

SCIDpda Council Meeting Minutes

January 15, 2016
Hing Hay Coworks
409B Maynard Ave S
Seattle, WA 98104

Members Present: Scott Yasui, Karen Yoshitomi, Jared Jonson, David Chang, Wayne Lau, Casey Huang, Michael Itti, Phillip Sit, Nelson Yong

Staff Present: Maiko Winkler-Chin, Vern Wood, Paul Mar, Monica Lauw

Guests: Mark Gau, Council candidate, Jen Reyes, Council candidate, and Dan Budihardjo, Kantor Taylor

1. Call to Order

The meeting was called to order by Scott Yasui, Council Chair, at 11:58 a.m.

2. Council Action/Approval

- a. **Resolution 16-01-15-01:** We, the Seattle Chinatown International District Preservation and Development Authority Council, approve the December 2015 Minutes.

Prior to approval of Resolution 16-01-15-01, Karen Yoshitomi requested the following changes to the December 2015 SCIDpda Council meeting minutes:

- That the acronym "ISRD" be spelled out in the minute as International Special Review District;
- That the minutes clarify that Karen Yoshitomi had asked about the background of HomeSight as an organization, located in the third paragraph of the December 2015 SCIDpda Council meeting minutes;
- That the minutes reflect that David Chang arrived late to the meeting and that Karen Yoshitomi, who had initially called the meeting to order, then transferred facilitating duties over to David Chang upon his arrival;
- Under the Council Business section of the December 2015 SCIDpda Council meeting minutes, that the resolution regarding Arlyne Sevilla stepping down as Pubic Records Officer and Monica Lauw being appointed as the new Public Records Officer be formatted as all other resolutions have been formatted.

Council then approved the amended Resolution.

Moved: Jared Jonson
Seconded: David Chang
Council approved unanimously

- b. **Resolution 16-01-15-02:** We, the Seattle Chinatown International District Preservation and Development Authority Council, approve the slate of officers for 2016.

Council Chair	Scott Yasui
Council Vice Chair	Wayne Lau
Secretary	Jared Jonson
Treasurer	Karen Yoshitomi

Moved: Michael Itti
Seconded: Casey Huang

Council approved unanimously

- c. **Resolution 16-01-15-03:** We, the Seattle Chinatown International District Preservation and Development Authority Council, approve the 2015 Revised SCIDpda Charter as attached.

Moved: David Chang

Seconded: Jared Jonson

Council approved unanimously

3. Council Discussion/Council Action & Approval

a. **Resolution 16-01-15-04:**

RESOLUTIONS OF THE COUNCIL OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY
Regarding Unwind of New Central Hotel

At a meeting of the Council of Seattle Chinatown-International District Preservation and Development Authority, a Washington public authority ("SCIDPDA") on January 15, 2016, at which a quorum was present and acted throughout, the Council adopted the following resolutions:

WHEREAS, SCIDPDA is the sole shareholder of (i) SCIDPDA New Central Apartments, Inc., a Washington corporation, (ii) SCIDPDA New Central Manager, Inc., a Washington corporation, and (iii) SCIDPDA New Central Commercial, Inc., a Washington corporation (each, a "New Central Corporation" and collectively, the "New Central Corporations"). SCIDPDA formed the New Central Corporations in order to participate in the original New Central Hotel Financing;

WHEREAS, on July 29, 2015, the Council adopted resolutions authorizing SCIDPDA to take all actions as may be necessary to the unwind the new markets tax credits and historic rehabilitation tax credits financing ("New Central Hotel Financing") related to the renovation of certain real property located at 675 S. Weller Street, Seattle, Washington known as the New Central Hotel (the "New Central Hotel Unwind");

WHEREAS, in connection with the New Central Hotel Unwind, on November 11, 2015, the Council adopted certain resolutions (Resolution #15-11-11-03) authorizing SCIDPDA to refinance the existing debt and costs related to the New Central Hotel Financing by borrowing an amount not to exceed \$3,700,000 ("Permanent Loan") from Wells Fargo Bank, N.A., a national banking association ("Wells Fargo");

WHEREAS, the Council also adopted additional resolutions (Resolution #15-12-09-02) on December 9, 2015, authorizing SCIDPDA to borrow an additional \$1,058,062 ("Short Term Loan") and, collectively with the Permanent Loan, the "Wells Fargo Loan") from Wells Fargo for the purpose of retiring a leverage loan made SCIDPDA in support of the New Central Hotel Financing;

WHEREAS, as a condition to the making of the Wells Fargo Loan, Wells Fargo required SCIDPDA to adopt certain financing resolutions in the form attached hereto as Exhibit A ("Financing Resolutions");

