



COMMISSIONERS  
Maddy Metzger-Uhl  
John Mierke  
George Perez, Jr.  
Michele Rastovich  
Lyle Ryan  
Todd Taylor

## NOTICE OF SPECIAL MEETING

Notice is hereby given that the Board of Commissioners of the Housing Authority of the City of Everett, Washington will hold a Special Meeting at 12:00 PM on **Monday, October 20, 2014** at the Authority's main office, located at 3107 Colby Avenue, Everett, Washington. This meeting will be conducted via telephone conference call.

The Agenda for the Special Meeting is attached to this Notice.

Dated this 16<sup>th</sup> day of October, 2014.

  
Michele Rastovich, Board Vice-Chair



**Special Meeting of the  
Board of Commissioners  
of the  
Housing Authority of the City of Everett**

**Date: Monday, October 20, 2014  
Time: 12:00 p.m.  
Location: EHA Main Office  
3107 Colby Ave.  
Everett, WA 98201**

**AGENDA  
Special Meeting  
Conducted via Telephone Conference Call**

**Roll Call**

**Items for Individual Consideration**

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| <b>1)</b> | Resolution No. 1376 Authoring the Executive Director to Enter into a Loan Agreement with Banner Bank for the Purchase of Meadows Senior Apartments, Meadows II Senior Apartments, and Lakewoods II Senior Apartments from Senior Services of Snohomish County |  |
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**Adjournment**

Everett Housing Authority does not discriminate on the basis of disability in the administration of, or access to, its programs or activities. Requests for assistance or accommodations can be arranged by contacting Chris Neblett at (425) 303-1186, or [chrisn@evha.org](mailto:chrisn@evha.org).

**HOUSING AUTHORITY OF THE CITY OF EVERETT  
RESOLUTION NO. 1376**

A RESOLUTION authorizing the acquisition of certain apartment complexes from Senior Services of Snohomish County; approving the borrowing of money from Banner Bank to finance the acquisition of such apartment complexes; and providing for matters related thereto.

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

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

(a) 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) "make and execute contracts and other instruments" (RCW 35.82.070(1)); (iii) enter into contracts, issue notes and secure those notes with, among other things, deeds of trust (RCW 35.82.020(11), RCW 35.82.020(15), RCW 35.82.070(1) and RCW 35.82.130); and (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."

(b) Senior Services of Snohomish County ("SSSC") has offered to sell to the Authority, and the Authority has agreed to purchase from SSSC (or one or more entities controlled by SSSC), subject to the terms of certain purchase and sale agreements (as amended, the "Purchase Agreements"), the real property and improvements commonly known as (i) Lakewoods II Senior Apartments (located at 12404 19<sup>th</sup> Place West, Everett, Washington), (ii) Meadows Senior Apartments (located at 1115 Rainier Avenue, Everett, Washington), and (iii) Meadows II Senior Apartments (located at 1123 Rainier Avenue, Everett, Washington), (collectively, the "Projects").

(c) The Projects are subject to loans and use restrictions, such as extended use agreements in favor of the Washington State Housing Finance Commission (the "Commission") and covenants in favor of the State of Washington and/or local governments, that the Authority intends to assume as part of the consideration provided to SSSC in exchange for the Projects.

(d) Banner Bank (the "Bank") has offered to lend the Authority up to \$6,376,000 to finance the acquisition of the Lakewoods II Senior Apartments, Meadows Senior Apartments and Meadows II Senior Apartments, which offer is in the best interests of the Authority to accept.

Section 2. Authority to Acquire the Projects. The Board approves the acquisition of the Projects pursuant to the terms set forth in the Purchase Agreements. The Chair of the Board and the Executive Director of the Authority, 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 any documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Purchase Agreements (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).

Section 3. Approval of Assumptions. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority to cause the Authority to enter into such assignment and assumption agreements, and to make amendments to such agreements, as are necessary to properly evidence the transfer of each Project to the Authority and the assumption by the Authority of loans secured by the Projects

and use restrictions encumbering the Projects. Without limiting the foregoing authority, the Authority is authorized to enter into (i) assignment and assumption agreements with any lender that has made a loan secured by an interest in any Project; (ii) agreements with the Commission assuming responsibility for complying with the extended use agreements for the Projects; and (iii) agreements with the Washington State Department of Commerce, Snohomish County, and/or the City of Everett assuming responsibility for complying with any low-income housing covenants recorded as encumbrances against any Project.

