

**IN THE BOARD OF COMMISSIONERS
OF THE HOMES FOR GOOD HOUSING AGENCY
OF LANE COUNTY, OREGON**

ORDER NO. 19-19-06-03H) **In the Matter of Authorizing**
) **the Execution and Delivery of a**
) **Financing Agreement(s) and Note(s) in**
) **the Principal Amount Not to Exceed**
) **\$9,200,000 to Refinance the 2017**
) **Loan and Finance the Renovation,**
) **Improvement and Equipping of the**
) **former Eugene Public Library**
) **located at 100 W. 13th Avenue;**
) **Designating an Authorized Representative**
) **and Special Counsel; and Related Matters.**

WHEREAS, the Housing and Community Services Agency of Lane County, Oregon, doing business under the assumed business name “Homes for Good Housing Agency” (the “Agency”), as the duly created housing authority of Lane County, Oregon pursuant to Oregon Revised Statutes (“ORS”), Chapter 456, is authorized by ORS Sections 271.390 and 456.120 to enter into financing agreements and to finance or refinance real or personal property that the Agency determines is needed; and

WHEREAS, in 2017 the Agency purchased the former Eugene Public Library located at 100 W. 13th Avenue and associated land and financed the purchase with a loan from Branch Banking and Trust Company (“BBTC”) in the original principal amount of \$3,784,967.75 (the “2017 Loan”); and

WHEREAS, the outstanding principal balance of the 2017 Loan is \$3,784,967.75; and

WHEREAS, the Agency determines it is in the best interest of the Agency to (1) refinance the 2017 Loan and (2) borrow additional funds to renovate the former Eugene Public Library located at 100 W. 13th Avenue, in the aggregate principal amount not to exceed \$9,200,000 (the “2019 Loan”); and

WHEREAS, BBTC agreed to reduce the prepayment penalty with respect to the 2017 Loan from 1% to ½% if the BBTC is the lender for the 2019 Loan; and

WHEREAS, the Agency determines that it is in the best interests of the Agency to obtain a loan from BBTC, which loan will be in the principal amount not to exceed \$9,200,000 and bear interest at a current competitive fixed rate to (1) refinance the 2017 Loan, (2) finance the renovation, improvement and equipping of the former Eugene Public Library located at 100 W. 13th Avenue and (3) pay related costs of issuance (collectively, the “Project”); and

WHEREAS, the Agency determines that the Project is needed.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

Section 1. Authorization. The Agency hereby authorizes:

A. Negotiation and Execution of Purchase and Related Documents. The Authorized Representative (as defined below) is authorized to negotiate, execute and deliver on behalf of the Agency such documents as are required to finance and refinance the Project, all in the form approved by the Authorized Representative (such approval to be conclusively demonstrated by the signature of the Authorized Representative on any such document).

B. Issuance of Financing Agreement(s). the Agency authorizes the issuance and negotiated sale of one or more a financing agreements and notes as determined by the Authorized Representative and special counsel to the Agency (the "Financing Agreement(s)") to be entered into and issued to the BBTC pursuant to the BBTC's proposal (the "Proposal"), a copy of which is attached to this Order as Exhibit A, in an amount not to exceed \$9,200,000 to finance and refinance the Project. In conformance to the Proposal, the Financing Agreement(s) shall be issued at a taxable or tax-exempt interest rate not to exceed 4.25% per annum for the first ten years. At the end of the ten year period, BBTC may elect to reset the interest rate to the then-current market rate or the remaining principal will be due in full. The Agency shall pay BBTC's counsel fees and expenses in an amount not to exceed \$9,000. The Agency shall also pay the fees and expenses of special counsel to the Agency. The Financing Agreement(s) shall be in a form satisfactory to the Authorized Representative and special counsel to the Agency, and shall have terms consistent with the Proposal and as determined by the Authorized Representative.

Section 2. Security.

The payment of the Agency's obligations under the Financing Agreement(s) shall be payable from the Agency's general non-restricted revenues and other funds that are lawfully available for that purpose and pledged to the payment of such obligations, including, without limitation, rent payments payable to the Agency from the Project. As additional security for its obligations under the Financing Agreement(s), the Agency shall grant a first deed of trust and an assignment of rents on the Project (the "Deed of Trust").

Section 3. Designation of Authorized Representative.

The Agency hereby authorizes the Executive Director or Finance Director of the Agency (each an "Authorized Representative") to act as the authorized representative on behalf of the Agency and determine the remaining terms of the Financing Agreement(s) as delegated in Section 4 below.

