



COQUILLE INDIAN TRIBE

3050 Tremont Street North Bend, OR 97459
Phone: (541) 756-0904 Fax: (541) 756-0847
www.coquilletribe.org

RESOLUTION CY17065

APPROVAL OF LOAN SOURCED FROM THE ECONOMIC DEVELOPMENT REVOLVING LOAN FUND TO THE COQUILLE INDIAN HOUSING AUTHORITY

- WHEREAS,** the Coquille Indian Tribe ("Tribe") is a federally recognized Indian tribe pursuant to the Coquille Indian Restoration Act of June 28, 1989, 25 U.S.C. § 715, et seq. ("the Act"); AND
- WHEREAS,** the Tribe is governed by the Coquille Tribal Council pursuant to the Tribal Constitution adopted by eligible voters of the Tribe on August 27, 1991, and approved by the Secretary of the Interior on September 9, 1991; and the Tribal Council is empowered to establish Tribal policies, enact Tribal laws and act for the Tribe; AND
- WHEREAS,** the Tribal Council has established the Economic Development Revolving Loan Fund ("EDRLF") to advance the self-sufficiency of the Tribe through increased business diversification, infrastructure development and revenue generation; AND
- WHEREAS,** the Tribal Council has adopted Resolution CY17035, which approved amendments to CITC Chapter 177 (the Economic Development Revolving Loan Fund Ordinance) for Tribal member comment and adopted the proposed amendments to CITC Chapter 177 as a temporary Tribal law, to govern management of the EDRLF and set forth criteria for loaning EDRLF proceeds to Qualified Recipients for allowable purposes; AND
- WHEREAS,** the Coquille Indian Housing Authority ("CIHA") Board of Commissioners has submitted a proposal to the Tribal Council to borrow from the EDRLF to help finance the construction of the Projects and Maintenance Operations and Storage Facility, and this proposal appears to meet the requirements of the approved amendments to CITC Chapter 177; AND
- WHEREAS,** CIHA is eligible to borrow from the EDRLF and the Tribal Council has determined that CIHA's proposed use of EDRLF proceeds is reasonable and meets the purpose and intent of the EDRLF; NOW

THEREFORE, BE IT RESOLVED, that the Tribal Council approves CIHA's proposal to borrow \$500,000 from the EDRLF, attached as Exhibit A and incorporated into this Resolution as if written here; AND

THEREFORE, BE IT FURTHER RESOLVED, that the Tribal Council approves the EDRLF Loan Agreement and Note, attached as Exhibits B and C, respectively, and incorporated into this Resolution as if written here; AND

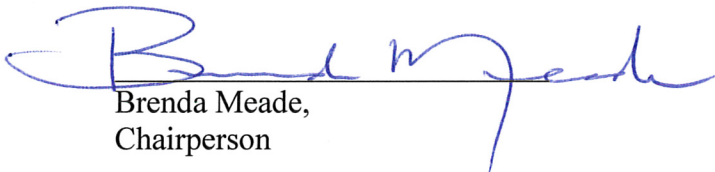
THEREFORE, BE IT FURTHER RESOLVED, that the Tribal Council waives any requirement for security for the EDRLF loan to CIHA authorized by this Resolution; AND

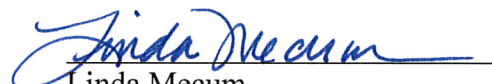
THEREFORE, BE IT FINALLY RESOLVED, that the Tribal Chairperson or in her absence or unavailability, the Tribal Vice-Chairperson, shall have the authority to sign all documents needed to give this resolution full force and effect.

CERTIFICATION

The foregoing Resolution was duly adopted at the Tribal Council Meeting held on the Coquille Indian Tribe Reservation in North Bend, Oregon, on June 8, 2017 with the required quorum present by a vote of

4 For; 0 Against; 1 Absent; 0 Abstaining.


Brenda Meade,
Chairperson


Linda Mecum,
Secretary-Treasurer

cc: Mark Gagnon, CFO
Anne Cook, CIHA Executive Director



Coquille Indian Housing Authority

2678 Mexeye Loop • Coos Bay, OR 97420

May 24, 2017

Brenda Meade, Chairperson
Coquille Indian Tribe
3050 Tremont
North Bend, OR 97459

**Subject: Coquille Indian Tribe Economic Development Revolving Loan Fund Proposal
For Construction of Projects and Maintenance Operations and Storage Facility**

Dear Chairperson Meade:

The Coquille Indian Housing Authority respectfully seeks the Tribal Council's approval of its request to borrow \$500,000 from the Tribe's Economic Development Revolving Loan Fund for construction of the CIHA Projects and Maintenance Operations and Storage Facility.

