

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5592

(Highland Village and Somerset Gardens)

A RESOLUTION of the Housing Authority of the County of King authorizing a modification to the previously-approved financing structure for the Highland Village and Somerset Gardens rental housing projects.

ADOPTED March 19, 2018

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RESOLUTION NO. 5592

(Highland Village and Somerset Gardens)

A RESOLUTION of the Housing Authority of the County of King authorizing a modification to the previously-approved financing structure for the Highland Village and Somerset Gardens rental housing projects.

WHEREAS, pursuant to Resolution No. 5577 of the Housing Authority of the County of King (the "Authority") adopted December 7, 2017, the Authority was authorized, in part, to obtain construction, permanent, subordinate and seller financing to finance the acquisition, rehabilitation and construction of the Highland Village Project;

WHEREAS, pursuant to Resolution No. 5579 of the Authority, adopted December 7, 2017, the Authority was authorized, in part, to obtain construction, permanent, subordinate and seller financing to finance the acquisition, rehabilitation and construction of the Somerset Gardens Project;

WHEREAS, pursuant to Resolution No. 5585 of the Authority, adopted February 26, 2018, the Authority was authorized, in part, to consolidate the ownership of the Highland Village Project and the Somerset Gardens Project into a single partnership in order to obtain more favorable terms on the investment to be made by the tax credit investor limited partner;

WHEREAS, as a result of negotiations with the tax credit investor limited partner and various public funders, the Authority has concluded that it is in the best interest of the parties to modify portions of the original financing structures as previously authorized in Resolution Nos. 5577 and 5579;

WHEREAS, with respect to the financing for the Highland Village Project, the Authority desires to (i) increase the amount of the Subordinate Loan (as defined in Resolution No. 5577) from approximately \$16,000,000 to approximately \$27,000,000, or such other amount as the Authority reasonably determines is necessary to acquire, rehabilitate, and construct the Highland Village Project, after taking into account all other sources of available funds, if any, for such purposes; (ii) decrease the amount of Seller Financing and Deferred Development Fee (as defined in Resolution No. 5577) by an

amount yet to be determined by the Authority; and (iii) use the proceeds of the Soft Loans (as defined in Resolution No. 5577) to fund, in part, the Subordinate Loan to the Partnership (as re-defined in Resolution No. 5585);

WHEREAS, with respect to the financing for the Somerset Gardens Project, the Authority desires to (i) increase the amount of the Subordinate Loan (as defined in Resolution No. 5579) from approximately \$8,500,000 to approximately \$14,500,000, or such other amount as the Authority reasonably determines is necessary to acquire, rehabilitate, and construct the Somerset Gardens Project, after taking into account all other sources of available funds, if any, for such purposes; and (ii) decrease the amount of Seller Financing and Deferred Development Fee (as defined in Resolution No. 5579) by an amount yet to be determined by the Authority;

WHEREAS, the Board of Commissioners of the Authority has determined that it is in the best interest of the Authority to provide supplemental authority to permit the foregoing modifications to the financing for the Highland Village Project and Somerset Gardens Project; and

WHEREAS, the Authority wishes to undertake any and all steps as may be necessary to accomplish the foregoing.

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

Section 1. Modification to Financing for the Highland Village Project. The Authority is authorized and directed to (i) increase the amount of the Subordinate Loan (as defined in Resolution No. 5577) from approximately \$16,000,000 to approximately \$27,000,000, or such other amount as the Authority reasonably determines is necessary to acquire, rehabilitate, and construct the Highland Village Project, after taking into account all other sources of available funds, if any, for such purposes; (ii) decrease the amount of Deferred Development Fee (as defined in Resolution No. 5577) by an amount yet to be determined by the Authority; and (iii) use the proceeds of the Soft Loans (as defined in Resolution

No. 5577) to fund, in part, the Subordinate Loan to the Partnership (as re-defined in Resolution No. 5585).

Section 2. Modification to Financing for the Somerset Gardens Project. The Authority is authorized and directed to (i) increase the amount of the Subordinate Loan (as defined in Resolution No. 5579) from approximately \$8,500,000 to approximately \$14,500,000, or such other amount as the Authority reasonably determines is necessary to acquire, rehabilitate, and construct the Somerset Gardens Project, after taking into account all other sources of available funds, if any, for such purposes; and (ii) decrease the amount of Deferred Development Fee (as defined in Resolution No. 5579) by an amount yet to be determined by the Authority.

Section 3. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of Somerset Gardens Apartments LLLP) to execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, development, financing, construction, rehabilitation, and leasing of the Somerset Gardens Project and/or the Highland Village Project. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of Somerset Gardens Apartments LLLP, as applicable) to fulfill the Authority's duties and obligations, and cause Somerset Gardens Apartments LLLP to fulfill such partnership's duties and obligations under the various transaction documents.

Section 4. No Other Changes. Except as modified by this resolution, all other provisions of Resolution Nos. 5577, 5579, and 5585 of the Authority shall remain in full force and effect.

Section 5. 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 6. 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 7. 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 thereof, of which due notice was given as provided by law, this 19th day of March, 2018.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: Douglas J. Barnes
Douglas J. Barnes, Chair

ATTEST:

Stephen J. Norman, Secretary

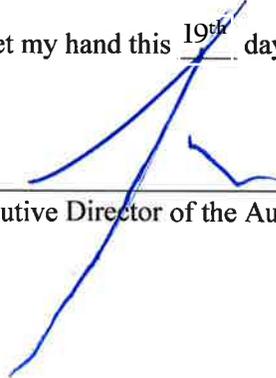
CERTIFICATE

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. 5592 (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 meeting of the Authority held on March 19th, 2018, 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 19th day of March 2018.



Executive Director of the Authority