

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Oregon Housing & Community Services Department  
725 Summer Street NE, Suite B  
Salem, Oregon 97301-1266  
Attention: Tyler Young

**STATE OF OREGON  
HOUSING AND COMMUNITY SERVICES DEPARTMENT  
LOCAL INNOVATION AND FAST TRACK HOUSING PROGRAM  
INTER-CREDITOR AGREEMENT**

This Local Innovation and Fast Track Housing Program Inter-Creditor Agreement (this “**Agreement**”) is made and entered into as of the 1st day of May, 2024, by and between the State of Oregon, acting by and through its Housing and Community Services Department, together with its successors and assigns (“**OHCS**”), Zions Bancorporation, National Association, a national banking association, in its capacity as fiscal agent (the “**Fiscal Agent**”), and U.S. Bank National Association, a national banking association, in its capacity as funding lender (the “**Funding Lender**”). OHCS, the Fiscal Agent and the Funding Lender are sometimes referred to herein in as the “**Parties**.”

**RECITALS**

A. Mountainview Townhomes Limited Partnership, an Oregon limited partnership (the “**Borrower**”), is the tenant of certain real property located in the City of Klamath Falls, Klamath County, Oregon described in Exhibit A hereto (the “**Property**”), pursuant to a Ground Lease Agreement, dated as of May 3, 2024, between the Borrower, as tenant, and the Klamath Housing Authority, an Oregon public body corporate and politic (the “**Landlord**”). The Property will be improved with an affordable, multifamily, rental-housing development (the “**Improvements**”). The Landlord’s fee interest in the Property, the Borrower’s leasehold interest in the Property and the Borrower’s right, title and interest in and to the Improvements (collectively, the “**Project**”) and related personal and other property described in the Project Trust Deeds (as defined below) and defined therein constitute the “**Mortgaged Property**.”

B. Pursuant to a Local Innovation and Fast Track Housing Program LIFT Loan Agreement (Construction and Permanent) dated as of the date hereof between OHCS and the Borrower (the “**LIFT Loan Agreement**”), OHCS has agreed to make a loan to the Borrower in the aggregate principal amount of \$11,348,101 (the “**LIFT Loan**”). The LIFT Loan will be evidenced by a Promissory Note dated as of the date hereof and executed by the Borrower and payable to the order of OHCS (the “**LIFT Note**”) and secured by a Local Innovation and Fast Track Housing Program Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents, dated as of the date hereof (the “**LIFT Trust Deed**”), executed

by the Borrower, for the benefit of OHCS, recorded May 10, 2024 under Recording No. 2024-003665, in the records of Klamath County, Oregon.

C. The State of Oregon acting by and through the State Treasurer and OHCS (collectively, the “**Governmental Lender**”) has executed and delivered its Oregon Housing and Community Services Department Housing Development Revenue Note (Mountainview Townhomes Project) 2024 Series F (the “**Governmental Note**”) in the aggregate principal amount of \$15,000,000, pursuant to a Funding Loan Agreement dated as of May 1, 2024, among the Funding Lender, the Governmental Lender and the Fiscal Agent (the “**Funding Loan Agreement**” and the payments made by the Funding Lender to purchase the Governmental Note pursuant to the Funding Loan Agreement, the “**Funding Loan**”). The Governmental Lender has agreed to loan the proceeds of the Governmental Note to the Borrower (the “**Borrower Loan**”) pursuant to a Borrower Loan Agreement dated as of May 1, 2024, between the Governmental Lender and the Borrower (the “**Borrower Loan Agreement**”). The payment obligations of the Borrower under the Borrower Loan Agreement will be evidenced by a Promissory Note (the “**Borrower Note**”) delivered to the Governmental Lender, and the obligations of the Borrower under the Borrower Note will be secured by a Line of Credit Instrument Leasehold Trust Deed, Assignment of Leases and Rents, Security Agreement and Fixture Filing (Security for Construction Loan), recorded on May 10, 2024 under Recording No. 2024- 003663, in the records of Klamath County, Oregon, as assigned pursuant to an Assignment of Trust Deed and Related Documents, recorded on May 10, 2024 under Recording No. 2024- 003664, in the records of Klamath County, Oregon (as the same may be assigned, amended, modified, restated and/or supplemented from time to time, collectively, the “**Governmental Note Trust Deed**”).

D. In connection with the Borrower Loan, the Funding Lender and the Borrower have entered in a Construction Funding Agreement, dated as of May 1, 2024 (the “**Construction Funding Agreement**”), for the purpose of writing all of their agreements regarding the manner in which the Improvements (as defined in the Construction Funding Agreement) will be completed and paid for.

E. Network for Oregon Affordable Housing (NOAH), an Oregon nonprofit public benefit corporation (“**Permanent Lender**”), has issued a written commitment letter dated May 2, 2024, (the “**NOAH Commitment**”) to issue a permanent loan to the Borrower in an amount not to exceed \$4,525,000 (the “**Permanent Loan**”). Pursuant to the NOAH Commitment, the Permanent Loan will be evidenced by a Promissory Note (the “**Permanent Note**”) and secured by a Deed of Trust with Absolute Assignment of Leases and Rents Security Agreement and Fixture Filing from Borrower in favor Permanent Lender (the “**Permanent Trust Deed**”), which following the date hereof will be recorded in Klamath County, Oregon. The NOAH Commitment, the Permanent Note, the Permanent Trust Deed, and all other documents executed by the Borrower associated with the Permanent Loan will be referred to as the “**Permanent Phase Documents**.”