WHEREAS, as a condition to the making of the Wells Fargo Loan, Wells Fargo also required each New Central Corporation to adopt certain financing resolutions (collectively, the "Corporate Resolutions") authorizing the execution and delivery of the loan documents evidencing the Permanent Loan and the Short Term Loan;

WHEREAS, in order for the New Central Corporations to adopt the Corporate Resolutions, SCIDPDA deemed it necessary to reconstitute a new board of directors for each New Central Corporation as memorialized in the shareholder actions attached hereto as Exhibit B ("SCIDPDA Shareholder Actions"); and

WHEREAS, SCIDPDA closed and concluded the New Central Hotel Unwind and the making of the Wells Fargo Loan as of January 7, 2016, and the Council desires to ratify any and all actions taken by SCIDPDA and its officers in connection with the New Central Hotel Unwind and the Wells Fargo Loan

NOW, THEREFORE BE IT

RESOLVED, that the Council hereby affirms, accepts, approves, and ratifies all acts taken by the Authorized Officer (as defined below) on behalf of SCIDPDA and their appointed and retained representatives, agents, consultants, advisors, and counsels in connection with the New Central Hotel Unwind and the Wells Fargo Loan, including, without limitation, the actions described in the SCIDPDA Shareholder Actions, and be it further

RESOLVED, that the Council of SCIDPDA hereby adopts the Financing Resolutions, and hereby authorizes, empowers and directs SCIDPDA to do and perform, or cause to be done and performed, or to execute and deliver, or cause to be executed and delivered, in the name and on behalf of SCIDPDA, any and all such other ancillary, collateral, additional or supplemental documentation, including but not limited to notices, requests, demands, or directions in connection with the matters set forth in the Financing Resolutions, and be it further

RESOLVED, that the Executive Director or Deputy Director (each, an "Authorized Officer"), each without the other, be and hereby is, authorized, empowered, and directed, in the name and on behalf of SCIDPDA, as they, or any of them, may deem necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed, and be it further

RESOLVED, that any actions to date of the Authorized Officer in the name and on behalf of SCIDPDA in respect to the fulfillment of the intent of these resolutions, including without limitation the execution and delivery of any agreements, instruments and documents and the payment of any fees, expenses and taxes, in name and on behalf of SCIDPDA or otherwise, are hereby approved, ratified and confirmed in all respects.

(Signature on following page)

CERTIFICATION

I, _____, Secretary of the Council of Seattle Chinatown International District Preservation and Development Authority, hereby certify that the foregoing resolutions were duly adopted at a meeting of the Council of Seattle Chinatown International District Preservation and Development Authority, held on January 15, 2016, at which a quorum was present, by a majority of the members of the Council.

Name:

Title:

EXHIBIT A

FINANCING RESOLUTIONS

EXHIBIT B

SCIDPDA SHAREHOLDER CONSENTS

4837-8862-8524, v. 2

Moved: Jared Jonson
Seconded: Wayne Lau
Council approved unanimously

Prior to approval of Resolution 16-01-15-04, Vern Wood and Dan Budihardjo gave a brief overview of what the Resolution entails and reminded Council that they have already viewed and previously approved the loans that the Resolution refers to. They clarified that this Resolution will adopt the specific information that has been presented to the Council by Wells Fargo. Dan Budihardjo offered to answer any further questions that the Council may have had regarding the Resolution. The Council had none.

b. Resolution 16-01-15-05:

RESOLUTIONS OF THE COUNCIL OF
SEATTLE CHINATOWN-INTERNATIONAL
DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

Regarding Unwind of Bush Hotel

At a meeting of the Council of Seattle Chinatown-International District Preservation and Development Authority, a Washington public authority ("SCIDPDA") on January 15, 2016, at which a quorum was present and acted throughout, the Council adopted the following resolutions:

BACKGROUND

WHEREAS, on July 29, 2015, the Council adopted resolutions authorizing SCIDPDA to take all actions as may be necessary to the unwind the new markets tax credits and historic rehabilitation tax credits financing ("Bush Hotel Financing") related to the rehabilitation of a building located on certain real property located at 409 Maynard Avenue S., Seattle, Washington known as the Bush Hotel (the "Bush Hotel Unwind");

WHEREAS, in connection with the Bush Hotel Financing, SCIDPDA, among other things, (i) borrowed a loan in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00) (the "Commerce Bank Loan") from ZB, N.A. dba The Commerce Bank of Washington ("Commerce Bank"), which Commerce Bank Loan was secured by that certain Assignment and Security Agreement between Commerce Bank and SCIDPDA dated December 17, 2008 (the "Commerce Bank Security Agreement"), and (ii) made a loan in the principal amount of Three Million Six Hundred Twenty-One Thousand Five Hundred and No/100 Dollars (\$3,621,500.00) (the "SCIDPDA Leverage Loan") to Renaissance Finance VII Investment Fund, LLC, a Delaware limited liability company ("Investment Fund"), which SCIDPDA Leverage Loan was secured by a pledge of

