

May 19, 2022

Housing Authority Board of Commissioners  
Clackamas County

Members of the Board:

Approval of a HACC Resolution #1965 to authorize a \$3M Loan of Regional Affordable Housing Bond Funds and an allocation of 40 Project-Based Regional Long Term Rental Assistance (Project-Based RLRA) Vouchers to support the Marylhurst Commons development and begin negotiations. Total Estimated Value is \$8.9M.  
County General Funds are not involved.

<b>Purpose/Outcomes</b>	Approval of Resolution #1965 to authorize a \$3M Loan of Regional Affordable Housing Bond Funds and an allocation of 40 Project-Based Regional Long-term Rental Assistance (Project-Based RLRA) vouchers to support the Marylhurst Commons development in Lake Oswego. This resolution commits the funding to the project however near final documents will come back to the board for review prior to closing in August.
<b>Dollar Amount and Fiscal Impact</b>	\$3,000,000 in Regional Affordable Housing Bond Funds and an allocation of 40 Project-Based RLRA vouchers funded through Supportive Housing Services Funds starting when the project is in operations for the remainder of the SHS Measure. ~7 years for an approximate value of \$5.9M No County General Funds Involved.
<b>Funding Source</b>	Regional Affordable Housing Bond & Supportive Housing Services Funds
<b>Duration</b>	Financial closing scheduled August 11, 2022. Project scheduled to be complete and operational Fall of 2023.
<b>Previous Board Action/Review</b>	2/2/21 – HACC staff notified the Housing Authority Board of HACC’s intent to award SHS services subsidy and Project-Based RLRA vouchers subject to the project competing successfully for the award of other State, Federal, or local funding needed to make this project feasible. 5/17/22 – Item presented at Issues
<b>Strategic Plan Alignment</b>	1. Sustainable and affordable housing 2. Ensure safe, healthy and secure communities
<b>Counsel Review</b>	4/25/22,5/11/22 Paul Dagle, Elliott, Ostrander & Preston, P.C.
<b>Procurement Review</b>	1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/> 2. If no, provide brief explanation: This item is a resolution. Selection for Project-Based RLRA vouchers was based on previous competition (LIFT) as allowed per HACC’s Project-Based Voucher (PBV) Policy.
<b>Contact Person</b>	Devin Ellin, Director of Housing Development, HACC (971) 227-0472
<b>Contact No.</b>	HACC Resolution #1965

**BACKGROUND:**

Mercy Housing staff approached HACC in early 2021 to inquire about the availability of rental subsidy to support units serving households with incomes at or below 30% of AMI at the new 100-unit affordable housing development, known as Marylhurst Commons, they were planning in Lake Oswego. HACC agreed to a conditional award of RLRA project-based rental assistance vouchers and SHS services subsidy subject to the project obtaining a Low-Income Housing Tax Credit (LIHTC) award or competing successfully for the award of other State, Federal, or local funding needed to make this project feasible as well as final Housing Authority Board approval.

In June of 2021, the project received a LIFT funding award from OHCS for \$4.25MM. HACC staff participated in the Marylhurst Commons Affordable Housing Design Focus Group and has been tracking the progress of the land use and permitting progress with the City of Lake Oswego.

In February of 2022, after receiving an updated construction cost estimate, Mercy Housing reached out to HACC to inquire about the availability of Regional Affordable Housing Bonds to fill a gap in the development budget for Marylhurst Commons. The unprecedented cost increases in construction materials and labor paired with Mercy's commitment to adding air-conditioning to their scope, left them with a \$3,000,000 gap in their development budget.

After reviewing the Housing Bond Local Implementation Plan guidance and conferring with Metro, HACC has determined that assenting to this request for gap funding is not only permissible, but prudent. It further advances the County's unit production goal by 100 units and provides urgently needed affordable housing in the high-opportunity community of Lake Oswego. Research shows that young children (those under 13) who move to areas deemed "high opportunity" grow up with a better quality of life in adulthood in the form of better health, education, and economic outcomes.

The Marylhurst Commons Affordable Housing project is a 100 unit, three- and four-story building located on the former Marylhurst University campus in Lake Oswego. The building will be located on a 4.25-acre parcel of land that Mercy Housing Northwest will lease (long-term ground lease) from the Sisters of the Holy Names, who own the former university campus. Three existing buildings will be demolished prior to starting construction on the new project.

The project will consist of 17 one-bedroom units, 61 two-bedroom units, and 22 three-bedroom units. A generous community space is centrally located on the ground floor of the building, and will include a community kitchen, a large community room with operable divider for division into two spaces, a children's play area, technology center, and offices for on-site resident services staff. The management offices and mail room are also centrally located on the ground floor near the building entrance. The building will be a large U-shape with a spacious outdoor courtyard which will contain amenity spaces for residents including a playground, seating areas, landscaped walking paths, a large plaza, and direct connections to the rest of the open space in the former university campus. Secure bike storage is also

provided inside the building, along with laundry rooms located on each floor. Trauma-informed design principles will be utilized to ensure welcoming, empowering spaces.

Sixty (60) units will serve families earning 60% of AMI and below and forty (40) units will provide Permanent Supportive Housing (PSH) for families who have experienced homelessness or are at risk of becoming homeless and have incomes at or below 30% of AMI. The PSH units will be supported with forty (40) Project-Based RLRA vouchers.

The cost associated with the RLRA vouchers allotted to this project will come from HACC’s RLRA budget for the years of residency at this development. There will be no expenditures for these RLRA vouchers until the project is in full operations which is scheduled for Fall of 2023. The allocation of SHS services funding for these 40 Project-Based RLRA will be contracted separately closer to the beginning of operations and is not included in this resolution.

It is estimated there will be about seven (7) years remaining of the SHS measure when construction is complete. Although RLRA voucher value varies depending on the income level of the resident, it is estimated that over seven (7) years the value of the RLRA vouchers will be approximately \$5,880,996 (~ \$5.9M). The allocation will have the option to extend if the SHS measure is renewed.

RLRA voucher Value Estimation for the 40 RLRA vouchers for 7 years at Marylhurst							
Unit Size	# Units	Total Rent/Unit (120% FMR)	Est. Amount to be paid by resident	Est. RLRA value/unit	RLRA/unit/yr	Total RLRA/year	RLRA for 7 years**
1 Bed	7	\$ 1,814.00	\$ 544.00	\$ 1,270.00	\$ 15,240.00	\$ 106,680.00	\$ 746,760.00
2 Bed	24	\$ 2,082.00	\$ 653.00	\$ 1,429.00	\$ 17,148.00	\$ 411,552.00	\$ 2,880,864.00
3 Bed	9	\$ 2,941.00	\$ 754.00	\$ 2,187.00	\$ 26,244.00	\$ 236,196.00	\$ 1,653,372.00
Rent Totals							\$ 5,280,996.00
Est. Deposits at about 1 turn per year							\$ 600,000.00
Total Estimated Rent Assistance and Deposit*							<b>\$ 5,880,996.00</b>

\* Estimate does not include supportive housing services which will be contracted separately when construction is complete. \*\* approximately 7 years remaining when development is complete however there will be an option to extend RLRA vouchers longer if the SHS measure is renewed.

With this income mix, Marylhurst Commons will be an important community asset serving lower-wage working families who have been excluded from the high-opportunity Lake Oswego community, as well as families who have been housing insecure. Mercy Housing Northwest and Lake Oswego School District have signed an MOU to for these units in an effort to reduce the number of families with children who are homeless or at risk of homelessness enrolled in Lake Oswego Schools. Because of the number of two- and three-bedroom units, the property will be focused on creating comfortable and welcoming spaces and programming for families and children.

Marylhurst Commons will be financed by a combination of public and private funds, including approximately:

- \$4.25 million OHCS LIFT funds
- \$1.2 million from the Sisters of the Holy Names
- \$3 million in Regional Affordable Housing Bond funds
- \$1.5 million in Deferred Developer Fee
- \$17.7 million in 4% Low Income Housing Tax Credit (LIHTC) Equity
- \$1.5 million Mercy Loan Fund
- \$11.3 million permanent amortizing loan

This is an opportunity for Clackamas County, in partnership with the Housing Authority, to support a shovel-ready affordable housing project that is located in a high opportunity area and advance the County's unit production target under the Regional Affordable Housing Bond measure.

Per this resolution, the Board would be authorizing the negotiation of documents to complete the Affordable Housing Bond Fund loan of \$3M and the allocation of 40 project-based RLRA vouchers for the Marylhurst Commons. The documents to finalize these transactions will not be completed until closer to the financial closing of the project. Near complete documents will be brought back to the board for review and approval sought to fully execute final documents.

**ATTACHMENTS:**

- Resolution #1965 Authorizing Loan of Regional Affordable Housing Bond Funds and award of 40 Project-Based RLRA vouchers to support the development of Marylhurst Commons.
- Project Information Sheet: Marylhurst Commons
- Example loan document from Good Shephard Village
- Draft RLRA documents

**RECOMMENDATION:**

HACC staff recommends the approval of HACC Resolution #1965 to authorizing a \$3M Loan of Regional Affordable Housing Bond Funds and an allocation of 40 Project-Based Regional Long Term Rental Assistance (Project-Based RLRA) vouchers to support the Marylhurst Commons Project and begin negotiations. Staff also recommends the Board authorize Commissioner Tootie Smith, Chair sign the resolution on behalf of the Housing Authority Board of Commissioners.

Respectfully submitted,



Rodney A. Cook, Director  
Health, Housing and Human Services

**BEFORE THE BOARD OF COMMISSIONERS  
OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY**

In the Matter of Authorizing the Metro Bond Funds Loan Financing and Related Matters, for the Marylhurst Commons Project



RESOLUTION NO. 1965

Page 1 of 4

WHEREAS, the Housing Authority of Clackamas County (“**Authority**”) works to provide affordable multifamily housing (“**Affordable Housing**”) for persons and families of lower income pursuant to Oregon Revised Statutes (“**ORS**”) 456.005 through 456.235; and

WHEREAS, the Metro Housing Bond sponsored by Metro was approved by voters in the Metro Region in 2018 to provide funding within the Metro Region for Affordable Housing (“**Metro Bond Funds**”); and

WHEREAS, the Authority acting on behalf of Clackamas County, Oregon has been designated as the agency for the County to apply for such Metro Bond Funds and to loan such funds to developers of Affordable Housing; and

WHEREAS, MHNW 20 Marylhurst Limited Partnership (the “**Partnership**”) applied to the Authority for a loan of Metro Bond Funds in the amount up to Three Million Dollars (\$3,000,000) (the “**Metro Bond Funds Loan**”) to be used in connection with the development of Marylhurst Commons, with a property address of 3190 Furman Drive, Lake Oswego, Oregon (the “**Project**”); and

WHEREAS, the Authority has applied to Metro to be allocated Metro Bond Funds in the amount up to Three Million Dollars (\$3,000,000) to be loaned to the Partnership to use in connection with the development of the Project; and

WHEREAS, subject to the approval of Metro, the Authority desires to make a loan to the Partnership of the Metro Bond Funds in the amount of up to Three Million Dollars (\$3,000,000); and

WHEREAS, the Partnership has requested the award of up to forty (40) Project-Based Regional Long-Term Rental Assistance Vouchers (“**Project-Based RLRA Vouchers**”) in connection with the development of the Project; and

WHEREAS, the Authority desires to award up to 40 Project-Based RLRA Vouchers to the Partnership upon its completion; and

WHEREAS, the Authority desires to enter into Agreement to Enter into a Regional Housing Assistance Payments Contracts (the “**ARHAP Contract**”) which will provide that upon timely completion of the Project, the 40 Project-Based RLRA Vouchers will be awarded pursuant to the Project-Based RLRA Program Regional Housing Assistance Payments Contract (the “**RHAP Contract**”);

NOW, THEREFORE, THE AUTHORITY ADOPTS THE FOLLOWING RESOLUTIONS:

Section 1. Approve Metro Bond Funds Loan to the Partnership.

BE IT RESOLVED, that the Authority staff is authorized to negotiate, on behalf of the Authority, the Metro Bond Funds 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 Metro Bond Funds Loan all in the form approved by any single Authorized Representative (such approval to be conclusively demonstrated by the signature of any single Authorized Representative on such documents). The Authority staff will return to the Board for final approval of the documents described in Exhibit A and will then authorize any single Authorized Representative to execute the approved documents.

Section 2. Approve Award of 40 Project-Based RLRA Vouchers.

BE IT RESOLVED, that the Authority is authorized to award forty (40) Project-Based RLRA Vouchers to the Partnership (the "***Project-Based Vouchers***"); and

BE IT FURTHER RESOLVED, that the Authority staff is authorized to negotiate on behalf of the Authority the ARHAP Contract and the RHAP Contract with the Partnership relating to the Project-Based Vouchers 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 award of the Project-Based Vouchers all in the form approved by any single Authorized Representative (such approval to be conclusively demonstrated by the signature of any single Authorized Representative on such documents).

Section 3. Selection of Authorized Representatives.

BE IT RESOLVED, that the Executive Director of the Authority, the Director of Health, Housing and Human Services, and the Director of Housing Development is each an Authorized Representative, as that term is used in these Resolutions.

Section 4. General Resolutions Authorizing and Ratifying Other Actions.

BE IT RESOLVED, that Authority staff is authorized to negotiate on behalf of the Authority such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions reasonably necessary or desirable to carry out the transactions contemplated by the foregoing resolutions; and

BE IT RESOLVED, that Authority staff will seek final approval from the Board on the near final form of documents described in Exhibit A before such documents are executed and delivered on behalf of the Authority by an Authorized Representative; 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 to carry out the transactions contemplated by the foregoing resolutions, the same is hereby ratified and affirmed.


DATED THIS \_\_\_\_ DAY OF \_\_\_\_ 2022

BOARD OF COMMISSIONERS FOR THE  
HOUSING AUTHORITY OF CLACKAMAS COUNTY

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

APPROVED AS TO FORM

  
\_\_\_\_\_  
COUNSEL FOR HOUSING AUTHORITY  
OF CLACKAMAS COUNTY, OREGON

## **EXHIBIT A**

### **Metro Bond Funds Loan Documents**

1. Loan Agreement (Marylhurst Commons)
2. Metro Bond Program Promissory Note (Marylhurst Commons)
3. Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents (Marylhurst Commons)
4. Regulatory Agreement
5. Replacement Cost and Capital Improvements Agreement
6. Priority and Subordination Agreement

### **Project-Based RLRA Documents**

1. Draft Agreement to Enter into a Regional Housing Assistance Payments (ARHAP) Contracts and any applicable Riders
2. Draft Regional Housing Assistance Payment Payments (RHAP) Contracts and any applicable Riders

### **Other Related Documents**

1. Any other documents that are necessary or desirable to be executed and delivered in connection with the Metro Bond Funds Loan as determined by the Executive Director of the Authority; and
2. Any documents that are necessary or desirable to be executed and delivered in connection with the closing of the term loan and repayment of the construction loan pursuant to the provisions of the loan documents as determined by the Executive Director of the Authority.





### At a glance

**Total unit count:** 100

**Total development cost:**  
\$41 million

**Regional Affordable Housing Bond funds:** \$3 million

**Bond funds per unit:** \$30,000

**Project type:** New construction

**Sponsor:** Mercy Housing Northwest

**Development consultant:**  
Housing Development Center

**Architect:** Carleton Hart Architecture

**General contractor:** WALSH Construction

**Partners:** Lake Oswego School District, YWCA, Clackamas Workforce Partnership, NW Family Services, Clackamas Children's Commission, Clackamas Children's Center

**Funding:** Low Income Housing Tax Credits, OHCS LIFT, Regional Affordable Housing Bond, OR-MEP, Project-based RLRA vouchers, private funding

**Construction begins:** August 2022

**Anticipated completion:**  
January 2024

# Marylhurst Commons

*3190 Furman Drive- Lake Oswego - Mercy Housing Northwest*

Marylhurst Commons, located on the former Marylhurst University campus in Lake Oswego, will include 100 units from one- to three-bedrooms, including 40 units of Permanent Supportive Housing (PSH) serving families who have experienced houselessness or are at risk of becoming houseless. A generous community space is centrally located on the ground floor of the building, and will include a community kitchen, a large community room, a children's play area, technology center, and offices for on-site resident services staff.

Marylhurst Commons will be situated on a 4.25 acre parcel of land that Mercy Housing Northwest will lease (long-term ground lease) from the Sisters of the Holy Names, who own the former university campus. The building will be a large U-shape with a spacious outdoor courtyard which will contain amenity spaces for residents including a playground, seating areas, landscaped walking paths, a large plaza, and direct connections to the rest of the open space in the former university campus. Secure bike storage is also provided inside the building, along with laundry rooms located on each floor. Trauma-informed design principles will be utilized to ensure welcoming, empowering spaces.

Marylhurst Commons will be an important community asset serving lower-wage working families who have been excluded from the high opportunity Lake Oswego community, as well as families who have been housing insecure. Mercy Housing Northwest is working in partnership with the Lake Oswego School District to reduce the number of families with children who are homeless or at risk of homelessness enrolled in Lake Oswego Schools. Because of the number of two and three bedroom units, the property will be focused on creating comfortable and welcoming spaces and programming for families and children.

MHNW is backed by affiliate organization Mercy Housing Inc., one of the largest nonprofit affordable housing developers, owners, and operators in the country.



## Development program

Marylhurst Commons is 100 units of new affordable housing and includes 40 units supported with project-based RLRA vouchers.