F. The Borrower will also, among other things, execute and deliver to OHCS a Pass-Through Revenue Bond Program, Low Income Housing Tax Credit Program & Local Innovation and Fast Track Housing Program Operating Agreement and Declaration of Restrictive Covenants in connection with the LIFT Loan dated as of the date hereof between the Borrower and OHCS

(the “**Operating Agreement**”) relating to the Mortgaged Property, recorded May 10, 2024 under Recording No. 2024- 003662 , in the records of Klamath County, Oregon.

G. The execution and delivery of this Agreement is a condition to the closing of the LIFT Loan, the Funding Loan and the Borrower Loan and the execution and delivery of the Governmental Note by the Governmental Lender.

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

**1. DEFINITIONS.** The following terms, when used in this Agreement and not otherwise defined herein (including, as appropriate, when used in the above Recitals) shall have the following meanings.

(a) “**Affordability Agreements**” has the meaning given to it in Section 7 of this Agreement.

(b) “**Bankruptcy Proceeding**” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to the Borrower, any guarantor of any of the LIFT Loan or the Governmental Note, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(c) “**Borrower**” means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires the Borrower’s right, title and interest in and to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” shall not include OHCS, the Funding Lender or the Fiscal Agent in the event that any of them may acquire title to the Mortgaged Property.

(d) “**Casualty**” means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

(e) “**Condemnation**” shall have the meaning given in the Governmental Note Trust Deed.

(f) “**Enforcement Action**” means any of the following actions, which the Parties agree may be taken only by the Funding Lender, whether directly or at the direction of the Funding Lender (including action taken by the Fiscal Agent at the written direction of the Funding Lender): The acceleration of all or any part of the Funding Loan, the Borrower Loan, the Governmental Note, the LIFT Loan, the Borrower Note or the LIFT Note, the advertising of or commencement or completion of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest or late charges, the taking of

possession or control of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Funding Loan, the Borrower Loan, the Governmental Note, the LIFT Loan, the Borrower Note or the LIFT Note, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedies against the Borrower, any other person or entity liable for any of the Funding Loan, the Borrower Loan, the Governmental Note, the LIFT Loan, the Borrower Note or the LIFT Note or obligated under any of the related financing documents (excluding Operational Remedies) or otherwise with respect to any of the Mortgaged Property. For purposes of this Agreement, "**Enforcement Action**" shall include the right of the Funding Lender to direct the time, method, order and place of conducting any proceeding to be taken to enforce the payment and performance of the Borrower's obligations under the Project Financing Documents (excluding Operational Remedies), including without limitation the appointment (or seeking the appointment) of a receiver, the commencement of foreclosure proceedings with respect to the Mortgaged Property under the Governmental Note Trust Deed or the LIFT Trust Deed, or any other Project Financing Documents creating a lien on or a security interest in the Mortgaged Property (or any part thereof), the collection of rents or any other action to accelerate or otherwise enforce payment on the Funding Loan, the Borrower Loan, the Governmental Note, the LIFT Loan, LIFT Note or Borrower Note or the performance by the Borrower of its obligations under any of the Project Financing Documents (excluding Operational Remedies); provided, however, that the Funding Lender and OHCS acknowledge and agree that the rights of the Funding Lender to take or direct Enforcement Action with respect to the LIFT Loan, the LIFT Note or under any of the LIFT Loan Documents is pursuant to and limited by Section 5 of this Agreement.

(g) "**Event of Default**" means the occurrence and continuance of any event, act or omission that constitutes an "Event of Default," "Default," or other noncompliance after the giving of notice and the expiration of any applicable cure period, under any of the respective Project Financing Documents.

(h) "**Funding Lender**" means the Funding Lender, as described in and pursuant to the Governmental Note Documents.

(i) "**Governmental Note Documents**" means the Governmental Note, the Funding Loan Agreement, the Borrower Loan Agreement, the Note Declaration, the Governmental Note Trust Deed, the Operating Agreement, and all other documents executed by the Governmental Lender, the Funding Lender, the Fiscal Agent and/or the Borrower in connection with the execution and delivery of the Governmental Note by the Governmental Lender and the loan of the proceeds thereof to the Borrower.

(j) "**LIHTC Documents**" means the Declaration of Land Use Restrictive Covenants, to be executed and recorded in the records of Klamath County, Oregon, the Reservation and Extended Use Agreement, by and between OHCS and the Borrower, and the Indemnity and Hold Harmless Agreement, by and between OHCS and the Borrower.

(k) **“LIFT Loan Documents”** means the LIFT Note, the LIFT Loan Agreement, the LIFT Trust Deed, the Operating Agreement, related promissory notes, certificates, instruments and all other documents executed by the Borrower, or by OHCS and the Borrower in connection with the LIFT Loan being made by OHCS to the Borrower.

(l) **“Operational Remedies”** has the meaning given to it in Section 7 of this Agreement.

(m) **“Permanent Lender”** shall have the meaning given to it in Recital E.

(n) **“Permanent Phase Documents”** shall have the meaning given to it in Recital E.

(o) **“Project Financing Documents”** mean, collectively, the Governmental Note Documents, the LIFT Loan Documents and the Permanent Phase Documents.

(p) **“Project Trust Deeds”** mean, collectively, the LIFT Trust Deed and the Governmental Note Trust Deed, which, from and after the Conversion Date, shall be the Permanent Period Trust Deed.