Introduction

The Coquille Indian Housing Authority (CIHA) is a wholly-owned and controlled entity of the Coquille Indian Tribe that engages in housing and community development activities. CIHA is seeking funds from the Tribe's Economic Development Revolving Loan Fund (EDRLF) to assist with construction of its Projects and Maintenance Operations and Storage Facility. The purpose of the planned facility is to enable CIHA to carry out its affordable housing activities in a safer, more efficient, and economical manner. Sixty-eight low-income households located in the Kilkich Community will be the primary beneficiaries of the project. CIHA operations also provide benefit to the Kilkich Community at large which includes an additional 25 privately-owned residences and a number of Tribal facilities and programs.

Background

In its FY 2015 Indian Housing Plan (IHP), the Coquille Indian Housing Authority (CIHA) proposed the model activity, "Replacement of Projects and Maintenance Operations and Storage Facility." The IHP was approved by the Tribal Council on July 10, 2014 and by HUD NWONAP on August 18, 2014.

At the time the FY 2015 IHP was submitted, the Housing Authority had been using a foam panel factory building as its Projects and Maintenance Operations and Storage Facility for approximately 16 years. The building was constructed of the same prefabricated, structural insulated foam panels (SIPs) it was designed to produce. As evidenced by CIHA's extensive housing rehabilitation project concluded in FY 2013, SIPs are not well suited to local climate conditions. A structural evaluation of the building performed in FY 2014 showed substantial deterioration and the urgent need for extensive repair or replacement. Demolition of the structure and construction of a new facility on the footprint of the old, reusing the existing concrete pad as its foundation, was determined to be the most cost effective option.

Design work for the new facility was completed in FY 2015. The old building was vacated in FY 2015 and demolished in early FY 2016. CIHA also obtained \$1,002,500 in tax-exempt bond financing and began solicitation of sealed bids for construction of the new building in FY 2016. The initial solicitation received only one response and was cancelled. The second invitation for bids issued in FY 2017 also received only one response, from the same contractor as the initial solicitation. The bid exceeded funds available, but was accepted subject to HUD approval of sole source procurement, value engineering, and obtaining additional financing. Workshops were conducted with the Tribal Council on February 24, 2017 and March 8, 2017 regarding options for additional funding; bid analysis and the value engineering process was concluded April 5, 2017; and, HUD approval for sole source procurement was obtained April 11, 2017.

Overview of Project (CITC 177.200(1))

The old foam panel factory building measured approximately 180' x 76', equaling 13,680 square feet. The new structure to be built on the footprint of the old comprises a ground floor of the same dimensions, with the addition of a 6,800 square foot mezzanine-like second floor, bringing the total floor space of the new facility to 20,480 square feet.

The ground floor is designed to provide approximately 10,440 square feet of garage, storage, and workshop space for CIHA projects and maintenance operations, and a separate dry storage area of approximately 3,240 square feet suitable for rent to the Tribe or other organization. Access to the second floor is located in the CIHA portion of the building. The total space for use by CIHA is approximately 17,240 square feet.

Features of the CIHA portion of the building include shop space, a tool room, materials and equipment storage areas, a small office, secure electronics room, records storage area, utility area, eyewash station, restroom, locker room with emergency shower, and parking for CIHA vehicles and equipment. The rental area is divided into five units with separate access and individual climate control systems, two with plumbing roughed in. The building will incorporate resource conservation and ecologically conscientious materials throughout, such as energy efficient lighting, low flow plumbing fixtures, and a rainwater collection system.