Unit size (no. of bedrooms)	No. of units	AMI%	RLRA PBVs	Square feet/unit	Gross mo. rent/unit
One bedroom	7	30%	7	~550	\$544
One bedroom	10	60%	0	~550	\$1088
Two bedroom	24	30%	24	~770	\$653
Two bedroom	37	60%	0	~770	\$1,306
Three bedroom	9	30%	9	~1,090	\$754
Three bedroom	13	60%	0	~1,090	\$1,509
Total	100		40		

## Amenities

- Transit within 1/4 mile
- Hallinan Elementary School within 1.25 miles
- Grocery store within 1.25 miles
- Downtown Lake Oswego within two miles
- Multiple parks and recreation areas within 1/2 mile
- Direct connections former university campus open space
- Secure bike parking
- On site community rooms and kitchen
- Technology center
- On site management and services offices
- Outdoor playground and garden beds
- Whole-building heating and cooling
- 148 parking spaces
- Pursuing Passive House 2021 energy efficiency standard
- This will be the largest 100% affordable Passive House certified project in the Northwest, and will be extremely energy efficient for both residents and MHNW as the property owners.



# Project-based Regional Long-term Rent Assistance Agreement to Enter into a Regional Housing Assistance Payments Contract

## 1. Parties

This Agreement to Enter into a Regional Housing Assistance Payments (RHAP) Contract ("Agreement") is between:

\_\_\_\_\_ ("PHA") and  
\_\_\_\_\_ ("owner").

## 2. Purpose

The owner agrees to develop the RHAP Contract units in accordance with the terms of this Agreement and the Regional Long-term Rent Assistance Program and to comply with Housing Quality Standards (HQS), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a RHAP Contract with the owner of the Contract units.

## 3. Description of Project

a. Project name: \_\_\_\_\_

b. Project address: \_\_\_\_\_

c. Number of units in project covered by this Agreement: \_\_\_\_\_

d. Number of contract units by area (size) and number of bedrooms and bathrooms:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

e. Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

f. Estimated initial rent to owner for the contract units: \_\_\_\_\_

**4. Dates**

- a. Effective date of the Agreement: \_\_\_\_\_
- b. Development timeline: \_\_\_\_\_
- c. Estimated occupancy date: \_\_\_\_\_
- d. Term of RHAP Contract: \_\_\_\_\_

**5. Exhibit A**

This Agreement consists of Sections 1 through 4 and Exhibit A, which includes:

- A summary of the development project, including the scope of the project, the nature of the development work, and any other known subsidies or funding sources.
- A description of eligible households and any other conditions of tenant selection.
- Any other conditions of the Agreement.

DRAFT

**EXECUTION OF THE AGREEMENT**

<b>PUBLIC HOUSING AGENCY (PHA)</b> <b>Name of PHA (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date
<b>OWNER</b> <b>Name of Owner (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date

**PROJECT-BASED REGIONAL LONG-TERM RENT ASSISTANCE**  
**PART 1 OF REGIONAL HOUSING ASSISTANCE PAYMENTS CONTRACT**  
**NEW CONSTRUCTION OR REHABILITATION**

**1. CONTRACT INFORMATION**

**a. Parties**

This regional housing assistance payments (RHAP) contract is entered into between:

\_\_\_\_\_ (PHA) and  
\_\_\_\_\_ (owner).

**b. Contents of contract**

The RHAP contract consists of Part 1, Part 2, and the contract exhibits listed in section c.

**c. Contract exhibits**

The RHAP contract includes the following exhibits:

**Exhibit A:** Total number of units in project covered by this contract; initial rent to owner; and description of the contract units. If this is a multi-stage project, this exhibit must include a description of the units in each completed phase.

**Exhibit B:** Services, maintenance and equipment to be provided by the owner without charges in addition to rent to owner.

**Exhibit C:** Utilities available in the contract units, including a listing of utility services to be paid by the owner (without charges in addition to rent to owner) and utilities to be paid by the tenants.

**Exhibit D:** Features provided to comply with program accessibility features of Section 504 of the Rehabilitation Act of 1973.

**Exhibit E:** Referral partner(s) and waitlist process to be used for matching RLRA-eligible households with vacant units.

**d. Single-Stage and Multi-Stage Contracts (place a check mark in front of the applicable project description).**

**Single-Stage Project**

This is a single-stage project. For all contract units, the effective date of the RHAP contract is: \_\_\_\_\_.

**Multi-Stage Project**

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage in the “Execution of RHAP contract for contract units completed and accepted in stages”.

The annual anniversary date of the RHAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the RHAP contract for the contract units included in the first stage. The expiration date of the RHAP contract for all of the contract units completed in stages must be concurrent with the end of the RHAP contract term for the units included in the first stage.

**e. Term of the RHAP contract**

**1. Beginning of term**

The PHA may not enter into a RHAP contract for any contract unit until the PHA has determined that the unit meets HOS inspection requirements, equivalent inspection, or passed certification of occupancy. The term of the RHAP contract for any unit begins on the effective date of the RHAP contract.

**2. Length of initial term**

i. The initial term of the RHAP contract for any unit may not be less than one year and may be up to 20 years. If the term extends beyond the availability of SHS funding in June 2032, the contract must either make the term years following June 2032 contingent on the availability of sufficient rental assistance funding or counties can opt to use capitalized reserves or other strategies on a case-by-case basis to cover costs beyond June 2032 if SHS is not renewed.

ii. The initial term of the RHAP contract for any contract units is: \_\_\_\_\_.

iii. If the initial term of the RHAP contract extends beyond June 2032, this contract includes the following provisions: \_\_\_\_\_.

**3. Extension of term**

The PHA and owner may agree to enter into an extension of the RHAP contract at the time of initial RHAP contract execution, or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with RLRA guidelines and subject to the availability of adequate resources. The PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

**4. Requirement for sufficient funding**

- i. The PHA's obligations under this contract are contingent upon the PHA receiving sufficient funding from applicable regional funding sources to permit the PHA to perform under this contract, as determined by the PHA in its sole discretion.
- ii. The length of the initial term and any extension term shall be subject to availability of sufficient funding to make full payment of regional housing assistance payments due to the owner for any contract year in accordance with the RHAP contract.
- iii. The availability of sufficient funding must be determined by the PHA. If it is determined that there may not be sufficient funding to continue regional housing assistance payments for all contract units and for the full term of the RHAP contract, the PHA has the right to terminate the RHAP contract by notice to the owner for all or any of the contract units.

**f. Occupancy and payment**

**1. Payment for occupied unit**

During the term of the RHAP contract, the PHA shall make regional housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the regional housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

**2. Vacancy payment**

- i. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period:

No vacancy payments are provided with this contract.

Vacancy payments are allowed for a period of no more than one month following the beginning of the first calendar month after the move-out month.

Vacancy payments are allowed for a period of no more than two months following the beginning of the first calendar month after the move-out month.

- ii. If a vacancy payment is provided in the contract, the vacancy payment to the owner for each month of the allowable period will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.



- iii. The PHA may make vacancy payments to the owner only if:
  - 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
  - 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
  - 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
  - 4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- iv. The RLRA referral partner(s) for the project (see Exhibit E) must take every reasonable action to minimize the likelihood and length of vacancy.
- v. The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payments.

3. **PHA is not responsible for family damage or debt to owner**

Except as provided in section f (Occupancy and Payment), the PHA will not make any other payment to the owner under the RHAP contract. The PHA will not make any payment to the owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

**EXECUTION OF RHAP CONTRACT FOR SINGLE-STAGE PROJECT**

**PUBLIC HOUSING AGENCY (PHA)**

**Name of PHA (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**OWNER**

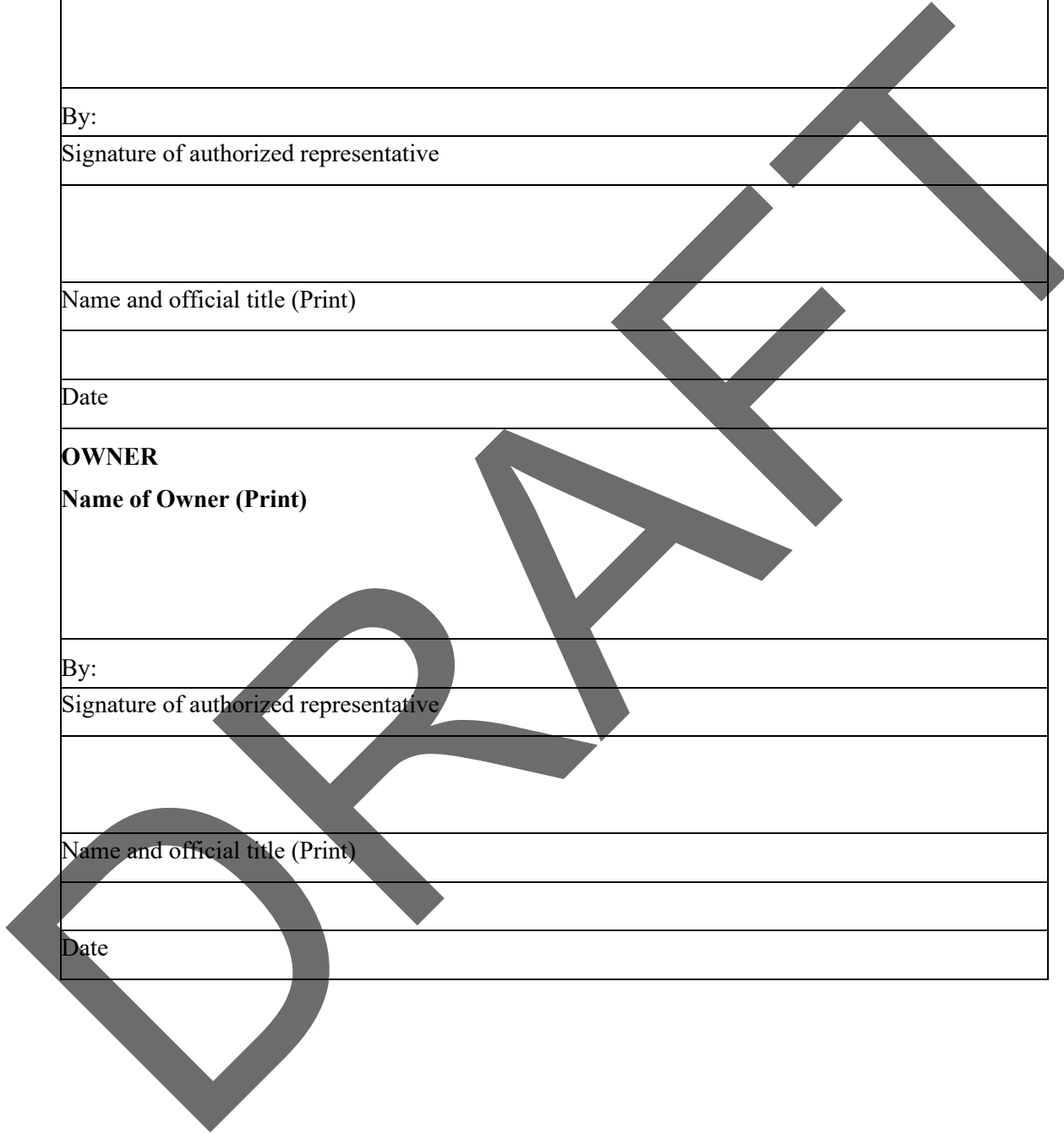
**Name of Owner (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date



**EXECUTION OF RHAP CONTRACT FOR CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES**

(For multi-stage projects, at acceptance of each stage, the PHA and the owner sign the RHAP contract execution for the completed stage.)

<b>STAGE NO. 1:</b> The Contract is hereby executed for the contract units in this stage.
<b>STAGE EFFECTIVE DATE:</b> The effective date of the Contract for this stage is:
Date
<b>PUBLIC HOUSING AGENCY (PHA)</b>
<b>Name of PHA (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date
<b>OWNER</b>
<b>Name of Owner (Print)</b>
By:
Signature of authorized representative
Name and official title (Print)
Date

**STAGE NO. 2:** The Contract is hereby executed for the contract units in this stage.

**STAGE EFFECTIVE DATE:** The effective date of the Contract for this stage is:

Date

**PUBLIC HOUSING AGENCY (PHA)**

**Name of PHA (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**OWNER**

**Name of Owner (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**STAGE NO. 3:** The Contract is hereby executed for the contract units in this stage.

**STAGE EFFECTIVE DATE:** The effective date of the Contract for this stage is:

Date

**PUBLIC HOUSING AGENCY (PHA)**

**Name of PHA (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**OWNER**

**Name of Owner (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**STAGE NO. \_\_\_:** The Contract is hereby executed for the contract units in this stage.

**STAGE EFFECTIVE DATE:** The effective date of the Contract for this stage is:

Date

**PUBLIC HOUSING AGENCY (PHA)**

**Name of PHA (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**OWNER**

**Name of Owner (Print)**

By:

Signature of authorized representative

Name and official title (Print)

Date

**PROJECT-BASED REGIONAL LONG-TERM RENT ASSISTANCE**  
**PART 2 OF REGIONAL HOUSING ASSISTANCE PAYMENTS CONTRACT**  
**NEW CONSTRUCTION OR REHABILITATION**

**2. DEFINITIONS**

**Agreement.** Agreement to enter into Regional Housing Assistance Payments (RHAP) contract between the owner and the PHA. The RHAP contract was entered into following new construction or rehabilitation of the contract units by the owner pursuant to an Agreement.

**Contract units.** The housing units covered by this RHAP contract. The contract units are described in Exhibit A.

**Family.** The persons approved by the Public Housing Agency (PHA) to reside in a contract unit with assistance under the program.

**Household.** The family and any PHA-approved live-in aide.

**Housing quality standards (HQS).** The minimum quality standards for dwelling units occupied by families receiving project-based rent assistance, as established by the U.S. Department of Housing and Urban Development.

**HUD.** U.S. Department of Housing and Urban Development.

**Newly constructed housing.** Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the project-based Regional Long-term Rent Assistance (RLRA) program.

**Non-regulated contract units:** Contract units that are not already subject to habitability standards and requirements linked to another government funding source.

**Owner.** Any person or entity who has the legal right to lease or sublease a unit to a participant.

**PHA.** Public Housing Agency. The agency that has entered into the RHAP contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

**Premises.** The building or complex in which a contract unit is located, including common areas or grounds.

**Principal or interested party.** This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the RHAP contract,

or in any proceeds or benefits arising from the RHAP contract.

**Program.** The project-based RLRA program.

**Proposal selection date.** The date the PHA gives written notice of proposal selection to the owner whose proposal is selected in accordance with the criteria established in the PHA's administrative plan.

**Regional housing assistance payment.** The monthly assistance payment by the PHA for a contract unit, which includes: (1) a payment to the owner for rent to the owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

**Regional Long-term Rent Assistance (RLRA) program.** The rent assistance program funded by the regional Supportive Housing Services program and administered by Clackamas, Multnomah and Washington counties in accordance with regionally consistent guidelines and policies. Such guidelines and policies are incorporated by reference herein, as such guidelines and policies may be amended from time to time.

**Rehabilitated housing.** Housing units that exist on the proposal selection date but do not substantially comply with the HQS on that date and are developed pursuant to an Agreement between the PHA and owner for use under the project-based RLRA program.

**Rent to owner.** The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

**RHAP contract.** This Regional Housing Assistance Payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the RHAP contract).

**RLRA requirements.** Requirements which apply to the project-based Regional Long-term Rent Assistance program.

**Supportive Housing Services Program:** The regional program that provides funding to Clackamas, Multnomah and Washington counties to administer the RLRA program.

**Tenant.** The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

**Tenant rent.** The portion of the rent to owner payable by the family, as determined by the PHA in accordance with RLRA requirements. The PHA is not responsible for paying any part of the tenant rent.

### 3. **PURPOSE**

- a. This is a RHAP contract between the PHA and the owner.
- b. The purpose of the RHAP contract is to provide regional housing assistance payments for eligible families who lease contract units from the owner that comply with HUD HQS, equivalent inspection standards, or have passed certification of occupancy.



- c. The PHA must make regional housing assistance payments to the owner in accordance with the RHAP contract for contract units leased and occupied by eligible families during the RHAP contract term. The regional Supportive Housing Services Program provides funds to the PHA to make regional housing assistance payments to owners for eligible families.

**4. RENT TO OWNER; REGIONAL HOUSING ASSISTANCE PAYMENTS**

**a. Amount of initial rent to owner**

The initial rent to owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the RHAP contract. At the beginning of the RHAP contract term, and until rent to owner is adjusted in accordance with section 5 of the RHAP contract, the rent to owner for each bedroom size (number of bedrooms) shall be the initial rent to owner amount listed in Exhibit A.

**b. Rent requirements**

Notwithstanding any other provision of the RHAP contract, the rent to owner may in no event exceed the amount authorized in accordance with RLRA requirements. The PHA has the right to reduce the rent to owner, at any time, to correct any errors in establishing or adjusting the rent to owner in accordance with RLRA requirements. The PHA may recover any overpayment from the owner.

**c. PHA payment to owner**

1. Each month the PHA must make a regional housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the RHAP contract.
2. The monthly regional housing assistance payment to the owner for a contract unit is equal to the amount by which the rent to owner exceeds the tenant rent.
3. Payment of the tenant rent is the responsibility of the family. The PHA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The PHA is responsible only for making regional housing assistance payments to the owner on behalf of a family in accordance with the RHAP contract.
4. The owner will be paid the regional housing assistance payment under the RHAP contract on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.
5. To receive regional housing assistance payments in accordance with the RHAP contract, the owner must comply with all the provisions of the RHAP contract. Unless the owner complies with all the provisions of the RHAP contract, the owner does not have a right to receive regional housing assistance payments.
6. If the PHA determines that the owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of

the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.

7. The owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly regional housing assistance payment and will return any payment that does not conform to the changed circumstances.

**d. Termination of assistance for family**

The PHA may terminate housing assistance for a family under the RHAP contract in accordance with the RLRA termination policy. The PHA must notify the owner in writing of its decision to terminate housing assistance for the family in such case.