**2. PRIORITY OF LIENS AND SECURITY INTERESTS.** Notwithstanding any provisions to the contrary contained in any of the Project Financing Documents, and irrespective of the time, order, or method of attachment or perfection of the liens and security interests granted thereby or the time or order of filing or recording of financing statements or other liens, or security interests, and irrespective of anything contained in any filing or agreement to which any of the Parties secured by any of the Project Trust Deeds now or hereafter may be a party, the Parties hereby acknowledge and agree that, subject to the terms hereof, the Project Trust Deeds shall each share a first lien position and constitute first liens on the Project, including for purposes of ORS 456.548(18) and OAR 813-035-0033.

The LIFT Trust Deed and Governmental Note Trust Deed shall at all times be a first lien on the Project and, so long as the Governmental Note Trust Deed is in effect, the LIFT Trust Deed shall have the same lien priority as the Governmental Note Trust Deed, the Permanent Period Trust Deed, when recorded, or any other deed of trust or other security instrument encumbering the Mortgaged Property to secure any loan which refinances the Funding Loan and the Borrower Loan, as long as the principal amount of refinanced debt secured thereby does not exceed the outstanding balance on the Funding Loan and the Borrower Loan, plus reasonable financing costs and any amount approved by OHCS or the Funding Lender for repairs or improvements to the Project (if any).

**3. NOTICE OF EVENT OF DEFAULT; OBLIGATION TO CONSULT UPON DEFAULT.** Each Party shall use reasonable efforts to deliver written notice of any Event of Default under its applicable Project Financing Documents to the other Parties promptly upon acquiring knowledge of the same; provided, however, that no Party shall be deemed in breach hereof for failing to do so. In all events, however, the Funding Lender or the Fiscal Agent shall provide notice of an Event of Default to OHCS prior to or contemporaneous with the

commencement of any Enforcement Action. Upon the request of OHCS made within ten (10) days of the receipt of such notice, the Funding Lender shall consult with OHCS within five (5) days of the receipt of OHCS notice; provided, however, that the obligation to consult shall not operate to limit or restrict the rights of the Funding Lender to commence, take, direct or complete any Enforcement Action as permitted by this Agreement, pursuant to any of the Project Financing Documents.

**4. ENFORCEMENT ACTION; PAYMENTS PRIOR TO DEFAULT.** The Funding Lender shall have the sole and exclusive right to take, not to take, to direct to be taken, or to refrain from directing to be taken all Enforcement Action in the exercise of its sole and absolute discretion, so long as the Governmental Note is outstanding or any other obligations of the Borrower or any other individual or entity to the Funding Lender under any of the Governmental Note Documents are outstanding thereunder. As long as the Governmental Note or any other obligations are outstanding under the Governmental Note Documents neither OHCS nor the Fiscal Agent shall take any Enforcement Action. The rights of the Funding Lender to take or not to take or to direct or refrain from directing any Enforcement Action are and shall be conditioned on and subject to the conditions set forth in Section 3 above, and shall also be subject to Operational Remedies, as retained by OHCS, as described below, so long as any Affordability Agreements remain in force and effect.

Prior to receiving written notice of an Event of Default or any Enforcement Action, OHCS shall be entitled to retain for its own account any regularly scheduled payments due and payable under and pursuant to the respective Project Financing Documents to which it is a party. However, immediately upon receipt of written notice of an Event of Default or any Enforcement Action, OHCS shall not accept any payments on its own account, and the provisions of Section 8 of this Agreement will apply. The Funding Lender shall be responsible for all costs associated with its election to take or direct to be taken any Enforcement Action permitted pursuant to this Agreement.

The Parties acknowledge and agree that, subject to the conditions set forth in Section 3 above, the Funding Lender, without the consent of OHCS or Fiscal Agent, and in the Funding Lender's sole and absolute discretion, may fully direct and control whether or not an Enforcement Action is to be taken and the order and manner in which any such Enforcement Action or Actions are to be commenced, terminated, postponed or completed (all without liability to any other Party or any other individual or entity).

**5. LIMITED AGENCY RELATIONSHIP.** The Funding Lender may elect to take or direct Enforcement Action (as defined herein) under the LIFT Loan Documents or with respect to the LIFT Loan in addition to exercising remedies under the Governmental Note Documents; provided, however, that the Funding Lender absent such election to undertake Enforcement Action under the LIFT Loan Documents or with respect to the LIFT Loan, shall have no obligation to take or direct any action on behalf of OHCS.

In the event that the Funding Lender elects to take or directs to be taken any Enforcement Action under the LIFT Loan Documents or with respect to the LIFT Loan contemporaneously with taking or directing Enforcement Action under any of the Governmental Note Documents (excluding the rights and remedies reserved to OHCS as Operational Remedies), OHCS hereby

appoints the Funding Lender as agent solely for the purpose of taking such Enforcement Action permitted pursuant to this Agreement. This shall include, for example, the right of the Funding Lender to name and include OHCS (subject to ORS chapter 180) as a plaintiff or party in any Enforcement Action. The Funding Lender shall not be required to act as agent for OHCS, but shall have the right, at its option to act as agent. In the event that the Funding Lender does not elect to act as agent with respect to any Enforcement Action under the LIFT Loan Documents or with respect to the LIFT Loan, upon the Funding Lender's request, OHCS shall take such actions as necessary to join and collaborate in any Enforcement Action taken or directed by the Funding Lender. The Funding Lender, as agent, is not nor shall it assume any responsibility or liability for any act or omission by OHCS under the LIFT Loan Documents. The Funding Lender shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Funding Lender have or be deemed to have any fiduciary relationship with the Borrower, the Fiscal Agent, OHCS, any guarantor/indemnitor, or any other person, and no implied covenants, function, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Funding Lender. If the Funding Lender elects to undertake any Enforcement Action under the LIFT Loan Documents or with respect to the LIFT Loan, the Funding Lender shall exercise the same care as it normally exercises with respect to loans and commitments in which an inter-creditor agreement does not exist. The Funding Lender shall not be liable to any other party for any Enforcement Action taken or omitted to be taken by it hereunder or under or in connection herewith, except to the extent such liability with respect to any Enforcement Action taken or omitted to be taken is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of the Funding Lender.