Tribal Member Employment Opportunities (CITC 177.200(2))

Solicitations for demolition and construction services providing Tribal preference in contracting, hiring, training, and procurement were published on the Tribal website and portal, in the local newspaper and statewide industry publications, and at plan centers throughout Oregon, Washington, and California. One Tribal member-owned subcontractor and one Tribal spouse-owned business will be providing services and materials for construction of the new building.

Project Management Team (CITC 177.200(3))

CIHA has a staff of nine employees, all of whom have worked for CIHA for many years, with cumulative real time experience and service in affordable housing and community development totaling more than 100 years.

The primary person responsible for overseeing CIHA operations is Anne Cook, Executive Director. Ms. Cook directs and supervises all CIHA program activities, including administration, management, accounting, procurement, contracting, occupancy, counseling, maintenance, rehabilitation, construction, enhancement, and development. Under Ms. Cook's administration, CIHA has consistently performed well in all aspects of its operations, achieving no concerns or findings in HUD monitoring and financial audits throughout her term as Executive Director.

Ms. Cook has worked for CIHA for the last 15 years, serving as Executive Director for the past 13. Combined with her tenure of service at CIHA, Ms. Cook has an extensive professional administrative background involving the provision of services to American Indians and Alaska Natives that spans more than 30 years.

CIHA's Deputy Director Lyman Meade will play a crucial role in managing construction of CIHA's Projects and Maintenance Operations and Storage Facility. Mr. Meade's day to day responsibilities consist of planning, assigning, evaluating, and directing maintenance, rehabilitation, and construction activities, as well as engagement in other CIHA and Tribal programs. Examples of Mr. Meade's expertise in construction management include CIHA's siding and roofing rehabilitation projects, playground improvement project, landscaping installations, and other enhancements throughout the Killich Community.

Mr. Meade has been employed by CIHA for 15 years, the last three as Deputy Director and the nine prior as Projects Coordinator. Mr. Meade offers over 20 years of experience in planning, managing, and implementing rehabilitation, new construction, and other related projects and has owned and operated his own construction company.

Rounding out the CIHA project management team is CIHA Commissioner Don Garrett who will assist in an advisory capacity. Mr. Garrett is a member of CIHA Board of Commissioners and offers extensive knowledge and experience in the construction industry.

In the 26 years preceding his recent retirement, Mr. Garrett developed a high level of expertise in construction project management, job supervision, and as an estimator.

Market Analysis (CITC 177.200(4))

Although this element of the loan proposal requirements set forth at CITC 177.200 is not applicable to this type of project, the planned facility does offer a limited amount of storage and program space for rent to the Tribe or other entity. The space is located on sovereign Tribal trust lands and offers similar or better security and climate control than storage spaces presently used by the Tribe at an equivalent average cost per square foot. Discussion with Tribal administrative staff indicates strong current and ongoing demand for the space.

Potential Threats (CITC 177.200(5))

During the construction period, obstacles could include:

- ❑ Unknown site issues,
- ❑ Risk to neighboring residential property,
- ❑ Inadequate contingency,
- ❑ Unexpected internal and external staffing changes affecting administrative capacity, and
- ❑ Catastrophic events.

During the loan repayment period, obstacles could include:

- ❑ Reduced HUD funding,
- ❑ Inflationary pressure on utility rates, supplies, and other costs,
- ❑ Inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, CIHA's rental income available to make repayment for bond financing and this loan,
- ❑ IRS compliance issues related to the bond financing,
- ❑ Changes to directives, rules, regulations, and laws that may occur with inadequate funds to pay for the related cost, including additional administrative burden, to comply with a change,
- ❑ Unexpected internal staffing changes affecting administrative capacity, and
- ❑ Required repayment of grant funds related to non-compliance with applicable rules and regulations governing CIHA operations.