Section 4. Delegation of Final Terms of Financing Agreement(s) and Additional Documents.

The Authorized Representative is authorized, on behalf of the Agency, to:

A. negotiate the terms of the Financing Agreement(s) and enter into a commitment letter or purchase agreement related to the Financing Agreement(s);

B. establish the maturity and interest payment dates, dated date, principal amounts, prepayment provisions, taxable or tax-exempt interest rates, denominations, financial reporting requirements, and all other terms of the Financing Agreement(s) as the Authorized Representative determines to be in the best interest of the Agency, and to execute and deliver the Financing Agreement(s) in the form approved by the Authorized Representative (such

approval to be conclusively demonstrated by the signature of the Authorized Representative on the Financing Agreement(s).)

C. execute and deliver a certificate specifying the action taken pursuant to this Order and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to enter into the Financing Agreement(s) and to execute, deliver and record the Deed of Trust in accordance with this Order and take any and all other actions that the Authorized Representative determines are necessary or desirable to finance and refinance the Project with the Financing Agreement(s) in accordance with the purposes of and authority provided by this Order.

Section 5. Tax Covenant. If issued as a tax-exempt obligation, the proceeds of the Financing Agreement(s) shall be used and invested in such manner that the Financing Agreement(s) shall not become an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations. The Agency covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Financing Agreement(s) and in the investment and expenditure of the proceeds thereof which would result in the interest on any tax-exempt Financing Agreement(s) becoming taxable for federal income tax purposes.

Section 6. Appointment of Special Counsel.

The Agency appoints Mersereau Shannon LLP as special counsel to the Agency for the issuance of the Financing Agreement(s).

Section 7. Authorization for Additional Technical and Professional Services.

The Authorized Representative is authorized to negotiate, execute and deliver on behalf of the Agency such agreements and take such actions as the 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 the Authorized Representative (such approval to be conclusively demonstrated by the signature of the Authorized Representative on such document).

Section 8. Order to Constitute Contract.

In consideration of the purchase and acceptance of the Financing Agreement(s), the provisions of this Order shall be part of the contract of the Agency with the BBTC and shall be deemed to be and shall constitute a contract between the Agency and the BBTC. The covenants, pledges, representations and warranties contained in this Order, in the Financing Agreement(s) or in the closing documents executed in connection with the Financing Agreement(s) and the other covenants and agreements herein set forth to be performed by or on behalf of the Agency shall be contracts for the benefit, protection and security of the BBTC and shall be enforceable by the BBTC.

Section 9. Ratification of Other Actions.

To the extent any action, agreement, document or certification has heretofore been taken, executed, delivered or performed by an Authorized Representative named in this Order on behalf of the Agency, and in furtherance of the Project, the same is hereby ratified and affirmed.

Section 10. Effective Date.

This Order is adopted and shall take effect on June 17, 2019.

HOMES FOR GOOD HOUSING AGENCY

By Charlene M. Pearson
Chair, Board of Commissioners

6/17/19

Exhibit A

BBTC PROPOSAL

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
(704) 954-1700
Fax (704) 954-1799

May 21, 2019

To: Housing and Community Services Agency of Lane County, Oregon

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Housing and Community Services Agency of Lane County, Oregon (the "Agency").

- (1) Project:** Lease Purchase Financing, Series 2019B ("Financing")
- (2) Amount to Be Financed:** Approximately \$564,000
- (3) Interest Rates, Financing Terms and Corresponding Payments:**

We offer a twenty-year (20) amortization financing in which the interest rate will be fixed at 4.16% for the first ten (10) years. At the end of the ten year period, the interest rate will be re-set at a then-current market rate. The transaction will be non-callable until June 1, 2029 and pre-payable on any payment date, in whole, without penalty after that point.

BB&T will receive a one-half percent (1/2%) prepayment penalty on the existing 2017 lease that is being termed out.

Payments shall be semi-annual interest on June 1 and December 1, beginning December 1, 2019 and annual principal each June 1, commencing June 1, 2020. The rate reset date will be June 1, 2029. At the rate reset date, BB&T may elect to reprice the lease at a new yen-year rate to be fixed through a June 1, 2034 final maturity or the remaining principal will be due in full. Interest shall be calculated on a 30/360 basis in accordance with MSRB standards. The interest rates stated above is valid for a closing no later than June 30, 2019. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel.

