

IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY
OF LANE COUNTY, OREGON

ORDER 15-12-01-01H)In the Matter of Authorizing the Development and Financing of
)The Oaks at 14th Affordable Housing Development.

WHEREAS, the Authority is a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes of the ORS 456.055 to 456.235 (the "Housing Authorities Law"); and

WHEREAS, a purpose of the Authority under the Housing Authorities Law is to construct, acquire, manage and operate affordable housing for persons of lower income; and

WHEREAS the Authority is authorized by ORS 456.120 to form, finance and have a nonstock interest in, and to manage or operate, partnerships, nonprofit corporations and limited liability companies in order to further the purposes of the Authority; and

WHEREAS, consistent with its purposes and powers, the Authority intends to cause an affiliate entity to develop, construct, and operate a multifamily housing development for permanent ex-offenders to be known as The Oaks at 14th which will have approximately 54 apartment units and qualify for the federal low-income housing tax credit (the "Credit") under Section 42 of the Internal Revenue Code of 1986 as amended (the "Code"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Project to enter into agreements with, and to obtain an investment in the LLC from, US Bancorp Community Development Corporation ("US Bank"), in the approximate amount of \$7,998,366 (the "Investment") substantially in accordance with a term-letter dated August 10, 2015 and revised August 27, 2015, with such amendments as may be required following further underwriting and negotiation; and

WHEREAS, as part of the Investment, US Bank will require that the initial operating agreement of the LLC be amended and restated in its entirety to reflect the terms of the Investment (the "Amended Agreement"); and

WHEREAS, as part of the Investment, US Bank will require that the LLC and the Authority enter into various documents relating to the management of the LLC and to development and/or operation of the Project (the "Syndication Documents") including certain guaranties to be executed by the Authority in its capacities as guarantor and developer; and

WHEREAS, the Authority deems it to be in the best interests of the Authority and the LLC to take all actions reasonably necessary to facilitate the Investment in the LLC by US Bank by entering into any and all agreements with US Bank and/or the LLC, on its own account, and as the sole member and manager of the LLC, and to take any and all further actions to facilitate the Investment in the LLC by US Bank; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC that the LLC obtain a construction loan from US Bank, which loan will be in the approximate amount of **\$7,000,000** (which amount is subject to further underwriting and negotiation) (the "Construction Loan") and bear interest at the rate of approximately 2.25% above 1-month LIBOR; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC that the LLC permanent financing through the Network for Oregon Affordable Housing ("NOAH") which loan will: (a) be in the approximate principal amount of **\$383,000** (which amount is subject to further underwriting and negotiation), (b) have a term to maturity of approximately 20 years following conversion of the Project to permanent financing, (c) bear interest at approximately 2% per year which is a rate which reflects the availability of Oregon Affordable Housing Tax Credits as to the principal amount of such loan, and (d) be secured by a first position deed of trust establishing a lien on the Project (the "Senior Mortgage Loan"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to cause the Authority to enter into such agreements as are reasonably necessary to obtain a grant in the approximate amount of **\$500,000** of state General Housing Account Program funds (the "GHAP Funds") from the State of Oregon acting by and through its Housing and Community Services Department and, thereafter, to lend the GHAP Funds to the LLC which loan will have a term to maturity and interest rate to be determined after further underwriting; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to cause the Authority to enter into such agreements as are reasonably necessary to loan predevelopment funds from the Agency to the LLC; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to authorize the Authority to enter into an agreement to convey the Land to, and assign the Authority's rights and obligations regarding the use of the Land to the LLC; and

WHEREAS, the Authority deems it to be in the best interests of the Authority and the LLC to take all actions reasonably necessary to facilitate the receipt of funds from Sponsors Inc. and the loan of such funds to the LLC; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, and the LLC to authorize the execution and delivery of certain documents pursuant to which the Project will be allocated approximately **\$686,600** of 2016 and **\$103,101** of 2017 federal low-income housing tax credits annually for a period of 10 years (the "LIHTC Credits") or such other amount as may be set forth in 9% LIHTC Reservation and Extended Use Agreement to be issued by the Oregon Housing and Community Services Department and executed by the LLC; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to enter into certain agreements for architectural and construction related services related to the Project; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to enter into agreements with professionals with technical expertise and, as appropriate, to assign to the LLC the product of such agreements;

NOW, THEREFORE, THE AUTHORITY IN ITS OWN CAPACITY AND AS THE SOLE MEMBER AND MANAGER OF THE LLC IN ITS OWN CAPACITY, ADOPTS THE FOLLOWING RESOLUTIONS:

1. Approve Amended LLC Operating Agreement, Admission of Investor Member; Execution of Related Agreements.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, a letter of intent relating to an anticipated Amended and Restated Operating Agreement of the LLC between the Authority (as manager and member) and US Bank (as the investor member) in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document);

BE IT FURTHER RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority (whether in its own capacity, its capacity as manager or managing member, its capacity as developer or its capacity as a guarantor) and/or the LLC, as the case may be, the Syndication Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the Investment by US Bank, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

2. Authorize Construction Loan to LLC.

BE IT RESOLVED that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority (whether in its own capacity, its capacity as manager or managing member, its capacity as developer or its capacity as a guarantor) and/or the LLC, as the case may be, the Construction Loan Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the Construction Loan all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

3. Authorize Senior Mortgage Loan Commitment.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, a commitment with NOAH relating to the Senior Mortgage Loan the Loan Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect), and such documents as may be necessary to evidence and secure such Senior Mortgage Loan all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

4. Authorize Receipt of GHAP Funds by Authority.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, such documents as are required to evidence and obtain a grant of the GHAP Funds.

