



Housing Authority of the City of Bellingham

Notice of Special Board Meeting
Bellingham Housing Authority Board of Commissioners
September 13, 2021

Location: Conference Call

In conformance with Governor's Proclamation 20-28

1:00PM

AGENDA

A. ROLL CALL/QUORUM

B. ACTION ITEMS

1. Authorize the Lease of Property and Loans to Samish Way Senior Housing LLLP and Approving the Execution and Delivery of Documents
(Thane, 10 minutes)
Approve Resolution 2728
2. Authorize the Lease of Property and Loans to Samish Way Family Housing LLLP and Approving the Execution and Delivery of Documents
(Thane, 10 minutes)
Approve Resolution 2729
3. Authorize Issuance of a Revenue Bond to Make a Loan to Samish Way Family Housing LLLP
(Thane, 10 minutes)
Approve Resolution 2730

C. ADJOURNMENT

The Bellingham Whatcom County Housing Authority Board of Commissioners will meet electronically on Monday, September 13, 2021. Due to COVID-19 and Governor's Proclamation 20-28, Board Members and the public will only be able to attend this meeting via zoom at this time.

Meeting Information

Webinar ID: 868 2734 6793

[Click Here to Join on Computer, Tablet, or Smart Phone](#)

(data rates may apply)

To Join via Phone:

(phone service provider rates may apply)

(253) 215-8782 (Tacoma); (206) 337-9723 (Seattle)

(669) 900-6833 (Portland); (971) 247-1195 (Phoenix); (346) 248-7799 (San Jose)

HOUSING AUTHORITY OF THE CITY OF BELLINGHAM

RESOLUTION NO. 2728

(Samish Way Senior Housing LLLP)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Bellingham authorizing the lease of Authority property to Samish Way Senior Housing LLLP, authorizing financing to Samish Way Senior Housing LLLP, approving the execution and delivery of documents relating to the acquisition, construction and operation of an affordable rental housing project within the City of Bellingham, Washington, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF BELLINGHAM as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Bellingham (the “Authority”) finds and determines that:

(a) Statutory Authorization. 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; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 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.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Samish Way Senior Housing LLLP (the “Partnership”) to be formed by filing a certificate of limited partnership with the Washington Secretary of State on July 24, 2019, and executing a Limited Partnership Agreement with the Housing Authority of Whatcom County (“HAWC”). RBC-Samish II Way, LLC (the “Investor Limited Partner”) and RBC Community Investments Manager II, Inc., as the Special Limited Partner (the “Special Limited Partner”) are willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor Limited Partner and the Special Limited Partner as limited partners of the Partnership, it is necessary to amend and restate the Partnership’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns land located at 321 North Samish Way in Bellingham, Washington, upon which the Authority has imposed a condominium structure known as

Samish Way, a Condominium (the “Condominium”). The Partnership intends to develop a 53-unit rental housing project in Unit 5 of the Condominium, along with associated office, commercial/services, and parking and podium improvements in Units 2, 3 and 4 of the Condominium (the “Project”). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to develop the Project to provide housing for low-income persons. In connection with the financing for the Project, the Authority will lease the land to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership’s interest in the Project at the end of the 15-year low-income housing tax credit “compliance period.”

(d) Sources of Financing. The total cost of financing the Project is anticipated to be approximately \$27,000,000, which will be financed by the Partnership with numerous sources of public and private funds, including: a loan in the approximate amount of \$14,000,000 from Banner Bank (the “Bank”), of which \$10,550,000 is expected to be repaid with capital contributions from the Investor Limited Partner; a loan from the Authority in the approximate amount of \$1,425,000; a capital contribution from the Authority in the approximate amount of \$5,715,000; a loan in the approximate amount of \$1,750,000 from the Washington State Department of Commerce (“Commerce”); a loan in the approximate amount of \$2,477,250 from the City of Bellingham; capital contributions in the approximate amount of \$12,130,016 from the Investor Limited Partner; and rental income from the Project.

(e) Section 8 Rental Assistance. The Authority intends to allocate project-based vouchers to cover 27 of the units at the Project.