**5. ADJUSTMENT OF RENT TO OWNER**

**a. PHA determination of adjusted rent**

1. At each annual anniversary during the term of the RHAP contract, the PHA shall adjust the amount of rent to owner by a fixed annual increase of %.
2. The percentage of annual increase will be reduced as necessary to keep the rent within reasonable rent guidelines as specified in Section 5b.

**b. Reasonable rent**

The rent to owner for each contract unit may at no time exceed the reasonable rent charged for comparable units in the private unassisted market, except in cases where this would reduce the rent below the initial rent to owner. The reasonable rent shall be determined by the PHA in accordance with HUD requirements.

**c. No special adjustments**

The PHA will not make any special adjustments of the rent to owner.

**d. Owner compliance with RHAP contract**

The PHA shall not approve, and the owner shall not receive, any increase of rent to owner unless all contract units are in accordance with the HQS, and the owner has complied with the terms of the assisted leases and the RHAP contract.

**e. Notice of rent adjustment**

Rent to owner shall be adjusted by written notice by the PHA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

**6. OWNER RESPONSIBILITY**

The owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.
- c. Complying with equal opportunity requirements and reasonable accommodation processes.
- d. Enforcing tenant obligations under the lease.
- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
  1. Any security deposit;
  2. The tenant rent; and
  3. Any charge for unit damage by the family.

**7. OWNER CERTIFICATION**

The owner certifies that at all times during the term of the RHAP contract:

- a. All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
- b. The owner is providing all the services, maintenance and utilities as agreed to under the RHAP contract and the leases with assisted families.
- c. Each contract unit for which the owner is receiving regional housing assistance payments is leased to a family that is eligible for RLRA, and the lease is in accordance with the RHAP contract and RLRA requirements.
- d. To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving regional housing assistance payments, and the unit is the family's only residence.
- e. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit unless the PHA has determined that approving leasing of the unit would provide a reasonable accommodation for a family member who is a person with disabilities.
- f. The amount of the regional housing assistance payment is the correct amount due under the RHAP contract.
- g. The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
- h. Except for the regional housing assistance payment and the tenant rent as provided under the RHAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit.

- i. The family does not own or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

## **8. CONDITION OF UNITS**

### **a. Owner maintenance and operations**

The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

### **b. PHA inspections**

Regularly scheduled PHA inspections are required only for non-regulated contract units that do not have other inspection requirements (see paragraphs 1-3 of this section). All contract units are subject to inspection as needed (see paragraph 4 of this section). Guidelines for inspections are as follows:

1. Initial inspection: The PHA must inspect each non-regulated contract unit before execution of the RHAP contract. The PHA may not enter into a RHAP contract covering a non-regulated unit until the unit fully complies with the HQS. For new development, the state's occupancy certificate may be used in lieu of PHA inspection.
2. Inspection at unit turnover: All non-regulated contract units must be inspected at unit turnover before providing assistance to a new family in a contract unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with the HQS. If the unit has been inspected within the past 24 months, the PHA may opt to have the owner self-certify the unit condition in lieu of a physical inspection.
3. Reinspection: During the term of the RHAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the non-regulated contract units in each project, biennially to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections fulfilled through owner self-certification of unit condition, pursuant to paragraph 2 of this section, are not counted toward meeting this biennial inspection requirement. If more than 20 percent of the sample of inspected contract units in a project fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the project.
4. The PHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the RHAP contract. The PHA must take into account complaints and any other information that comes to its attention in scheduling inspections.

### **c. Violation of the housing quality standards**

1. If the PHA determines a contract unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the RHAP contract for all or any contract units. Such remedies include termination, suspension or

reduction of regional housing assistance payments, and termination of the RHAP contract.

2. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension).

**d. Maintenance and replacement—owner’s standard practice**

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

**9. LEASING CONTRACT UNITS**

**a. Selection of tenants**

1. During the term of the RHAP contract, the owner must lease all contract units to families that meet the RLRA eligibility guidelines, in accordance with the referral and waitlist guidelines set forth in Exhibit E.
2. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant’s ability to perform the lease obligations.
3. Consistent with RLRA requirements, HUD requirements, and Federal civil rights and fair housing requirements, the owner may apply its own nondiscriminatory admission procedures in determining whether to admit a family that meets RLRA eligibility guidelines for occupancy of a contract unit.
4. The owner must promptly notify in writing any rejected applicant of the grounds for rejection.
5. The contract unit leased to each family must be appropriate for the size of the family under the PHA’s subsidy standards.
6. Project-based contracts for existing buildings will be placed on vacant units or units where the existing tenant qualifies for RLRA, to the extent feasible. If a contract unit was occupied by an RLRA-eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the RHAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the RHAP contract. Existing tenants that are displaced by a project-based RLRA contract must be provided relocation assistance in accordance with applicable Federal, State and local laws.

**b. Vacancies**

1. The owner must promptly notify the RLRA referral partner(s) (see Exhibit E) when notice is given by the owner or tenant that will result in any vacancy in a contract unit.
2. The owner must rent vacant contract units to families that meet RLRA eligibility requirements.
3. RLRA referral partner(s) (see Exhibit E) and the owner must make reasonable, good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the RLRA referral partner(s) to fill such vacancies), the PHA may give notice to the owner amending the RHAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period or by moving the project-based subsidy to different units in the same project (as feasible).

**10. TENANCY**

**a. Lease**

1. The lease between the owner and each assisted family must be in accordance with RLRA requirements. In all cases, the lease must include the RLRA tenancy addendum.
2. Twelve-month leases are preferred, but shorter leases are allowed if they are consistent with the owner's practice with other units.

**b. Termination of tenancy**

1. The owner may terminate a tenancy only in accordance with the lease and RLRA tenancy addendum.
2. The owner must give the PHA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.
3. If the tenant is temporarily out of the unit for reasons such as confinement to a nursing home, hospital, inpatient treatment or incarcerated, the PHA's rent contract and the lease must be maintained for 180 days. Accommodations beyond 180 days will be at the discretion of the PHA.

**c. Family payment**

1. The portion of the monthly rent to owner payable by the family ("tenant rent") will be determined by the PHA in accordance with RLRA requirements. The amount of the tenant rent is subject to change during

the term of the RHAP contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.

2. The amount of the tenant rent as determined by the PHA is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the RHAP contract and the lease.
3. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess rent payment to the tenant.
4. The family is not responsible for payment of the portion of the contract rent covered by the regional housing assistance payment under the RHAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the PHA regional housing assistance payment.
5. The PHA is responsible only for making the regional housing assistance payments to the owner on behalf of the family in accordance with the RHAP contract. The PHA is not responsible for paying the tenant rent, or any other claim by the owner.
6. If a family's income increases to the point where the family's portion of the monthly rent to owner is equal to the total monthly rent, the PHA will reduce the regional housing assistance payment to \$0 but will maintain the family's RLRA contract and the family's eligibility for the contract unit for up to 180 days.

**d. Other owner charges**

1. Except as provided in paragraph 2, the owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.
2. In assisted living developments receiving project-based voucher assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.
3. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

**e. Security deposit**

1. The owner may collect a security deposit from the family.
2. The owner must comply with RLRA and PHA requirements, as well as all applicable State and local laws, which may change from time to time,

regarding security deposits from a tenant.

3. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted families.
4. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.
5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance from the family. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

#### **11. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS**

- a. The PHA subsidy standards determine the appropriate unit size for the family size and composition. The PHA and owner must comply with the requirements in 24 CFR 983.260. If the PHA determines that a family is occupying a wrong-size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the PHA must promptly notify the family and the owner of this determination, and of the PHA's offer of continued assistance in another unit.
- b. Household members can be added to a contract unit at any time as long as the family still meets income eligibility and unit capacity requirements and new household members are added to the lease. If changes in household size or composition make the family's existing unit unsuitable, the PHA will work with the family and owner to support a transfer to a contract unit of an appropriate size, when possible.

#### **12. PROHIBITION OF DISCRIMINATION**

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.
- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29



U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq. ; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).

- c. The owner must comply with the Violence Against Women Act, as amended, and HUD’s implementing regulation at 24 CFR part 5, Subpart L, and program regulations.
- d. The PHA and the owner must cooperate in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

### **13. OWNER DEFAULT AND PHA REMEDIES**

#### **a. Owner default**

Any of the following is a default by the owner under the RHAP contract:

1. The owner has failed to comply with any obligation under the RHAP contract, including the owner’s obligations to maintain all contract units in accordance with the housing quality standards.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA in connection with the RHAP contract.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal, State or local housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
  - i. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
  - ii. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured

mortgage.

6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

**b. PHA remedies**

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the RHAP contract.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the RHAP contract include recovery of overpayments, termination or reduction of regional housing assistance payments, and termination of the RHAP contract.

**c. PHA remedy is not waived**

The PHA's exercise or non-exercise of any remedy for owner breach of the RHAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

**14. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS**

**a. Required information**

The owner must prepare and furnish any information pertinent to the RHAP contract as may reasonably be required from time to time by the PHA. The owner shall furnish such information in the form and manner required by the PHA.

**b. PHA access to premises**

The owner must permit the PHA or its authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the RHAP contract, including the verification of information pertinent to the regional housing assistance payments or the RHAP contract.

**15. PHA AND OWNER RELATION TO THIRD PARTIES**

**a. Injury because of owner action or failure to act**

The PHA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the RHAP contract, or as a result of any other action or failure to act by the owner.

**b. Legal relationship**

The owner is not the agent of the PHA. The RHAP contract does not create or affect any relationship between the PHA and any lender to the owner or any

suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the RHAP contract.

**c. Exclusion of third-party claims**

Nothing in the RHAP contract shall be construed as creating any right of a family or other third party to enforce any provision of the RHAP contract, or to assert any claim against the PHA or the owner under the RHAP contract.

**16. CONFLICT OF INTEREST**

**a. Interest of members, officers, or employees of PHA, members of local governing body, or other public officials**

1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program, project-based voucher program or RLRA program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the RHAP contract.
2. Metro may waive this provision for good cause.

**b. Disclosure**

The owner has disclosed to the PHA any interest that would be a violation of the RHAP contract. The owner must fully and promptly update such disclosures.

**17. TRANSFER OF THE CONTRACT OR PROPERTY**

**a. When consent is required**

1. The owner agrees that neither the RHAP contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD requirements.
2. "Transfer" includes:
  - i. Any sale or assignment or other transfer of ownership, in any form, of the RHAP contract or the property;
  - ii. The transfer of any right to receive regional housing assistance payments that may be payable pursuant to the RHAP contract;
  - iii. The creation of a security interest in the RHAP contract or the property;
  - iv. Foreclosure or other execution on a security interest; or
  - v. A creditor's lien, or transfer in bankruptcy.

3. If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the PHA pursuant to paragraph (a) for transfer of a passive and non- controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the RHAP contract or the property. The owner must obtain advance consent pursuant to paragraph (a) for transfer of any interest of a general partner.

**b. Transferee assumption of RHAP contract**

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of regional housing assistance payments pursuant to the RHAP contract, or to exercise any rights or remedies under the RHAP contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with RLRA requirements, to assume the obligations of the owner under the RHAP contract, and to comply with all the terms of the RHAP contract.

**c. Effect of consent to transfer**

1. The creation or transfer of any security interest in the RHAP contract is limited to amounts payable under the RHAP contract in accordance with the terms of the RHAP contract.
2. The PHA's consent to transfer of the RHAP contract or the property does not change the terms of the RHAP contract in any way, and does not change the rights or obligations of the PHA or the owner under the RHAP contract.
3. The PHA's consent to transfer of the RHAP contract or the property to any transferee does not constitute consent to any further transfers of the RHAP contract or the property, including further transfers to any successors or assigns of an approved transferee.

**d. When transfer is prohibited**

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

**18. TERMINATION OF RHAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS**

The RHAP contract may be terminated upon at least 30 days' notice to the owner by the PHA if the PHA determines that the contract units were not eligible for selection in conformity with RLRA requirements.

**19. NOTICES AND OWNER CERTIFICATIONS**

- a. Where the owner is required to give any notice to the PHA pursuant to the RHAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.
- b. Any certification or warranty by the owner pursuant to the RHAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

**20. NOTICE OF TERMINATION OR EXPIRATION WITHOUT EXTENSION**

- a. An owner may terminate the RHAP contract before the contract term expires only under the following conditions and with PHA approval: (a) substantial building rehab that will require tenants to be relocated, and (b) financial restructure.
- b. An owner must provide notice to the PHA, and to the affected tenants, not less than 1 year prior to the termination or expiration without extension of a RHAP contract.
- c. An owner who fails to provide such notice must permit tenants to remain in their units for the required notice period with no increase in the tenant portion of the rent. During this time period, an owner may not evict a tenant as a result of the owner's inability to collect an increased tenant portion of rent. With PHA agreement, an owner may extend the terminating contract for a period of time sufficient to give tenants 1 year's advance notice.

**21. FAMILY'S RIGHT TO REMAIN**

Upon termination or expiration of the contract without extension, each family assisted under the contract may elect to remain in the current unit, and the owner may only terminate the tenancy for cause. If available, families may elect to use tenant-based subsidies to remain in the current unit or move with assistance.

**22. ENTIRE AGREEMENT; INTERPRETATION**

- a. The RHAP contract, including the exhibits, is the entire agreement between the PHA and the owner.
- b. The RHAP contract must be interpreted and implemented in accordance with all statutory requirements, and with all RLRA requirements, including amendments or changes in RLRA requirements during the term of the RHAP contract. The owner agrees to comply with all such laws and RLRA requirements. Any regulatory citation specifically included in this RHAP contract is subject to any subsequent revision of such citation.

Project: **Good Shepherd Village**

**LOAN AGREEMENT  
(Good Shepherd Village)**

**THIS LOAN AGREEMENT** (this “**Loan Agreement**” or “**Agreement**”) is entered into as of the 1st day of February, 2022 (the “**Effective Date**”) by and between Good Shepherd Limited Partnership, an Oregon limited partnership (“**Borrower**”) and the Housing Authority of Clackamas County, a public body corporate and politic of Clackamas County, Oregon (“**Lender**” or “**County**”). Borrower and Lender may be referred to herein jointly as the “**Parties**” or individually as a “**Party**”.

**RECITALS**

A. The Metro Housing Bond (the “**Bond**”) was approved by voters in the Metro Region (“**Region**”) in 2018. Metro will distribute Bond funds to local governments within the Region. The local governments will then make loans or grants to developers of affordable housing on terms more favorable than those offered by private lenders, in order to encourage the development of affordable housing.

B. The County has approved a loan to Borrower in the amount of Eighteen Million Three Hundred Thirty Thousand and No/100 Dollars (\$18,330,000.00) to be used in connection with the construction of Good Shepherd Village Apartments (the “**Project**”) which will contain a total of One Hundred Forty-Three (143) apartment units and Two Hundred Nineteen (219) parking spaces.

C. The Project will be constructed on real property of Borrower located at 12596 SE 162<sup>nd</sup> Avenue, Happy Valley, Oregon, as more fully described on **Exhibit A** attached hereto (the “**Property**”). The Property includes the Project and all additional buildings, structures, fixtures, equipment, and other improvements now or later constructed or located upon the Property.

D. Borrower agrees to the restrictions, covenants and obligations set forth herein on the Project, which will run with and be a burden on the Property and will be binding on any subsequent purchaser, grantee, owner or lessee and any other person or entity having any right, title, or interest therein and upon their respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner, or lessee of the Property.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

“**Affordability Period**” means a period that begins on the date that the final Certificate of Occupancy is issued by and ends no sooner than sixty (60) years after such date unless such period is extended pursuant to the terms of the Note in which event the period shall end no sooner than ninety (90) years after such date.

“**Asset and Property Management Plan**” means the document submitted by Borrower to Lender for review, and subsequently approved by Lender, which defines the goals of the Borrower in developing the Project, including general strategies that will be employed in pursuit of long-term goals.

“**Bond Trustee**” means U.S. Bank Trust Company, National Association, a national banking association, as trustee under that certain Trust Indenture dated as of February 1, 2022.

“**Bank Loan Agreement**” means the Construction and Term Financing Agreement, dated as of February 1, 2022, between the Borrower and Senior Construction Lender.

“**Certificate of Occupancy**” means the initial or final Certificate of Occupancy issued for the Project by the City of Happy Valley.

“**Closing Date**” means February 28, 2022.

“**County**” means Clackamas County, a political subdivision of the State of Oregon.

“**Completion Notice**” means the Completion Notice issued at the end of the construction process and recorded at the Clackamas County Recorder’s office.

“**Construction Documents**” means the plans and specifications for the Project, the construction contract and architect agreement (if any) for the Project, and any other documents relating to the design or construction of the Project, all as approved in writing by Lender.

“**Construction Loan Period**” means the period beginning on the Effective Date until the Conversion Date.

“**Conversion Date**” means the date as determined by the Senior Permanent Lender that the Construction Loan is converted to the Permanent Loan pursuant to the terms of the Bank Loan Agreement.

“**Equity Investor**” means U.S. Bancorp Community Development Corporation, a Minnesota corporation, the investor limited partner of the Borrower, its successors, and assigns.

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**“Fiscal Year”** means the period beginning on the first day of January of each year and ending on the last day of December of each year.

**“Governmental Lender”** means collectively the Treasurer and the Department.

**“Lease-up Period”** means the period beginning on the date the temporary Certificate of Occupancy is issued for the Project until the Conversion Date.