**6. OHCS AGREEMENT TO COOPERATE IN ENFORCEMENT ACTION.**

OHCS shall take or direct such actions as may be reasonably requested by the Funding Lender to join and cooperate in any Enforcement Action taken or directed by the Funding Lender, provided that such actions are otherwise consistent with the provisions of this Agreement or otherwise not inconsistent with the legal authority and statutory powers of OHCS.

Neither the Funding Lender, the Fiscal Agent nor OHCS shall be liable to any other Party for any action taken or omitted to be taken by it hereunder or in connection herewith, except to the extent such liability with respect to an action taken or omitted to be taken is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of the acting Party. In the event that Borrower or any other party obligated upon or with respect to the Governmental Note commences a legal proceeding challenging the validity or enforceability of any such obligations in defense of any Enforcement Action, and Funding Lender receives written notice thereof, the Funding Lender shall provide written notice to the Fiscal Agent and OHCS of such challenge or assertion. The Fiscal Agent and OHCS may elect to retain their own respective counsel to respond to such allegations.

**7. CONTINUED OPERATION OF PROJECT AS AFFORDABLE HOUSING; RETENTION OF OPERATIONAL REMEDIES BY DEPARTMENT.** Notwithstanding the sole and exclusive right of the Funding Lender to take or direct Enforcement Action following an Event of Default as described in Section 4 of this Agreement, OHCS shall retain the right, so long

as any of the Affordability Agreements remain in force and effect, to take action that does not constitute an Enforcement Action and pursue any and all remedies against the Borrower and the Project other than an Enforcement Action to ensure compliance with all covenants and obligations related to the operation of the Project as an affordable housing project and to ensure compliance with the requirements of Article XI-Q of the Oregon Constitution (collectively, the “**Operational Remedies**”), including without limitation all of the rights and remedies granted to OHCS to ensure affordability, habitability and the management and operation of the Project in accordance with the covenants, obligations and program requirements set forth in the Operating Agreement, the LIFT Loan Documents, and the LIHTC Documents (collectively, the “**Affordability Agreements**”). For purposes of this Agreement “Operational Remedies” shall include any action taken or directed by OHCS pursuant to any of the Affordability Agreements for any purpose other than repayment of the LIFT Loan, including, but not limited to actions for penalties and damages assessed by OHCS, and actions for specific performance, mandatory injunctive relief, or similar equitable remedies to compel compliance by the Borrower with the terms of the Affordability Agreements; provided that, nothing in this Section 7 shall permit OHCS to take or direct any Enforcement Action or to commence any foreclosure or trustee’s sale proceeding, exercise any power of sale, accept a deed or assignment in lieu of foreclosure, or to take possession or control of any of the Mortgaged Property, except operational oversight of the Project pursuant to its exercise of Operational Remedies. Notwithstanding the foregoing, OHCS may require the replacement of the property manager of the Project, with the prior written consent of the Funding Lender to the proposed replacement property manager, which consent will not be unreasonably withheld, conditioned or delayed, pursuant to the relevant provisions of the Operating Agreement. Any required Funding Lender consent to replacement (or action for replacement) of the Borrower’s general partner or managing member by OHCS will not be unreasonably withheld, conditioned or delayed. Any replacement (or action for replacement) of Borrower’s general partner or managing member or of the property manager of the Project by the Funding Lender is subject to OHCS’s prior written consent, which consent will not be unreasonably withheld, conditioned or delayed.

## **8. PAYMENTS AFTER DEFAULT.**

(a) OHCS agrees that after receiving written notice of an Event of Default it will not accept any payment, property or asset of any kind under any of the LIFT Loan Documents or the Governmental Note Documents, respectively, by or on behalf of the Borrower without the prior written consent of the Funding Lender. Notwithstanding the foregoing, if OHCS receives any such payment, property or asset under the LIFT Loan Documents or the Governmental Note Documents it agrees that such payment, property or asset shall be held in trust for the Funding Lender, and OHCS will, unless notified in writing otherwise by the Funding Lender, promptly remit such payment, property or asset, in kind, and properly endorse as necessary to the Funding Lender. The Funding Lender will apply any payment, property or asset so received from OHCS in accordance with the same priorities for the application of foreclosure sale proceeds set forth in Section 9 below.

(b) If the Enforcement Action or any other remedial action taken by any Party is the appointment of a receiver for any of the Mortgaged Property, all of the rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely



to and for the benefit of the Funding Lender and applied in the order, amount and manner as provided in the Governmental Note Trust Deed until such time as all of the obligations owing under the Governmental Note Documents have been paid in full. In no event shall the appointment of a receiver operate to limit the rights of OHCS to exercise Operational Remedies. Further, as a condition to the appointment of a receiver, OHCS may require the receiver to expressly acknowledge and agree that any actions taken or proposed to be taken by the receiver are subject to all requirements and remedies provided under the Affordability Agreements, including but not limited to the continuing right of OHCS to exercise Operational Remedies.

(c) In any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) all obligations under the Governmental Note Documents shall be paid in full in cash before OHCS will be entitled to receive any payment or other distribution on account of or in respect of the LIFT Loan Documents, and (ii) until all obligations under the Governmental Note Documents are paid in full in cash, any payment or distribution to which OHCS would be entitled but for this Agreement (whether in cash, property, or other assets) will be made to the Funding Lender.