(f) Resolution of Need. By a resolution adopted by the City Council of the City of Bellingham on April 3, 1945, said city council declared a need for the Authority to function within the City of Bellingham.

(g) Additional Findings. The Board finds and determines that the Apartment Complex likely would not be constructed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor Limited Partner committed to make capital contributions to the Partnership. The Board further finds that the loans to be made by the Authority are important for the feasibility of the Project. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority’s Executive Director, the Director of Asset Development and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the “Transaction Documents”) in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer’s signature on a Transaction

Document shall be construed as the Authority's approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacity as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Approval of Housing Authority Loans; Capital Contribution. The Authority is authorized to lend to the Partnership up to \$1,425,000 of available Authority funds, all pursuant to the Transaction Documents listed in Exhibit A under the heading "Housing Authority Loan Documents" (collectively, the "Housing Authority Loan Documents") and to make a capital contribution to the Partnership in the amount of up to \$5,715,500 from available Authority funds pursuant to the Partnership Agreement (as defined in Exhibit A). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents and the capital contribution of the Authority under the Partnership Agreement.

Section 4. Approval of Real Estate Encumbrances. In the furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Project and the land on which the Project is located, all improvements located on such land, and the Authority's interest in all personal property located on such land and in such improvements (the "Project Lease"); (ii) encumber the Authority's interests in the Project (including its fee interest therein) pursuant to the covenant agreements, regulatory agreements, the extended use agreements, and other encumbrances that are Transaction Documents; and (iii) cause the Partnership to encumber the Partnership's interests in the Project (including its leasehold interest therein) and certain other property of the Partnership pursuant to the encumbrances that are Transaction Documents. The Project also contains commercial units. Following execution of the Project Lease, the Partnership may, as determined by the Authorized Officers, lease back the commercial unit(s) to the Authority pursuant to a lease agreement at a base rental rate, term and renewal options consistent with Authority expectations.

Section 5. Tax Credit Documents. 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 the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation: the filing of one or more applications with the Washington State Housing Finance Commission (the "Commission"); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants.

Section 6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights, if any, under construction contracts, architect's contracts, the geotechnical consultant contracts and other development contracts, as such rights pertain to the construction of the Project, (ii) assigning to the Partnership the Authority's rights under leases, rents, operating contracts and intangibles relating to the Project, and (iii) assigning to lenders and others the Partnership's interests in such contracts.

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 or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) 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, rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 8. Execution of Duties and Obligations. 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 the general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 9. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an aggregate amount up to \$1,000,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by or contributed to the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution for all loans and capital contributions by the Authority to the Partnership.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or the Director of Asset Development of the Authority may, in such person's absence, be taken by the acting Executive Director of the Authority and their respective designees, respectively.

Section 11. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 12. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership and the selection of the Investor Limited Partner) are ratified and confirmed.

Section 13. 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 City of Bellingham at an open public meeting held on September 13th, 2021.

HOUSING AUTHORITY OF THE CITY
OF BELLINGHAM

Chair, Board of Commissioners

ATTEST:

Secretary

EXHIBIT A
TRANSACTION DOCUMENTS

“Partnership Documents”

- Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, the Investor Limited Partner, the Special Limited Partner and WHA;
- Development Agreement between the Partnership and the Authority;
- Purchase Option and Right of First Refusal Agreement between the Partnership and the Authority, and consented to by the Limited Partner;
- Tax representation letter from the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Credit Reservation and Carryover Allocation Contract between the Partnership and the Commission;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- PBV Agreement to Enter into Housing Assistance Payments Contract and Rider between the Authority and the Partnership;
- Property Management Agreement between the Partnership and Indigo Real Estate Services, Inc.;

“Bank Loan Documents”