**“Lender’s Maximum Allowable Developer Fee”** means the amount set forth in the Partnership Agreement as developer fee of Seven Million Three Hundred Fifty-Eight Thousand Two Hundred Fifty-Five and No/100 Dollars (\$7,358,255.00) which is the total developer fee that is allowed for the Project by Lender and shall be paid in accordance with the terms and provisions of the Partnership Agreement. Of this total, approximately Two Million One Hundred Sixty-Six Thousand Eight Hundred Sixty-Seven Dollars (\$2,166,867) will be the **“Deferred Developer Fee.”**

**“Loan”** means the construction and permanent loan from Lender described in this Loan Agreement in an amount not to exceed Eighteen Million Three Hundred Thirty Thousand and No/100 Dollars (\$18,330,000.00).

**“Loan Documents”** mean this Loan Agreement, the Note, the Trust Deed, and any other agreement executed by Borrower and Lender in connection with the Loan.

**“Local Implementation Strategy”** or **“LIS”** means the County’s documented strategy to distribute Bond funds for the development of affordable housing.

**“Note”** means that certain Promissory Note, dated as of February 1, 2022, executed by Borrower in favor of Lender and evidencing the Loan.

**“Partnership Agreement”** means the Amended and Restated Agreement of Limited Partnership of Borrower, dated as of February 28, 2022, among Good Shepherd Village LLC, as general partner, U.S. Bancorp Community Development Corporation, as investor limited partner, and Travis Phillips, as withdrawing limited partner, as it may be amended and supplemented from time to time.

**“Permanent Loan Period”** means the period beginning on the Conversion Date and ending on the Maturity Date.

**“Pro Forma”** means the projection of Project operations, over time, including analysis of use of cash flow and projected return on investment, attached hereto as **Exhibit B**, as the same may be revised from time to time and agreed upon between Lender and Borrower.

**“Project Based Vouchers”** or **“PBV”** means a rental subsidy provided to the unit to reduce rent for qualifying tenants through Housing and Urban Development’s Housing Choice Voucher program, as administrated by the Housing Authority of Clackamas County.



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**“Project Operating Budget”** means the project operating budget approved by Lender in writing, attached hereto as **Exhibit C**, as the same may be revised from time to time and agreed upon between Lender and Borrower.

**“Public Subsidy”** means any government-sponsored credit, funding, or abatement, including but not limited to loans; property tax or assessment abatements, credits, or reductions; taxable or tax-exempt bonds; or grants including fee waivers.

**“Regulatory Agreement”** means the Regulatory Agreement, dated as of February 1, 2022, executed by Borrower and Lender in connection with the Loan, as it may be amended.

**“Reserve Agreement”** means the Replacement Cost and Capital Improvement Reserve Agreement executed by Borrower and Lender in which Borrower agrees to establish and maintain a Replacement Cost and Capital Improvement Reserve Account (**“Reserve Account”**).

**“Senior Construction Lender”** means Banner Bank, its successors, and assigns, in its capacity as the lender of a loan capitalized by its purchase of certain bonds issued by the State of Oregon acting by and through the State Treasurer (the **“Treasurer”**) and its Housing and Community Services Department (the **“Department”**) the proceeds of which will provide construction financing to the Borrower for construction (the **“Senior Construction Loan”**) and permanent financing (the **“Senior Permanent Loan”**) of the Project pursuant to the Bank Loan Agreement and the Loan Agreement, dated as of February 1, 2022, by and among the Borrower, the Governmental Lender and Bond Trustee (the **“Borrower Loan Agreement”**).

**“Senior Deed of Trust”** means the Line of Credit Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 1, 2022, from Borrower as grantor to the trustee named therein for the benefit of the Senior Lender and Bond Trustee for the benefit of the holders of the Housing Development Revenue Bonds (Good Shepherd Village Project), 2022 Series H-1 and H-2 and the Governmental Lender.

**“Senior Lender”** means together the Senior Construction Lender and the Senior Permanent Lender.

**“Senior Loan”** means the loan evidenced by the Senior Note.

**“Senior Note”** means the Note, dated as of February 1, 2022, in the original and initial principal of Thirty One Million Four Hundred Twenty-Five Thousand Dollars (\$31,425,000) from Borrower to the Senior Lender which Note shall be reduced to Thirteen Million One Hundred Fifty-Five Thousand Dollars (\$13,155,000) upon conversion of the Senior Loan to permanent financing pursuant to the Bank Loan Agreement.

**“Senior Permanent Lender”** means Banner Bank, its successors, and assigns, after occurrence of the Conversion Date.

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“**Sources and Uses of Funding Budget**” means the amounts and sources of all funding for the development of the Project and the construction loan budget approved by Lender in writing, attached hereto as **Exhibit D**, as the same may be revised from time to time with the written consent of Lender which consent shall not be unreasonably withheld, conditioned or delayed and it being understood that the amount of equity relating to federal low income housing tax credits is and shall be subject to adjustment as described in the Partnership Agreement.

“**Title Company**” means First American Title Insurance Company.

“**Trust Deed**” means that certain Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents, dated as of February 1, 2022, executed by Borrower, as Grantor, in favor of Lender, as Beneficiary, encumbering the Property and Project and securing the Loan.

“**Veterans Affairs Supportive Housing**” or “**VASH**” means a rental subsidy provided to the unit to reduce rent for qualifying homeless veterans through Housing and Urban Development’s HUD-Veterans’ Affairs supportive housing program, which combines HUD housing vouchers with case management and clinical services provided by the Department of Veterans Affairs.

## 2. LOAN GENERALLY.

**2.1 Loan.** On the terms and conditions of this Loan Agreement, Lender agrees to make the Loan in the maximum principal amount of Eighteen Million Three Hundred Thirty Thousand and No/100 Dollars (\$18,330,000.00) (“**Loan Amount**”). The Loan will initially be a construction loan (the “**Construction Loan**”). Upon expiration of the Construction Loan Period, the Construction Loan will, subject to satisfaction of the conditions’ precedent set forth in Section 4.1, be converted to a permanent loan. The Loan, after the conversion to a permanent loan may be referred to herein as the “**Permanent Loan.**” The Loan is evidenced by and repayable with interest in accordance with this Loan Agreement and the Note and is secured by the Trust Deed. All payments and prepayments of principal and interest on the Loan and all other amounts payable hereunder or under the Trust Deed by Borrower to Lender shall be made to:

**Housing Authority of Clackamas County**  
**Attention: Director**  
**13930 Gain Street**  
**Oregon City, Oregon 97045**

or at such other address as Lender may specify in writing.

**2.2 Other Financing.** In addition to the Loan, the loan from the Senior Construction Lender in the amount of Thirty One Million Four Hundred Twenty-Five Thousand Dollars (\$31,425,000) which will be reduced upon conversion of the Senior Loan to permanent financing, and the Deferred Developer Fee, construction of the Project will be financed, subject to the respective terms and conditions of applicable agreements, with proceeds of the following:

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<u>Source of Loans and Equity</u>	<u>Amount of Loan</u>
Tax Credit Equity (Equity Investor)	20,510,039
Senior Note (BB/OHCS Bonds)	13,155,000
General Partner Equity	3,338,114
Seller Loan	2,698,000
OHCS (PSH)	3,500,000
OHCS (Weatherization)	166,495

**3. CONSTRUCTION LOAN.**

**3.1 Loan and Term.** Commencing on the Effective Date and ending on the expiration of the Construction Loan Period, Lender agrees, on the terms and conditions of this Loan Agreement and upon satisfaction of all condition's precedent, to disburse funds from time to time up to a total aggregate principal amount equal to the Loan Amount.

**3.2 Disbursements.** The proceeds of the Loan will be held by the Lender and will be disbursed in accordance with and subject to all the conditions set forth in Section 3.4 (and, in the case of the final disbursement, Section 3.5).

(a) **Request for Disbursements.** Borrower will request a disbursement by providing Lender with an executed Application and Certificate for Payment (AIA Document G702, or equivalent) and Continuation Sheet (AIA Document G703, or equivalent) (collectively, the "**Application for Payment**"). Lender or Lender's representative and Borrower will then meet at the Project site to inspect the work, at which time Lender and Borrower will review and agree on the percentage of completion and, if such percentage differs from that set forth in the Application for Payment, the percentage of completion in the applicable Application for Payment will be adjusted accordingly. Borrower will then execute and submit to Lender a Borrower's Loan Disbursement Authorization in the form attached as Exhibit E ("**Request for Disbursement**"), together with all supporting documentation required by Lender, including copies of unpaid invoices and/or billing statements from contractors and subcontractors in the amount of the draw request, copies of invoices for all soft cost payments requested, MBE/WBE/ESB, Davis-Bacon or any other form of regulatory documentation that may be required and, if requested by Lender, lien releases in form and substance satisfactory to Lender from any such contractors or subcontractors. At Lender's election, the disbursement will be made directly to the contractors or subcontractors for whom the draw is requested. In addition to the conditions and restrictions set forth in this Loan Agreement, the disbursement of Loan proceeds will be subject to such disbursement arrangements and procedures as Lender may establish with any other lender providing financing for the construction of the Project. Any direct disbursement hereunder will constitute disbursement to Borrower. Borrower's submittal of a Request for Disbursement to Lender will constitute an affirmation that all of Borrower's representations and warranties set forth in Section 6 are true and correct as of the submittal date.

(b) **Change Orders.** All change orders to the general contractor's contract that materially affect the Project and reallocations of soft costs must be approved in writing by Lender prior to implementation of the work described in such change order. Lender's approval of a change order

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shall not be unreasonably withheld, conditioned or delayed and shall be provided within five (5) business days; provided that, failure of Lender to respond within such five (5) business day period shall be deemed to be approval in the event (i) Senior Lender has approved such change order, (ii) the changes do not affect the proposed number of units or the unit mix at the Project, (iii) no violation of any of the Loan Documents would result from such changes. A change order that materially affects the Project is a change order (i) over \$50,000 per change, (ii) or not more than \$200,000 in aggregate costs that impact the quality or the nature of the Project over the entire Construction Loan Period, or (iii) that extends the scheduled completion date of the Project, subject to application of force majeure clauses for permissible delays.

(c) **Changes in Line-Item Disbursements.** Any disbursement requests resulting from changes in line-item allocations will not be made without Borrower receiving prior written approval from Lender; provided that Lender's approval shall not be unreasonably withheld, conditioned, or delayed and shall be provided within five (5) business days; provided that, failure of Lender to respond within such five (5) business day period shall be deemed to be approval in the event Senior Lender has approved such line-item allocations.

(d) **Developer Fee.** Borrower's approved developer fee is Seven Million Three Hundred Fifty-Eight Thousand Two Hundred Fifty-Five and No/100 Dollars (\$7,358,255.00) ("**Development Fee**"). Of this total, approximately Two Million One Hundred Sixty-Six Thousand Eight Hundred Sixty-Seven Dollars (\$2,166,867) is expected to be the Deferred Developer Fee as of the date hereof, which is paid over time from Cash Flow (as defined in the Partnership Agreement), as more fully described in Exhibit A-5 of the Partnership Agreement and the development agreement between the Partnership and the Developer attached as an Exhibit to the Partnership Agreement (the "**Development Agreement**"); provided that, in the event additional equity becomes available under the terms of the Partnership Agreement, the Deferred Developer Fee will be reduced by an amount approved by Equity Investor, Senior Lender and Oregon Housing and Community Services Department, as applicable.

The Developer Fee is payable in installments to ensure Borrower performance and Project completion. However, reasonable releases of the cash portion of the Developer Fee for work actually performed and completed are allowed provided satisfactory benchmarks have been reached and the payment can be made from available Cash Flow are acceptable to Lender and pursuant to participating funders. The schedule of developer fee releases set forth in Exhibit F to the Bank Loan Agreement between Borrower and Banner Bank shall apply, subject to the provisions of the Partnership Agreement and Development Agreement.

**3.3 Conditions Precedent to Disbursements.** At the time of the initial disbursement and continuing with each subsequent disbursement of Loan funds:

(a) Lender shall have received an ALTA Extended Mortgagee's Title Insurance Policy from the Title Company in a form reasonably satisfactory to Lender insuring the lien of the Trust Deed, subject only to Permitted Exceptions (as defined in Section 6.5 below) ("**Lender Title Policy**");

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(b) Borrower shall have secured a commitment for all financing described in Section 2.2 above and Borrower shall have obtained construction financing from the Senior Construction Lender which, when combined with the Loan proceeds and amounts described in Section 2.2, will be sufficient, in Lender's reasonable opinion, to complete the Project;

(c) Each of Borrower's representations and warranties contained in Section 6 are true and correct in all material respects as if made on and as of the date of such disbursement;

(d) No Event of Default (as hereinafter defined) will have occurred and be continuing under this Loan Agreement (including without limitation a failure to perform any covenant set forth in Section 3.7) or any other Loan Document, and no event will have occurred that, with the giving of notice or passage of time or both, would constitute an Event of Default;

(e) Borrower will have provided to Lender, at Borrower's expense, a contractor's payment, and performance bond in an amount equal to the amount of the construction contract for the Project, naming Lender as an additional obligee and issued by a surety acceptable to Lender;

(f) The contractor and all subcontractors shall have been paid for the amounts covered by prior payment requests;

(g) There will have been no condemnation or casualty that, if not repaired or restored prior to the last day of the Construction Loan Period, would materially and adversely affect the security value of the Project;

(h) The disbursement request will have been made in accordance with this Section 3.3 and will be for one or more-line items shown on the Sources and Uses of Funding Budget;

(i) All change orders included in the draw which require Lender's approval pursuant to Section 3.3(b) have been reviewed and approved by Lender; and

(j) To the extent required under the Bank Loan Agreement, Borrower shall have delivered to Senior Construction Lender for its prior approval each Application for Payment and Request for Disbursement, together with all supporting documentation as described in Section 3.3(a) above, and Senior Construction Lender shall have approved each such Request for Disbursement to the extent required under the Bank Loan Agreement.

### **3.4 Conditions Precedent to Final Disbursement.** At the time of the final disbursement:

(a) Each of the conditions specified in this Section 3.4 will be satisfied in all material respects, or waived by Lender;

(b) All construction work, excepting de minimis punch list items, will be completed as certified by the Borrower, architect, and contractor;

(c) Lender will have received copies of lien waivers, in form and substance satisfactory to Lender, from the general contractor and all subcontractors who worked on the Project

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indicating that they have been paid for all work performed, or the 75-day construction lien period will have expired (without any liens having been filed), or Borrower will have obtained, at its option and expense, an early issue title policy insuring the lien of the Trust Deed against all construction liens that have been or may be filed against the Project;

(d) A Completion Notice will have been posted in accordance with ORS 87.045 and Lender or Lender's representative will have inspected (unless it waives inspection in its sole discretion) the Project to determine that it was completed substantially and in all material respects in accordance with the Construction Documents and other applicable requirements;

(e) A final Certificate of Occupancy will have been issued for all units in the Project and all other governmental approvals, licenses, or permits necessary for the use and/or occupancy of the Project will have been obtained; and

(f) Lender will have received from Borrower all required regulatory reporting forms applicable to the Project in form and substance acceptable to Lender and such supporting documentation as Lender may reasonably request.

**3.5 Repayment.** Without prejudice to Lender's rights and remedies in the Event of Default or if the conditions precedent to conversion of the Loan to a Permanent Loan are not satisfied, no principal or interest with respect to the Loan will be payable until the last day of the Construction Loan Period, when the entire balance is due unless the Loan converts to a Permanent Loan.

**3.6 Covenants of Borrower.** Borrower covenants as follows with respect to the construction of the Project, unless Lender has waived compliance in writing:

(a) Borrower will commence construction of the Project within thirty (30) days after the commencement of the Construction Loan Period. All construction work will be done under and in accordance with building permits issued by the City of Happy Valley, Oregon.

(b) Borrower will use best efforts to comply with established Lender policies outlined in its Local Implementation Strategy, which include twenty percent (20%) participation by minority owned businesses, women owned businesses, emerging small businesses, and disadvantaged business enterprises.

(c) The Project will be constructed in a good, workmanlike, and expeditious manner and will be completed substantially and in all material respects in accordance with the Construction Documents, as evidenced by the written certification of the Project architect and contractor in form and substance satisfactory to Lender, by April 1, 2024 (the "**Completion Date**"), as such date may be extended due to reasonable force majeure or other excusable delays not in excess of ninety (90) days. Any change to extend the Completion Date must be approved by the Lender, which approval shall not be unreasonably withheld, conditioned, or delayed.

(d) All Construction Documents and the Sources and Uses of Funding Budget will be approved by Lender in writing and will not be modified subsequent thereto in any material respect

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without Lender's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

(e) Lender and its properly identified agents and representatives will have the right at any reasonable time during normal business hours to inspect the Project upon prior reasonable notice of not less than forty-eight (48 hours), observe the work of construction, examine all materials, plans, specifications, work drawings and other matters relating to the construction, and verify that construction is progressing in compliance with the Lender-approved disbursement schedule and all Construction Documents; provided, however, such inspection by Lender is solely for the purpose of protecting Lender's rights and interests, and will under no circumstances impose any liability on Lender (other than on account of Lender's gross negligence or willful misconduct) or result in a waiver of any Event of Default of Borrower or be a representation that Borrower is or will be in compliance with the Construction Documents or other applicable laws or requirements; and provided further that all entry upon the Property shall be subject to safety and security protocols and procedures employed and uniformly applied during construction of the Project.

(f) During construction, Borrower, at its expense, will post at a visible location in front of the Project a sign identifying Lender and Metro as providing Project financing. The location and format of the sign will be approved by Lender prior to its display.

(g) All funds disbursed hereunder will be used by Borrower for such purposes relating to the construction and lease-up of the Project as are shown on the applicable Draw Request for Disbursement and line item of the Sources and Uses of Funding Budget, and for no other purpose. Borrower shall not loan or otherwise make available all or any part of the Loan proceeds to any person or entity without the prior written consent of Lender acting in its sole and absolute discretion.