Investment Fund's membership interest in CDE Lender (as defined below) (the "SCIDPDA Pledge Agreement");

WHEREAS, in connection with the Bush Hotel Financing, the City of Seattle made a loan in the principal amount of One Million Six Hundred Sixty-Seven Thousand and No/100 Dollars (\$1,667,000.00) to Investment Fund (the "108 Loan"), which 108 Loan was secured by a pledge of Investment Fund's membership interest in CDE Lender (as defined below) (the "City Pledge Agreement");

WHEREAS, in connection with the Bush Hotel Financing, Investment Fund aggregated the SCIDPDA Leverage Loan, the 108 Loan, and certain tax credit equity invested in Investment Fund by U.S. Bancorp Community Development Corporation to make a "qualified equity investment" (the "Qualified Equity Investment") in Renaissance Finance VII, LLC, a Delaware limited liability company ("CDE Lender");

WHEREAS, in connection with the Bush Hotel Financing, CDE Lender used the proceeds of the Qualified Equity Investment to make a "qualified low-income community investment" loan (the "QLICI Loan") to SCIDPDA Bush Hotel QALICB, LLC, a Washington limited liability company ("Project Borrower"), which loan was: (i) evidenced by (a) that certain Promissory Note A in the principal amount of One Million Six Hundred Sixty-Seven Thousand and No/100 Dollars (\$1,667,000.00) dated December 17, 2008 ("Note A"), and (b) that certain Promissory Note B in the principal amount of Two Million Seven Hundred Fifty Thousand and No/100 Dollars (\$2,750,000.00) dated December 17, 2008 ("Note B"); (ii) governed by that certain Loan Agreement dated December 17, 2008, by and between CDE Lender and Project Borrower ("Loan Agreement"); and (iii) secured by that certain Deed of Trust, Assignment of Rents and Leases and Security Agreement by Project Borrower for the benefit of CDE Lender dated December 17, 2008, recorded in the records of King County under recording number 20081223001385 ("Deed of Trust"), and together with Note A, Note B, Loan Agreement, and any and all other documents, instruments, or agreements evidencing the QLICI Loan, the "QLICI Loan Documents";

WHEREAS, in connection with and as a result of the Bush Hotel Unwind, (i) CDE Lender will redeem Investment Fund's interest in CDE by assigning all of the Loan Documents, including Note A and Note B, to Investment Fund, and (ii) SCIDPDA will become the sole member of Investment Fund;

WHEREAS, in connection with the Bush Hotel Unwind, SCIDPDA, on its own behalf or as sole member of Investment Fund (as applicable), desires to: (i) cause Commerce Bank to terminate and release the Commerce Bank Security Agreement; (ii) cause City to terminate and release the City Pledge Agreement; and (iii) terminate and release the SCIDPDA Pledge Agreement (collectively, the "Collateral Release");

WHEREAS, in replacement of the Collateral Release, SCIDPDA, as sole member of Investment Fund, desires to: (i) collaterally assign to and grant to City a first priority security interest in all of Investment Fund's right, title, and interest in and to the portion of the QLICI Loan evidenced by Note A and a first priority security interest (senior to the Replacement SCIDPDA Collateral (as defined below)), in the other QLICI Loan Documents (the "Replacement City Collateral") pursuant to that certain Collateral Assignment of Loan Documents by Investment Fund in favor of City (the "City Collateral Assignment"); and (ii) collaterally assign to and grant to

SCIDPDA a first priority security interest in all of Investment Fund's right, title, and interest in and to the portion of the QLICI Loan evidenced by Note B and a first priority security interest (junior to the Replacement City Collateral), in the other QLICI Loan Documents (the "Replacement SCIDPDA Collateral") pursuant to that certain Collateral Assignment of Loan Documents by Investment Fund in favor of SCIDPDA (the "SCIDPDA Collateral Assignment");

WHEREAS, in replacement of the Collateral Release, SCIDPDA, in its own capacity, desires to collaterally assign to and grant to Commerce Bank a first priority security interest in the Replacement SCIDPDA Collateral pursuant to that certain Collateral Assignment of Loan Documents by SCIDPDA in favor of Commerce Bank (the "Commerce Bank Collateral Assignment"); and

WHEREAS, in connection with the Bush Hotel Unwind, SCIDPDA, on its own behalf, desires to enter into that certain Reaffirmation and Modification of Subordination and Standstill Agreement with City and Commerce Bank (the "Modification of Subordination Agreement"), pursuant to which the parties thereunder will modify certain terms of that certain Subordination and Standstill Agreement dated December 17, 2008, and reaffirm those terms not modified by the Modification of Subordination Agreement.