(d) The subordination of payments due to OHCS will continue if any payment under the Governmental Note Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Funding Loan originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Funding Loan had not been made.

(e) Notwithstanding anything to the contrary contained elsewhere herein, no foreclosure of the lien or security interest under any LIFT Loan Document upon any real or personal property (or other realization upon) shall extinguish, terminate, discharge, release or otherwise modify or affect the liens and security interests of the Governmental Note Documents upon the real or personal property which was the subject of such foreclosure (or other realization) and in order to give effect to the foregoing, in all such events the liens and security interests of the Governmental Note Documents shall survive such foreclosure (or other realization) under the LIFT Loan Documents. In addition, all proceeds from any such foreclosure sale or other realization proceeding shall be applied in accordance with Section 9, below.

(f) The Parties acknowledge and agree that any Foreclosure Action (as defined below) of the Governmental Note Trust Deed by or at the direction of the Funding Lender shall operate to extinguish, terminate, discharge and release the LIFT Trust Deed. The Parties agree to take any action reasonably requested by the Funding Lender to effectuate the foregoing.

## **9. FORECLOSURE AND APPLICATION OF FUNDS.**

(a) **Effect of Foreclosure.** A foreclosure of the Governmental Note Trust Deed or the LIFT Trust Deed (a "Foreclosure") or a deed in lieu of foreclosure with respect to either the Governmental Note Trust Deed or the LIFT Trust Deed (together with a Foreclosure, a "Foreclosure Action"), permitted by applicable law, will extinguish the lien created by the Project Trust Deed being foreclosed, but shall not terminate the Operating Agreement or terminate, suspend or limit the rights of OHCS to continue to exercise Operational Remedies. Additionally, for purposes of clarity, the Parties further acknowledge and agree that the Operating Agreement shall continue in full force and effect following a Foreclosure Action and any party purchasing or otherwise acquiring the Mortgaged Property in connection with a Foreclosure Action shall be subject to the terms, conditions and all other requirements and obligations as the "Owner" under the Operating Agreement.

(b) **OHCS Right to Purchase following Notice of an Event of Default.** Prior to the actual sale or transfer of the Mortgaged Property pursuant to a Foreclosure Action, the Funding Lender and the Fiscal Agent agree that OHCS shall have the right to purchase the Borrower Loan from the Funding Lender at a purchase price equal to the principal outstanding under the Governmental Note, together with all accrued and unpaid interest and all other amounts owing to the Funding Lender, with respect to advances, fees and expenses, interest and premium (if any) on the Governmental Note, and thereafter proceed to acquire the Mortgaged Property, all consistent with its authority to purchase "participating property" under Oregon law, including, without limitation, ORS 456.250 to ORS 456.265. Such purchase of the Mortgaged Property by OHCS may be effected by a Foreclosure Action or on such terms and conditions as may be negotiated between OHCS and the Borrower.

(c) **Application of Foreclosure Sale Proceeds.** The Parties agree that upon a Foreclosure Action, subject to the provisions of Section 10 of this Agreement, the proceeds resulting from such Foreclosure Action ("Foreclosure Sale Proceeds") shall be applied:

FIRST, to all amounts owing to the Funding Lender under the Governmental Note Documents, including without limitation the payment of all principal outstanding under the Governmental Note, together with all accrued and unpaid interest and all other amounts owing to the Funding Lender with respect to advances, fees and expenses, interest and premium (if any) on the Governmental Note; and

SECOND, to amounts owing to OHCS under the LIFT Loan Documents in accordance with the priority for the application of moneys set forth in the LIFT Trust Deed providing for the payment of amounts payable to OHCS with respect to advances, fees and expenses, interest, premium (if any) and interest on the LIFT Loan.

**10. TERM AND TERMINATION OF OPERATING AGREEMENT.** The Parties each acknowledge and agree that a Foreclosure Action shall not operate to terminate the Operating Agreement, which shall continue in full force and effect following the Foreclosure Action, absent

termination by OHCS as set forth in this Section 10. Contemporaneously with any Foreclosure Action, OHCS may elect to terminate the Operating Agreement with the Funding Lender's prior written consent (which consent may be withheld in the Funding Lender's sole discretion), and may condition termination of the Operating Agreement (and any other Affordability Agreements) on payment of the LIFT Loan and/or any other payments, terms or conditions as OHCS may require. Upon receipt of any such Funding Lender consent, the Operating Agreement shall be terminated effective upon the sale or transfer of the Mortgaged Property pursuant to the Foreclosure Action and the payment and/or satisfaction of any terms or conditions to the termination agreed to by OHCS and the Funding Lender. Absent such termination at the election of OHCS with the consent of the Funding Lender, the Operating Agreement shall continue in full force and effect in accordance with its terms notwithstanding the Foreclosure Action.

**11. PERMANENT LOAN FUNDING.** The parties hereto acknowledge and agree that upon payment, in full, of the Funding Loan and the Borrower Loan, and the payment and performance by the Borrower of all obligations under the Governmental Note Documents and with respect to the Governmental Note and upon the closing of the Permanent Loan, without the need for execution of any further agreements or amendments or modifications hereof, (i) Permanent Lender shall succeed to the rights, interests and obligations of the Funding Lender under this Agreement and the Governmental Note Documents and become the Permanent Lender hereunder, and all references to the Funding Lender herein shall mean the Permanent Lender, and (ii) the Governmental Note Trust Deed shall mean the Permanent Trust Deed, and any Governmental Note Documents that remain in full force and effect following the funding of the Permanent Loan, including the Operating Agreement, shall mean the Permanent Phase Documents.

