

PASSED

**IN THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY (HACSA)**

ORDER NO.

00-12-6-2H

**)In the Matter of Authorizing the Executive
)Director to Enter into a Line of Credit Agreement
)with Centennial Bank to Assist with the
)Construction Financing for Sheldon Village
)Phase I)**

WHEREAS, HACSA's has used Lines of Credit with Centennial Bank in prior HACSA LIHTC development projects; and

WHEREAS, Centennial has made a offer to HACSA to extend and increase the Line of Credit; and

WHEREAS, HACSA wishes to renew the Line of Credit to serve as a potential resource in the construction and development of the Sheldon Village development project;

NOW, THEREFORE, it is hereby resolved and ordered:

That the Executive Director or Deputy Director Is Authorized to execute a Line Of Credit Agreement, not to exceed \$1,500,000, with Centennial Bank to Assist with the Construction Financing for Sheldon Village (Phase I).

DATED this 6th day of December, 2000



Chair, HACSA Board of Commissioners

In the Matter In the Matter of Authorizing the Executive Director to Enter into
a Line of Credit Agreement with Centennial Bank to Assist
with the Construction Financing for Sheldon Village (Phase I)

ATTACHMENT 1

**LOC Agreement
Sheldon Village (Phase I)**

COPY

HALSA - D.I.

OCT 25 2000

CENTENNIAL BANK

Open for business.

COMMERCIAL BANKING
CENTER — EUGENE
675 Oak, Suite 310
Eugene, OR 97401
P.O. Box 11806
Eugene, OR 97440
(541) 334-0930
FAX (541) 334-0939

October 24, 2000

Housing Authority and Community Services Agency of Lane County
Larry A. Abel, Deputy Director
177 Day Island Road
Eugene, OR 97401

Dear Larry:

Centennial Bank (the "Bank") is pleased to advise you that it has approved a commitment for the following credit facility to Housing Authority and Community Services Agency of Lane County ("Borrower") on the terms and conditions outlined below. This commitment expires November 30, 2000 ("Acceptance Deadline") unless it is extended by us in writing prior to that time.

The offered facility is:

Amount/Type: \$1,500,000 Revolving Line of Credit (the "Loan")

Interest Rate: Bank's Reference Rate* (currently 9.50%) minus 1.25%, fully floating computed on a 365/360 day simple interest basis. The effective rate as of today's rate would be 8.25%.

**The Reference Rate is a benchmark which Centennial Bank establishes from time to time and uses to compute an appropriate rate of interest for a particular loan. Generally, this benchmark rate is based on numerous factors, including the Bank's supply of funds, its administrative costs and competition from other suppliers of credit. This rate is not necessarily the lowest rate charged by the Bank and is set in the Bank's sole discretion.*

Payment Terms: On demand, or if no demand then at the Maturity Date stated below. Interest shall be payable monthly, with the balance of principal and interest due and payable in full on the Maturity Date.

Maturity Date: April 1, 2002

Business Purpose: Working Capital Line of Credit

Loan Fee: .125% of the loan amount or \$1,875.

Collateral: Unsecured

Guarantors: None

Banking Relationship: This commitment is further subject to Borrower maintaining a depository banking relationship with Centennial Bank.

Documentation: Borrower must execute the various loan documents provided by the Bank in a form and with a content satisfactory to the Bank.

Other Conditions:

Out of Debt Requirement: The Loan shall have a zero balance, with no advances outstanding, for a minimum of 30 consecutive days each fiscal year.

Financial Reporting: The loan documents require Borrower to provide the financial reports and information that the Bank, from time to time, may request. At this time, that information shall consist, at minimum, of the following:

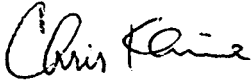
- (1) Borrower's year-end financial statement, as audited by Borrower's CPA, to be provided within 120 days after Borrower's fiscal year-end;

GENERAL CONDITIONS: The Bank's obligations under this commitment are subject to the Bank's review and approval of all reports, examinations and inspections required by Bank in connection with this Loan. The Bank reserves the right to terminate this commitment in the event of a material adverse change in the financial condition of the Borrower. This commitment will expire if the loan documents are not signed within sixty (60) days after your acceptance of this commitment.

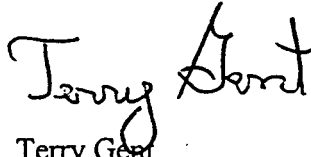
UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND OTHER COMMITMENTS MADE BY US (BANK) AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.

If you approve the foregoing terms and conditions, you may accept this commitment by signing and returning the enclosed copy of this letter to my attention no later than the Acceptance Deadline stated above. We look forward to providing this Loan and to a mutually beneficial banking relationship.

Sincerely,



Chris Kline
Vice President



Terry Gent
Vice President

ACKNOWLEDGMENT:

The undersigned hereby acknowledges and accepts this offer to extend credit on the terms and conditions stated above.

Authorized Signer, Title

(Date)