(h) Borrower agrees to provide to Lender upon Lender's reasonable request supporting documentation of all soft costs incurred by Borrower that are shown on the Sources and Uses of Funding Budget (e.g., architectural design expenses, legal and other consultant fees, construction interest, and closing costs), whether or not such costs are paid from Loan proceeds.

(i) If Borrower, after obtaining Lender's prior written consent, loans proceeds of the Loan to another person or entity at a rate of interest (including cash and in-kind payments) exceeding the rate of interest set forth in the Note, Lender may require, in its sole discretion, that any cash or cash equivalent received by Borrower from such other entity as payment for the use of such funds be refunded to Lender to the extent it exceeds the interest payable under the Note computed at the rate set forth herein.

(j) If at any time Lender reasonably determines that the undisbursed Loan proceeds, together with any sums provided or to be provided by Borrower, by other construction lenders, equity investors, or by any other third party are insufficient to construct and complete the Project in accordance with the Construction Documents, Borrower agrees, within fifteen (15) days after written notice from Lender, to obtain documentation satisfactory to Lender demonstrating the availability of additional funds as are necessary to enable the Project to be so completed.

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(k) All contractors and subcontractors on the Project will be registered and bonded in accordance with ORS Chapter 701 and will be licensed by the City for construction work.

(l) Borrower agrees to comply with all applicable U.S. Department of Housing and Urban Development (“HUD”) requirements applicable to the Project and to include any such requirements in the general contractor’s construction contract, as applicable.

(m) Borrower covenants that there has been no material change in the Project financing as described in Section 2.2 above.

**3.7 Retainage.** Lender may, at its sole discretion, require Borrower to withhold five percent (5%) retainage of each construction progress payment to ensure performance by Project contractor. Final disbursement of retainage will not be authorized until the seventy-five (75) day lien period has expired, or Lender has received copies of lien waivers, in form and substance satisfactory to Lender, from the general contractor and all subcontractors who worked on the Project indicating that they have been paid for all work performed. This lien period may be reduced, at the option of the Borrower, by satisfying the early issue requirements of the Lender Title Policy and Lender.

**3.8 Contingency Funds.** A construction contingency reserve (“Construction Contingency”) is a line item on the Sources and Uses of Funding Budget and is intended to provide funds in the event of unforeseen costs, required building code corrections, adjustments to the Project as permitted hereunder and by Senior Lender. The Construction Contingency will only be available to Borrower upon compliance with the disbursement procedures set forth in Section 3.3. If at any time prior to completion of construction, Lender reasonably determines that the unused portion of the Construction Contingency is unreasonably low in relation to the amount of work remaining to complete the Project, Lender may restrict or prohibit the use of the remaining portion of the Construction Contingency or require Borrower to make a cash deposit within a specified time period to bring the Construction Contingency up to a reasonable level, as reasonably determined by Lender.

**3.9 [Reserved.]**

## 4. PERMANENT LOAN.

**4.1 Loan.** Provided that (a) all conditions precedent to the final disbursement as set forth in Section 3.4 are satisfied or waived in writing by Lender, and (b) Borrower is not in default under any provision of this Loan Agreement or any other Loan Document and no event has occurred that, with the giving of notice or passage of time or both, would constitute an Event of Default; the Loan will be converted to the Permanent Loan, the initial principal balance of which will be the actual amount disbursed pursuant to the provisions of Section 3. Except as provided in Section 3.9, Lender will have no further obligation to advance any funds to Borrower after the Construction Loan Period, whether or not the Project has been completed. If Borrower has not satisfied the above conditions precedent to the Permanent Loan conversion within ten (10) days after written notice from Lender, Lender may, in its sole discretion, (a) require payment in full of the entire outstanding balance on thirty (30) days prior written notice, or (b) grant Borrower additional time to satisfy all conditions precedent, on such terms and conditions as Lender may require. In its sole discretion, Lender may (but is not obligated to) make



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further disbursements after expiration of the Construction Loan Period (for example, to pay construction liens or otherwise for the protection of its collateral for the Loan), and all such disbursements will be deemed advances and added to the balance of the Loan.

**4.2 Permanent Loan Period.** The Permanent Loan Period is described in the Note, and subject to the applicable provisions thereof, upon the Maturity Date all principal and accrued interest will be due and payable in full.

**4.3 Interest; Repayment.** During the Permanent Loan Period, principal and accrued interest will be payable as provided in the Note. Amounts past due, whether by late payment, maturity, acceleration, or otherwise, will bear interest at the Default Rate.

**4.4 Cash Flow Payment.** Borrower will pay to Lender a Cash Flow Payment as provided in the Note.

**4.5 Affordable Units.** As part of the consideration for the Lender's Loan, Borrower agrees to enter into the Regulatory Agreement with Lender and to maintain and operate the Property according to the following obligations and conditions, which shall survive the Loan closing and payoff:

(a) To be affordable, an affordable unit must be rented at a monthly rate consistent with the Allowable Rent defined in the Regulatory Agreement.

(b) Subject to the terms of the Regulatory Agreement, at all times during the Affordability Period (\*), Borrower will provide the following units for the Project:

Unit Size	No. of Units	MFI %	PBV	VASH
Studio, 1-BA	8	30%	2	6
Studio, 1-BA	5	60%	0	0
1-BR, 1-BA	22	30%	9	8
1-BR, 1-BA	28	60%	0	0
2-BR, 1-BA	19	30%	4	1
2-BR, 1-BA	40	60%	0	0
3-BR, 2-BA	9	30%	5	0
3-BR, 2-BA	11	60%	0	0
2-BR, 1-BA	1	0% (Manager)	0	0
<b>Total</b>	<b>143</b>		<b>20</b>	<b>15</b>

\* If the Affordability period is extended pursuant to the Note, MFI for the dwelling units below 60% MFI may be increased up to 60% MFI for years 61 through 90.

**4.6 Income to Rent.** Borrower shall require no more than 1.5 to 1.0 income to rent ratio for prospective tenants (“**Income to Rent Requirement**”).

(a) Compliance with the Income to Rent Requirement will be demonstrated by providing Lender, at time of lease-up and upon reasonable written request from Lender during the term of the Regulatory Agreement, with a copy of all documentation provided to prospective tenants that explains landlord screening criteria.

(b) Material violation of the Income to Rent Requirement will not be construed as an Event of Default (as defined below) but will be considered an Event of Non-Compliance (as defined below).

## 5. COLLATERAL

**5.1 Trust Deed; Security Interest in Personal Property Collateral.** To secure Borrower’s prompt payment and performance of its obligations under this Loan Agreement and the Note, Borrower shall grant Lender a lien on the Property and the Project and a continuing security interest in personal property now or hereafter located on, relating to, or used in connection with the Property or the Project, as and to the extent provided in the Trust Deed.

**5.2 Personal Property Lien Perfection.** Borrower agrees that Lender has the right to file UCC financing statements, instruments, and documents and Borrower agrees to take such other action as may be required to perfect or to continue the perfection of Lender's security interest in the collateral described in the Trust Deed.

**6. BORROWER'S REPRESENTATIONS AND WARRANTIES.**

Borrower represents and warrants to Lender as follows:

**6.1 Power and Authority.** Borrower is a limited partnership duly organized, validly existing, and on active status under the laws of the State of Oregon and has the power and authority to enter into the Loan Documents. The General Partner is a limited liability company duly organized and validly existing under the laws of the State of Oregon and has the power and authority to execute the Loan Documents on behalf of Borrower.

**6.2 No Violations or Default.** Neither Borrower nor any of its affiliates is in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Borrower notice or threatened to give it any notice of default under any material agreement.

**6.3 Litigation.** No action, suit, investigation, or proceeding is pending against Borrower or any of its affiliates with respect to the Project before any court or administrative agency, (a) the outcome of which, by itself or taken together with other such litigation, might have a material adverse effect on the business, assets, operations, or financial condition of Borrower, or (b) which purports to affect the legality, enforceability, or validity of any Loan Document.

**6.4 Tax Returns and Taxes.** All federal, state, and other tax returns of Borrower required by law to be filed have been filed. All other taxes applicable to Borrower, including real property taxes, are current.

**6.5 Title to Collateral.** All the collateral described in the Trust Deed is owned by Borrower, and Borrower's interest in such collateral is free and clear of all liens and encumbrances of any kind except for those liens and encumbrances set forth Lender Title Policy ("**Permitted Exceptions**").

**6.6 Compliance with Laws.** Borrower is in material compliance with all federal, state, and local laws, rules, regulations, ordinances, and orders applicable to it, the Property or the Project, and the operation thereof, including, without limitation, all applicable health and safety, environmental, and zoning laws.

**6.7 Financial Statements.** All financial statements delivered by Borrower to Lender shall, as of the date thereof, be true, correct, and complete, fairly present the financial condition of the Borrower and the Project at the dates thereof; and be prepared in accordance with generally accepted accounting principles and practices in the United States, consistently applied. Such financial

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statements shall be audited if Borrower in the regular course of its business prepares audited financial statements. Since the date of the most recent financial statements delivered to Lender, there has been no material adverse change in the financial condition of Borrower or Project.

### 7. AFFIRMATIVE COVENANTS.

At all times during the term of this Loan Agreement (including the Construction Loan Period) and until all amounts and obligations owing hereunder and under any other Loan Document will have been paid and performed, Borrower covenants and agrees as follows:

**7.1 Licenses; Maintenance of Business.** Borrower will remain a limited partnership validly existing under the laws of the State of Oregon and will keep in force all licenses and permits necessary to the proper conduct of its ownership and operation of the Project.

**7.2 Performance of Obligations.** Borrower will pay the principal of and interest on the Loan in accordance with the terms of the Note and this Loan Agreement, will pay when due all other amounts payable by Borrower hereunder or under any Loan Document, and will comply with all requirements of the Trust Deed.

**7.3 Compliance with Laws and Use Restrictions.** Borrower will comply with, or cause the Project to comply with, all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality applicable to Borrower, the Project, or the operation thereof, including (a) all applicable health and safety, environmental, and zoning laws, (b) all requirements under Section 42 of the Internal Revenue Code and the regulations promulgated thereunder, and (c) all restrictions on the use, occupancy or operation of the Project arising from the original source of the Loan proceeds or otherwise required by Lender, including those affordability requirements and/or use restrictions set forth in the Regulatory Agreement and any other applicable regulatory agreement encumbering the Property.

**7.4 Other Obligations.** Borrower will pay and discharge before the same will become delinquent all indebtedness, taxes, and other obligations for which it is liable or to which its income or property is subject and all claims for labor and materials or supplies which, if unpaid, might become by law a lien (other than a Permitted Exception) upon the collateral described in the Trust Deed, except any thereof whose validity or amount is being contested in good faith by Borrower in appropriate proceedings with adequate provision having been made in accordance with generally accepted accounting principles for the payment thereof if the contest is determined adversely to Borrower. If Borrower fails to discharge any such claim or lien, Lender may, in its sole discretion and without waiving the default, pay the same, which payment will, at Lender's option, be added to the amount outstanding under the Note.

**7.5 Indemnity.** Borrower will indemnify and hold Lender, its employees and agents harmless from and against any and all liabilities, claims, losses, damages, or expenses (including reasonable attorney fees and title costs and expenses) which any of them may suffer or incur in connection with (a) the inaccuracy of any of the representations and warranties made herein, (b) any transaction contemplated by this Loan Agreement or any other Loan Document, and (c) the

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construction or operation of the Project, except to the extent such liabilities, claims, losses, damages, or expenses arise solely from the gross negligence or willful misconduct of Lender.

**7.6 Financial Information.** Borrower will provide to Lender periodic financial statements and other reports required by this Agreement or as otherwise reasonably requested by Lender, including copies of federal and state tax returns.

**7.7 Additional Payments; Additional Acts.** From time to time, Borrower will execute and deliver all such instruments, provide such additional information, and perform all such other acts as Lender may reasonably request to carry out the transactions contemplated by the Loan Documents.

## 8. NEGATIVE COVENANTS.

At all times during the term of this Loan Agreement and until all amounts and obligations owing hereunder and under any other Loan Document shall have been paid and performed in full, Borrower will not, directly, or indirectly, without the prior written consent of Lender:

**8.1 Ownership/Change in Control.** Sell or transfer any beneficial interest in Borrower in violation of the terms of the Note or change or permit a material change in Borrower's structure, except as provided in Section 8.6 of the Trust Deed.

**8.2 Sale or Merger.** Sell or transfer all or any part of the Property or Project except as provided in Section 8.6 of the Trust Deed, or dissolve, liquidate, merge, reorganize, or consolidate.

**8.3 Indebtedness.** Except as specifically contemplated in this Loan Agreement, incur any new indebtedness in addition to the Loan or indebtedness secured by Permitted Exceptions other than loans made by the partner of Borrower to pay operating deficits.

**8.4 Liens.** Create, assume, or suffer to exist any lien or charge of any kind, direct or indirect, upon any of the Property or the Project, except for Permitted Exceptions and liens in favor of Lender, liens that have been bonded against pursuant to Oregon law, and purchase money security interests and vendor leases incurred in the ordinary course of Borrower's business at the Project.

## 9. EVENTS OF DEFAULT.

Any of the following which remain uncured shall be an event of default (each, an "Event of Default") under this Loan Agreement:

**9.1 Failure to Pay Obligations Under Note and Trust Deed When Due.** Borrower fails to pay any sum due under the Note within fifteen (15) days after the date it is due or fails to pay any other amount required to be paid by Borrower pursuant to the Trust Deed or the Loan Documents (including, without limitation, taxes, assessments, insurance and any other payment necessary to prevent filing or imposition of any liens) within ten (10) days after written notice of nonpayment from Lender specifying the Event of Default.

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**9.2 Failure to Comply with Covenants.** Borrower fails to perform or abide by any other covenant in this Loan Agreement or in the Loan Documents and such failure, to the extent curable, is not cured within thirty (30) days after written notice from Lender specifying the Event of Default or, if such breach cannot with due diligence be cured within such period, if Borrower shall fail within such thirty (30) day period to commence cure of the failure and thereafter diligently prosecute to completion such cure (which cure in any event will occur within ninety (90) days after the Event of Default notice).

**9.3 Failure to Obtain Lender's Consent to Transaction.** Borrower engages in a sale, transfer, or assignment, or uses Loan proceeds, in violation of the terms of the Note, the Trust Deed, or the other Loan Documents, or changes the use of the Property without Lender's prior written consent.

**9.4 Failure to Comply.** Borrower defaults under the Note, this Loan Agreement, the Trust Deed (other than as specified in Section 9.1), or the other Loan Documents and fails to cure an Event of Default within the applicable notice, grace, or cure period, if any, set forth therein.

**9.5 Failure to Pay General Debts When Due.**

(a) Borrower (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of all or a substantial part of its property, (ii) admits in writing its inability to pay, or generally is not paying, its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) commences a voluntary action under the United States Bankruptcy Code (as now or hereafter in effect), (v) is adjudicated a bankrupt or insolvent, (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (vii) fails to controvert in a timely or appropriate manner, or acquiesces or consents in writing to, any petition filed against it, in an involuntary action under the United States Bankruptcy Code, or (viii) takes any action for the purpose of effecting any of the foregoing.

(c) A proceeding or case is commenced against Borrower, without its consent, in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, windup, or composition or readjustment of the debts of Borrower which proceeding or case is not dismissed within sixty (60) days of such commencement, (ii) a receiver, trustee, custodian, liquidator, or the like is appointed for Borrower or for all or a substantial part of its assets which is not dismissed within sixty (60) days of such appointment, (iii) an order for relief against Borrower is entered in an involuntary case under the United States Bankruptcy Code which is not vacated within sixty (60) days of such entry, (iv) relief is granted to Borrower under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, or (iv) an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for a period of sixty (60) days.

**9.6 Failure to Disclose Material Facts.** Borrower fails to disclose any fact material to the making of the Loan to Borrower, or upon discovery by Lender of any material misrepresentation by, or on behalf of, or for the benefit of Borrower.

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**9.7 Default Under Other Loans.** Borrower defaults under any other loan (including any construction, permanent, or bond financing) secured in whole or in part by the Property, including any loan secured by a Permitted Exception, and fails to cure such default within any applicable cure period after the expiration of all notice and grace periods set forth in the loan documents relating to such loan. If Borrower cures a default under any other loan, that cure will constitute a cure under the Trust Deed, the Note, or the other Loan Documents, provided Borrower is not in default of any other provision of the Trust Deed, the Note, or the other Loan Documents.

**9.8 Discontinued Construction.** Construction on the Project is discontinued or prohibited for at least thirty (30) consecutive days without the prior written consent of Lender, subject to extensions for delays resulting from force majeure events or regulatory compliance issues outside the control of Borrower, or the Project is abandoned.

**9.9 Failure to Diligently Pursue the Project.** Borrower fails to diligently pursue the Project during the Construction Loan Period, including the Lease-up Period. Borrower agrees to comply with the Project schedule approved by Lender, a copy of which has been delivered by Borrower to Lender.

**9.10 Equity Investor Notice.** If an Event of Default occurs under this Loan Agreement or any of the other Loan Documents, Lender is aware of such Event of Default, and Lender intends to exercise any of its remedies on account of such Event of Default, then Lender at the same time as it delivers notice to Borrower will deliver written notice of such Event of Default to the Equity Investor. Upon receiving the notice of default pursuant to this subsection, the Equity Investor will have the right but not the obligation to cure, within the same time periods and upon the same parameters provided to Borrower in this Loan Agreement. Lender shall not exercise any of its rights and remedies under this Loan Agreement until the expiration of any notice, grace and cure period afforded to Equity Investor.

