

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL
TO: Terry Dailey, Manager
Oregon Adult & Family Services District 11
700 Klamath Ave.
Klamath Falls, OR 97601

Space reserved above for Recorder use

PROJECT USE AGREEMENT

THIS AGREEMENT is made this 8th day of September, 1999, between the Linkville Health Foundation ("Recipient") and Oregon Adult & Family Services District 11 ("Department").

PART I: PURPOSE

Department has made available to Recipient a conditional grant in the amount of One Hundred Seventy-four Thousand Dollars and No Hundreds (\$174,000.00) ("Grant") to partially meet the costs of acquiring, rehabilitating and operations of an 8 unit project in Klamath Falls, Oregon, known as SAILS Supportive Housing ("Project") until such time that the funds are replenished with funds from Oregon Housing and Community Services Department.

PART II: COMMITMENT TO AFFORDABILITY

Recipient agrees that the Grant funds will only be used for the operations of the SAILS Project which will house low income teenage mothers (aged 11 to 19) and their babies for a period of not less than 25 years. Of these units, 7 units will be targeted to very low income persons. Very low income is defined as persons at or below 50% of the Klamath County median income, as published annually by the U.S. Department of Housing and Urban Development ("HUD"). If, at any time from the day first written above, the property is used for other than this purpose during this period, the Grant provided by Department may, with reasonable notice, be called by the Department for repayment to same by or on behalf of Recipient, its successors or assigns.

PART III: COMMITMENT TO SOCIAL SERVICE PROGRAMS

Recipient agrees that a service plan in accordance with their project description will be offered to residents, a copy of which is attached to this Agreement as Exhibit A and by this reference made a part of it. Recipient further agrees that if at any time the above-referenced service programs or reasonable substitutes are not being provided, Department may, with reasonable notice to Recipient, call for repayment to same by or on behalf of Recipient, its successors or assigns.

PART IV: SUBORDINATION

36121

The Department may subordinate this Agreement to other Financing, in its sole discretion and such subordination shall be binding on all third-parties granted rights under this Agreement.

PART V: FORECLOSURE

In the event the construction and/or permanent lender, its successors or assigns, lawfully acquire title to the project through foreclosure or deed in lieu of foreclosure, neither the lender nor any subsequent purchaser of the project following such a foreclosure or deed in lieu of foreclosure shall be deemed a "successor or assign" of the Recipient, and neither the lender nor such subsequent purchaser shall have any obligation to repay the Grant to the Department and all conditions and restrictions contained herein shall terminate on the date, if any, that the project is so acquired by foreclosure or deed in lieu of foreclosure.

IN WITNESS WHEREOF, Department and Recipient have caused this Agreement to be signed by their duly authorized officers as of the first day written above.

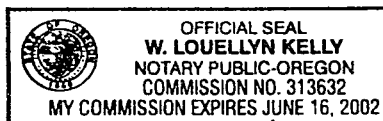
ADULT & FAMILY SERVICES
DISTRICT 11

LINKVILLE HEALTH FOUNDATION

By: Terry Dailey
Signature: Terry Dailey
Title: Manager District 11

By: [Signature]
Title: Board of Directors Chairman

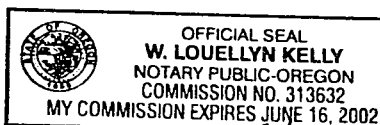
STATE OF OREGON)
)ss:
County of Klamath)



The foregoing instrument was acknowledged before me this 5th day of September 1999, by Terry Dailey who is a District Mgr. of Oregon Adult & Family Services, District 11, on behalf of the Department.

[Signature]
Notary Public for the State of Oregon
My commission expires:

STATE OF OREGON)
)ss:
County of Klamath)



The foregoing instrument was acknowledged before me this 5th day of September 1999, by Wendy Williams MD who is a Chairman of Linkville Health, on behalf of the Recipient.

[Signature]
Notary Public for the State of Oregon
My commission expires:

36122

**LEGAL DESCRIPTION
OF RESTRICTED PROPERTY**

LOTS 10 AND 11, ELM PARK, IN THE COUNTY OF KLAMATH,
STATE OF OREGON.