- Construction and Term Loan Agreement between the Partnership and the Bank;
- Promissory Note by the Partnership payable to the Bank;
- Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing from the Partnership in favor of the Bank;
- Landlord’s Consent and Subordination Agreement among the Authority, the Partnership and the Bank;
- Replacement Reserve and Security Agreement between the Partnership and the Bank;
- Assignment of Construction Contracts and Permits by the Partnership and Dawson Construction, LLC, in favor of the Bank;
- Assignment of Architect Contract and Plans by the Partnership and RMC Architects, PLLC, in favor of the Bank;
- Assignment of Rights Under Development Agreement by the Partnership and acknowledged by the Authority in favor of the Bank;
- Assignment of Rights Under Management Agreement (and Subordination by Property Manager) by the Partnership and acknowledged by Indigo Real Estate Services, Inc., in favor of the Bank;

- Hazardous Waste Warranty and Indemnification Agreement between the Partnership and the Authority;
- Commercial Guaranty by the Authority;
- Assignment of Agreement to Enter into Housing Authority Payments Contract by the Partnership in favor of the Bank, and Consent to Assignment of AHAP Contract as Security for Financing, executed by the Authority in its capacity as Contract Administrator;
- UCC-1 Financing Statement naming the Partnership and the Authority, as debtors, and the Bank, as secured party;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- Promissory Note by the Partnership payable to the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan) from the Partnership in favor of the Authority;
- Regulatory Agreement between the Authority and the Partnership;
- Hazardous Substances Warranty/Indemnity Agreement from the Partnership in favor of the Authority;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the City of Bellingham, Commerce, the Bank, and the Commission;
- Condominium documents;

“City Loan Documents”

- Funding Agreement executed by the Partnership and the City of Bellingham;
- Promissory Note by the Partnership payable to the City of Bellingham;
- Leasehold Deed of Trust from the Partnership in favor of the City of Bellingham;
- Landlord’s Consent and Subordination Agreement executed by the Authority in favor of the City of Bellingham;
- Low Income Housing Covenant executed by the Partnership in favor of the City of Bellingham;

“Commerce Loan Documents”

- Specific Terms and Conditions HOME Program Contract executed by the Authority and Commerce;
- Assignment, Assumption and Consent Agreement by the Authority and the Partnership in favor of Commerce;
- Leasehold Deed of Trust from the Partnership in favor of Commerce; and
- Low Income Housing Covenant Agreement executed by the Partnership in favor of Commerce.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Bellingham (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 2728 (the "Resolution") is a true and correct copy of the resolution of the Authority's Board of Commissioners, as adopted at a regular meeting of the Board held on September 13th, 2021, and duly recorded in the Authority's minute books.

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 on _____, 2021.

HOUSING AUTHORITY OF THE CITY
OF BELLINGHAM

Brien Thane, Executive Director

HOUSING AUTHORITY OF THE CITY OF BELLINGHAM

RESOLUTION NO. 2729

(Samish Way Family Housing LLLP)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Bellingham authorizing the lease of Authority property to Samish Way Family Housing LLLP, authorizing loans to Samish Way Family Housing LLLP, approving the execution and delivery of documents relating to the acquisition, construction and operation of an affordable rental housing project within the City of Bellingham, Washington, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF BELLINGHAM as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Bellingham (the “Authority”) finds and determines that:

(a) Statutory Authorization. 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; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 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.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Samish Way Family Housing LLLP (the “Partnership”) to be formed by filing a certificate of limited partnership with the Washington Secretary of State on July 23, 2019, and executing a Limited Partnership Agreement with the Housing Authority of Whatcom County (“HAWC”). RBC-Samish Way, LLC (the “Investor Limited Partner”) and RBC Community Investments Manager III, Inc., as the Special Limited Partner (the “Special Limited Partner”) are willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor Limited Partner and the Special Limited Partner as limited partners of the Partnership, it is necessary to amend and restate the Partnership’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns land located at 1331 East Laurel Street in Bellingham, Washington, upon which the Authority has imposed a condominium structure known as

Samish Way, a Condominium (the “Condominium”). The Partnership intends to develop a 49-unit rental housing project in Unit 7 of the Condominium, along with associated office, commercial/services, and parking and podium improvements in Units 6 and 8 of the Condominium (the “Project”). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to develop the Project to provide housing for low-income persons. In connection with the financing for the Project, the Authority will lease the land to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership’s interest in the Project at the end of the 15-year low-income housing tax credit “compliance period.”

