

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5504

A RESOLUTION Authorizing the Executive Director to establish a \$50,000,000 Line of Credit with KeyBank for general development purposes and related actions including the issuance of the Authority's Revolving Line of Credit Revenue Notes, 2015; authorizing the execution and delivery of the notes and related documents; creating a note fund; and approving the sale of the notes to KeyBank National Association.

Adopted April 20, 2015

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 35.82.020(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 35.82.040 provides that a housing authority may 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 (the "Board") finds it necessary and advisable and in the best interest of the Authority to borrow money to finance and/or refinance the acquisition, construction and rehabilitation of housing and related facilities, and to pay costs of issuing the Notes (as hereinafter defined); and

WHEREAS, KeyBank National Association (the "Bank") has offered to extend a line of credit evidenced by two revolving line of credit notes of the Authority on the terms set forth in this resolution to provide money for such bridge financing; 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:

“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.

“Bank” means KeyBank National Association, or an affiliate thereof, as registered owner of the Notes.

“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.

“Draws” means incremental draws upon the Notes.

“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 Notes 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.

“LIBOR” shall have the meaning set forth in the Notes.

“Note Fund” means the Authority’s Revolving Line of Credit Revenue Note Fund, 2015, created by this resolution for the purpose of paying principal of and interest on the Notes.

“Note Register” means the books or records maintained by the Note Registrar containing the name and mailing address of the registered owner of the Notes.

“Note Registrar” means the Executive Director of the Authority.

“Notes” means, together, the Taxable Note and the Tax-Exempt Note

“Project” means, depending on the context, (1) the acquisition, construction and/or rehabilitation of housing and related facilities; or (2) the housing and related facilities so acquired, constructed and/or rehabilitated.

“Proposal Letter” means the proposal letter with respect to the Notes provided to the Authority by KeyBank National Association, as it may be amended or supplemented.

“Taxable Note” means the Authority’s Revolving Line of Credit Revenue Note, 2015 (Taxable).

“Taxable Rate” means the rate per annum equal to LIBOR for a one-month period plus 0.95%.

“Tax-Exempt Note” means the Authority’s Revolving Line of Credit Revenue Note, 2015 (Tax-Exempt).

“Tax-Exempt Project” means the acquisition, construction and/or rehabilitation by the Authority of housing and related facilities, but specifically excluding the making of loans to non-governmental entities or the financing of housing or related facilities to be used in the trade or business of non-governmental entities unless the Authority has received written confirmation from its Bond Counsel to the effect that use of proceeds of Draws on the Tax-Exempt Note for such purpose will not cause interest on Draws on the Tax-Exempt Note to be included in gross income for federal income tax purposes.

“Tax-Exempt Rate” means the rate per annum equal 65.01% of the sum of LIBOR for a one-month period plus 1.23%.

Section 2. Authorization and Description of Notes. For the purpose of providing funds with which to finance or refinance all or part of the costs of the Project, including the Tax-Exempt Project, and to pay costs of issuing and interest on the Notes, the Authority may borrow money from time to time pursuant to a line of credit extended by the Bank under the terms of this resolution and the Proposal Letter, and shall issue the Notes in a combined principal amount of not to exceed \$50,000,000 at any one time outstanding.

The Notes shall be issued in registered form; shall be dated as of the date of delivery of the Notes to the Bank; and shall mature on the the date that is two years from the date of initial delivery of the Notes, unless extended in accordance with Section 3 (the “Maturity Date”).

