

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5540

(Project Transfer Resolution – Arbor Heights Apartments)

A RESOLUTION of the Housing Authority of the County of King (the “Authority”) authorizing (i) the transfer of the Arbor Heights Apartments project (the “Project”) to the Authority through the acquisition of the interests of the limited partners of the Partnership by 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 the Partnership with respect to the Project; (iv) the approval, execution and delivery of all documents necessary to effectuate the foregoing; and (v) determining related matters.

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, 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 Authority is the general partner of KCHA-Cones Limited Partnership, a Washington limited partnership (the “Partnership”), and John Hancock Corporate Tax Credit Fund VIII Limited Partnership, a Massachusetts limited partnership (“Investment Limited Partner”), and John Hancock Realty Management, Inc., a Delaware corporation, (“Special Limited Partner,” together with the Investment Limited Partner, the “Limited Partner”); are the limited partner; and

WHEREAS, the Partnership holds fee title to the real property located at 11603 First Avenue South, Seattle, King County, Washington (the “Property”), and that certain 97-unit multi-family apartment complex for low-income households located on the Property now commonly known as Arbor Heights Apartments (the “Project,” and together with the Property, the “Premises”); and

WHEREAS, the Project was further financed with low income housing tax credits (“LIHTC”); 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 compliance period pursuant to the Code (“Compliance Period”); and

WHEREAS, the Compliance Period for the Project has or will soon expire; and

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

WHEREAS, the Authority has determined that the Limited Partner is willing to transfer its interest in the Partnership (the “Limited Partnership Interests”) to the Authority; and it is in the best interest of the Authority to acquire such Limited Partnership Interests and/or to acquire the Partnership’s interest in the Premises, resulting in a transfer of the Premises 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 Interests and/or to acquire the interest of the Partnership in the Premises, for consideration of the assumption of the debt encumbering the Project pursuant to Exhibit A (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 effectuate 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, Partnership interest transfer agreement, amendments to the Partnership Agreement, Indemnities, and Guaranties; and

WHEREAS, the Washington State Housing Finance Commission (“Commission”) must approve the transfer of the Premises from the Partnership to the Authority.

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

Section 1. Approval of Transfer of Premises and/or Limited Partnership Interests. 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 acquire the Limited Partnership Interests with respect to the Partnership, to effectuate the transfer of the Premises

from the Partnership to the Authority, and to negotiate, execute, and deliver such documents as may be reasonably required to effectuate such transfer.

Section 2. Authorization of Assignment and Assumption. 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 the Authority to assume all of the Partnership's obligations with respect to the Debt; and 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 from the lenders of the Debt or other necessary parties, and to negotiate, execute and deliver such documents as may be required of such parties in connection with the foregoing, including, without limitation, any loan assumption documents, Partnership interest transfer agreement, amendments to the Partnership Agreement, Indemnities, and Guaranties.

Section 3. Authorization to Forgive or Pay Off Debt. The Authority, acting at the discretion of the Executive Director, is authorized, empowered and directed to take such steps as may be deemed in the best interest of the Authority to repay or forgive any portion of the Debt encumbering the Property.

Section 4. Commission Approval. 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 to obtain the Commission's approval of the transfer of the Premises 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 Premises from the Partnership to the Authority, and paying any transfer fee required by the Commission.

Section 5. Documents to be Executed by Executive Director. Any and all documents contemplated by this resolution which are authorized to be executed by or on behalf of the Authority, in its own capacity or as general partner of a Partnership, are authorized to be executed by the Executive Director of the Authority.

Section 6. Governmental Filings; Other Agreements. The Executive Director is further authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority, in its own capacity and as general partner of the Partnership, any government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transaction contemplated herein.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may be taken by a Deputy Executive Director of the Authority.

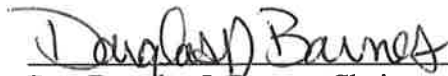
Section 8. Expenditures. The Authority, in its own capacity and as general partner of the Partnership, is authorized, empowered and directed to make any reasonable expenditures, including, but not limited to, attorney's fees and costs necessary or required in conjunction with actions authorized by this resolution.

Section 9. 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 10. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

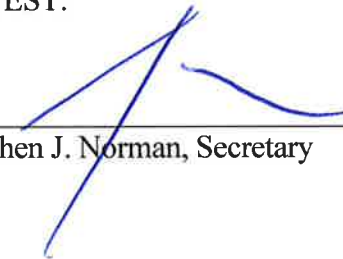
ADOPTED by the Board of Commissioners of the Housing Authority of the County of King at an open public meeting this __25th__ day of ___July___, 2016.

HOUSING AUTHORITY OF THE COUNTY OF KING



By: Douglas J. Barnes, Chair
Board of Commissioners

ATTEST:



Stephen J. Norman, Secretary

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. 5540 (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 __July 25th __, 2016, 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; 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 __25th__ day of __July__, 2016.



Secretary-Treasurer and Executive Director of the Authority

EXHIBIT A

- Loan from Housing Authority of King County in the original principal sum of \$3,755,000;
- Loan from Washington State Department of Commerce in the original principal sum of \$775,000;
- Weatherization Loan from Housing Authority of King County in the original principal sum of \$238,000;
- Loan from King County Department of Community and Human Services in the original principal sum of \$775,000.