Indenture between the Authority and the Trustee with respect to the Bonds, in order to effect the redemption prior to the maturity of the Bonds, and to provide for the redemption price for such Bonds from funds of the Authority available therefor as the Executive Director shall determine to be in the best interests of the Authority;

**RESOLVED**, that the Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such steps as may be necessary or desirable to obtain consent of the lenders of the Debt or other necessary parties, and to negotiate, execute and deliver such documents as may be required by the lenders of the Debt in connection with the foregoing, including, without limitation, any loan assumption documents;

**RESOLVED**, that the Authority in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such reasonable steps as may be necessary to obtain the consent of Solid Ground to the Authority's assumption of the FHAP Contract, and to negotiate, execute and deliver such documents as may be required by the Solid Ground in connection with the foregoing;

**RESOLVED**, that the Authority in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to take such reasonable steps as may be necessary to obtain the Commission's approval of the transfer of the Project from the Partnership to the Authority, and to negotiate, execute and deliver such documents as may be required by the Commission in connection with the foregoing, including, without limitation, submitting a request to the Commission for the Commission's consent to transfer the Project from the Partnership to the Authority, and paying the requisite transfer fee to the Commission of approximately \$2,500.00;

**RESOLVED**, that any and all documents in connection with the foregoing, which are authorized to be executed by or on behalf of the Authority, in its own capacity and as general partner of the Partnership, are authorized to be executed by the Executive Director of the Authority;

**RESOLVED**, that the Executive Director of the Authority, is authorized, empowered and directed to take such further action on behalf of the Authority, in its own capacity and as general partner of the Partnership, to cause to be done all other acts and to take all further steps and actions, and to deliver all agreements, documents and instruments, and make such reasonable expenditures, as the Executive Director of the Authority, shall deem necessary or desirable to carry out the foregoing resolutions; and

**RESOLVED**, that all steps or actions heretofore taken and/or documents heretofore executed with respect to the foregoing by the Authority, in its own capacity and as general partner of the Partnership, as contemplated the transactions herein are hereby ratified and affirmed.

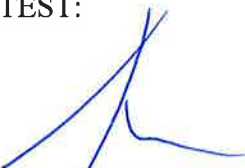
**RESOLVED**, that any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person may be taken by a duly authorized acting Deputy Executive Director of the Authority.

Adopted at a meeting of the Board of Commissioners of the Housing Authority of the County of King this 18<sup>th</sup> day of March 2013.

**HOUSING AUTHORITY OF  
THE COUNTY OF KING**

  
**Doug Barnes, Chair**  
Board of Commissioners

ATTEST:

  
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**Stephen J. Norman, Secretary**