

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

ORDER 20-15-01-01H

In the Matter of Revising the Financing
Approval of RAD 2 LLC Projects.

WHEREAS, Housing Authority and Community Services Agency of Lane County doing business as Home for Good Housing Agency (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 Homes for Good Housing Agency; and

WHEREAS, by prior Board Order 18-19-12-01H, the Authority was authorized to develop a split-site RAD 2 affordable housing development (the "Project") and to apply for certain funding from the State of Oregon; and

WHEREAS, by prior Board Order 19-25-09-01H, the Authority was authorized to acquire the Hayden Bridge Meadows property in Springfield, Oregon for the Project and to enter into a loan from Washington Federal Bank, National Association and a loan of Community Development Block Grant funds from the City of Springfield to finance the acquisition of that property by the Authority; and

WHEREAS, by prior Board Order 19-16-10-01H, the Authority was authorized in the formation and financing of the RAD 2 LLC projects; and

WHEREAS, material changes in the financing commitments for the the RAD 2 LLC projects have occurred; and

WHEREAS, for the purposes of pursuing development, construction, and operation of the Project, the Authority finds it to be in the best interests of the Authority to authorize the formation of a limited liability company to be known as RAD 2 LLC or such other name permitted by the Oregon Secretary of State (the "LLC"); and

WHEREAS, the Authority has determined that the LLC should be managed by an affiliate of the Agency to be a single-member limited liability company known as RAD Manager LLC or such other name permitted by the Oregon Secretary of State (the "Manager"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project for the Authority to exercise a previously executed option (the "Option") and acquire additional property located near 1600 Taney in Eugene, Oregon (the "Taney Property"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project for the Authority to sell the Hayden Bridge Meadows Property and the Taney Property (together, the "Properties") to the LLC for a price substantially equal to the price paid by the Authority for the Properties and for the LLC to acquire the Properties on the same terms; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to enter into agreements with, and to obtain an investment in the LLC from, USA Institutional RAD 2 LLC, a Delaware limited liability company sponsored by The Richman Group Affordable Housing Corporation ("TRG") in the approximate amount of **\$9,173,812** (the "Investment") substantially in accordance with a term-letter dated April 17, 2019, which amount may be larger or smaller depending on further underwriting; and

WHEREAS, as part of the Investment, TRG 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, TRG 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, the LLC, the Manager, and the Project to take all actions reasonably necessary to facilitate the Investment in the LLC by TRG by entering into any and all agreements with TRG 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 TRG; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project, for the LLC to seek the issuance of tax-exempt conduit bonds by the State of Oregon for the development and construction of the Project (the "Bonds") and to execute such documents as may be necessary to effect issuance of the Bonds (the "Bond Documents"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project that the LLC obtain construction and permanent financing from Washington Federal Bank ("WaFed") consisting of: (a) a Construction/Bridge Loan in the approximate principal amount of **\$17,000,000** (which amount is subject to further underwriting and negotiation and may increase or decrease) with a maturity of 24 months and an interest rate of approximately 4.02%; and (b) upon conversion, a Term Loan in the approximate principal amount of **\$6,500,000** which, will have a term to maturity of approximately 22 years following conversion, bear interest at an effective rate of approximately 2.00% per annum under the Oregon Affordable Housing Tax Credit Program; and (c) be

secured by first-position deeds of trust establishing a lien on the Projects (collectively, the "WaFed Loan"); and