(d) Sources of Financing. The total cost of financing the Project is anticipated to be approximately \$26,000,000, which will be financed by the Partnership with numerous sources of public and private funds, including: a loan in the approximate amount of \$13,700,000 tax-exempt bond financing and related loan from Banner Bank (the “Bank”), of which \$10,000,000 is expected to be repaid with capital contributions from the Investor Limited Partner; a loan from the Authority in the approximate amount of \$7,050,000; recoverable grants and loans in the approximate amount of \$1,400,000 from Whatcom County (the “County”); recoverable grants and loans in the approximate amount of \$4,000,000 from the City of Bellingham; capital contributions in the approximate amount of \$9,763,330 from the Investor Limited Partner; and rental income from the Project.

(e) Resolution of Need. By a resolution adopted by the City Council of the City of Bellingham on April 3, 1945, said city council declared a need for the Authority to function within the City of Bellingham.

(f) Additional Findings. The Board finds and determines that the Apartment Complex likely would not be constructed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor Limited Partner committed to make capital contributions to the Partnership. The Board further finds that the loans to be made by the Authority are important for the feasibility of the Project. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority’s Executive Director, the Director of Asset Development and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the “Transaction Documents”) in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer’s signature on a Transaction Document shall be construed as the Authority’s approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers

(and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacity as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Approval of Housing Authority Loans. The Authority is authorized to lend to the Partnership up to \$7,050,000 of available Authority funds, all pursuant to the Transaction Documents listed in Exhibit A under the heading “Housing Authority Loan Documents” (collectively, the “Housing Authority Loan Documents”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents.

Section 4. Approval of Real Estate Encumbrances. In the furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Project and the land on which the Project is located, all improvements located on such land, and the Authority’s interest in all personal property located on such land and in such improvements (the “Project Lease”); (ii) encumber the Authority’s interests in the Project (including its fee interest therein) pursuant to the covenant agreements, regulatory agreements, the extended use agreements, and other encumbrances that are Transaction Documents; and (iii) cause the Partnership to encumber the Partnership’s interests in the Project (including its leasehold interest therein) and certain other property of the Partnership pursuant to the encumbrances that are Transaction Documents. The Project also contains commercial units. Following execution of the Project Lease, the Partnership may, as determined by the Authorized Officers, lease back the commercial unit(s) to the Authority pursuant to a lease agreement at a base rental rate, term and renewal options consistent with Authority expectations.

Section 5. Tax Credit Documents. 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 the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation: the filing of one or more applications with the Washington State Housing Finance Commission (the “Commission”); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants.

Section 6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to execute and deliver one or more instruments (i) assigning to the Partnership the Authority’s rights, if any, under construction contracts, architect’s contracts, the geotechnical consultant contracts and other development contracts, as such rights pertain to the construction of the Project, (ii) assigning to the Partnership the Authority’s rights under leases, rents, operating contracts and intangibles relating to the Project, and (iii) assigning to lenders and others the Partnership’s interests in such contracts.

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 or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) 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, rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 8. Execution of Duties and Obligations. 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 the general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 9. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an aggregate amount up to \$1,000,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by or contributed to the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution for all loans and capital contributions by the Authority to the Partnership.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or the Director of Asset Development of the Authority may, in such person's absence, be taken by the acting Executive Director of the Authority and their respective designees, respectively.

Section 11. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 12. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without

limitation, the formation of the Partnership and the selection of the Investor Limited Partner) are ratified and confirmed.

Section 13. 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 City of Bellingham at an open public meeting held on _____, 2021.