Remuneration for our legal review expenses and underwriting for this financing transaction shall not exceed \$9,000. This Bank Counsel fee shall be paid by the Agency on behalf of BB&T, either through financing proceeds or with cash. All applicable costs of counsel for the Agency and any other costs shall be the Agency's responsibility and separately payable by the Agency.

We understand that the financing shall qualify as a taxable financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is determined to be any other type of financing. Documentation, unless otherwise required by Federal or Oregon State Law, should not include any bond presentation or surrender requirements in order to receive the final principal payment. These provisions must be acceptable to BB&T.

BB&T will wire funds via wire or check, allowing for a maximum of four (4) wires. BB&T does not require a paying agent on this transaction.

- (4) Financing Documents:**

It shall be the responsibility of the Agency to retain and compensate bond counsel to appropriately structure the transaction according to Federal and Oregon State statutes. BB&T shall also require the Agency to

provide an unqualified bond counsel opinion stating the validity of the transaction. BB&T reserves the right to review the documents and all documentation shall be acceptable to BB&T and its counsel. BB&T will take physical delivery of the original Lease Agreement and Assignment Agreement at or prior to settlement. BB&T does not require an S&P rating for this project. This issue shall not be assigned a CUSIP number.

(5) Security and Covenants:

BB&T will be secured by a pledge of rents from the office building facility, as well as a supplemental first lien on the facility.

BB&T will require audited financial statements of the Agency to be delivered within 270 days of each fiscal year end throughout the life of the Financing.

* * * * *

BB&T appreciates the opportunity to provide this financing term sheet and requests to be notified within fifteen days of this term sheet should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the Agency of its election to do so (whether or not this offer has previously been accepted by the Agency) if at any time prior to the closing there is a material adverse change in the Agency's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Agency or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call William DaSilva at (704) 954-1704 with your questions and comments. We look forward to hearing from you.

Sincerely,



William B. DaSilva
Assistant Vice President
BRANCH BANKING AND TRUST COMPANY

5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
(704) 954-1700
Fax (704) 954-1799

May 21, 2019

To: Housing and Community Services Agency of Lane County, Oregon

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Housing and Community Services Agency of Lane County, Oregon (the "Agency").

- (1) Project:** Lease Purchase Financing, Series 2019A ("Financing")
- (2) Amount to Be Financed:** Approximately \$8,637,000
- (3) Interest Rates, Financing Terms and Corresponding Payments:**

We offer a twenty-year (20) amortization financing in which the interest rate will be fixed at 3.39% for the first ten (10) years. At the end of the ten year period, the interest rate will be re-set at a then-current market rate. The transaction will be non-callable until June 1, 2029 and pre-payable on any payment date, in whole, without penalty after that point.

BB&T will receive a one-half percent (1/2%) prepayment penalty on the existing 2017 lease that is being termed out.

Payments shall be semi-annual interest on June 1 and December 1, beginning December 1, 2019 and annual principal each June 1, commencing June 1, 2020. The rate reset date will be June 1, 2029. At the rate reset date, BB&T may elect to reprice the lease at a new yen-year rate to be fixed through a June 1, 2034 final maturity or the remaining principal will be due in full. Interest shall be calculated on a 30/360 basis in accordance with MSRB standards. The interest rates stated above is valid for a closing no later than June 30, 2019. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel.

Remuneration for our legal review expenses and underwriting for this financing transaction shall not exceed \$9,000. This Bank Counsel fee shall be paid by the Agency on behalf of BB&T, either through financing proceeds or with cash. All applicable costs of counsel for the Agency and any other costs shall be the Agency's responsibility and separately payable by the Agency.

We understand that the Agency expects to borrow more than \$10,000,000 in calendar year 2019 and that the financing shall qualify as non-qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing shall become taxable prior to settlement. Documentation, unless otherwise required by Federal or Oregon State Law, should not include any bond presentation or surrender requirements in order to receive the final principal payment. The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable or non-bank qualified in accordance with Oregon State Statutes or the Internal Revenue Service code. These provisions must be acceptable to BB&T.

BB&T will wire funds via wire or check, allowing for a maximum of four (4) wires. BB&T does not require a paying agent on this transaction.

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Please call William DaSilva at (704) 954-1704 with your questions and comments. We look forward to hearing from you.

Sincerely,



William B. DaSilva
Assistant Vice President
BRANCH BANKING AND TRUST COMPANY