WHEREAS, the WaFed Loan will be funded through the issuance of the Bonds; and

WHEREAS, the terms of the proposed WaFed Loan are satisfactory; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority the LLC, the Manager, and the Project, to cause the LLC to enter into such agreements as are reasonably necessary to obtain a loan in the approximate amount of **\$750,000** of federal HOME Investment Partnership funds (the "Home Funds") from the City of Eugene which loan will have a term to maturity and interest rate to be determined after further underwriting (the "HOME Loan"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the Authority and the LLC to enter into such agreements as are reasonably necessary for the Authority to receive a grant from Oregon Housing and Community Services Department ("OHCS") under its Multifamily Housing Preservation Funds program in the approximate amount of **\$2,650,000** (the "HPF Funds") and, thereafter, to lend such funds to the LLC pursuant to loan documents reflecting a loan in the amount of the HPF funds with a term to maturity of at least 30 years and a rate of interest to be determined, which loan will be secured by subordinate deeds of trust (all of which terms are subject to further underwriting) (the "HPF Loan"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the Authority to pursue with the U.S. Department of Housing and Urban Development under Phase 2 of the Rental Assistance Demonstration Project program, authority to sell approximately 100 scatter-site housing units (the "Scatter-site Units") which will be subject to a Rental Assistance Demonstration Use Agreement; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the Authority to enter into a line of credit facility with WaFed pursuant to which WaFed will lend the Authority a maximum of approximately **\$13,014,919** (which amount is subject to further underwriting and negotiation and may increase or decrease) which will be secured by the Scatter-site Units and have a term to maturity of approximately 24 months (the "WaFed Line of Credit"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the Authority to lend to the LLC, and cause the LLC to borrow from the Authority, the proceeds of the WaFed Line of Credit and, in addition, to cause the Authority to lend, and the LLC to borrow, so much of the RAD Funds received by the Authority as to result in a total loan from the Authority to the LLC of **\$13,014,919** which loan shall have a term to maturity of at least 30 years and a rate of interest to be determined, and be secured by subordinate deeds of trust (all of which terms are subject to further underwriting) (the "RAD Funds Loan"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to authorize the execution and delivery of certain documents pursuant to which the Project will be allocated approximately **\$955,701** of 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 4% LIHTC Reservation and Extended Use Agreement to be issued by OHCS and executed by the LLC; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the LLC to enter into such agreements as are reasonably necessary to obtain from the City of Eugene a waiver of otherwise applicable Systems Development Charges payable with respect to development of the Taney Property (the "SDC Waiver"); and

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

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Manager, and the Project to cause the Authority to enter into a Development Services Agreement with the LLC pursuant to which the Authority would be paid a developer fee, a portion of which would be deferred and paid from available Project cash flow;

NOW, THEREFORE, THE AUTHORITY IN ITS OWN CAPACITY, AS THE SOLE MEMBER OF THE MANAGER, AND ON BEHALF OF THE MANAGER OF THE LLC IN ITS OWN CAPACITY AND ON BEHALF OF THE LLC, ORDERS:

1. Authorize Formation of RAD 2 LLC and Creation of Accounts.

BE IT RESOLVED, that the Authority is authorized to execute and deliver the following documents:

- a) Articles of Organization of RAD 2 LLC, an Oregon limited liability company, to be effective as of the day they are filed with the Oregon Secretary of State; and
- b) An Operating Agreement of RAD 2 LLC, to be effective as of the date the Articles of Organization of the limited liability company are filed with the Oregon Secretary of State; and
- c) Such documents as may be necessary or convenient to establish in the name of the LLC such checking, savings and other accounts in the name of RAD 2 LLC at such state or federally chartered banks as any Authorized Representative may determine;

and

Be it further Resolved, that the LLC shall be managed by RAD Manager LLC.

2. Authorize Formation of RAD Manager LLC and Creation of Accounts.

BE IT RESOLVED, that the Authority is authorized to execute and deliver the following documents:

- a) Articles of Organization of RAD Manager LLC, an Oregon limited liability company, to be effective as of the day they are filed with the Oregon Secretary of State; and

- b) An Operating Agreement of RAD Manager LLC, to be effective as of the date the Articles of Organization of the limited liability company are filed with the Oregon Secretary of State; and
- c) Such documents as may be necessary or convenient to establish in the name of the LLC such checking, savings and other accounts in the name of RAD Manager LLC at such state or federally chartered banks as any Authorized Representative may determine.

3. Authorize Acquisition of Taney Property.

BE IT RESOLVED, that the Authority is authorized to exercise the Option and acquire the Taney Property on the terms and conditions set forth in the Option and to execute any and all documents necessary to such purchase, 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 Sale of Properties by Authority to the LLC and Acquisition by LLC.

BE IT RESOLVED, that the Authority and the LLC are authorized to negotiate, execute, and deliver on behalf of the Authority and the LLC, as the case may be, such documents as are necessary to cause the Authority to sell, and the LLC to purchase, the Properties for a price substantially equal to the price paid by the Authority.

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

BE IT RESOLVED, that the Authority and the Manager are authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, 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 among the Manager and TRG 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 and the Manager, as the case may be (whether in its own capacity, its capacity as developer, or its capacity as a guarantor) and/or the LLC 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 TRG, 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 Bond Documents.