HOUSING AUTHORITY OF THE CITY
OF BELLINGHAM

Chair, Board of Commissioners

ATTEST:

Secretary

EXHIBIT A
TRANSACTION DOCUMENTS

“Partnership Documents”

- Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, the Investor Limited Partner, the Special Limited Partner and WHA;
- Development Agreement between the Partnership and the Authority;
- Purchase Option and Right of First Refusal Agreement between the Partnership and the Authority, and consented to by the Limited Partner;
- Tax representation letter from the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- Property Management Agreement between the Partnership and Indigo Real Estate Services, Inc.;

“Bank Loan Documents”

- Construction and Term Loan Agreement between the Partnership and the Bank;
- Promissory Note by the Partnership payable to the Bank;
- Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing from the Partnership in favor of the Bank;
- Landlord’s Consent and Subordination Agreement among the Authority, the Partnership and the Bank;
- Replacement Reserve and Security Agreement between the Partnership and the Bank;
- Assignment of Construction Contracts and Permits by the Partnership and Dawson Construction, LLC, in favor of the Bank;
- Assignment of Architect Contract and Plans by the Partnership and RMC Architects, PLLC, in favor of the Bank;
- Assignment of Rights Under Development Agreement by the Partnership and acknowledged by the Authority in favor of the Bank;
- Assignment of Rights Under Management Agreement (and Subordination by Property Manager) by the Partnership and acknowledged by Indigo Real Estate Services, Inc., in favor of the Bank;
- Hazardous Waste Warranty and Indemnification Agreement between the Partnership and the Authority;
- Commercial Guaranty by the Authority;
- UCC-1 Financing Statement naming the Partnership and the Authority, as debtors, and the Bank, as secured party;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- Promissory Note by the Partnership payable to the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan) from the Partnership in favor of the Authority;
- Regulatory Agreement between the Authority and the Partnership;
- Hazardous Substances Warranty/Indemnity Agreement from the Partnership in favor of the Authority;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the City of Bellingham, the County, the Bank, and the Commission;
- Condominium documents;

“City Loan Documents”

- Funding Agreement executed by the Partnership and the City of Bellingham;
- Promissory Note by the Partnership payable to the City of Bellingham;
- Leasehold Deed of Trust from the Partnership in favor of the City of Bellingham;
- Landlord’s Consent and Subordination Agreement executed by the Authority in favor of the City of Bellingham;
- Funding Agreement (Childcare) executed by the Partnership and the City of Bellingham;
- Childcare Covenant executed by the Partnership in favor of the City of Bellingham;

“County Loan Documents”

- Qualified Census Tract Low-Income Housing Interlocal Agreement executed by the Authority and the County;
- Economic Development Investment Program Interlocal Loan Agreement, executed by the Authority and the County;
- Promissory Note (EDI Homes Affordable for the Workforce Programs) by the Partnership payable to the County; and

- Declaration of Restrictive Covenants (EDI Homes Affordable for the Workforce Programs) by the Partner in favor of the County.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Bellingham (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 2729 (the "Resolution") is a true and correct copy of the resolution of the Authority's Board of Commissioners, as adopted at a regular meeting of the Board held on September 13th, 2021, and duly recorded in the Authority's minute books.

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 on _____, 2021.

HOUSING AUTHORITY OF THE CITY
OF BELLINGHAM

Brien Thane, Executive Director

HOUSING AUTHORITY OF THE CITY OF BELLINGHAM

RESOLUTION NO. 2730

(Revenue Bond, 2021 (Samish Family Commons))

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Bellingham providing for the issuance of a revenue bond of the Authority in the principal amount of not to exceed \$14,000,000, the proceeds of which will be used to make a loan to Samish Way Family Housing LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to finance the construction and equipping of an approximately 49-unit multifamily housing complex to be known as Samish Family Commons, to provide housing for low income persons in the City of Bellingham, Washington, and to pay costs of issuing the bond; determining the form and terms of the bond; authorizing the execution and delivery of a loan agreement providing for the repayment of the loan, a regulatory agreement governing the use of the project, and other bond and loan documents; providing for the sale and delivery of the bond to Banner Bank; authorizing and directing appropriate officers of the Authority to execute such other documents as are useful or necessary to the purposes of this resolution; and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOUSING AUTHORITY OF THE CITY OF BELLINGHAM as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Bellingham (the “Authority”) finds and determines:

(a) Statutory Authorization. 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; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) issue bonds, notes or other obligations for any of its corporate purpose (RCW 35.82.020(11) and RCW 35.82.130); (iv) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); (v) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040). The phrase “housing project” is defined by RCW 35.82.020 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.” The Uniform Electronic Transactions Act (chapter 1.80 RCW) provides that each governmental agency of the State “shall determine whether, and the extent to which, a governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate,

communicate, store, process, use and rely upon electronic records and electronic signatures” (RCW 1.80.170(1)).