RESOLUTIONS

NOW, THEREFORE BE IT

RESOLVED, that the Council hereby affirms, accepts, approves, and ratifies all acts taken by the Authorized Officer (as defined below) on behalf of SCIDPDA, on its own behalf or as sole member of Investment Fund, and their appointed and retained representatives, agents, consultants, advisors, and counsels in connection with the Bush Hotel Unwind, and be it further

RESOLVED, that the Council of SCIDPDA hereby authorizes, empowers, and directs an Authorized Officer of SCIDPDA, on its own behalf or as sole member of Investment Fund, to do and perform, or cause to be done and performed, or to execute and deliver, or cause to be executed and delivered, in the name and on behalf of SCIDPDA, on its own behalf or as sole member of Investment Fund, any and all acts or documents necessary to effectuate the Collateral Release, and be it further

RESOLVED, that the Council of SCIDPDA hereby authorizes, empowers, and directs an Authorized Officer of SCIDPDA, on its own behalf or as sole member of Investment Fund, to execute and deliver, or cause to be executed and delivered, in the name and on behalf of SCIDPDA, on its own behalf or as sole member of Investment Fund, the City Collateral Assignment, the SCIDPDA Collateral Assignment, the Commerce Bank Collateral Assignment, and any and all documents related thereto, and be it further

RESOLVED, that the Council of SCIDPDA hereby authorizes, empowers, and directs an Authorized Officer of SCIDPDA, on its own behalf or as sole member of Investment Fund, to execute and deliver, or cause to be executed and delivered, in the name and on behalf of SCIDPDA, on its own behalf, the Modification of Subordination Agreement and any and all documents related thereto, and be it further

RESOLVED, that the Executive Director or Deputy Director (each, an “Authorized Officer”), each without the other, be and hereby is, authorized, empowered, and directed, in the name and on behalf of SCIDPDA, as they, or any of them, may deem necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the instruments approved or authorized by the foregoing resolutions is hereby approved, ratified, and confirmed, and be it further

RESOLVED, that any actions to date of the Authorized Officer in the name and on behalf of SCIDPDA in respect to the fulfillment of the intent of these resolutions, including without limitation the execution and delivery of any agreements, instruments and documents and the payment of any fees, expenses and taxes, in name and on behalf of SCIDPDA or otherwise, are hereby approved, ratified and confirmed in all respects.

(Signature on following page)

CERTIFICATION

I, _____, Secretary of the Council of Seattle Chinatown International District Preservation and Development Authority, hereby certify that the foregoing resolutions were duly adopted at a meeting of the Council of Seattle Chinatown International District Preservation and Development Authority, held on January 15, 2016, at which a quorum was present, by a majority of the members of the Council.

Name:

Title:

Moved: Wayne Lau
Seconded: David Chang
Council approved unanimously

Prior to approval of Resolution 16-01-15-05, Vern Wood and Dan Budihardjo gave a brief overview of what the Resolution entails and offered to answer any questions from the Council regarding the Resolution. A clarifying discussion ensued regarding unwind of the Bush Hotel.

4. Council Discussion/Council Action & Approval

a. Resolution 16-01-15-06:

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Seattle Chinatown International District Preservation and Development Authority ("PDA") Council, hereby authorize the PDA to provide predevelopment consulting services to Homesight on the Southeast Seattle Economic Opportunity Center project located in Southeast Seattle.

The SCIDpda was invited to participate by project lead Homesight due to its past experience developing and operating similar mixed-use projects, and the SCIDpda being a public development authority.

Staff are authorized to participate as it is within a "surrounding area which may affect the character of the Chinatown-International District. Staff will seek further authorization if SCIDpda's role changes.

Prior to approval of Resolution 16-01-15-06, Scott Yasui suggested to amend the Resolution to provide that the SCIDpda Council must grant its approval before the SCIDpda can enter into an agreement with HomeSight beyond the existing MOU. Council then approved the amended Resolution.

Moved: Jared Jonson
Seconded: David Chang
Council approved with one abstention (Michael Itti)

5. Council Discussion/Council Action & Approval

Maiko Winkler-Chin proposed to amend the January 2016 SCIDpda Council Meeting Agenda to approve the 2016 budget for the SCIDpda during the February 2016 SCIDpda Council meeting. The Council concurred.

6. Adjourn

Scott Yasui adjourned the meeting at 1:10 p.m.