Capital Structure (CITC 177.200(6))

Sources of Funds

Grant funds	\$ 450,000	19%
Bond proceeds	1,002,500	43%
Loan Proceeds	500,000	22%
CIHA funds	365,000	16%
Total Sources of Funds	\$ 2,317,500	

Uses of Funds

Grant funds	\$ 450,000
▪ Planning and design	
▪ Preparation of construction documents	
▪ Preparation of worksite	
▪ Relocation	
▪ Environmental, administrative, accounting, audit, and legal services	
Bond proceeds	1,002,500
▪ Site preparation	
▪ Construction	
▪ Financing and related legal costs	
Loan Proceeds	500,000
▪ Construction	
CIHA funds	365,000
▪ Planning and design	
▪ Preparation of construction documents	
▪ Preparation of worksite	
▪ Relocation	
▪ Construction	
▪ Environmental, administrative, accounting, audit, and legal services	
Total Uses of Funds	\$ 2,317,500

Requested Terms and Repayment Schedule (CITC 177.200(7))

CIHA seeks EDRLF financing in the amount of \$500,000 through a two-phased loan, consisting of an 8-month construction loan that will convert to a fully amortized 20-year loan upon completion of construction. During the construction period, CIHA proposes periodic draws, and that interest accrue at a rate of 1.5% on the balance drawn through the time of conversion to a term loan. At conversion, CIHA requests an interest rate of 1.5% for a period

Letter to Chairperson Meade, Coquille Indian Tribe
EDRLF Loan Proposal
May 24, 2017
Page 6 of 6

of 5 years, subject to adjustment at 5-year intervals based on the average rate earned by the Tribe on its most conservative investment during the prior 5-year period.

Pro-forma Financial Statements (CITC 177.200(8))

Please see attachment.

Thank you for your consideration of our request. If you have any questions or need additional information, please contact CIHA Executive Director Anne Cook at (541) 888-6501 or by email at annecook@coquilleiha.org.

Sincerely,

A handwritten signature in cursive script that reads "Toni Ann Brend". The signature is written in dark ink and is positioned below the word "Sincerely,".

Toni Ann Brend, Chair
CIHA Board of Commissioners

Coquille Indian Housing Authority
Pro-Forma Financial Statements
May 2017 - December 2037

Projected Revenues and Expenses	05/1/17 - 12/31/17	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Revenue:																					
HUD income	\$ 675,500	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Program income	183,676	273,400	273,400	274,400	274,900	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400	275,400
Non-program income	28,224	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252
Interest income	2,530	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
CIT MHAP funds	75,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Proceeds from the sale of real property	14,970	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds for Warehouse Project:																					
Proceeds from Rental Revenue Bond	944,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from CIT construction loan	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue and Funds for Warehouse Project	2,424,479	1,462,752	1,463,252	1,463,752	1,464,252	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752
Expenses:																					
General operation	375,266	697,868	697,868	698,368	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868	698,868
Housing services and management	164,959	466,145	466,145	466,145	466,145	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645	466,645
Model activities	2,026,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and administration	135,100	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000
Bond repayment (3.9% interest)	36,845	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561	72,561
Loan repayment (1.4% interest)	16,723	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678	28,678
Total Expenses	2,755,498	1,462,752	1,463,252	1,463,752	1,464,252	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752	1,464,752
Net Income (Loss)	\$ (331,019)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Cash Flows		06/1/17 - 12/31/17	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cash Flows From Operating Activities:																						
HUD grants		\$ 924,400	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Program income		170,176	259,900	260,400	260,900	261,400	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900	261,900
Cash payments to vendors		(2,009,870)	(608,580)	(608,580)	(609,086)	(609,586)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)	(610,086)
Cash payments to employees		(586,028)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)	(748,800)
Non-program income		28,224	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252
Interest income		2,530	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Net cash provided by operating activities		(1,470,568)	(40,404)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(36,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)	(33,634)
Cash Flows From Noncapital Financing Activities:																						
CIT MHAP funds		126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285	126,285
Cash Flows From Capital and Related Financing Activities:																						
Proceeds from the sale of capital assets		14,970	6,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Rental Revenue Bond		944,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Revenue Bond repayment		(36,845)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	(72,561)	
Proceeds from CIT construction loan		500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIT construction loan repayment		(16,723)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	(28,678)	
Net cash provided (used) by capital and financing activities		1,405,981	(94,469)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)	(101,239)
Net Increase (Decrease) in Cash and Cash Equivalents		61,698	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(11,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)	(8,588)
Beginning Cash and Cash Equivalents		1,324,768	1,386,466	1,377,878	1,369,290	1,360,702	1,352,114	1,343,526	1,334,938	1,326,350	1,317,762	1,309,174	1,300,586	1,291,998	1,283,410	1,274,822	1,266,234	1,257,646	1,249,058	1,240,470	1,231,882	1,223,294
Ending Cash and Cash Equivalents		\$ 1,386,466	\$ 1,377,878	\$ 1,369,290	\$ 1,360,702	\$ 1,352,114	\$ 1,343,526	\$ 1,334,938	\$ 1,326,350	\$ 1,317,762	\$ 1,309,174	\$ 1,300,586	\$ 1,291,998	\$ 1,283,410	\$ 1,274,822	\$ 1,266,234	\$ 1,257,646	\$ 1,249,058	\$ 1,240,470	\$ 1,231,882	\$ 1,223,294	\$ 1,214,706