(b) Issuance of Bond Necessary and Advisable and in the Best Interests of the Authority. Samish Way Family Housing LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”) has (i) applied to the Authority for financial assistance in the principal amount of up to \$14,000,000 for the purpose of providing part of the funds with which to finance the construction and equipping of approximately 49-unit multifamily housing complex to be known as Samish Family Commons (the “Project”), and (ii) and requested that the Authority issue a revenue bond of the Authority in the principal amount of not to exceed \$14,000,000, for the purpose of assisting the Borrower in financing the Project. It is necessary and advisable, important for the feasibility of the Project, and in the best interest of the Authority to issue a bond in the original principal amount of not to exceed \$14,000,000, the proceeds of which will be used to make a loan to the Borrower for the purposes described herein.

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Assignment of Architect’s Contract” means the Assignment of Architect’s Contract and Plans to be executed by the Borrower, relating to assignment of certain of the Borrower’s interests in the architect’s contract and plans and specifications with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Construction Contracts and Permits” means the Assignment of Construction Contracts and Permits to be executed by the Borrower, relating to assignment of certain of the Borrower’s interests in the construction contracts and permits with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Rights Under Development Agreement” means the Assignment of Rights Under Development Agreement to be executed by the Borrower and acknowledged and agreed to by the Authority, relating to assignment of certain of the Borrower’s interests in the development agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Rights under Management Agreement” means the Assignment of Rights Under Management Agreement (and Subordination by Property Manager) to be executed by the Borrower and acknowledged and agreed to by the property manager for the Project, relating to assignment of certain of the Borrower’s interests in the property management agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Authority” means the Housing Authority of the City of Bellingham, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officers” means the Chair of the Board and the Authority’s Executive Director, and their respective designees.

“Bank” means Banner Bank, as Registered Owner of the Bond, and any subsequent Registered Owner thereof.

“Bank Loan Agreement” means the Construction and Term Loan Agreement between the Authority and the Borrower, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, including any supplements or amendments thereto made in conformity therewith.

“Board” means the Board of Commissioners of the Authority.

“Bond” means the Revenue Bond, 2021 (Samish Family Commons), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Bond Fund” means the Authority’s Revenue Bond Fund, 2021 (Samish Family Commons).

“Bond Loan Agreement” means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

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

“Borrower” means Samish Way Family Housing LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Deed of Trust” means the Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing under which the Borrower will be the grantor and the Bank will be the beneficiary, encumbering the Borrower’s leasehold interest in the real property and improvements and personal property constituting the Project, together with the Landlord’s Consent and Subordination Agreement, to be executed by the Authority and the Bank, and including any supplements or amendments thereto made in conformity therewith.

“Draws” means incremental draws on the Bond.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or in the future prohibited from being used for the purpose of paying the Authority’s obligations under the Guaranty, or the Hazardous Waste Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Guaranty” means the Commercial Guaranty to be executed by the Authority guaranteeing certain of the Borrower’s obligations with respect to the Loan, including any supplements or amendments thereto made in conformity therewith.

“Hazardous Waste Agreement” means the Hazardous Waste Warranty and Indemnification Agreement to be executed by the Borrower and the Authority relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Loan” means the loan from the Authority to the Borrower of the proceeds of Draws on the Bond.

“Loan Documents” means, collectively, the Assignment of Architect’s Contract, the Assignment of Construction Contracts and Permits, the Assignment of Rights Under Development Agreement, the Assignment of Rights Under Management Agreement, the Bank Loan Agreement, the Bond Loan Agreement, the Deed of Trust, the Guaranty, the Hazardous Waste Agreement, the Note, the Regulatory Agreement, the Replacement Reserve Agreement, the Subordination Agreements, the Tax Certificate and Agreement, any related UCC Financing Statements, and any other documents relating to the Loan executed by the Borrower.