Section 4. Approval of Bank Loan; Issuance of Note. The Authority is hereby authorized to issue to the Bank a promissory note in substantially the form attached as Exhibit A to this resolution (the "Note"), which Note shall be in a principal amount not exceeding \$6,500,000. To further establish the terms of and security for the Note, the Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority, the following documents (together with the Note, the "Bank Documents"):

- Business Loan Agreement between the Authority and the Bank;
- Deed of Trust to be granted by the Authority to Northwest Financial Corporation, as trustee, for the benefit of the Bank, as beneficiary (the "Deed of Trust");
- Hazardous Waste Warranty and Indemnification Agreement by the Authority in favor of the Bank; and
- Corporate Resolution to Borrow and Grant Security (the "Corporate Resolution").

The Bank Documents shall be substantially in the forms attached as Exhibit A to this resolution, with such changes, including any material changes, as the Authorized Officer executing such documents deems necessary or advisable. The Board hereby adopts, as if they were set forth in the body of this resolution, the resolutions set forth in the Corporate Resolution; *provided*, nothing in such resolutions shall be deemed to (i) limit the authority delegated to the Authorized Officers elsewhere in this resolution; (ii) authorize any Authorized Officer to encumber, as security for the Note, any property not described in the form Deed of Trust set forth in Exhibit A hereto, to increase the principal amount of the Note above amounts permitted by this resolution, to modify the terms of or extend the maturity date of the Note after the date of issuance thereof or to refund or refinance the Note, or to enter into derivative transactions; or (iii) authorize any Authorized Officer to take action on behalf of the Authority that is prohibited by law.

Section 5. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) determine that the Authority should not acquire all or any of the Projects; (ii) 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; (iii) 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 of any Project, and/or issue the Note; and (iv) 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.

Section 6. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to (i) increase the amount, if any, to be paid by the Authority for any Project by an amount up to \$500,000; and (ii) increase the amount borrowed by the Authority under the Note by an amount up to \$500,000; *provided*, the Executive Director shall report to the Board if any increase authorized by this section becomes necessary.

Section 7. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the duly authorized acting Chair of the Board or the Assistant Executive Director of the Authority, respectively.

Section 8. 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 the execution and delivery of the Purchase Agreements and any amendments thereto, are ratified and confirmed.

Section 9. 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 Everett at special meeting thereof open to the public and held on October 20, 2014.

HOUSING AUTHORITY OF THE CITY OF  
EVERETT

\_\_\_\_\_  
Chair, Board of Commissioners

ATTEST:

\_\_\_\_\_  
Secretary-Treasurer

CERTIFICATE

I, Ashley Lommers-Johnson, the duly chosen, qualified and Executive Director of the Housing Authority of the City of Everett (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 1376 (the "Resolution") is a true and correct copy of the resolution of the Authority's Board of Commissioners, as adopted at a special meeting of the Board held on October 20, 2014, and duly recorded in the Authority's minute books.

2. 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;

3. 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 3107 Colby Avenue, Everett, Washington 98201 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. 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

5. 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 Authority's Board of Commissioners 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 \_\_\_\_\_, 2014.

HOUSING AUTHORITY OF THE CITY OF  
EVERETT

\_\_\_\_\_  
Ashley Lommers-Johnson, Executive Director

**Exhibit A**  
**Form of Bank Documents**

## PROMISSORY NOTE

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<b>Borrower:</b> Housing Authority of the City of Everett, a public body corporate and politic of the State of Washington 3107 Colby Avenue Everett, Washington 98201	<b>Lender:</b> Banner Bank P.O. Box 907 Walla Walla, Washington 99362  Loan No. 14006063
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**Principal Amount:** \$6,376,000.00

**Interest Rate:** 3.00%

**Date of Note:** October \_\_, 2014

**PROMISE TO PAY.** The Housing Authority of the City of Everett, a public body corporate and politic of the State of Washington (referred to herein as "Borrower"), promises to pay to Banner Bank (referred to herein as "Lender"), or order, in lawful money of the United States of America, the principal amount of Six Million Three Hundred Seventy-Six Thousand and 00/100 Dollars (\$6,376,000.00) together with interest on the unpaid principal balance at the fixed rate of three percent (3.00%) from the date of disbursement until paid in full.

**PAYMENT.** Borrower will pay this loan in accordance with the following payment schedule: Borrower shall make consecutive monthly interest-only payments commencing [December 1, 2014], and on the first day for each succeeding month thereafter, and a final payment of all principal and accrued interest due on September 1, 2017 (the "Maturity Date"). The final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Any excess funds received will be applied as prepaid interest unless otherwise requested in writing. Interest on this Note will be calculated on a 365/360-day basis (that is by applying the ratio of the per annum interest rate over 360, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding).

**DEFAULT INTEREST RATE.** Notwithstanding the foregoing, at all times that Borrower is in default under this Note or under any other documents or instruments executed in conjunction with this Note, whether or not the Lender elects to accelerate the balance due hereunder, Borrower will pay interest on all amounts outstanding under this Note at the rate equal to the greater of four percent (4.00%) per annum over the then current Note interest rate or twelve percent (12.00%) per annum (the "Default Rate"). Payment of interest accrued and unpaid at the Default Rate shall be a condition to any cure or reinstatement of this Note.