Coquille Indian Housing Authority
Pro-Forma Financial Statements
May 2017 - December 2037

Projected Assets and Liabilities		05/11/17 - 12/31/17	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Assets:																						
Cash and cash equivalents	\$	1,386,466	\$ 1,377,878	\$ 1,369,290	\$ 1,360,702	\$ 1,352,114	\$ 1,343,526	\$ 1,334,938	\$ 1,326,350	\$ 1,317,762	\$ 1,309,174	\$ 1,300,586	\$ 1,291,998	\$ 1,283,410	\$ 1,274,822	\$ 1,266,234	\$ 1,257,646	\$ 1,249,058	\$ 1,240,470	\$ 1,231,882	\$ 1,223,294	\$ 1,214,706
Customer receivables		21,807	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Grant/Intergovernmental receivables		187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064	187,064
Prepaid assets		77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680	77,680
Tenant deposits		49,000	50,500	52,000	53,500	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Debt Reserve 2016 Bond		100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250	100,250
Insurance reserve		11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296
Capital assets before depreciation		11,486,073	11,496,073	11,506,073	11,516,073	11,526,073	11,536,073	11,546,073	11,556,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073	11,566,073
Total Assets	\$	13,319,636	\$13,314,241	\$13,317,153	\$13,320,065	\$13,322,977	\$13,324,389	\$13,325,801	\$13,327,213	\$13,328,625	\$13,320,037	\$13,311,449	\$13,302,861	\$13,294,273	\$13,285,685	\$13,277,097	\$13,268,509	\$13,259,921	\$13,251,333	\$13,242,745	\$13,234,157	\$13,225,569
Liabilities:																						
Accounts payable	\$	13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800
Leave payable		52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717	52,717
Tenant deposits		49,000	50,500	52,000	53,500	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Payments received in advance		98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Bond payable		983,223	948,807	913,010	875,877	837,151	796,871	754,972	711,476	666,149	619,002	569,962	519,016	465,960	410,775	353,374	293,706	231,604	167,008	99,819	29,942	-
Loan payable		487,310	465,314	443,008	420,388	397,449	374,187	350,597	326,675	302,415	277,814	252,866	227,567	201,911	175,893	149,509	122,754	95,621	68,106	40,203	11,907	-
Total Liabilities	\$	1,684,050	\$ 1,629,138	\$ 1,572,535	\$ 1,514,282	\$ 1,454,117	\$ 1,390,575	\$ 1,325,086	\$ 1,257,668	\$ 1,188,081	\$ 1,116,333	\$ 1,042,345	\$ 966,100	\$ 887,388	\$ 806,185	\$ 722,400	\$ 635,977	\$ 546,742	\$ 454,631	\$ 359,539	\$ 261,366	\$ 219,517

LOAN AGREEMENT

This Loan Agreement ("**Agreement**") is made as of June ____, 2017 by and between and the Coquille Indian Tribe ("Tribe"), a federally recognized Indian tribe pursuant to the Coquille Indian Restoration Act of June 28, 1989, 25 U.S.C. § 715, et seq. ("**Lender**") and the Coquille Indian Housing Authority, an entity chartered under Coquille tribal law (the "**Borrower**") for purposes including community development.

RECITALS

A. The Borrower proposes to construct and manage an infrastructure development project (warehouse / storage facility) on the Tribe's reservation (the "Project").