The Authority may make Draws upon the Notes in any amount on any business day during the term of the Notes for the Note purposes identified above, subject to the terms of the Proposal Letter, and except that Draws on the Tax-Exempt Note shall be made only to pay costs of the Tax-Exempt Project and to pay interest on the Tax-Exempt Note and costs of issuing the Tax-Exempt Note. No Draw may exceed the total amount of the costs to be paid from such Draw, and the proceeds of each Draw shall be used immediately to pay those costs, or to reimburse the Authority for such costs paid by the Authority (except that proceeds of Draws on the Tax-Exempt Note may only be used to reimburse the Authority if such costs were paid no earlier than 60 days prior to the date of that Draw, or for costs incurred prior to that date to the extent such costs represent “preliminary expenditures” or are the subject of an “official declaration of intent to reimburse” as described in federal regulations under Section 147(f) of the Code). Draws shall be recorded in such form as the Authority and the Bank may agree. Draws

on the Notes shall be limited to an aggregate principal amount of \$50,000,000 outstanding at any one time.

Each Draw on the Tax-Exempt Note shall bear interest at the Tax-Exempt Rate, subject to adjustment upon default as set forth in the Proposal Letter and the Tax-Exempt Note. Each Draw on the Taxable Note shall bear interest at the Taxable Rate, subject to adjustment upon default as set forth in the Proposal Letter and the Taxable Note. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the principal amount of the Draw outstanding on the basis of a 360-day year for the actual number of days the principal amount of the Draw is outstanding.

Interest on the Notes shall be payable quarterly in arrears as set forth in the Notes. Draws may be used for the purpose of making interest payments on the Notes; provided, however, that Draws on the Tax-Exempt Note shall not be used to pay interest on the Taxable Note. Principal of the Notes, together with all accrued and unpaid interest thereon, is payable on the Maturity Date.

If the Notes are not paid when properly presented at their Maturity Date, the Authority shall be obligated to pay interest on the Notes at the applicable rates of interest thereon from and after the Maturity Date until the Notes, both principal and interest, are paid in full.

Section 3 Authorization for Extension and Modification of Notes. The Executive Director is authorized, without further action of the Board but with the consent and approval of the Bank, to extend the Maturity Date of the Notes beyond the Maturity Date specified in Section 2 to any date on or before December 31, 2022, and to modify the interest rate formulae applicable to Draws on the Notes, if the Executive Director determines that such extension and/or modification is in the best interest of the Authority, all as long as no other terms of the

Notes or this resolution are revised. The Executive Director is authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and modification of interest rate formulae. The Executive Director's execution of documents in connection with the modification or extension of the Notes as described herein will constitute conclusive evidence of his or her approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

Section 4. Designation of Officers to Make Draws. The Board authorizes the Executive Director or his or her designee to make Draws against the Notes in such amounts, at such times as he or she may determine hereafter, those Draws to be made in accordance with the terms and provisions set forth herein and in the Proposal Letter.

Section 5. Note Registrar; Registration and Transfer of the Notes. The Executive Director of the Authority shall serve as Note Registrar for the Notes. 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 Notes (the "Note Register"), which shall contain the name and mailing address of the registered owner of the Notes. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Notes in accordance with the provisions of the Notes and this resolution, to serve as the Authority's paying agent for the Notes and to carry out all of the Note Registrar's powers and duties under this resolution.

The Notes shall be issued only in registered form as to both principal and interest and recorded on the Note Register. The Notes may not be transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Note, in whole, to a successor to the business and assets of

the Bank, to an affiliate of the Bank or to another financial institution that is a “qualified institutional buyer” or an “accredited investor” as defined in the Securities Act of 1933 and the regulations thereunder, in any such case upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Note.

Section 6. Place, Manner and Medium of Payment. Both principal of and interest on the Notes shall be payable in lawful money of the United States of America solely out of the Note Fund. Payment of interest on each interest payment date, and of principal at maturity or prepayments of principal, shall be paid by check or draft of the Authority mailed or by immediately available funds delivered on or before each interest payment date or the maturity or prepayment date to the registered owner at the address appearing on the Note Register on the last day of the month preceding the payment date. Upon the final payment of principal of and interest on the Notes, the registered owner shall surrender the Notes at the principal office of the Note Registrar in Tukwila, Washington, for destruction or cancellation in accordance with law.