“Note” means the promissory note evidencing the Loan.

“Project” means, depending upon the context, (1) the construction and equipping of an approximately 49-unit multifamily housing facility to be known as Samish Family Commons, to be located within the condominium known as Samish Way, a Condominium, or (2) the Samish Family Commons multifamily rental housing project so constructed and equipped.

“Proposal Letter” means the proposal letter dated August 26, 2021, prepared by the Bank, setting forth certain of the terms under which the Bank may purchase the Bond, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the owner of the Bond, registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Borrower and the Authority, governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Replacement Reserve Agreement” means the Replacement Reserve and Security Agreement to be executed by the Bank and the Borrower relating to the creation and funding of a replacement reserve with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Subordination Agreements” means, collectively, subordination agreements by and among the Authority, the Borrower and certain other parties providing for the order of priority of various liens and encumbrances affecting the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Borrower and the Authority in connection with the Bond, including any supplements or amendments thereto made in conformity therewith.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

Section 2. Authorization of Bond and Application of Proceeds. The Authority shall issue and sell the Bond in a principal amount not to exceed \$14,000,000 for the purpose of making a loan to the Borrower to provide financing for a portion of the costs of the Project and, at the option of the Borrower, to pay a portion of the costs of issuing the Bond. All proceeds from Draws on the Bond shall be lent to the Borrower for those purposes.

Section 3. Description of Bond. The Bond shall be called the Housing Authority of the City of Bellingham Revenue Bond, 2021 (Samish Family Commons); shall be in a principal amount not to exceed \$14,000,000; shall be dated its date of delivery; and shall be numbered R-1. At the maturity date, the remaining outstanding principal balance and accrued interest on the Bond shall be due and payable in full. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bond. The Bond shall bear interest payable on such dates and at such rates (which may include variable rates based on LIBOR, SOFR, the prime rate, or other index rate, and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment and/or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the Bond by the Bond Registrar and the execution of the Loan Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 4. Draws on the Bond. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for the Authority, in its capacity as general partner of the Borrower, and their respective designees, to make Draws on the Bond in such amounts and at such times as they may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bond and in the Loan Documents. Draws shall be recorded in such form as the Borrower and the Bank may agree. Draws on the Bond shall be limited to an aggregate principal amount of \$14,000,000. In the event that the Authority determines that it is in the best interest of the Authority or the Borrower to convert the Bond into a fully funded obligation, the Authority is authorized to make the Draws which have not been drawn to such date (the “Remaining Authorized Amount”) on such Bond, and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

Section 5. Bond Register; Registration and Transfer of Bond. The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bond by the Bond Registrar (the “Bond Register”). The Executive Director of the Authority shall serve as Bond Registrar for the Bond. The Bond Register shall contain the name and mailing address of the Registered Owner of the Bond. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the Authority’s paying agent for the Bond and to carry out all of the Bond Registrar’s powers and duties under this resolution.

The Bond may be assigned or transferred only (i) in whole, to a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (ii) if endorsed in the manner provided thereon and surrendered to the Bond Registrar and (iii) upon the assignee or transferee delivering to the Authority an executed Certificate of Transferee in the form attached to the Bond. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or maturity date.

Section 6. Payment of Bond. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered by wire or funds transfer on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the Bond, the Registered Owner shall surrender the Bond at the principal office of the Bond Registrar in Bellingham, Washington, for destruction or cancellation in accordance with law.

Section 7. Bond Fund; Security for the Bond. The Bond Fund is hereby established as a special fund of the Authority designated the Housing Authority of the Bellingham Revenue Bond Fund, 2021 (Samish Family Commons). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of, and interest and premium, if any, on, the Bond. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from amounts owed or paid by the Borrower under the Loan Documents, amounts sufficient to pay principal of, and interest and premium, if any, on, the Bond when due, all of which amounts are pledged to the payment of the Bond. Payment of the Bond shall be further secured by the Loan Documents and the Guaranty.