B. Subject to and in accordance with the provisions of this Agreement, the Lender desires to make a non-revolving construction loan to the Borrower through its Economic Development Revolving Loan Fund, and the Borrower desires to obtain such a loan from the Lender, in exchange for the issuance of a promissory note by the Borrower to the Lender.

C. The parties anticipate that the construction loan will be made in one or more advances, and, at the completion of construction, will convert into an unsecured term loan as described below.

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. LOAN

1.1 Construction Line of Credit. Subject to the terms and conditions contained in this Agreement, the Lender will make available to Borrower from time to time up to and including March 31, 2018, a line of credit not to exceed the aggregate amount of \$500,000 (the "Construction Line of Credit").

- (a) **Advances.** Each payment from Lender to Borrower of proceeds from the Construction Line of Credit under this Loan Agreement will be referred to as an "Advance." To request an Advance, the Borrower shall notify Lender at least ten (10) business days before the date of the proposed Advance of the amount of the requested Advance, the date of such Advance and the location and number of the Borrower's account to which funds will be disbursed or the Borrower's address to where Advance checks will be mailed. Borrower may request Advances no more frequently than bi-weekly and Advances may not be less than \$50,000 each.
- (b) **Interest.** The outstanding principal amount of Advances shall accrue interest at a rate equal to 1.5% per annum, simple interest, computed on the basis of a 365-day year (the "**Interest**") from the date of the Advances through and including the date the Construction Line of Credit is converted into a Term Loan.
- (c) **Payment.** No Construction Line of Credit principal or interest payments shall be required.

1.2 Term Loan. The accrued combined Advances and Interest from the Construction Line of Credit shall convert into a Term Loan on the earlier of (a) when the Loan amount has been fully advanced, or (b) on March 31, 2018. At that time, Borrower shall execute a Term Loan Note in a form substantially similar to the form attached as Exhibit A.

- (a) **Term.** The Term Loan Note will have a 20-year term.
- (b) **Interest.** The Term Loan shall accrue interest at an initial rate equal to 1.5% per annum ("Term Loan Interest"). The Lender may, in its sole discretion, adjust the Term Loan Interest rate on the 5th, 10th, and 15th anniversary dates of the Term Loan, provided that any adjustments to the Term Loan Interest rate do not exceed the average annual rate of return, net of fees, of the Lender's most conservative investment portfolio during the previous 5-year period.
- (c) **Payment.** Borrower shall be required to make 240 monthly payments of principal and interest. The Lender will provide Borrower with an amortization and payment schedule to accompany the Term Loan Note. The proposed date of the 240th Term Loan payment set forth in this schedule shall be deemed herein as the "Maturity Date." If Lender adjusts the Term Loan Interest rate, as set forth in paragraph (b) above, Lender shall provide Borrower with an adjusted amortization and payment schedule for the remaining term of the Term Loan that is based on the revised Term Loan Interest rate and principal balance then outstanding.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to Lender as follows:

- 2.1 Organization.** The Borrower is an entity chartered under Tribal law.
- 2.2 Authority.** The Borrower has full company power and authority to sign and deliver this Agreement and to perform all of the Borrower's obligations under this Agreement.
- 2.3 Binding Obligation.** This Agreement is a legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

SECTION 3. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF LENDER

Lender represents, warrants, and covenants to the Borrower as follows:

- 3.1 Authority.** Lender is a federally recognized Indian tribe pursuant to the Coquille Indian Restoration Act of June 28, 1989, 25 U.S.C. § 715, et seq. and has full company power and authority to sign and deliver this Agreement and to perform all of Lender's obligations under this Agreement.
- 3.2 Binding Obligation.** This Agreement is the legal, valid, and binding obligation of Lender, enforceable against Lender in accordance with its terms, except as enforceability may be

limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.