BE IT RESOLVED, that the Authority, the Manager, and the LLC are authorized to negotiate, execute, and deliver on behalf of the Authority, Manager, and/or the LLC, as the case may be, the Bond Documents, 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).

7. Authorize WaFed Loan.

BE IT RESOLVED, that the Authority, the Manager, and the LLC are authorized to negotiate, execute and deliver on behalf of the Authority, the Manager, and/or the LLC, as the case may be, the WaFed Loan Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect), and such other documents as required to evidence and secure the WaFed 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).

BE IT FURTHER RESOLVED, that any resolution required by the WaFed to be adopted by the Authority acting in its own behalf or on behalf of the Manager of the LLC as a condition of closing the WaFed Loan is hereby adopted and any Authorized Representative is hereby authorized to certify to such adoption

8. Authorize HOME Loan.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, and/or the LLC, as the case may be, such documents as reasonably may be required in connection with the closing of the HOME 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).

9. Authorize Receipt of HPF Funds from OHCS and Loan to LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, and the LLC such documents as may be required for the Authority to obtain the HPF Funds and cause the Authority to lend the same to the LLC, all such documents to be 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 Application Under Rental Assistance Demonstration Project Phase 2 with HUD, Execution of Required Documents, and Sale of Scatter-site Units.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, and the LLC such documents as may be required to obtain authority from the U.S. Department of Housing and Urban Development under Phase 2 of the Rental Assistance Demonstration Project to sell the Scatter-site Units and use all or a portion of the proceeds thereof for the development, construction, and operation of the Project.

11. Authorize WaFed Line of Credit.

BE IT RESOLVED, that the Authority, the Manager, and the LLC are authorized to negotiate, execute and deliver on behalf of the Authority, the Manager, and/or the LLC, as the case may be, such documents as required to evidence and secure the WaFed Line of Credit to the Authority, 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 RAD Funds Loan.

BE IT RESOLVED, that the Authority, the Manager, and the LLC are authorized to negotiate, execute and deliver on behalf of the Authority, the Manager, and/or the LLC, as the case may be, such documents as required to evidence and secure the RAD Funds Loan from the Authority 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).

13. Authorize Execution of LIHTC Credit Reservation.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, and/or the LLC, as the case may be, a 4% Low Income Housing Tax Credit Reservation and Extended Use Agreement pertaining to the LIHTC Credits anticipated to be allocated 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).

14. Authorize SDC Waiver Documents.

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 obtain the SDC Waiver 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).

15. Authorize Agreements for Technical and Professional Services.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the Manager, 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, property 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.)

16. Authorize Development Services Agreement.

BE IT RESOLVED, the Authority, the Manager, and the LLC are authorized to negotiate, execute, and deliver a Development Services Agreement between the Authority and the LLC pursuant to which the Authority is to be paid a developer fee, a portion of which is to be deferred and paid from available Project cash flow.

17. 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.

18. 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:

Jacob Fox, Executive Director
Jeffery Bridgens, Finance Director
Elzbieta Kubok, Communications Director

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
Spencer McCoy

19. 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 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 and in furtherance of the Project, the same is hereby ratified and affirmed.

Done and dated this 15th day of January, 2020.

BOARD OF COMMISSIONERS

Charlene M. Reeves
Chairperson

Exhibit A

Syndication Documents

1. Amended and Restated Operating Agreement.
2. Unconditional Guaranty.
3. Company Administration Services Agreement.
4. Development Fee Agreement.
5. Right of First Refusal/Option

WaFed Loan Documents

1. Construction and Term Loan Agreement.
2. Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing in favor of the Trustee, for the benefit of the Bondholders and the Issuer.
3. Payment and Performance Guaranty.
4. Reserve and Security Agreement.
5. Hazardous Materials Certificate and Indemnity (Issuer Environmental Indemnity).
6. Hazardous Materials Certificate and Indemnity.
7. Security Agreement (Collateral Pledge of Partnership Interest).
8. Access Laws Certificate and Indemnity.
9. Assignment of Contracts, Agreements and Permits.
10. Consent to Assignment (General Contractor Contract).
11. Consent to Assignment (Architect Contracts).
12. Consent to Assignment (Development Services Agreement).
13. Consent to Assignment (Management Agreement).
14. Such other documents as required in connection with the closing of the WaFed Loan.