5. Authorize Loan of GHAP Funds from Authority to LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such documents as required to evidence and secure a Loan in the amount of the GHAP Funds to the LLC all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

6. Authorize a loan of predevelopment funds from Authority to the LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such Documents required to loan predevelopment funds from the Authority to the LLC.

7. Authorize the conveyance of real property to the LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, Such Documents required to have the Agency convey the Land to the LLC on such terms and conditions which are approved by any Authorized Representative, as that term is defined in these Resolutions (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

8. Authorize the receipt by the Authority of funds from Sponsors Inc. and a loan of such funds to the LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, Manager, and/or the LLC, as the case may be, receipt of funds from Sponsors Inc. and loan of such funds to the LLC all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

9. Authorize Execution of 9% LIHTC Credit Reservation and Extended Use Agreement.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority and/or the LLC, as the case may be, a 9% Low Income Housing Tax Credit Reservation and Extended Use Agreement pertaining to the LIHTC Credits anticipated to be awarded in respect of the Project, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

10. Authorize Architect Contracts and Construction Contracts on behalf of LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, forms of agreement with an architect and a general contractor with such amendments as may be required from time to time, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document):

11. Authorize Agreement for Technical and Professional Consulting Services.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such agreements as any Authorized Representative may deem prudent for the provision of financial, accounting, legal, development consulting, engineering, geotechnical, environmental, construction management or other services, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document.)

12. Authorize Assignment, Assumption and Reimbursement Agreement between Authority and LLC.

BE IT RESOLVED that the Authority is authorized to enter in such agreements as may be necessary to assign to the LLC (and obtain reimbursement from the LLC therefor) such development rights, design and construction contracts, and other real and personal property as the Authority may have acquired for purposes of the Project.

13. Authorized Representatives.

BE IT RESOLVED that the following identified persons shall be the Authorized Representatives as that term is used in these Resolutions and authorized, empowered and directed to perform the actions authorized herein on behalf of the Authority whether acting on behalf of the Authority or the LLC.

Jacob Fox
Valerie Warner

In addition to the Authorized Representatives named above, the following named individual(s) shall have authority to execute draw requests, monthly progress reports and miscellaneous forms associated with tax credits, grants and loans:

Steve Ochs

14. General Resolutions Authorizing and Ratifying Other Actions

BE IT RESOLVED, that any Authorized Representative is authorized to negotiate, execute and deliver on behalf of the Authority and the LLC, as the case may be, such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions any Authorized Representative shall deem necessary or desirable to carry out the transactions contemplated by the foregoing resolutions (such determination to be conclusively demonstrated by the signature of any Authorized Representative on such document); and

BE IT FURTHER RESOLVED, that to the extent any action, agreement, document or certification has heretofore been taken, executed, delivered or performed by an Authorized Representative named in these Resolutions on behalf of the Authority, acting in its own behalf or as a member of the LLC, and in furtherance of the Project, the same is hereby ratified and affirmed.

Done and dated this 1st day of December, 2015.

BOARD OF COMMISSIONERS


Chair, HACSA Board of Commissioners

APPROVED AS TO FORM

Date 11/18/15 lane county

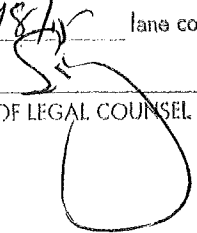

OFFICE OF LEGAL COUNSEL

Exhibit A

US Bank Syndication Documents

1. Amended and Restated Operating Agreement of the LLC;
2. Guaranty Agreement;
3. Development Services Agreement;
4. Joint Marketing Agreement;
5. Company Management Fee Agreement;
6. And such other document as required in connection with the closing of the Investment by US Bank.

US Bank Construction Loan Documents

7. Promissory Note;
8. Construction Loan and Security Agreement;
9. Construction Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing;
10. Pledge and Security Agreement (Assignment of Partnership Interests and Tax Credits);
11. Assignment of Capital Contributions;
12. Assignment of Leases and Rents;
13. Guaranty and Suretyship Agreement (Payment and Completion);
14. Assignment of Construction and Development Documents;
15. Environmental Indemnity Agreement;
16. Borrower's Certificate;
17. Subordination of Management Agreement.

NOAH Permanent Loan Documents

18. Commitment Letter
19. Loan Purchase Agreement
20. Certificate of Borrower
21. Amendment to Note
22. Amendment to Deed of Trust
23. Pledge and Security Agreement
24. Certificate and Indemnity Regarding Hazardous Substances
25. Guaranty (Managing Member's obligations)
26. Indemnity and Guaranty (Storm water facilities, etc.)
27. Borrower Collateral Assignment (HAP Contact, etc.)
28. Release & Termination Agreement
29. Misc. Subordinations