## 10. RIGHTS AND REMEDIES ON DEFAULT.

Upon the occurrence of an Event of Default and the expiration of all applicable notice, grace, and cure periods, and at any time thereafter, Trustee or Lender may, at its option, exercise any one or more of the following rights and remedies:

**10.1 Acceleration.** Lender may declare the entire remaining unpaid balance of principal and unpaid accrued interest and other charges payable by Borrower pursuant to the Note or any other Loan Document, to be immediately due and payable in full.

**10.2 Foreclosure.** At Lender's direction, the Trustee will foreclose by notice and sale, or Lender will have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law. In any judicial foreclosure, Lender will be entitled to obtain a deficiency judgment (subject to any applicable nonrecourse provisions in the Note) for any amount by which the amount of the obligations secured hereby exceeds the sale proceeds.

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**10.3 Waiver of Rights.** Notwithstanding section 10.2, Lender will have the right, at its sole option, to waive its rights under the Trust Deed and pursue an independent action upon the Note, unless the Note is nonrecourse by its express terms. The Note, Trust Deed, and other Loan Documents are separate and distinct instruments separately or collectively enforceable in accordance with their terms.

**10.4 Rights and Remedies.** Lender will have any other rights or remedies provided in the Trust Deed, the Note, the other Loan Documents, or any other instrument delivered by Borrower in connection therewith, or available at law, in equity, or otherwise in such order and manner as it may select.

**10.5 Notification to Obligors to Pay Rent Directly to Lender.** Subject to the rights of the Senior Lender, Lender may at any time, without notice, either in person, by agent or by receiver to be appointed by a court, and without regard to the adequacy of the security for the obligations hereby secured, notify obligors of rents to pay Lender directly, and/or enter upon and take possession of the Property or any part thereof, in its own name sue or otherwise collect any and all Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any obligations secured hereby, and in such order as Lender may determine.

**10.6 Uniform Commercial Code.** Lender will have all rights and remedies under the Oregon Uniform Commercial Code, as amended from time to time. Lender will give Borrower reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or any other intended disposition of personal property collateral is to be made. Reasonable notice will mean notice given at least ten (10) days before the time of the sale or disposition unless a longer period is specified under the Oregon Uniform Commercial Code, as amended from time to time. All sales shall be conducted in accordance with and be subject to all applicable laws, including without limitation, the Oregon Uniform Commercial Code, as amended from time to time.

**10.7 Exercising Rights and Remedies.** In exercising its rights and remedies, Lender may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Lender may bid at any public sale on all or any portion of the Property. A waiver of a breach of a provision of the Trust Deed will not constitute a waiver of or prejudice the right otherwise to demand strict compliance with that provision or any other provision. An election by Lender to pursue any remedy will not exclude pursuit of any other remedy, and all remedies of Lender under the Trust Deed are cumulative and not exclusive. An election to make expenditures or take action to perform an obligation of Borrower will not affect Lender's right to declare an Event of Default and exercise its remedies under the Trust Deed.

**10.8 Foreclosure of Lessee's Rights - Subordination.** Lender will have the right, at its option, to foreclose the Trust Deed subject to the rights of any lessee(s) of the Property. Lender's failure to foreclose against any lessee will not be asserted as a claim against Lender or as a defense against any claim by Lender in any action or proceeding. Lender, at any time, may subordinate the



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Trust Deed to any or all the lessees, except that Lender will retain its priority claim to any condemnation or insurance proceeds.

**10.9 Repairs During Redemption.** In the event of a judicial foreclosure, the purchaser during any redemption period may make such repairs and alterations to the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring of the Property. Any sums so paid, together with interest from the date of the expenditure at the rate provided in the judgment will be added to the amount required to be paid for redemption of the Property.

**10.10 Event of Foreclosure.** In the event of any judicial or nonjudicial foreclosure sale, to the extent permitted by applicable law, Lender in its discretion may use a single notice covering both real estate and personal property, designate the order of sale, and may elect to sell the real estate and personal property as an integrated unit or separately. Any person permitted by law to do so may purchase at any sale.

**10.11 Proceeds of Sale.** Subject to the provisions of applicable law, the proceeds of any sale under the Trust Deed will be applied first to payment of costs and expenses, then to payment of security protection advances, then to payment of the other secured obligations (which includes any applicable prepayment premium or fee) in any order that Lender chooses, and then to any other person or persons who may establish to the satisfaction of Lender that they are legally entitled to it.

**10.12 Borrower's Waiver of Rights Upon Sale.** Borrower waives all rights to direct the order and/or combinations in which any of the collateral will be sold, and any right to have any of the collateral marshaled upon any sale. Borrower acknowledges that there is no fiduciary relationship between Borrower and the Trustee or between Borrower and Lender.

**10.13 During Construction.**

(a) Subject to the rights of the Senior Lender, Lender will have the right to take over and cause the Project to be completed and, for that purpose, make disbursements from the undisbursed Loan funds. Any contract entered into or indebtedness incurred on the exercise of such right may be exercised by Lender in the name of Borrower, and Lender is hereby irrevocably appointed attorney-in-fact (the appointment being coupled with an interest) to enter into the contract, incur such obligations, enforce contracts or loan agreements theretofore made by or on behalf of Borrower, and to do any and all things necessary or proper to complete the work of construction, including the signing of Borrower's name to such contracts and documents as may be deemed necessary by counsel for Lender. In no event will Lender be required to use its own funds to complete the Project if undisbursed Loan funds are insufficient, but Lender may, at its option, advance such funds. Any funds so advanced will be payable to Lender by Borrower on demand together with interest thereon at the Default Rate (as hereinafter defined) and shall be secured by the Trust Deed.

(b) Lender will have the right to suspend or terminate its obligation to make further disbursement of Loan proceeds.

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**10.14 Interest on Default.** Upon the occurrence of any Event of Default, interest under the Note will accrue interest on the unpaid principal balance from the date of the Event of Default, or if the Event of Default is a payment default, from the date the first unpaid payment was due, at a rate equal to twelve percent (12%) per annum, or the maximum interest which may be collected from the holder of the Note under applicable law if less (the “**Default Rate**”). If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest will bear interest from the Maturity Date at the Default Rate.

**10.15 Rights and Remedies Cumulative.** All rights and remedies described in Section 10 are cumulative and in addition to any other remedy Lender may have by agreement, at law, or in equity. Partial exercise of any right or remedy will not limit or restrict Lender’s subsequent exercise of such right or remedy nor will it restrict Lender’s contemporaneous or subsequent exercise of any other right or remedy.

**10.16 No Waiver.** No failure or delay of Lender in exercising any right hereunder will operate as a waiver of that right or any other right. No modification or waiver of any provision of the Trust Deed or any other Loan Document will be effective unless in writing, and then only in specific instance and for the purpose given. No notice or demand on Borrower will entitle Borrower to any other notice or demand in other similar circumstances.

**10.17 Payment of Costs of Collection.** In case of an Event of Default, or in case litigation is commenced to enforce or construe any term of the Trust Deed, the Note, or any other Loan Document, the losing party will pay to the prevailing party such amounts as will be sufficient to cover the cost and expense of collection or enforcement, including, without limitation, reasonable attorney fees and costs prior to and at any arbitration proceeding or at trial, on appeal, or in any bankruptcy proceeding.

**10.18 Additional Cure Provisions.** The Equity Investor will have the right, but not the obligation, to cure any defaults of Borrower hereunder, and Lender agrees to accept cures tendered by the Equity Investor on behalf of the Borrower and such cure shall be accepted or rejected on the same basis as though such cure were tendered by Borrower.

## 11. ASSET AND PROPERTY MANAGEMENT.

**11.1 Project Operation.** Borrower shall cause the Project to be operated in a manner to ensure the Project meets the long-term affordable housing goals of the County and continues to be an asset contributing to the stable inventory of affordable housing in the County. Borrower’s obligations described in this section will remain in effect for sixty (60) years after the date the final Certificate of Occupancy for the Project is issued, subject to extension as contemplated in the other Loan Documents.

**11.2 Asset Management.** Borrower shall manage or oversee the management of the Project according to the following:

- (a) Regulatory Agreement entered into of even date hereof;

- (b) Pro Forma;
- (c) Project Operating Budget; and
- (d) The Asset and Property Management Plan.

**11.3 Property Management.** At all times at least 60 days before the expected receipt of an initial Certificate of Occupancy for the Project, Borrower will cause the Project to be professionally managed either self-managed or by a property manager reasonably acceptable to Lender; provided that Lender agrees Quantum Residential will be the initial property manager. The Project will be operated and maintained in compliance with all applicable laws and regulations in a manner to ensure maximum benefits intended by the public investment. Upon request by Lender, but no sooner than one hundred twenty (120) days prior to completion of the Project, Borrower will provide Lender with a copy of the management agreement for the Project and any other documents and information related to the operation of the Project which Borrower has in its possession or can obtain and provide to Lender without unreasonable effort or expense. Any change in property management will be approved by Lender, whose approval will not be unreasonably withheld, conditioned, or delayed.

**11.4 Unit Rents.**

(a) Rents should be periodically reviewed to ensure that (i) the intended target population is being served as required by the Regulatory Agreement, (ii) the Project operating costs, and debt service obligations are covered, and (iii) the required reserves are funded.

(b) The Pro Forma is the agreed upon projection of changes in Gross Revenue and Allowed Expenses over time and was partially the basis for Lender's decision to participate in the Project. However, Lender and Borrower acknowledge that the Pro Forma is a projection based on the best available information at the time of the closing of the Loan and the Parties agree that the Pro Forma may be revised from time to time with the written consent of Lender, whose consent will not be unreasonably withheld, conditioned, or delayed. Lender will consider the performance of the Project relative to affordable housing industry standards and changes in the local housing market. Negative variations in actual financial performance of the Project can affect the Lender's expectation of repayment and put the Project at risk. If the actual rents are significantly lower than the rents proposed in the Asset and Property Management Plan, Borrower must explain the variation in writing to the reasonable satisfaction of Lender or must present to Lender a plan reasonably acceptable to Lender to correct the causes of the lower rents. Failure to do so will result in the Project being placed on Lender's "watch list", which will result in greater monitoring by the Lender.

**11.5 Reporting.** Borrower shall provide to Lender periodic financial statements and other reports as reasonably requested by Lender, including copies of federal and state tax returns, which will meet the requirements of Section 6.7. On the first day of the fourth month after the end of Borrower's Fiscal Year, Borrower shall provide to Lender Project performance reports in a form approved by Lender. Borrower must also provide an audited financial statement (if required in Section 6.7), or an unaudited year-end financial statement. The first Project performance report is due for the Fiscal Year in which the initial Certificate of Occupancy is issued, and Lease-up Period begins. The Project

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performance report will provide data to be used by Lender to determine Borrower's compliance with the terms of the Loan.

**11.6 Site Visits.** Lender, or its identified agents, shall have the right, upon reasonable notice of not less than forty-eight (48) hours and subject to safety and security protocols and procedures employed and uniformly applied at the Project and to the rights of tenants in lawful possession, to periodically enter the Project during normal business hours for the purpose of: (i) inspection of the Project to ascertain that the Project (including site, exterior, common areas and interior units) is maintained in a safe, clean, habitable condition and in a manner to prolong the Project's physical life; and (ii) inspection of Project records to determine compliance with and documentation of household income, income eligibility and recertification procedures as well as other terms of the funding sources.

**11.7 Lender's Monitoring Role.** Lender will strive to coordinate its monitoring role with other lenders to the Project with the goal of lessening the burden on Borrower to prove and Lender to determine whether or not the Project complies with the requirements of the Loan Documents, while applying appropriate due diligence to mitigate the risk of Project non-compliance and Project viability for the period set forth in the Regulatory Agreement.

**11.8 Replacement Cost and Capital Improvement Reserve Agreement.** Borrower and Lender will enter into the Reserve Agreement, in which Borrower will agree to establish and maintain a Reserve Account which will run with the Property and remain in effect for sixty (60) years after the date the final Certificate of Occupancy for the Project was issued. The Reserve Agreement will include the following:

- (a) Minimum dollar amounts to be deposited annually in the Reserve Account.
- (b) A description of which type and number of disbursements require Lender's prior written approval.
- (c) A requirement that Borrower provide a bank statement to Lender annually documenting the funds in the Reserve Account and activity in the Reserve Account for the reporting year.
- (d) A requirement that Borrower prepare a Project capital needs assessment to Lender every tenth (10th) anniversary of the commencement of the Permanent Loan Period.
- (c) A requirement that Borrower provide annually a summary of capital improvements completed and/or paid for in the reporting year and a projection of planned capital expenditures for the next year commencing with the first full calendar year in which the Permanent Loan Period commences.

Any reserve account to be maintained by Borrower with or at the request of the Senior Permanent Lender for replacement or capital items or extraordinary repairs shall serve as, and will satisfy the requirements for, the Reserve Account required by the Reserve Agreement. Borrower will

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furnish Lender with reports on account status and account activities upon request. Once the Senior Permanent Lender's loan is repaid and the requirements of the Senior Lender have been fulfilled, Borrower will comply with the requirements of the Reserve Agreement.

**11.9 Non-Compliance with Section 11.** It will be an Event of Non-Compliance (each, an “Event of Non-Compliance”), but not an Event of Default if Borrower (i) fails to provide periodic reports according to Section 11.5; (ii) fails to manage the Project as described in the Asset and Property Management Plan submitted by Borrower; (iii) violates the Income to Rent Requirement according to Section 4.6; or (iv) targets rents at a level significantly lower than those proposed in the Asset and Property Management Plan. In the event of an Event of Non-Compliance, Lender may apply any reasonable interactions necessary to remedy the failures described above, including but not limited to:

(a) Lender may increase monitoring of the Project operations by requiring Borrower to report more frequently to Lender or by conducting on-site inspections more frequently;

(b) If Lender reasonably determines at any time during the term of the Loan that Borrower's property manager is not performing its duties in a satisfactory or prudent manner, Lender may require Borrower to retain as soon as practicable a replacement property manager reasonably acceptable to Lender; provided that, any removal of a property manager shall be subject to the prior approval of Senior Lender and Equity Investor, as applicable and/or

(c) Lender may require Borrower to submit a corrective action plan, to be reviewed and approved by Lender, which includes proposed actions to be monitored for follow-through to achieve the desired results.

Failure to comply with the requirements established by Lender pursuant to this Section may result in Borrower's ineligibility for funding for future projects.

## 12. MISCELLANEOUS.

**12.1 Recourse Provision.** The obligations under the Note, including obligations secured by the Trust Deed, are with recourse to the Borrower and its general partner during the Construction Loan Period. When the Permanent Loan Period begins, notwithstanding any other provision of the Note or this Loan Agreement, but subject to the qualifications set forth below in this section, the obligation to pay the indebtedness evidenced by or arising under the Note will be nonrecourse as to Borrower and its partners except as to their rights, if any, in the collateral described in the Trust Deed, and no personal judgment may be obtained against Borrower or any of its partners; provided, however, that Borrower and its general partner will be personally liable for (a) failure to pay taxes, assessments, or other charges which could result in liens (including construction liens) against the collateral described in the Trust Deed, (b) retention by Borrower or its general partner of any rental or other income or insurance or condemnation proceeds arising with respect to such collateral which, under the terms of the Trust Deed, should have been paid to Lender, and (c) any liability or losses incurred by Lender as a result of any fraud or misrepresentation by Borrower in connection with this Loan.

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**12.2 Counterparts.** This Loan Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the Parties hereto will constitute a full and original instrument, but all of which will together constitute one and the same instrument.

**12.3 Survival.** All agreements, representations, and warranties will survive the execution and delivery of this Loan Agreement, any investigation at any time made by Lender or on its behalf, the making of the Loan, and the delivery of the Note.

**12.4 Notice.** Any notice required or permitted under this Loan Agreement will be in writing and will be deemed effective; (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for “next day” delivery, or (3) three business days after having been deposited in the United States mail as certified or registered mail, addressed to the Parties as follows:

To Borrower:

Good Shepherd Limited Partnership  
c/o Catholic Charities of Oregon  
Attention: Travis Phillips  
2470 SE Powell Blvd, #9  
Portland, OR 97202  
Telephone Number: (503) 688-2350  
E-Mail Address: [tphillips@ccoregon.org](mailto:tphillips@ccoregon.org)

with a copy to:

Miller Nash LLP  
Attention: Ryan Nisle  
U.S. Bancorp Tower  
111 SW 5th Avenue, Suite 3400  
Portland, OR 97204  
Telephone Number: (503) 205-2521  
E-Mail Address: [ryan.nisle@millernash.com](mailto:ryan.nisle@millernash.com)

courtesy notice to:

U.S. Bancorp Community Development Corporation  
Attention: Director of LIHTC Asset Management  
1307 Washington Avenue, Suite 300  
Mail Code: SL MO RMCD  
St. Louis, MO 63103

with a copy to:

Kutak Rock LLP  
Attention: Jill Goldstein  
The Omaha Building  
1650 Farnam Street  
Omaha, NE 68102  
Telephone Number: (402) 346-6000  
E-Mail Address: [jill.goldstein@kutakrock.com](mailto:jill.goldstein@kutakrock.com)

**EXECUTION COPY**

If to Lender: Housing Authority of Clackamas County  
Attention: Devin Ellin  
PO Box 1510  
13900 S Gain Street  
Oregon City, OR 97045  
Telephone Number: (503) 650-3417  
E-Mail Address: dellin@clackamas.us

with a copy to: Clackamas County Counsel  
Attention: Stephen L. Madkour  
2051 Kaen Road, Suite 254  
Oregon City, Oregon 97045  
Telephone Number: (503) 655-8362  
Email: smadkour@clackamas.us

**12.5 Successors and Assigns.** This Loan Agreement will be binding upon and will inure to the benefit of the Parties and their respective permitted successors and assigns. Notwithstanding the foregoing, in the event a Senior Lender acquires title to the Project through foreclosure, or deed in lieu of foreclosure, neither the Senior Lender, nor any subsequent purchaser of the Project following such foreclosure, or deed in lieu of foreclosure, shall be deemed a "successor or assign" of Borrower.