**12. REFINANCE.** The Parties hereto acknowledge and agree that in connection with any refinancing of the Funding Loan and the Borrower Loan (upon maturity or otherwise) (each, a "**Refinance Loan**"), so long as a Refinance Loan is in an amount not greater than the outstanding balance on the Funding Loan and the Borrower Loan, plus reasonable financing costs and any amount approved by OHCS, for repairs or improvements to the Project, if any, and upon the closing of a Refinance Loan by such refinance lender (the "**Refinance Lender**"), the deed of trust securing a Refinance Loan (the "**Refinance Deed of Trust**") shall be in the same lien position as the Governmental Note Trust Deed and subject to the terms and conditions of this Agreement, and that all references in this Agreement to "Funding Lender" shall be deemed to refer to the Refinance Lender, and all references in this Agreement to the "Funding Loan" and the "Governmental Note Trust Deed" shall be deemed to refer to the Refinance Loan and the Refinance Deed of Trust, respectively. It is the intention of the Parties that no further priority agreements or subordination agreements shall be required to establish such priority or agreements. However, the Parties acknowledge and agree that to the extent such subordination or priority agreements are required by the Refinance Lender, or the title company insuring the lien of the Refinance Deed of Trust, the Parties shall execute such documents and subordination agreements provided that they are reasonably acceptable to the Parties required to execute and deliver such subordination or priority agreements.

**13. NO OHCS OBLIGATIONS TO OTHER PARTIES.** Nothing contained in this Agreement shall create any pecuniary liability of OHCS for any amounts owing to the Funding

Lender or the Fiscal Agent, under any of the Project Financing Documents; provided, however, that this Section 13 shall not waive or otherwise limit OHCS's express obligations under this Agreement (or any of the Funding Lender's rights or remedies against OHCS for breach of such obligations).

**14. NO FUNDING LENDER OBLIGATIONS TO OTHER PARTIES.** Nothing contained in this Agreement shall create any pecuniary liability of the Funding Lender for any amounts owing to OHCS or the Fiscal Agent, under any of the Project Financing Documents; provided, however, that this Section 14 shall not waive or otherwise limit the Funding Lender's expense obligations under this Agreement (or any of OHCS's rights or remedies against the Funding Lender for breach of such obligations).

**15. ADDITIONAL REPRESENTATIONS AND COVENANTS.**

(a) Without the prior written consent of the Funding Lender, neither the Fiscal Agent nor OHCS shall (i) amend or modify the Operating Agreement; (ii) amend or modify any of the material terms and conditions of the LIFT Loan Documents related to the payment of or the security for the LIFT Loan; (iii) pledge, assign, transfer, convey, or sell any OHCS interest in the LIFT Loan; or (iv) accept any payment on account of the LIFT Loan other than the payment of interest or principal then due and payable. Further, except for any approval or consent by the Governmental Lender required in connection with any amendment, modification, waiver or other change to any of the Governmental Note Documents required by the terms and conditions of such Documents, the Funding Lender shall be permitted to amend, modify, waive, extend, renew or replace any provision of its loan documents without the prior approval of any party. The Funding Lender and the Fiscal Agent shall use reasonable efforts to provide written notice to OHCS of any amendment to any of the Project Financing Documents to which each is a party.

(b) OHCS shall deliver to the Funding Lender and the Fiscal Agent a copy of each notice received or delivered by OHCS pursuant to the LIFT Loan Documents, or in connection with the LIFT Loan, simultaneously with its delivery or receipt of such notice. The Funding Lender and the Fiscal Agent shall deliver to OHCS in the manner required in Section 16 a copy of each notice of an Event of Default delivered to the Borrower by the Funding Lender or the Fiscal Agent, respectively. Neither giving nor failing to give a notice to the Funding Lender, the Fiscal Agent or OHCS hereunder shall (a) affect the validity of any notice given by the Funding Lender, the Fiscal Agent or OHCS to the Borrower, as between the Borrower and such of the Funding Lender, the Fiscal Agent or OHCS as provided in the notice to the Borrower, or (b) impose any liability upon any Party for failing to give any such notice (except the notice required under Section 3 to be given by the Funding Lender or the Fiscal Agent prior to or upon the commencement of any Enforcement Action).

(c) Without the prior written consent of the Funding Lender, neither the Fiscal Agent nor OHCS shall commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, neither the Fiscal Agent

nor OHCS shall vote affirmatively in favor of any plan of reorganization or liquidation unless the Funding Lender has also voted affirmatively in favor of such plan.

(d) Whenever the Project Financing Documents give the Fiscal Agent or OHCS approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to the Funding Lender pursuant to the Governmental Note Documents or otherwise, the Funding Lender's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Fiscal Agent and OHCS. None of the other provisions of this Section 15 are intended to be in any way in limitation of the provisions of this Section 15(d).

(e) Upon the occurrence of a Condemnation or a Casualty, the provisions of the Governmental Note Trust Deed shall apply (including, but not limited to, restoration obligations and the application of the proceeds of insurance or condemnation awards). The rights of OHCS (under the LIFT Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, or to apply any proceeds of insurance or condemnation proceeds, will be and remain subordinate to the Funding Lender's rights under the Governmental Note Documents with respect thereto. The Funding Lender will, however, obtain OHCS' prior approval of any settlement or adjustment of such claims, which approval will not be unreasonably withheld, conditioned, or delayed; provided that if Funding Lender and OHCS cannot agree upon a settlement, or OHCS fails to respond to such request within ten (10) Business Days ("Business Days" means any day except for any Saturday, any Sunday, or any bank or legal holiday), Funding Lender's determination shall control. The Funding Lender shall keep OHCS reasonably informed of the status of any negotiations concerning settlement or adjustment of a claim resulting from a Condemnation or Casualty.

