

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

ORDER NO.
15-03-03-02H

**)In the Matter of Authorizing the Formation of Bascom II
)LLC, and Authorizing Development and Financing of the
)Bascom Village (Phase II) 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: (a) acquire approximately 2.2 acres of unimproved real property (the "Land") from the City of Eugene for the purpose of developing, constructing, and operating a multifamily housing development to be known as Bascom Village II which will have approximately 48 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, for the purposes of pursuing such acquisition, 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 Bascom Village II LLC or such other name permitted by the Oregon Secretary of State (the "Company"); and

WHEREAS, for the same purposes, the Authority finds to be in the best interests of the Authority to authorize the formation of a limited liability company to be known as BV II Manager LLC or such similar name as permitted by the Oregon Secretary of State ("t") to act as a member and as the manager of the Company; and

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

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the Company, the LLC, and the Project to enter into agreements with, and to obtain an investment in the Company from, an affiliate of Wells Fargo Bank, National Association ("Wells

Fargo”), in the approximate amount of **\$9,077,092** (the “Investment”) substantially in accordance with a term-letter dated January 20, 2015, with such amendments as may be required following further underwriting and negotiation; and

WHEREAS, as part of the Investment, Wells Fargo will require that the initial operating agreement of the Company be amended and restated in its entirety to reflect the terms of the Investment (the “Amended Agreement”); and

WHEREAS, as part of the Investment, Wells Fargo will require that the Company, the LLC, and the Authority enter into various documents relating to the management of the Company and the 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, and the Company to take all actions reasonably necessary to facilitate the Investment in the Company by Wells Fargo by entering into such agreements on its own behalf or as the sole member of the LLC in its own capacity or as manager or member of the Company to take any and all further actions to facilitate the Investment in the Company by Wells Fargo; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the Company that the Company obtain a construction loan from Wells Fargo Bank, N.A. (“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 210 bps above 1-month LIBOR; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Company that the Company obtain permanent financing through the Network for Oregon Affordable Housing (“NOAH”) which loan will: (a) be in the approximate principal amount of **\$500,000** (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, the LLC, and the Company to cause the Authority to enter into such agreements as are reasonably necessary to obtain a grant in the approximate amount of **\$297,136** of federal HOME Investment Partnership Program funds from the City of Eugene (the “HOME Funds”) and, thereafter, to lend the HOME Funds to the Company 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, the LLC, and the Company to cause the Authority to enter into such agreements as are reasonably necessary to obtain a grant in the approximate amount of **\$200,000** 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 Company 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, the LLC, and the Company to authorize the execution and delivery of certain documents pursuant to which the Project will be allocated approximately **\$890,000** of 2015 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 Company; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Company 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, the LLC, and the Company to enter into agreements with professionals with technical expertise and, as appropriate, to assign to the Company 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. Authorize Formation of 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 HACSA Bascom Manager LLC, an Oregon limited liability company, to be effective as of the day they are filed with the Oregon Secretary of State; and
- a) An Operating Agreement of HACSA Bascom 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
- b) Articles of Organization of Bascom Village II LLC, an Oregon limited liability company, to be effective as of the day they are filed with the Oregon Secretary of State; and
- c) An Operating Agreement of Bascom Village II 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
- d) Such documents as may be necessary or convenient to establish in the name of the Company such checking, savings and other accounts in the name of Bascom Village II LLC at such state or federally chartered banks as any Authorized Representative, as that term is defined in these Resolutions, may determine (such

determination to be conclusively demonstrated by the signature of any Authorized Representative on such document);

and

BE IT FURTHER RESOLVED, that the Company shall be managed by the Authority;

and

2. Authorize Execution of Land Agreement for the Project.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, the LLC, and/or the Company, as the case may be, all such documents as are reasonably necessary to have the Authority acquire the Land from the City and, thereafter, to convey the Land to the Company 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).

3. 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, the LLC, and/or the Company, as the case may be, a letter of intent relating to an anticipated Amended and Restated Operating Agreement of the Company between the LLC (as manager and member) and Wells Fargo (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 sole member of the LLC, its capacity as developer, or its capacity as a guarantor) and/or the Company, 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 Wells Fargo, 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 Construction Loan to LLC.

BE IT RESOLVED that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, the LLC, and/or the Company, 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).

BE IT FURTHER RESOLVED, that any resolution or certificate required by Bank to be adopted by the Authority, the LLC, and/or the Company as a condition of closing the construction loan is hereby adopted and the Executive Director is authorized to certify to such adoption and execute such resolution or certificate.

5. Authorize Senior Mortgage Loan Commitment

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, the LLC, and/or the Company, as the case may be, a commitment with NOAH relating to the Senior Mortgage Loan 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).

6. Authorize Receipt of HOME Funds Grant 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 HOME Funds.

7. Authorize Loan of HOME Funds from Authority to LLC.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, the LLC, and/or the Company, as the case may be, such documents as may be required to evidence and secure a Loan in the amount of the HOME Funds to the Company, 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).

8. 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.

9. 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, the LLC, and/or the Company, as the case may be, such documents as required to evidence and secure a Loan in the amount of the GHAP Funds to the Company 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 Execution of LIHTC Credit Reservation.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, the LLC, and/or the Company, as the case may be, a 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).

11. 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, the LLC, and/or the Company, 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):

12. 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, the LLC, and/or the Company, 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.)

13. 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 Company (and obtain reimbursement from the Company therefor) such development rights, design and construction contracts, and other real and personal property as the Authority or the LLC may have acquired for purposes of the Project.

14. Authorized Representatives.

BE IT RESOLVED that the following named individual(s) shall be the Authorized Representative 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, the LLC, or the Company.

Larry Abel
Jacob Fox

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:

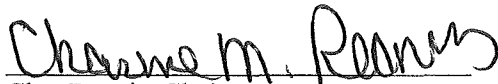
Steve Ochs

15. 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, the LLC, and the Company, 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 Company, and in furtherance of the Project, the same is hereby ratified and affirmed.

Dated this 3rd day of March, 2015.



Char Reavis, Chairperson
HACSA Board of Commissioners