Section 7. Optional Prepayment of the Notes. The Authority reserves the right to prepay all or a portion of the principal of the Notes at any time, subject to the payment of break-funding fees as set forth in the Proposal Letter and the Notes. Written notice to the Bank of any intended prepayment or redemption of the Notes shall not be required. Interest on the Notes or the portion thereof so prepaid shall cease to accrue on the date of such prepayment. Principal may be reborrowed until the Maturity Date.

Section 8. Note Fund; Security for the Notes. The Note Fund is created as a special fund of the Authority and is to be known as the Revolving Line of Credit Revenue Note Fund, 2015. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest

on the Notes. The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Notes when due.

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 with payments on the Notes. At its option, the Authority may pledge any portion of the General Revenues to the payment of other obligations of the Authority, such payments to have priority over the payments to be made on the Notes with respect to that portion of the General Revenues so pledged.

The Notes shall not be a debt of King County, the State of Washington or any political subdivision thereof, and the Notes shall so state on their face. Neither King County, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the Notes nor in any event shall principal of and interest on the Notes be payable out of any funds other than the Note Fund. The owner of the Notes 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 Notes. The Authority has no taxing power.

None of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Notes.

Section 9. Form and Execution of Notes. The Notes shall be prepared 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 Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

of the Authority treated as proceeds of the Tax-Exempt Note at any time during the term of the Tax-Exempt Note which would cause interest on the Tax-Exempt 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 Tax-Exempt Note, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt 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. Proposal Letter Reporting Requirements; Covenants. The Authority covenants and agrees for so long as the Notes remain outstanding, and unless otherwise waived by the Bank, to deliver to the Bank the financial information and statements described in the Proposal Letter and to maintain a minimum Debt Service Coverage Ratio as set forth in the Proposal Letter.

Section 12. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Notes, the Proposal Letter (including the covenants set forth therein), this resolution, any loan agreement entered into in connection with the Notes between the Authority and the Bank (the "Loan Agreement"), and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Notes. The appropriate Authority officials are authorized and directed to do everything necessary for the issuance, execution and delivery of the Notes. The Chair of the Board and

Executive Director of the Authority are authorized to execute the Notes, the Executive Director of the Authority, as Note Registrar, is authorized to authenticate the Notes, and the Executive Director of the Authority is authorized to execute the Loan Agreement and any other documents reasonably required to be executed in connection with the issuance of the Notes and to ensure the proper use and application of the proceeds of the Notes, and to effect any extension of the maturity or modification of the Notes as described in Section 3.

The Notes will be prepared at the Authority's expense and will be delivered to the Bank together with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Notes.

Section 13. Approval of Transaction. The Bank has offered to purchase the Notes at a price of par, under the terms and conditions contained in this resolution and the Proposal Letter, including the payment of fees and expenses of the Bank's legal counsel and an unused commitment fee to the Bank. The Board finds that the Bank's offer is in the best interest of the Authority and accepts such offer, and covenants that it will comply with all terms and conditions of the Proposal Letter.

Section 14. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or a Deputy Executive Director of the Authority, respectively.

Section 15. 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.

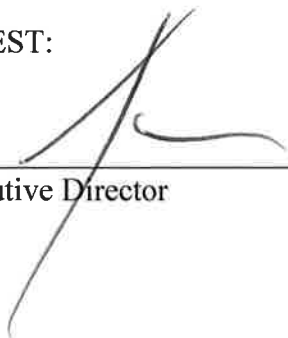
Section 16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this 20th day of April, 2015.

HOUSING AUTHORITY OF THE COUNTY OF KING

By:  _____
Chair

ATTEST:



Executive Director

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting 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. 5504 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners (the "Board") of the Authority, as adopted at a regular meeting of the Authority held on April 20, 2015, and duly recorded in the minute books of the Authority.

2. That such 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 such meeting was given; 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 20th day of April, 2015.



Executive Director of the Authority