(f) The Funding Lender and OHCS each acknowledge and agree that it is assuming all risk of loss related to and associated with the Governmental Note and the LIFT Loan, respectively. The Funding Lender and OHCS have undertaken their own review and evaluation of the Project and are not relying upon the opinion or actions of the other with respect to the credit worthiness, validity, legality, value, sufficiency, perfection, priority, enforceability or collectability of the Project, the Governmental Note Documents or the LIFT Loan Documents.

## **16. MISCELLANEOUS PROVISIONS**

(a) In the event of any conflict or inconsistency between the terms of any of the Project Financing Documents and the terms of this Agreement, the terms of this Agreement shall control.

(b) This Agreement shall be binding upon and shall inure to the benefit of the respective legal successors and permitted assigns of the Parties hereto. No other party, including, but not limited to, the Borrower, shall be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.

(c) Each notice, request, demand, consent, approval or other communication (collectively, “**notices**,” and singly, a “**notice**”) which is required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any notice so delivered shall be deemed to have been received on the next business day following receipt by the courier), or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

OHCS: State of Oregon Housing and Community  
Services Department  
725 Summer Street NE, Suite B  
Salem, OR 97301-1266  
Attention: Assistant Director of Capital Markets  
Email: OR.BondInvestor@oregon.gov  
Telephone: 503-580-7816

With a copy to: Oregon Department of Justice  
1162 Court Street NE  
Salem, OR 97301-4096  
Attention: Jeffrey Grant  
Email: Jeffrey.B.Grant@doj.state.or.us  
Telephone: 971-388-3744

With a copy to: Orrick, Herrington & Sutcliffe LLP  
1140 SW Washington Street, Suite 500  
Portland, OR 97205  
Attention: Michael E. Schrader  
Email: mschrader@orrick.com  
Telephone: (503) 943-4840

The Fiscal Agent: Zions Bancorporation, National Association  
Corporate Trust Department  
601 Union Street, Suite 3600  
Seattle WA, 98101  
Attention: Anna McCully  
Telephone: (206) 438-1267  
Email: anna.mccully@zionsbank.com

With a copy to: Zions Bancorporation, National Association  
800 W. Main Street, Suite 1000

Boise, ID 83702  
Attention: Allison Darnall  
Telephone: (208) 501-7466  
Email: allison.darnall@zionsbancorp.com

The Borrower: Mountainview Townhomes Limited Partnership  
c/o Stewardship Development LLC  
1247 Villard Street  
Eugene, OR 97403  
Attention: Amanda Perkins  
Email: amanda@stewardshipproperties.net  
Telephone: (541) 517-9065

With a copy to: Klamath Housing Authority  
1445 Avalon Street  
Klamath Falls, OR 97603  
Attention: Executive Director  
Email: ann@klamathhousing.org  
Telephone: (541) 884-0649

And a copy to: Kantor Taylor PC  
1200 Fifth Avenue, Suite 1910  
Seattle, WA 98101  
Attention: Mark Kantor  
E-mail: mkantor@kantortaylor.com  
Telephone: (206) 812-2500

And a copy to: Elliott, Ostrander & Preston, P.C.  
707 SW Washington Street, Suite 1500  
Portland, OR 97205  
Attention: Paul Dagle  
Email: paul.dagle@daglelaw.com  
Telephone: (503) 753-3582

The Funding Lender: U.S. Bank National Association  
c/o U.S. Bancorp Community Development Corporation  
1307 Washington Avenue, Suite 300  
Mail Code: SL MO RMCD  
St. Louis, Missouri 63103  
Attention: Community Development Lending

With a copy to: Davis Wright Tremaine LLP  
865 S. Figueroa Street, Suite 2400  
Los Angeles, California 90017  
Attention: Nancy Clapp  
Email: nancyclapp@dwt.com  
Telephone: (213) 633-6835

The Permanent Lender: Network for Oregon Affordable Housing  
1750 S. Harbor Way, Suite 245  
Portland, OR 97201  
Attention: Executive Director  
Telephone: (503) 501-5680  
Email: billv@noah-housing.org

With a copy to: Stoll Berne  
209 SW Oak Street, Suite 500  
Portland, OR 97204  
Attention: Benjamin Leedy  
Telephone: (503) 972-7148  
Email: benleedy@stollberne.com

Any party, by notice given pursuant to this Section 16, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its notices, but notice of a change of address shall only be effective upon receipt. Neither party shall refuse or reject delivery of any notice given in accordance with this Section 16.

(d) This Agreement shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "**Claim**") among two or more of the Parties related to this Agreement will be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the Project is located) or, if necessary, the United States District Court for the District of Oregon. EACH OF THE PARTIES HERETO, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENT TO THE IN PERSONAM JURISDICTION OF SAID COURTS. In no event will this provision be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court.

(e) If any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby.



(f) No failure or delay on the part of any Party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

(g) Each Party hereto acknowledges that in the event any Party fails to comply with its obligations hereunder, the other Parties shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting Party and injunctive relief.

(h) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the Parties of this Agreement.