**PREPAYMENT PREMIUM.** Borrower may prepay all or part of the remaining principal balance of this Note provided Borrower pays the prepayment premium specified herein. In the event of an acceleration after default or upon prepayment of any Note principal, Borrower shall pay a prepayment premium equal to one-half of one percent (0.50%) of the principal reduction payment at the time of prepayment or one-half of one percent (0.50%) of the accelerated Note balance after default, whichever is applicable, if prepayment or acceleration occurs at any time during the Note term. Notwithstanding the foregoing, the prepayment fee shall be waived for any prepayment made within the sixty (60) day period prior to the Maturity Date, or if Lender is given right of first refusal to match a bona fide offer by a qualified lender to finance a low income housing credit tax credit transaction to be secured by the Property described in the "Collateral" section below. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Banner Bank, Attn: Loan Servicing, P.O. Box 907, Walla Walla, Washington 99362.



**LATE CHARGE.** If a payment, including the final payment due on the Maturity Date, is **ten (10) days or more late**, Borrower will be charged a late fee of **five percent (5%) of the regularly scheduled payment, including the final payment due on the Maturity Date.**

**DEFAULT.** Borrower will be in default if any of the following happens (each, an "Event of Default"): (a) Borrower fails to make any payment within ten (10) days of when due. (b) Borrower fails to comply with or perform when due any other term, obligation, covenant or condition contained in this Note, the Agreement, or any agreement related to this Note. If this non-payment default is curable and if Borrower has not been given notice of a similar breach within the preceding twelve (12) months, it may be cured if Borrower, after Lender delivers notice demanding cure of the default to Borrower, cures the default within thirty (30) days, or if the default cannot reasonably be cured within such thirty (30) day time period, Borrower begins such cure within this thirty (30) day period and thereafter diligently pursues such cure to completion no more than ninety (90) days after notice is sent. (c) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect. (d) Borrower dissolves, becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws; provided, however, that Borrower shall have thirty (30) days in which to obtain a dismissal of any such proceedings. (e) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender.

**LENDER'S RIGHTS.** Upon an Event of Default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount, in addition to any prepayment premium as calculated above. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorney fees and legal expenses whether or not there is a lawsuit, including attorney fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. **LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WASHINGTON. IF THERE IS A LAWSUIT, BORROWER, AT LENDER'S OPTION, AGREES TO SUBMIT TO THE JURISDICTION OF SNOHOMISH COUNTY, WASHINGTON.**

**COLLATERAL.** This Note is secured by, in addition to any other collateral, the Deed of Trust to a trustee in favor of Lender on real property located in Snohomish County, State of Washington (the "Property"), all the terms and conditions of which are hereby incorporated and made a part of this Note.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**WAIVER.** Borrower waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral securing this Note. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

**GENERAL PROVISIONS.** Time is of the essence hereof. All sums paid or agreed to be paid to the Lender for the use, forbearance or detention of the Note indebtedness shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note indebtedness until payment in full so that the rate or amount of interest does not exceed the maximum lawful rate in effect and applicable to the Note indebtedness for so long

as the Note indebtedness is outstanding. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew, or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; fail to realize upon or perfect Lender's security interest in the collateral; or take any other action deemed reasonably necessary by Lender without the consent of or notice to anyone. If Borrower consists of more than one person or entity, all obligations of Borrower herein shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each Borrower signing below is responsible for all obligations in this Note. It is not necessary for Lender to inquire into the powers of any of the parties hereto or of the officers, directors, partners, managers, members or agents acting or purporting to act on their behalf.

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

Prior to signing this Note, Borrower read and understood all the provisions of this Note. Borrower agrees to the terms of the Note and acknowledges receipt of a complete copy of the Note.

NOTICE: Housing Authority of the City of Everett is organized pursuant to Chapter 35.82 RCW. RCW 35.82.130 provides as follows:

THE OBLIGATIONS OF THE BORROWER UNDER THIS NOTE SHALL NOT BE A DEBT OF THE CITY OF EVERETT, THE STATE OF WASHINGTON, OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY OF EVERETT NOR THE STATE OF WASHINGTON OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THE OBLIGATIONS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE BORROWER PLEDGED THERETO.

**BORROWER:**

Housing Authority of the City of Everett, a public body  
corporate and politic of the State of Washington

By: \_\_\_\_\_  
Ashley Lommers-Johnson, Executive Director

**Appendix I**  
**Notice of Special Meeting**

**Appendix I**  
**Notice of Special Meeting**