

Draft

**MINUTES OF MEETING
OF THE BOARD OF DIRECTORS OF
RHODE ISLAND HOUSING DEVELOPMENT CORPORATION**

A meeting of the Board of Directors of the Rhode Island Housing Development Corporation was held on Thursday, June 21, 2012 at 9:15 AM at the Offices of the Corporation, 44 Washington Street, Providence, RI, 02903.

Commissioners in attendance were: Chairman James DeRentis; Vice Chairwoman Denise Barge; Neena Savage, designee for Paul McGreevy, Director of Department of Business Regulation; Joseph Pratt, designee for General Treasurer Gina Raimondo; Paul Dimeo and Jose Monteiro. Steven Costantino, designee for Richard Licht Director of Administration was absent.

Also in attendance were: Richard H. Godfrey, Jr., Executive Director; Susan Bodington, Deputy Director; Kara Lachapelle, Director of Finance and Technology; Amy Rainone, Director of Intergovernmental Relations; Carol Ventura, Director of Development; Cathleen Paniccia, Director of Homeownership and Administration; Leslie McKnight, Director of Servicing, Carlos Hernandez, Director of Resident Services, and Michael V. Milito, Corporation Counsel.

Steve Richard, Counsel to the Corporation was also present, as were members of the public.

Pursuant to Chapter 46 of Title 42 of the General Laws of Rhode Island, notice of the meeting of the Board of Commissioners was posted in the Offices of the Corporation and at the first floor bulletin board in the State House.

Chairman DeRentis called the meeting to order at approximately 9:20 a.m.

Approval of Minutes of the Rhode Island Housing Development Corporation Meeting Held December 16, 2010

Upon a motion made by Commissioner Barge and seconded by Commissioner Pratt, the following was unanimously adopted:

VOTED: That the Minutes of the Rhode Island Housing Development Corporation Meeting held December 16, 2010 be, and hereby are, approved.

Approval of Sale of Glenark Landing

Mr. Godfrey presented this request.

Rhode Island Housing Development Corporation ("RIHDC") is both the general and limited partner of Glenark Associates Limited Partnership, ("Glenark") the owner of Glenark Landing Apartments. Glenark has entered into a purchase and sales agreement with Trinity Financial, Inc. ("Trinity") to sell the property.

The property was built in 1865 as a manufacturing mill and rehabilitated in 1990 when it was redeveloped as residential housing using Housing Tax Credits and financing from Rhode Island Housing. The initial tax credit compliance period ended in 2005. The property is listed on the Historic Registry as an historic structure. In 2000, with delinquency in mortgage payments and the development in financial/operational jeopardy, the Rhode Island Housing Board of Commissioners authorized staff to negotiate an agreement with the owner entity to obtain control of the property. Rhode Island Housing Development Corporation was designated to take over as the general partner and the limited partner, which occurred in 2000 and 2001 respectively. Glenark is currently on Rhode Island Housing's books as an REO property in the amount of \$2,694,297.

The Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") Board of Commissioners is simultaneously considering an Action for approval of financing on June 21, 2012. Previously, on March 15, 2012, the Rhode Island Housing Board authorized the issuance of tax-exempt bonds to finance the acquisition and rehabilitation of Glenark. Trinity will sign a new 40 year Regulatory Agreement at closing to ensure the long term affordability of all 67 units.

This request is to authorize Rhode Island Housing Development Corporation in its capacity as general partner of Glenark Associates Limited Partnership to enter into a Purchase and Sale Agreement with Trinity Financial, Inc. or its nominee for Glenark Landing Apartments and to transfer Glenark Landing Apartments to Trinity Financial.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Barge the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
of the Rhode Island Housing Development Corporation**

WHEREAS, Rhode Island Housing Development Corporation, a Rhode Island corporation ("RIHDC") is the general partner of Glenark Associates Limited Partnership, a Rhode Island limited partnership (the "Partnership"); and

WHEREAS, the Partnership is the owner of the real property located at 104 Sayles Street, Woonsocket, Rhode Island ("Glenark Landing Apartments");and

WHEREAS, the Partnership desires to sell the Glenark Landing Apartments under the terms and conditions set forth herein.