(i) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

***[Remainder of Page Intentionally Left Blank – Signature Pages Follow]***

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

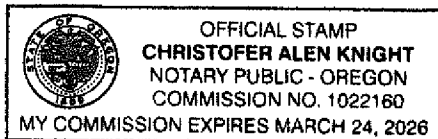
OHCS:

STATE OF OREGON, acting by and through its  
Housing and Community Services Department

By: [Signature]  
Caleb Yant  
Deputy Director

STATE OF OREGON            )  
                                          : ss  
COUNTY OF MARION        )

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of May 2024, by Caleb Yant, who is the Deputy Director, for and on behalf of the State of Oregon, acting by and through its State Treasurer and its Housing and Community Services Department.



[Signature]  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: March 24, 2026

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**FUNDING LENDER:**

**U.S. BANK NATIONAL ASSOCIATION,**  
as Funding Lender

By: \_\_\_\_\_

Annie H. Wong  
Vice President

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me this \_\_\_\_\_ day of May 2024, by Annie H. Wong, as Vice President, on behalf of U.S. Bank National Association, as Funding Lender.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public for \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

)

County of Los Angeles

)

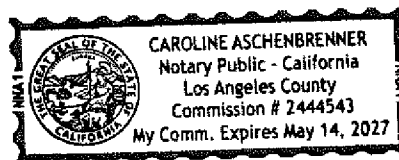
)

On May 1, 2024, before me, Caroline Aschenbrenner, Notary Public, personally appeared ANNIE H. WONG, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)

**FISCAL AGENT:**

**ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION,**  
as Fiscal Agent

By: Anna McCully  
Anna McCully, Vice President  
Zions Bank Division

STATE OF WASHINGTON       )  
                                          ) ss.  
COUNTY OF KING        )

This instrument was acknowledged before me this 1st day of May 2024, by Anna McCully, as Vice President, Zions Bank Division, on behalf of Zions Bancorporation, National Association, as Fiscal Agent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Zavonne R Shareef  
Notary Public for Washington  
My Commission Expires: 10-29-24




## CONSENT OF BORROWER

The Borrower hereby acknowledges receipt of a copy of this Inter-Creditor Agreement and consents to the agreement of the parties set forth herein.

**MOUNTAINVIEW TOWNHOMES LIMITED PARTNERSHIP,**  
an Oregon limited partnership

By: **KHA Mountainview GP LLC,**  
an Oregon limited liability company,  
its Managing General Partner

By: **Klamath Housing Authority,**  
an Oregon public body corporate and politic,  
its Manager

By:   
Ann Malfavon, Executive Director

By: **Stewardship Mountainview LLC,**  
an Oregon limited liability company,  
its Administrative General Partner

By: **Stewardship Development LLC,**  
an Oregon limited liability company,  
its Manager

By: **JCP Real Estate LLC,**  
an Oregon limited liability company,  
its Member

By: \_\_\_\_\_  
Amanda Perkins, Member

[NOTARY PAGES FOLLOW]

## CONSENT OF BORROWER

The Borrower hereby acknowledges receipt of a copy of this Inter-Creditor Agreement and consents to the agreement of the parties set forth herein.

**MOUNTAINVIEW TOWNHOMES LIMITED PARTNERSHIP,**  
an Oregon limited partnership

By: **KHA Mountainview GP LLC,**  
an Oregon limited liability company,  
its Managing General Partner

By: **Klamath Housing Authority,**  
an Oregon public body corporate and politic,  
its Manager

By: \_\_\_\_\_  
Ann Malfavon, Executive Director

By: **Stewardship Mountainview LLC,**  
an Oregon limited liability company,  
its Administrative General Partner

By: **Stewardship Development LLC,**  
an Oregon limited liability company,  
its Manager

By: **JCP Real Estate LLC,**  
an Oregon limited liability company,  
its Member

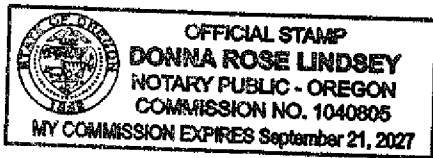
By: Amanda Perkins  
Amanda Perkins, Member

[NOTARY PAGES FOLLOW]

STATE OF OREGON                    )  
                                                  ) ss.  
COUNTY OF KLAMATH            )

This instrument was acknowledged before me this 6<sup>th</sup> day of May 2024 by Ann Malfavon, as the Executive Director of the Klamath Housing Authority, an Oregon public body corporate and politic, the Manager of KHA Mountainview GP LLC, an Oregon limited liability company, the Managing General Partner of Mountainview Townhomes Limited Partnership, an Oregon limited partnership, on behalf of the Borrower.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Donna Rose Lindsey  
Notary Public for Oregon  
My Commission Expires: 9/21/27

STATE OF OREGON                    )  
                                                  ) ss.  
COUNTY OF LANE                    )

This instrument was acknowledged before me this \_\_\_\_\_ day of May 2024 by Amanda Perkins, as the Member of the JCP Real Estate LLC, an Oregon limited liability company, the Member of Stewardship Development LLC, an Oregon limited liability company, the Manager of Stewardship Mountainview LLC, an Oregon limited liability company, the Administrative General Partner of Mountainview Townhomes Limited Partnership, an Oregon limited partnership, on behalf of the Borrower.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_





**EXHIBIT A**  
**LEGAL DESCRIPTION**

All that certain Real Property situated in the City of Willamette, County of Klamath, State of Oregon, described as follows:

Parcel 1, Land Partition 15-23, a replat of Parcel 3 Land Partition 8-20, a replat of Parcel 3 of Land Partition 2-17 situate in the NE1/4 Section 14, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and recorded December 26, 2023 as Instrument No. 2023-010962, Klamath County Records.