SECTION 4. COVENANTS OF THE BORROWER

The Borrower covenants to Lender that the Borrower will perform the following obligations and observe the following conditions until all of the Borrower's obligations to the Lender pursuant to this Agreement and the Note are fully paid and performed:

- 4.1 **Notification.** The Borrower will promptly notify Lender if an Event of Default under this Agreement or the Note occurs.
- 4.2 **Dissolution.** The Borrower will not dissolve, and will not wind up or liquidate its business and affairs.
- 4.3 **Financial Statements.** The Borrower will deliver to Lender such annual financial statements of the Borrower that Lender may reasonably request from time to time.
- 4.5 **Liens.** The Borrower will keep the Project and the Project site free of liens related to the Project.
- 4.6 **Insurance.** The Borrower shall maintain liability and casualty insurance in the amount of \$1,000,000, covering the Project, and construction, operation and management of the Project.
- 4.7 **Loan Proceeds.** All loan proceeds will be used exclusively for the Project.
- 4.8 **Construction.** The Borrower will begin construction by July 1, 2017 and will diligently pursue the Project to completion.
- 4.9 **Term Loan Note.** When Project construction is substantially complete, the Borrower will execute a Term Loan Note substantially similar to that set forth in the attached Exhibit A.

SECTION 5. DEFAULT

- 5.1 **Events of Default.** The occurrence of any of the following shall constitute an "Event of Default" hereunder:
 - (a) **Failure to Pay.** The Borrower shall fail to pay any Term Loan principal and interest payment on the date due in accordance with the amortization and payment schedule then in effect, and such payment shall not have been made within thirty (30) days of the Borrower's receipt of the Lender's written notice to the Borrower of such failure to pay;
 - (b) **Breach of Representations and Warranties or Covenants.** If the Lender establishes that any representation or warranty in this Agreement or the eventual Term Loan Note was false as of the date when Borrower executed such document, or the Borrower fails to observe or perform any covenant, obligation, condition or agreement contained in this Agreement (other than those covenants specified in Section 6 of this Agreement) or in the Term Loan Note and such failure continues for thirty (30) days after written notice to the Borrower of such failure;

- (c) **Inability to Pay Debts.** The Borrower fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay Borrower's debts as they become due, or makes a general assignment for the benefit of creditors.

5.2 Rights upon an Event of Default. Upon the occurrence or existence of any Event of Default and at any time thereafter during the continuance of such Event of Default, the Lender may, by written notice to the Borrower, declare all outstanding obligations payable by the Borrower hereunder or under the Term Loan Note to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, the Lender may exercise any other right, power or remedy granted to it hereunder, under the Note and/or pursuant to applicable law.

SECTION 6. GENERAL

- 6.1 No Assignment.** Neither party may assign or delegate any of its rights or obligations under this Agreement and the Term Loan Note to any person without the prior written consent of the other party, which such other party may withhold in its sole discretion; provided, however, the Borrower may assign or delegate any of its rights or obligations under this Agreement and the Term Loan Note to any person that, directly or indirectly, controls, is controlled by, or is under common control with, the Borrower.
- 6.2 Binding Effect.** This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 6.3 Amendment.** This Agreement may be amended only by a written agreement signed by each party.
- 6.4 Notices.** All notices or other communications required or permitted by this Agreement must be in writing; must be delivered to the parties at the addresses set forth below, or any other address that a party may designate by written notice to the other parties; and are considered delivered upon actual receipt if delivered personally, by fax, by email or by a nationally recognized overnight delivery service; or at the end of the third Business Day after the date of deposit in the United States mail, postage pre-paid, certified, return receipt requested.

To Lender:

Coquille Indian Tribe
3050 Tremont Street
North Bend, OR 97459
(541) 756-0904
Fax: (541) 756-0847
Attn: Executive Director

To the Borrower:

Coquille Indian Housing Authority
2678 Mexeye Loop
Coos Bay, OR 97420
(541) 888-6501
Fax: (541) 888-8266
Attn: Executive Director

- 6.5 Waiver.** No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not constitute a waiver of any other provision or a waiver of a subsequent breach of the same provision.