NOW, THEREFORE, BE IT:

RESOLVED, that RIHDC hereby consent to the taking of the following action for and on behalf of RIHDC in its capacity as the general partner of Partnership (in such capacity, the "Corporation").

RESOLVED, that the Corporation, in its capacity as the general partner of the Partnership, enter into an Agreement of Sale (the "Sale Agreement") for the sale of the Partnership's property located at 104 Sayles Street, Woonsocket, Rhode Island ("Glenark Landing Apartments") to Trinity Financial, Inc. or its nominee (the

“Purchaser”) on such terms and conditions as the President determines to be in the best interests of the Corporation and the Partnership.

RESOLVED, that the President, Treasurer, the Chairman of the Board, the Chief Executive Officer or any Vice President of the Corporation (each an "Executive Officer") be, and each of them hereby is, authorized, empowered and directed, either alone or in conjunction with any one or more of the other officers of the Corporation, to issue, execute and deliver, on behalf of the Corporation and the Partnership, the following agreements, documents and instruments on such terms and conditions as may be acceptable to the Executive Officer executing the same, each such determination to be conclusively evidenced by his/her execution thereof and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Corporation and the Partnership, approved in all respects by the Directors of the Corporation:

- (a) the Agreement of Sale with Purchaser;
- (b) any and all Amendments to the Agreement of Sale with Purchaser; and
- (c) the Quitclaim Deed to Purchaser.

(the documents referred to in clauses (a) through (c) above are referred to herein collectively as the "Principal Documents" and individually as a "Principal Document").

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed (either alone or in conjunction with any one or more of the other officers of the Corporation) to execute and deliver, on behalf of the Corporation, all other documents, agreements and instruments including, without limitation, an Assignment of Leases, Service Contracts and General Assignment and Assignments of any Subsidy Contracts (collectively, the "Other Documents") contemplated by any Principal Document (the Principal Documents and the Other Documents (with such additional, modified or revised terms as may be acceptable to the officer executing the same, each such determination to be conclusively evidenced by his/her execution thereof and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Corporation and the Partnership, approved in all respects by the Directors of the Corporation) are hereinafter sometimes referred to collectively as the "Transaction Documents" and individually as a "Transaction Document"); and it is further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Corporation and the Partnership, to consummate the transactions contemplated by each Transaction Document, and to perform, and cause to be performed by the Corporation and the Partnership, as required thereunder; and it is further

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed to take any and all action necessary to effectuate the purpose and intent of the foregoing resolutions, including, without limitation, (i) the execution and delivery on behalf of the Corporation and the Partnership of all such other agreements, documents and instruments, and the performance

by the Corporation and the Partnership thereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, and (ii) the consummation of the transactions contemplated hereby and the performance by the Corporation and the Partnership as required hereunder, as each of them shall determine, in his/her exclusive and reasonable judgment, to be necessary, appropriate or advisable, each such determination pursuant to the immediately preceding clauses (i) and (ii) to be conclusively evidenced by the taking of any such action by any officer of the Corporation and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Corporation and the Partnership, approved in all respects by the Board of Directors of the Corporation; and it is further

RESOLVED, that all acts and deeds heretofore done by any director or officer of the Corporation for and on behalf of the Corporation or the Partnership in entering into, executing, acknowledging or attesting any of the Transaction Documents to which the Corporation or the Partnership is a party or performing any of the transactions contemplated thereby or in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

Approval of Authority to Accept Deed in Lieu of Foreclosure for Linwood Court Limited Partnership II

Mr. Godfrey gave this presentation.

This Request for Action is for authorization of the Rhode Island Housing Development Corporation (the “Development Corporation”), in its capacity as sole member of RIH Linwood II, LLC (“Linwood II LLC”) to accept a deed in lieu of foreclosure from Linwood Court Limited Partnership II, the owner of a development in Providence that provides housing to homeless families and individuals.

Linwood Court II (the “Development”) is a low-income housing tax credit property located in Providence, Rhode Island financed by Rhode Island Housing in June 1994. It has thirty apartments and provided housing to homeless individuals and families.