**12.6 Governing Law.** This Loan Agreement and the other Loan Documents will be governed by and construed under Oregon law without regard to the conflict of law provisions of Oregon law.

**12.7 Assignment.** Borrower may not assign this Loan Agreement without the prior written consent of Lender which consent may be withheld in Lender's sole discretion.

**12.8 Modification; Prior Loan Agreements; Headings.** This Loan Agreement may not be modified or amended except by an instrument in writing signed by Borrower and Lender. This Loan Agreement, taken together with the other Loan Documents, reflects and sets forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter. The headings in this Loan Agreement are for the purpose of reference only and will not limit or otherwise affect any of the terms hereof.

**12.9 Recitals.** The Recitals are incorporated into this Agreement as if set forth herein.

**12.10 Validity; Severability.** If any provision of this Loan Agreement is held to be invalid, such event will not affect, in any respect whatsoever, the validity of the remainder of this Loan Agreement, and the remainder will be construed without the invalid provision to carry out the intent of the Parties to the extent possible without the invalid provision.

**EXECUTION COPY**

**12.11 Exhibits.** Any exhibits attached to this Loan Agreement and referred to herein are incorporated in this Loan Agreement as if they were fully set forth in the text hereof.

**12.12 Time of Essence.** Time is of the essence of this Loan Agreement and each of the Loan Documents.

**12.13 No Third-Party Beneficiaries.** This Loan Agreement is not intended to confer upon any person other than the Parties to this Loan Agreement any rights or remedies under this Loan Agreement; provided that, Equity Investor, general partner (or the sole member of general partner) of Borrower shall have the right, but not the obligation, to cure any Event of Default hereunder and such cure shall be accepted or rejected on the same basis as though such cure were tendered by Borrower.

*[The remainder of this page intentionally left blank.  
The next page is the signature page.]*

EXAMPLE



**EXECUTION COPY**

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their duly authorized representatives as of the Effective Date.

**LENDER:**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY,**  
a public body corporate and politic of Clackamas  
County, Oregon

By: Toni Karter  
Toni Karter  
Interim Executive Director

**BORROWER:**

**GOOD SHEPHERD LIMITED PARTNERSHIP**  
an Oregon limited partnership

By: **GOOD SHEPHERD VILLAGE LLC**  
an Oregon limited liability company  
Its: General Partner

By: **CARITAS COMMUNITY HOUSING CORPORATION**  
an Oregon nonprofit corporation  
Its: Sole Member

By: \_\_\_\_\_  
Travis Phillips  
Executive Director

**EXECUTION COPY**

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their duly authorized representatives as of the Effective Date.

**LENDER:**

**HOUSING AUTHORITY OF CLACKAMAS COUNTY,**  
a public body corporate and politic of Clackamas  
County, Oregon

By: \_\_\_\_\_  
Toni Karter  
Interim Executive Director

**BORROWER:**

**GOOD SHEPHERD LIMITED PARTNERSHIP**  
an Oregon limited partnership

By: **GOOD SHEPHERD VILLAGE LLC**  
an Oregon limited liability company  
Its: General Partner

By: **CARITAS COMMUNITY HOUSING CORPORATION**  
an Oregon nonprofit corporation  
Its: Sole Member

By:  \_\_\_\_\_  
Travis Phillips  
Executive Director

**List of Exhibits**

- Exhibit A     Legal Description of Property
- Exhibit B     Pro Forma
- Exhibit C     Project Operating Budget
- Exhibit D     Sources and Uses of Funding Budget
- Exhibit E     Request for Disbursement
- Exhibit F     Asset and Property Management Plan

**EXAMPLE**

EXHIBIT A

Legal Description

Real property in the County of Clackamas, State of Oregon, described as follows:

A TRACT OF LAND LOCATED IN THE NORTHWEST ONE-QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN, CLACKAMAS COUNTY, OREGON BEING THAT TRACT OF LAND RECORDED AS FEE NO, 75024721, CLACKAMAS COUNTY DEED RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 6;

THENCE SOUTH 09° 44' 59" EAST, A DISTANCE OF 177.15 FEET TO THE NORTHWEST CORNER OF SAID FEE NO 75024721 TRACT AND A POINT ON THE EAST RIGHT OF WAY LINE OF SE 162ND AVENUE (HAVING A HALF WIDTH OF 30 FEET) AND THE TRUE POINT OF BEGINNING;

THENCE ALONG THE BOUNDARIES OF SAID FEE NO 75024721 TRACT THE FOLLOWING COURSES AND DISTANCES, NORTH 89° 13' 40" EAST ALONG THE NORTH LINE OF SAID FEE NO 75024721 TRACT, A DISTANCE OF 1,630.19 FEET TO THE NORTHEAST CORNER THEREOF;

THENCE SOUTH 00° 17' 20" EAST ALONG THE EAST LINE OF SAID FEE NO. 75024721 TRACT, A DISTANCE OF 447.98 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE ALONG THE BOUNDARIES OF SAID FEE NO 75024721 TRACT THE FOLLOWING COURSES AND DISTANCES, SOUTH 89° 13' 40" WEST ALONG THE SOUTH LINE OF SAID FEE NO. 75024721 TRACT, A DISTANCE OF 1,632.45 FEET, (TO THE EAST RIGHT OF WAY LINE OF SE 162ND AVENUE);

THENCE NORTH 00° 00' 00" WEST (ALONG SAID RIGHT OF WAY LINE), A DISTANCE OF 25.00 FEET;

THENCE NORTH 89° 13' 40" EAST, A DISTANCE OF 272.00 FEET;

THENCE NORTH, A DISTANCE OF 198.00 FEET;

THENCE NORTH 89° 13' 40" EAST, A DISTANCE OF 600.00 FEET;

THENCE NORTH 00° 00' 00" WEST, A DISTANCE OF 200.00 FEET;

THENCE SOUTH 89° 13' 40" WEST, A DISTANCE OF 872.00 FEET (TO THE EAST RIGHT OF WAY LINE OF SE 162ND AVENUE);

THENCE NORTH 00° 00' 00" WEST (ALONG SAID RIGHT OF WAY LINE), A DISTANCE OF 25.00 FEET TO THE TRUE POINT OF BEGINNING.

**EXHIBIT B**

**Pro Forma**

*[The Pro Forma is set forth on pages B-2 through B-8 which follow.]*

EXAMPLE

**SOURCES OF FUNDING**

Project Name:

Good Shepherd Village

Date:

1/31/2022

Funding Source	Initial Application	Final Application	Status	Anticipated or Firm Commitment Date	COMMERCIAL	
					Commercial	Anticipated or Firm Commitment Date
<b>OHCS Programs</b>						
4% LIHTC (Equity)	\$21,081,823		Conditional	3/7/2022		
Housing Preservation Funds						
Weatherization	\$166,495		Committed	10/14/2020		
PSH	3,500,000		Committed	7/1/2021		
<b>Total OHCS Grants &amp; Equity</b>	<b>\$24,748,318</b>	<b>\$0</b>				<b>\$0</b>
<b>NON-OHCS GRANTS (list)</b>						
<b>Total NON-OHCS Grants</b>	<b>\$0</b>	<b>\$0</b>				<b>\$0</b>
<b>LOANS (list as applicable)</b>						
Permanent Loan Banner Bank	\$13,154,975		Committed	1/24/2022		
Seller Loan	\$2,698,000		Committed	6/16/2021		
Metro Bond	\$18,330,000		Committed	8/6/2020		
<b>Total NON-OHCS Loans</b>	<b>\$34,182,975</b>	<b>\$0</b>				<b>\$0</b>
<b>APPLICANT CONTRIBUTIONS (list additional as applicable)</b>						
Cash	\$100					
Deferred Development Fee	\$2,645,156		Committed	6/16/2021		
Recontributed Fee	\$3,596,988		Committed	6/16/2021		
<b>Total Applicant Contribution</b>	<b>\$6,242,244</b>	<b>\$0</b>				<b>\$0</b>
<b>OTHER: (list additional as applicable)</b>						
Historic Tax Credits						
Cash flow During Rehab						
<b>Total Other Funds</b>	<b>\$0</b>	<b>\$0</b>				<b>\$0</b>

**TOTAL FUND SOURCES**                      **\$65,173,537**                      **\$0**                      (Note: Total Fund Sources must match "Total Project Cost" from Uses of Funding page.)                      **\$0**  
 (initial) Surplus or Gap                      \$0

**Other OHCS non-equity sources:**  
 Oregon Affordable Housing Tax Credit (OAHTC)                      \$0                      (loan amount from OAHTC worksheet)  
 Construction bridge loan                      (enter loan amount)  
 Predevelopment Loan                      (loan amount)

**Other Non-OHCS sources:**  
 Other  
 Other

USES OF FUNDS

Good Shepherd Village Date 1/31/2022

Acqr/Rehab IRS Set-aside 40/60

Table with columns: Total, Affordable (where applicable), Market, Number of Units, Residential Unit Square Footage, Residential Common Areas, Commercial/Other, Total Residential Square Footage, Total Square Footage.

RESIDENTIAL

add more project sites by untying columns L-L select project site add more project sites by untying columns R-U

For LHLC Applicants ONLY

Table with columns: (A) Initial, Cost per Unit, (B) Final, % Diff (B/A), Cost per Unit, A site, B site, Total Estimated Eligible Basis.

INITIAL COSTS

Table listing Acquisition Costs including Land, Improvements, Liens and Other Taxes, Closing/Recording, Extension Fees, Other (list below), Carrying Costs, and Acquisition Costs Subtotal.

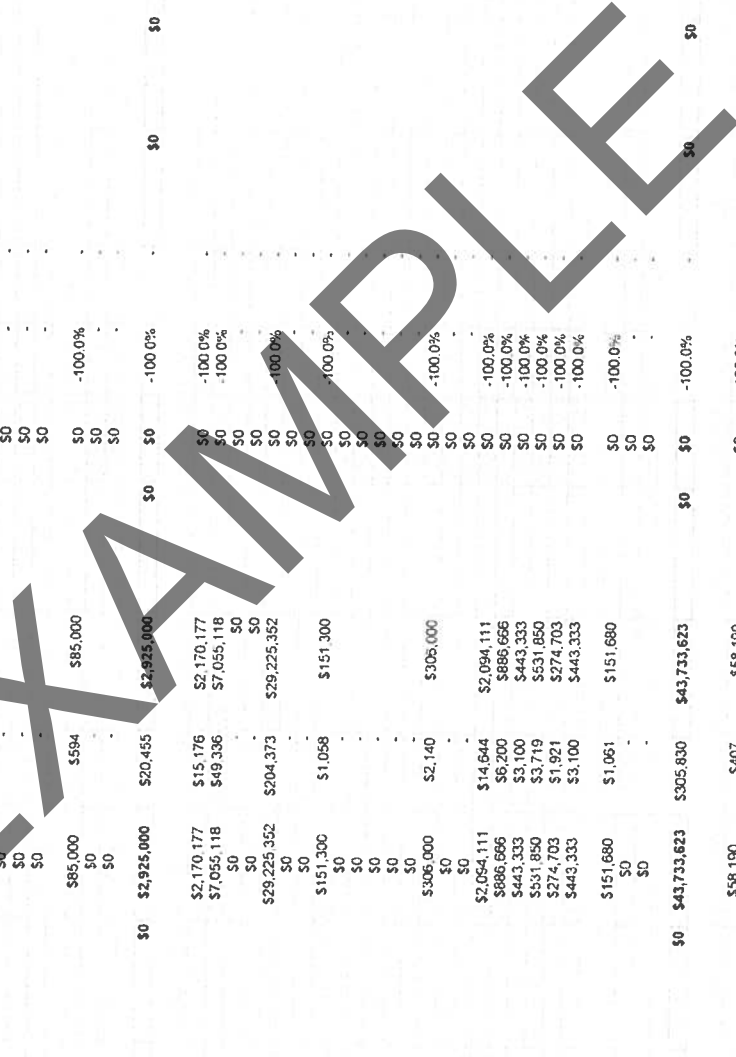
CONSTRUCTION COSTS

Table listing Construction Costs including On-site Work, Hazardous Materials Abatement, Demolition, Residential Building, Commercial Storage/Building, Common Use Facilities, FF&E (Common Area Furnishings), Internet Wiring & Equipment, Landscaping, Elevator, Laundry Facilities, Storage/Garages, Builder's Risk Insurance, Performance Bond, 3rd Party Const. Management, Contingency, General Conditions, Contractor Overhead, Contractor Liability Insurance, Contractor Performance Bond, Contractor Profit, Other (list below), Construction Activity Tax, Estimating Contingency, Inflation Contingency, and Construction Costs Subtotal.

DEVELOPMENT COSTS

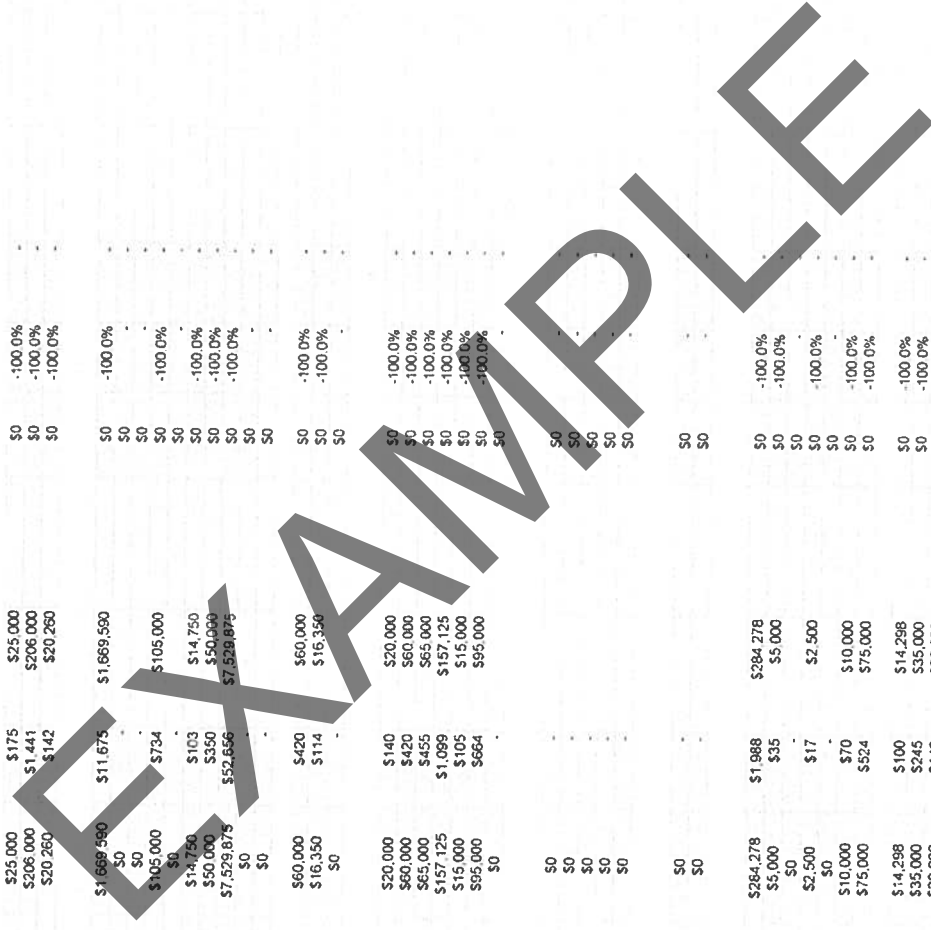
Table listing Development Costs including Land Use Approvals, Building Permits/Fees, System Development Charges, Market Study, Environmental Report, Lead Based Paint Report, Asbestos Report, Pest & Dry Rot Report, Soils Report (Geotechnical), and Survey.

add more project sites by untying columns L-L, add more project sites by untying columns R-U, r/a \*Never allowed in basis, \*Some off site costs can be included in basis, \*Can't be in basis if there is any charge for use, \*OK in basis even if a cont-op, \*Can't be in basis if there is any charge for use.