Upon the issuance of the Bond, the Authority shall cause the Loan Documents to be executed by the Borrower for the benefit of the Authority and/or the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to which it is a party to the Bank, as security for the Authority’s payment of the principal of, premium, if any, and interest on the Bond. The Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bond, and the Authority shall have no obligation to make principal and interest payments on the Bond except from those payments collected by the Bank on the Authority’s behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bond, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bond, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium, if any, on the Bond. If the Bond is assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium,

if any, payments under the Loan Documents and apply the same to the payment of principal of, and interest and premium, if any, on the Bond.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Hazardous Waste Agreement, subject to release in accordance with the respective terms thereof. 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 of lien with obligations of the Authority under the Guaranty and the Hazardous Waste Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and the Hazardous Waste Agreement with respect to that portion of the General Revenues so pledged.

The Bond shall not be a debt of the City of Bellingham, the State of Washington or any political subdivision thereof, and the Bond shall so state on its face. Neither the City of Bellingham, the State of Washington nor any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bond nor in any event shall the principal of and interest on the Bond be payable out of any funds or assets other than those pledged to that purpose by the Authority herein. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues to the payment of its obligations under the Guaranty) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bond.

Section 8. Form and Execution of Bond. The Bond shall be 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 the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating: "This Bond is the fully registered Revenue Bond, 2021 (Samish Family Commons), of the Authority described in the Bond Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. A Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bond, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bond.

Section 9. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a

new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing to the Authority with indemnity reasonably satisfactory to the Authority.

Section 10. Preservation of Tax Exemption for Interest on the Bond. Subject to the next succeeding paragraph, the Authority covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the Authority treated as proceeds of the Bond at any time during the term of the Bond that would cause interest on the Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond, 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 Bond from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Borrower as payments for those purposes).

The Bond Loan Agreement shall require the Borrower to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

Section 11. Approval of Sale of Bond to Bank. It is anticipated that the Bank will offer to purchase the Bond under the terms and conditions contained in this resolution and the Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Bond under the terms and conditions in this resolution and the Proposal Letter. The Bond will be delivered to the Bank with the approving legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding the Bond.

Section 12. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Bond Loan Agreement, the Regulatory Agreement, the Guaranty, the Hazardous Waste Agreement, the Tax Certificate and Agreement, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in the Bond, the Bond Loan Agreement, the Regulatory Agreement, the Guaranty, the Hazardous Waste Agreement, the Tax Certificate and Agreement, the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bond. The Board authorizes and directs the Executive Director of the Authority to execute on behalf of the Authority and deliver the Bond Loan Agreement, the Regulatory Agreement, the Guaranty, the Hazardous Waste Agreement, the Tax Certificate and Agreement, and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond or

required by the Bank as a condition to purchasing the Bond. The Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the Bond to the purchaser thereof, and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Bond.

Section 13. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as general partner of the Borrower, the Loan Documents, the Regulatory Agreement, the Tax Certificate and Agreement, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond and the Loan to the Borrower.

Section 14. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Executive Director of the Authority, may such person's absence be taken by a duly authorized acting Executive Director of the Authority or any other employee of the Authority that has been designated by the Executive Director or the Board to act in the Executive Director's absence. Any action authorized or directed by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board.

Section 15. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, 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; (iii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iv) notwithstanding any other Authority resolution, rule, policy, or procedure, 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 16. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 17. 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 18. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall

be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bond.

Section 19. 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 City of Bellingham at an open public meeting thereof this 13th day of September, 2021.

HOUSING AUTHORITY OF THE CITY OF
BELLINGHAM

By _____
Chair

ATTEST:

Executive Director

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director and Secretary/Treasurer of the Housing Authority of the City of Bellingham (“the Authority”), and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 2730 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a special meeting of the Authority held on September 13, 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 _____;

4. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

5. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s administrative office at 208 Unity Street, Bellingham, Washington, at least 24 hours prior to the special meeting;

6. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

7. 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 13^h day of September, 2021.

Brien Thane, Secretary/Treasurer and Executive
Director of the Authority

Appendix I
Notice of Special Meeting