Advent House, Inc. (“Advent, Inc.”), a Rhode Island non-profit corporation, was the developer/sponsor of the Development. The Development is owned by a single-purpose limited partnership, Linwood Court Limited Partnership II (the “Partnership”), created by Advent House, Inc. The general partner is a single-purpose affiliate of Advent, Inc. Rhode Island Housing Equity Pool, LP (the “Equity Pool”) is the limited partner or the Partnership. RIH Equity Corp. is the general partner of the Equity Pool.

Over the past several years there have been a number of physical and financial challenges at the Developments. Over the years, for a variety of reasons, income was insufficient to pay debt service and to effectively operate the development. As a result, the property has suffered from physical deterioration and became increasingly financially unstable, prompting Rhode Island Housing to engage the Advent, Inc. board of directors and representatives of the limited partner to address the ongoing operational problems.

Since October 2007, Rhode Island Housing assumed an increasingly active advisory and support role in the operation of the Development and refrained from exercising its rights under the various loan documents in the face of ongoing defaults in the hope that operations of the Development would stabilize.

Despite these efforts, success has been elusive, and the various interested parties have reached consensus that significant changes need to be implemented at the Development. To facilitate the stabilization of the Development and protect its financial investment, Rhode Island Housing has negotiated a deed in lieu of foreclosure with the partnership. All of the affected parties have agreed in principle to this transfer.

Rhode Island Housing has requested that the Development Corporation accept the deed to the Development as its nominee, in its capacity as sole member of Linwood II LLC. The Development Corporation has undertaken this responsibility in the past in similar situations.

Staff recommends that the attached Resolution authorizing acceptance of the Deed as nominee for Rhode Island Housing be approved.

Upon a motion made by Commissioner Pratt and seconded by Commissioner Dimeo the following resolution was unanimously adopted:

**Resolution of the Board of Commissioners
of the Rhode Island Housing Development Corporation**

WHEREAS, Linwood Court Limited Partnership II (the “Partnership”) is the owner of Linwood Court Apartments II, a rental development located in Providence, RI (“Linwood Court II”); and

WHEREAS, Rhode Island Housing and Mortgage Finance Corporation, a corporation, instrumentality and agency of the State of Rhode Island (the "Lender"), made certain loans to Partnership, which loans were secured by mortgage and security interests in the Partnerships real and personal property, and which loans are currently in material default; and

WHEREAS, in lieu of foreclosure of its mortgage and security interests, Lender is willing to accept title to Linwood Court and certain related personal property upon the terms and conditions proposed in a certain Agreement for Deed In Lieu of Foreclosure between the Lender and the Partnership (the “Agreement for Deed”).

NOW, THEREFORE, BE IT:

RESOLVED, that Rhode Island Housing Development Court (the “Development Corporation”) in its capacity as sole member of RIH Linwood II, LLC (“Linwood II LLC”) be, and hereby is, authorized, empowered and directed, to accept the Deed to Linwood Court from the Partnership as nominee of the Lender.

RESOLVED, that the Development Corporation, in its capacity as sole member of Linwood II LLC, be, and hereby is, authorized, empowered and directed, to issue, execute and deliver, any agreements, documents and instruments contemplated in the Agreement for Deed, with such additional, modified or revised terms as may be acceptable to the Executive Director of the Development Corporation executing the same, each such determination to be conclusively evidenced by his execution thereof and each such determination is hereby fully and completely approved and adopted as the valid action of and by the Development Corporation.

RESOLVED, that the Executive Director of the Development Corporation be, and hereby is, authorized, empowered and directed to take any and all action necessary to effectuate the purpose and intent of the foregoing resolutions, including, without limitation, the execution and delivery on behalf of the Development Corporation of all such other agreements, documents and instruments, and the performance by the Development Corporation thereunder, as the Executive Director, in his exclusive and reasonable judgment, to be necessary, appropriate or advisable.

RESOLVED, that all acts and deeds heretofore done by any officer of the Development Corporation in entering into, executing, acknowledging or attesting any documents or performing any of the transactions contemplated thereby or in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed in all respects.

There being no further business, a motion to adjourn the meeting at 9:30 a.m. was made by Commissioner Pratt and seconded by Commissioner Dimeo.

Respectfully submitted,

Richard H. Godfrey, Jr.
Secretary and Executive Director