**USES OF FUNDS**

Project Name:	Good Shepherd Village	Date:	1/31/2022
Capital Needs Assessment	\$0		\$0
Maintenance/Advertising	\$12,000	\$84	\$12,000
Insurance	\$41,775	\$292	\$41,775
OHCS Reconveyance Charge	\$0		\$0
OHCS Doc Prep Charge	\$0		\$0
OHCS Const. Inspection	\$0		\$0
OHCS Const. Analyst	\$0		\$0
Other (list below)	\$0		\$0
Green Building Consultant	\$25,000	\$175	\$25,000
Construction Management	\$206,000	\$1,441	\$206,000
Traffic	\$20,260	\$142	\$20,260
<b>General Fees</b>	<b>\$1,669,590</b>	<b>\$11,675</b>	<b>\$1,669,590</b>
Architectural	\$0		\$0
SPD Architectural Review Fee	\$0		\$0
Engineering	\$105,000	\$734	\$105,000
Cost Certification	\$0		\$0
Appraisals	\$14,750	\$103	\$14,750
Special Inspections/Testing	\$50,000	\$350	\$50,000
Developer Fee	\$7,529,875	\$52,656	\$7,529,875
Consultant Fee	\$0		\$0
Rate Lock Fee	\$0		\$0
Other (list below)	\$0		\$0
Tree Mitigation	\$60,000	\$420	\$60,000
Reimbursibles	\$16,350	\$114	\$16,350
	\$0		\$0
<b>Construction Loan Costs/Fees</b>	<b>\$20,000</b>	<b>\$140</b>	<b>\$20,000</b>
Lender Inspection Fees	\$60,000	\$420	\$60,000
Lender Title Insurance	\$65,000	\$465	\$65,000
Lender Legal Fees	\$157,125	\$1,089	\$157,125
Loan Fees	\$15,000	\$105	\$15,000
Loan Closing Fees	\$95,000	\$664	\$95,000
Property Taxes (Constr Period)	\$0		\$0
Insurance	\$0		\$0
<b>Bridge Loan Fees</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Bridge Loan Legal	\$0		\$0
Bridge Loan Trustee	\$0		\$0
Bridge Loan Underwriting	\$0		\$0
Bridge Loan Fee	\$0		\$0
Bridge Loan Closing Fees	\$0		\$0
<b>Permanent Loan Fees</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Perm. Loan Fee	\$0		\$0
Perm. Loan Closing Fees	\$0		\$0
<b>Tax Credit Fees</b>	<b>\$284,278</b>	<b>\$1,988</b>	<b>\$284,278</b>
Tax Credit Fee	\$5,000	\$35	\$5,000
OHCS Tax Credit Application Charge	\$0		\$0
OHCS Tax Credit Reservation Charge	\$2,500	\$17	\$2,500
OHCS Recipient Charge	\$0		\$0
Tax Credit Syndication Costs	\$10,000	\$70	\$10,000
Tax Credit Cost Certification	\$75,000	\$524	\$75,000
Other (list below)	\$14,298	\$100	\$14,298
Predev closing	\$35,000	\$245	\$35,000
Predev loan fee	\$20,000	\$140	\$20,000
Metro Bond Legal	\$0		\$0
<b>Bond Issuance Fees</b>	<b>\$60,000</b>	<b>\$420</b>	<b>\$60,000</b>
Negative Arbitrage	\$2,500	\$17	\$2,500
Bond Counsel	\$6,000	\$42	\$6,000
Trustee Acceptance Fee	\$1,500	\$10	\$1,500
Annual Trustee Fee (Stabilization)	\$150,000	\$1,049	\$150,000
OHCS Bond Application Charge	\$0		\$0
OHCS Bond Issuance Charge	\$0		\$0





**USES OF FUNDS**

Project Name:	Good Shepherd Village	Date	1/31/2022
OHCs Financial Advisor	\$5,000	\$0	-100.0%
TEFRA Notice	\$0	\$0	-
Bond Underwriter	\$0	\$0	-
Bond Cost Certification	\$0	\$0	-
Other (list below)	\$150,000	\$150,000	-100.0%
Drawdown	\$52,500	\$52,500	-100.0%
PSH Reservation Charge	\$0	\$0	-
Interest	\$588,255	\$588,255	-100.0%
Construction Period	\$0	\$0	-
Construction Bridge Loan	\$32,250	\$32,250	-100.0%
Other (list below)	\$517,808	\$517,808	-100.0%
Predev Interest	\$865,293	\$865,293	-100.0%
Lease Up Period	\$0	\$0	-
Development Contingency	\$169,464	\$169,464	-100.0%
Development Contingency	\$500,000	\$500,000	-100.0%
Contingency Escrow Account (3%)	\$851,110	\$851,110	-100.0%
Lease Up / Tenant Relocation	\$64,350	\$64,350	-100.0%
Lease Up	\$0	\$0	-
Tenant Relocation	\$0	\$0	-
Reserves/Cash Accounts	\$851,110	\$851,110	-100.0%
Operating Reserve	\$64,350	\$64,350	-100.0%
Deposit to Replacement Reserves	\$0	\$0	-
Other (list below)	\$0	\$0	-
Development Costs Subtotal:	\$18,514,914	\$18,514,914	100.0%
TOTAL PROJECT COST	\$65,173,637	\$65,173,637	100.0%
Surplus or Gap (Initial)	\$0	\$0	-
Surplus or Gap (Final)	\$0	\$0	-

n/a \*Never allowed in basis  
n/a \*Never allowed in basis  
n/a \*Never allowed in basis  
n/a \*Never allowed in basis  
n/a \*Never allowed in basis  
n/a \*Never allowed in basis  
n/a \*Never allowed in basis

\$588,255  
n/a \*Never allowed in basis

\$32,250

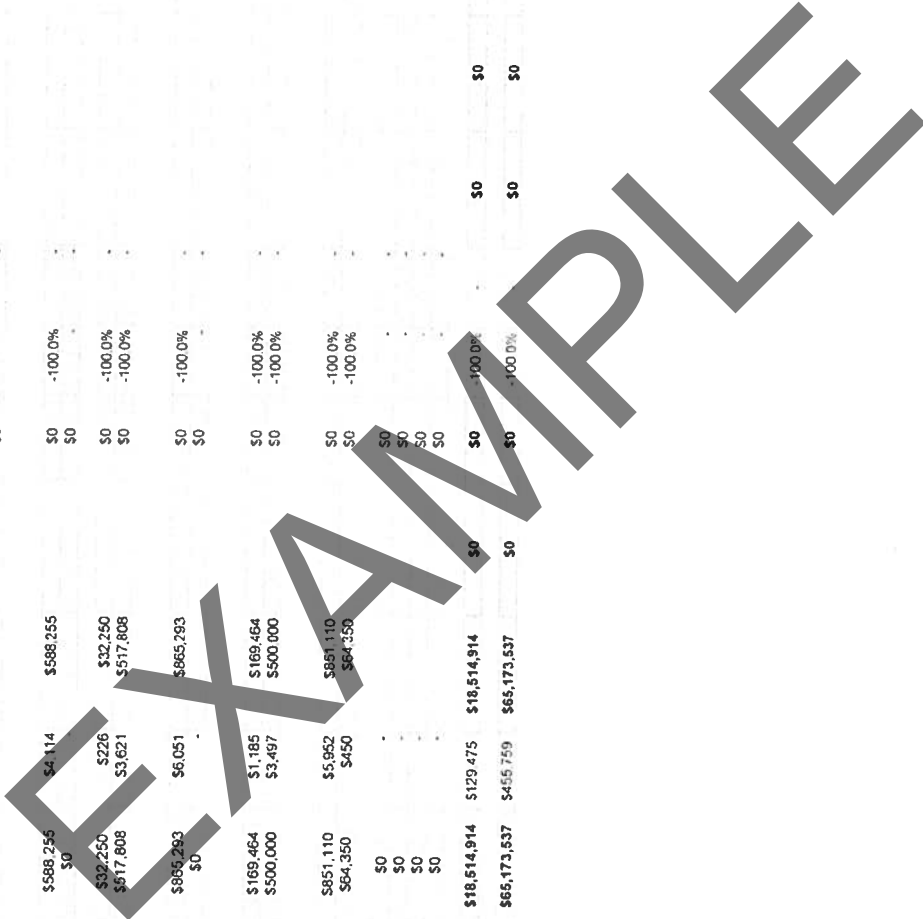
\$865,293  
n/a \*Never allowed in basis

n/a \*Never allowed in basis  
\$0

n/a \*Never allowed in basis  
n/a \*Never allowed in basis

\$15,490,904

\$59,224,527



**HOUSING OPERATING BUDGET - INCOME**

Date: 1/11/2022

Pro Forma Type: Inland Application

Project Name: Good Shepherd Village

Site: Actual Multi-Family 7/17, Sibsey Income: 2021

Site: County: CLACKAMAS

Site: County: Multnomah

Site: County: Washington

Site: County: Oregon

Income Inflation Rate: 2.00%

Please Note: If this project is currently under OHCS program restrictions, and OHCS approved units are fewer than proposed in this pro forma please contact your Loan Officer to discuss. Approval of the development and operating budgets does not guarantee an increase in current OHCS approved units.

Project Name	Unit Size	Aford. Type	Unit Type	Square Feet	Median Income %	Gross Monthly Rent Per Unit	Tenant Paid Utility Allow	Net Monthly Rent Per Unit	years										
									1	2	3	4	5	10	15	20	30		
Good Shepherd Village	0	10	BR	399	30%	\$507	\$44	\$463	\$27,780	\$28,346	\$29,902	\$29,480	\$30,070	\$31,700	\$33,300	\$34,935	\$40,410	\$40,313	
Good Shepherd Village	0	10	BR	399	30%	\$507	\$44	\$463	\$16,668	\$17,001	\$17,688	\$17,341	\$17,888	\$18,042	\$19,020	\$21,993	\$24,292	\$29,690	\$29,690
Good Shepherd Village	0	10	BR	399	30%	\$507	\$44	\$463	\$58,760	\$59,475	\$60,814	\$61,676	\$62,972	\$65,074	\$69,678	\$74,874	\$84,874	\$103,461	\$103,461
Good Shepherd Village	1	10	BR	557	30%	\$544	\$58	\$506	\$72,558	\$74,010	\$75,490	\$77,000	\$78,542	\$80,214	\$83,062	\$87,176	\$103,617	\$126,326	\$126,326
Good Shepherd Village	1	10	BR	557	50%	\$1,088	\$50	\$1,038	\$39,837	\$40,833	\$41,954	\$42,283	\$43,043	\$44,273	\$45,109	\$46,610	\$48,808	\$52,698	\$52,698
Good Shepherd Village	1	10	BR	557	30%	\$544	\$50	\$494	\$28,728	\$29,273	\$30,017	\$31,164	\$32,093	\$33,176	\$34,310	\$35,496	\$36,930	\$39,708	\$39,708
Good Shepherd Village	2	10	BR	680	30%	\$653	\$64	\$589	\$35,340	\$36,047	\$36,768	\$37,503	\$38,253	\$39,020	\$40,810	\$42,735	\$44,904	\$47,758	\$47,758
Good Shepherd Village	2	10	BR	680	50%	\$1,305	\$64	\$1,241	\$66,160	\$68,093	\$69,245	\$70,650	\$72,323	\$74,166	\$76,170	\$78,336	\$80,675	\$84,311	\$84,311
Good Shepherd Village	2	10	BR	680	30%	\$653	\$64	\$589	\$98,952	\$100,931	\$102,950	\$105,009	\$107,109	\$108,257	\$110,454	\$112,753	\$115,154	\$117,723	\$117,723
Good Shepherd Village	3	10	BR	1,106	30%	\$754	\$78	\$676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Good Shepherd Village	3	10	BR	1,106	60%	\$1,509	\$78	\$1,431	\$49,696	\$51,111	\$52,559	\$54,043	\$55,563	\$57,117	\$58,704	\$60,324	\$62,978	\$65,766	\$65,766
Good Shepherd Village	3	10	BR	1,106	30%	\$754	\$78	\$676	\$188,898	\$193,657	\$198,592	\$203,604	\$208,693	\$213,859	\$219,102	\$224,424	\$229,824	\$235,303	\$240,863
Good Shepherd Village	2	10	MGR	680	0%	\$0	\$0	\$0	\$28,446	\$33,097	\$37,756	\$42,414	\$47,071	\$51,728	\$56,385	\$61,042	\$65,699	\$70,356	
Sub-TOTALS									\$1,605,729	\$1,637,843	\$1,670,600	\$1,704,012	\$1,738,072	\$1,772,785	\$1,808,152	\$1,844,184	\$1,880,883	\$1,918,241	\$1,956,258

Category	1	2	3	4	5	10	15	20	30
Subsidiary Revenue Total:	\$1,974,244	\$1,993,100	\$2,012,000	\$2,030,900	\$2,049,800	\$2,068,700	\$2,087,600	\$2,106,500	\$2,125,400
Other Revenue Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense on Turnover:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Access Fees:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Bank:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PSH Surveys:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-TOTAL OTHER REVENUE</b>	<b>\$401,760</b>	<b>\$409,795</b>	<b>\$417,830</b>	<b>\$425,865</b>	<b>\$433,900</b>	<b>\$441,935</b>	<b>\$450,000</b>	<b>\$458,065</b>	<b>\$466,130</b>
<b>Gross Income</b>	<b>\$2,016,004</b>	<b>\$2,042,895</b>	<b>\$2,068,430</b>	<b>\$2,093,965</b>	<b>\$2,119,500</b>	<b>\$2,145,035</b>	<b>\$2,170,570</b>	<b>\$2,196,105</b>	<b>\$2,221,640</b>
<b>Less: Rent Vacancy Rate</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>15.3%</b>
<b>Less: Comm Vacancy Rate</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>
<b>Less: Other Vacancy Rate</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>
<b>Effective Gross Income</b>	<b>\$1,674,437</b>	<b>\$1,711,926</b>	<b>\$1,749,415</b>	<b>\$1,786,904</b>	<b>\$1,824,393</b>	<b>\$1,861,882</b>	<b>\$1,900,371</b>	<b>\$1,937,860</b>	<b>\$1,975,349</b>

Additional notes and project details, including contact information and developer information.



Amortization (Years)	3	5	10	15	20	25	30
Rate	3.88%	4.80%	5.88%	6.87%	7.76%	8.67%	9.50%
Loan Amount	\$4,805	\$13,154,975	\$687,176	\$687,176	\$687,176	\$687,176	\$687,176

Secondary permanent loan (non-cash flow, hard debt)							
Amortization (Years)	3	5	10	15	20	25	30
Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Loans / Deferred Fee							
Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan Amount	\$2,645,156	\$166,495	\$18,330,000	\$0	\$0	\$0	\$0
Outstanding Balance:	\$2,645,156	\$166,495	\$18,330,000	\$0	\$0	\$0	\$0
Outstanding Balance:	\$2,645,156	\$166,495	\$18,330,000	\$0	\$0	\$0	\$0

WITHOUT OAHIC							
Effective Gross Income	\$12,851	\$12,851	\$12,851	\$12,851	\$12,851	\$12,851	\$12,851
Total Annual Operating Expenses	\$7,077	\$7,077	\$7,077	\$7,077	\$7,077	\$7,077	\$7,077
Net Operating Income	\$5,774	\$5,774	\$5,774	\$5,774	\$5,774	\$5,774	\$5,774
Primary Debt Service	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805
Total Debt Service	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805
Cash Flow Per Year Primary:	\$969	\$969	\$969	\$969	\$969	\$969	\$969
Cash Flow Per Year Total:	\$969	\$969	\$969	\$969	\$969	\$969	\$969
Primary Debt Coverage Ratio	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Total Debt Coverage Ratio	1.20	1.20	1.20	1.20	1.20	1.20	1.20

WITH OAHIC							
Effective Gross Income	\$373,637	\$373,637	\$373,637	\$373,637	\$373,637	\$373,637	\$373,637
Total Annual Operating Expenses	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043
Net Operating Income	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)
Primary Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Per Year Primary:	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)
Cash Flow Per Year Total:	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)	(\$638,406)
Primary Debt Coverage Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Debt Coverage Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Year	1	2	3	4	5	10	11	12	13	14	15	20	25	30
Effective Gross Income	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684	\$1,837,684
Total Annual Operating Expenses	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043	\$1,012,043
Net Operating Income	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641	\$825,641
Primary Debt Service	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805
Total Debt Service	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805	\$4,805
Cash Flow Per Year Primary:	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836
Cash Flow Per Year Total:	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836	\$820,836
Primary Debt Coverage Ratio	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Total Debt Coverage Ratio	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70

**EXHIBIT C**

**Project Operating Budget**

*[The Project Operating Budget is set forth as part of the Pro Forma, Exhibit B.]*

**EXAMPLE**

**EXHIBIT D**

**Sources and Uses Funding Budget**

*[The Sources and Uses Funding Budget is set forth as part of the Pro Forma, Exhibit B.]*

EXAMPLE

**EXHIBIT E**

**Request for Disbursement**

*The Request for Disbursement is set forth on pages E-2 and E-3 which follow.]*

EXAMPLE

**HOUSING AUTHORITY OF CLACKAMS COUNTY  
METRO AFFORDABLE HOUSING BOND PROGRAM  
Request for Disbursement**

<b>Project Number</b>	<b>Project Title and Period</b>	<b>Total Amount of Contract</b>
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<b>Tax ID #</b>	<b>Name and Address of Sponsor</b>	<b>Contact Name &amp; Phone</b>
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<b>Period Covered by Request</b>	
<b>From:</b>	<b>To:</b>

**Summary of Request (List Amounts by Funding Source)**

<b>Funding Source:</b>	<b>Metro Bond Funds</b>
Approved Amount	
Expended to Date	
Received to Date	
Payments in Transit	
<b>Amount of Request</b>	

I hereby certify that the information contained in this form and any accompanying materials is true and accurate to the best of my knowledge.

Name:

Signature:

Date:

Please email Requests for Reimbursement to: [dellin@clackamas.us](mailto:dellin@clackamas.us)

<b>Housing Authority of Clackamas County</b>
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Attn: Devin Ellin

13930 Gain Street

Oregon City, Oregon 97045

Cell: (971)227-0472

<b>HACC Use Only</b>	
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**Initial & Date**

Program Number	
Request Approved	
Drawdown Performed	
Draw Number	
Payment Requested	
P.O. Number	
Payment Request Approved	



**Summary of Expenditures**

Project: \_\_\_\_\_

**Housing Authority of Clackamas County Metro Affordable Housing Bond Program**

<b>Budget Categories - Uses</b>	<b>Approved Budget</b>	<b>Expended This Period</b>	<b>Expended to Date</b>	<b>Remaining Balance</b>
Property Acquisition				
Title, Recording Fees				
Development/Professional Services Costs				
Construction Costs				
Permits, Fees and System Development Charges				
Other Costs (specify)				
Developer Fee				
<b>Uses Subtotal</b>				
<b>Total Metro Bond Program Retainage for project</b>	___ % retainage withheld			
<b>TOTAL</b>				

Explanatory Budget Notes (if needed or requested):

M/W/DBE/ESB Contracting:

<b>Uses</b>	<b>Total amount of contracts</b>	<b>Amounts expended this period</b>
Construction Costs (hard costs)		
Development Costs (soft costs)		
Other Costs (specify)		
<b>TOTAL</b>		

<b>Total # of M/W/DBE/ES B contracts to date:</b>