- 6.6 Severability.** If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.
- 6.7 Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- 6.8 No Third-Party Beneficiaries.** The parties do not intend to confer any right or remedy on any third party.
- 6.9 Attachments.** Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.
- 6.10 Jurisdiction and Venue.** Jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationship between the parties will lie exclusively in the Coquille Indian Tribal Court; *provided* that any award, judgment, order or decree of the Coquille Indian Tribal Court may be entered as a foreign judgment in any court of competent jurisdiction; *provided, further*, that Borrower and Lender acknowledge that nothing in this paragraph waives the sovereign immunity of Lender.
- 6.11 Attorney's Fees.** If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
- 6.12 Entire Agreement.** This Agreement and its exhibit(s) contains the entire understanding of the parties regarding the subject matter hereof and supersede all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter hereof.
- 6.13 Signatures.** This Agreement may be signed in counterparts. A fax or other electronic transmission of a signature page will be considered an original signature page. At the request of a party, each other party will confirm a fax- or other electronically transmitted signature page by delivering an original signature page to the requesting party.
- 6.14 Survival of Terms.** All covenants, agreements, representations and warranties made in this Agreement and the Note shall continue in full force and effect until all liabilities and obligations of the Borrower to the Lender hereunder and under the Term Loan Note are satisfied in full.

[signature page to follow]

Dated effective: June _____, 2017

Lender:

Coquille Indian Tribe

By: _____
Its: _____

Borrower:

Coquille Indian Housing Authority

By: _____
Its: _____

NOTE

Date: _____

This Note ("**Note**") is made by Coquille Indian Housing Authority ("**Borrower**") in favor of the Coquille Indian Tribe ("**Holder**").

1. **Payment.** Borrower promises to pay to the order of Holder in immediately available funds the principal amount disbursed and accrued interest for the Construction Line of Credit advanced under the terms of the Loan Agreement between Holder and Borrower dated _____, 2017 (the "Loan Agreement"), together with interest on the unpaid principal amount from the date of this Note. Borrower will make monthly principal and interest payments in accordance with the schedule attached as Exhibit A to this Note. The first monthly principal and interest payment is due on _____ and subsequent payments are due on the twentieth day of each following month through the Maturity Date, as defined in the Loan Agreement (or the next Business Day following such date if such date does not occur on a Business Day). The unpaid principal amount, together with any accrued interest, is due in its entirety on the Maturity Date. For purposes of this Note: "**Business Day**" shall mean any day other than a Saturday or a Sunday or a day on which banking institutions in Portland, Oregon are authorized or obligated to close.
2. **Interest Rate.**
 - (a) Borrower will pay simple interest on the unpaid principal amount at a rate equal to 1.5% per annum ("**Interest**") from the date of the Note through and including the date of repayment in full of all principal and unpaid Interest on the Note; *provided*, that Holder may adjust this interest rate by written notice to Borrower within 90 days of the 5th, 10th and 15th anniversary of the date of this Note in accordance with the limitations set forth in the Loan Agreement.
 - (b) Monthly Interest will be computed based on the annual interest rate then in effect divided by 12.
3. **Place of Payments.** All payments under this Note will be made to Holder at 3050 Tremont Avenue, North Bend, Oregon 97549 or any other address that Holder may designate by notice to Borrower.
4. **Application of Payments.** All payments under this Note will apply first to any costs and expenses due to Holder, then to accrued interest to date of payment, and then to the unpaid principal amount.
5. **Prepayments.** Borrower may prepay a part or all of the unpaid principal amount at any time. Excess payments or prepayments will not reduce the dollar amount of required monthly payments, instead will reduce the number of future scheduled payments required by this Note.
6. **Events of Default.** Each of the following is an event of default under this Note:
 - (a) Borrower fails to make any payment set forth in the attached Exhibit _____, and such payment shall not have been made within thirty (30) days of the Borrower's receipt of the Holder's written notice to the Borrower of such failure to pay;

- (b) Borrower fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay Borrower's debts as they become due, or makes a general assignment for the benefit of creditors; and
 - (c) an event of default occurs under the Loan Agreement.
7. **Remedies.** On and after an event of default under this Note, Holder may exercise any remedy available to Holder (Lender) under the Loan Agreement.
8. **Time of Essence.** Time is of the essence with respect to all dates and time periods in this Note.
9. **Amendment.** This Note may be amended only by a written document signed by the party against whom enforcement is sought.
10. **Waiver.**
- (a) Borrower waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting Borrower's liability.
 - (b) No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
11. **Severability.** If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.

Borrower:

Coquille Indian Housing Authority