CODE 41 MAP 3809 - 34CD TL 5300

CODE 41 MAP 3809 - 34CD TL 5400

RESIDENT SERVICE PLAN DESCRIPTION

36123

Describe the process you used to determine the appropriate needs and available services for the target population:

Oregon Adult & Family Services District 11 offices have collected data and have been working directly with the teen mothers once they enter their last month of pregnancy. AFS has tracked the events surrounding the lives of these girls and this is the origin of the program. Linkville Health Foundation has developed a model to serve this specialty populations needs. Joining with AFS and Linkville are Klamath Youth Development Center, SOCO Development, City Schools Mazama High School Teen Parent Program which includes child care and Klamath County Health Department WIC. The agencies that are pooling their energies to serve the specialty population of teen moms (aged 11 to 19) and their children have all collected data on the needs of the populations. Through various meetings the needs were discussed and decided upon. All of the agencies are experienced in the needs of this population.

Describe the services to be offered and the anticipated results of each service:

Service	Agency	Projected Result
Infant Bonding	Linkville Health	That the mothers will practice skills and abuse rates will drop. Housekeeping/cooking skills, shopping, usage of funds, how to run one's life & relationships. To work daily with the girls & Provide a house parent on site. The girls will follow budgets and become more skilled in use of funds with ability to say no. Through learning coping skills the girls will learn to better solve problems and deal with issues that they will be met with. 150 Page book on parenting for reference
Parenting Skills Training		
Life Skills Training		
Case Management		
Budget & Finance	SOCO Development	Reduced child abuse & death. Girls come from dysfunctional families & need counseling That they will complete a GED or receive a diploma.
IAM A Giraffe	SOCO Development	
Parent Guides	Safety Net - AFS & SOCO	
Abuse Prevention	KYDC, AFS Safety Net, SOCO KYDC	
Counselling		
GED or High School	KI or Mazama High School	

What will you do to ensure coordination of resident services with ongoing management:

Linkville Health Foundation is in charge of both the rentals and the young women's schedules and training. Linkville will coordinate the schedules with AFS and other agencies.

Linkville Health Foundation will provide: ① a food pantry and emergency supplies for the girls, ② will provide a maintainance and a reserve fund so that the property is well maintained over time, ③ will provide for grounds maintainance and a reserve fund, ④ will pay the bills (water, sewer, electric, gas, garbage) in a timely way so that no shut-off notices are received, ⑤ shall pay the mortgage payments on time so that no threat of foreclosures is made, ⑥ that should foreclosures begin that notification will be made to all parties.

LINKVILLE HEALTH FOUNDATION BOARD OF DIRECTORS

RESOLUTION NUMBER 99-02

WHEREAS the OREGON ADULT & FAMILY SERVICES DISTRICT 11 has issued funding to LINKVILLE HEALTH FOUNDATION in the amount of \$174,000.00; and

WHEREAS LINKVILLE HEALTH FOUNDATION accepted those funds from OREGON ADULT & FAMILY SERVICES DISTRICT 11 to operate the SAILS Program located at 1500-1508 Arthur Street in Klamath Falls, to benefit teenage mothers (aged 11-19) and their children; and

WHEREAS OREGON ADULT & FAMILY SERVICES DISTRICT 11 requires security through DEED RESTRICTION by registering the PROMISORY NOTE with the Klamath County Clerk's Office; and

WHEREAS a Resolution is required to authorize signing such documents; and

NOW THEREFORE, LINKVILLE HEALTH FOUNDATION approves its signing the PROJECT USE AGREEMENT as required by OREGON ADULT & FAMILY SERVICES DISTRICT 11.

Done and dated this day of September 8, 1999.


LINKVILLE HEALTH FOUNDATION
CORPORATION SECRETARY

State of Oregon, County of Klamath
Recorded 9/09/99, at 10:53 a.m.
In Vol. M99 Page 36120
Linda Smith,
County Clerk Fee \$ 55.00