

**OPERATING AGREEMENT
OF
REDWOOD CROSSINGS LLC**

Effective as of

_____, 2019

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**OPERATING AGREEMENT
OF
REDWOOD CROSSINGS LLC**

This Operating Agreement (this “*Agreement*”) is entered into as of the ____ day of _____, 2019, by the Housing Authority of the City of Salem, Oregon, an Oregon public housing authority (“*Sole Member*”).

EXPLANATORY STATEMENT

Sole Member has determined to organize and operate a limited liability company in accordance with the terms of, and subject to the conditions set forth in, this Agreement.

NOW, THEREFORE, the terms and conditions under which the limited liability company is to be organized and operated are as follows:

**SECTION I.
DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Section I. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

“*Act*” means the Oregon Limited Liability Company Act, ORS 63.951 et seq. as amended from time to time.

“*Agreement*” means this Agreement, as amended from time to time.

“*Code*” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

“*Company*” means the limited liability company organized in accordance with this Agreement.

“*Interest*” means a Person’s share of the Profits and Losses of, and the right to receive distributions from, the Company.

“*Interest Holder*” means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

“*Involuntary Withdrawal*” means, with respect to Sole Member, the occurrence of any of the following events:

- (i) the making of an assignment for the benefit of creditors;
- (ii) the filing of a voluntary petition of bankruptcy;

- (iii) the adjudication as a bankrupt or insolvent or the entry against Sole Member of an order for relief in any bankruptcy or insolvency proceeding;
- (iv) the filing of a petition or answer seeking for Sole Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the seeking, consenting to, or acquiescence in the appointment of a trustee for, receiver for, or liquidation of Sole Member or of all or any substantial part of Sole Member properties;
- (vi) the filing of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against Sole Member in any proceeding described in Subsections (i) through (v);
- (vii) any proceeding against Sole Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for Sole Member or all or any substantial part of Sole Member's properties without Sole Member's agreement or acquiescence, which appointment is not vacated or stayed for one hundred twenty (120) days or, if the appointment is stayed, for one hundred twenty (120) days after the expiration of the stay during which period the appointment is not vacated; or
- (viii) for any natural person who is a Member, the person's death or adjudication by a court of competent jurisdiction as incompetent to manage his or her person or property.

“Member” means the Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

“Manager” means the Sole Member, or any person selected by the Sole Member, who shall become a substitute or additional manager.

“Membership Rights” means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

“Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

“Profit” and ***“Loss”*** means, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company's taxable income or loss determined in accordance with the Code.

“Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

“Successor” means all Persons to whom all or any part of an Interest is transferred either because of (i) the sale or gift by Sole Member of all or any part of its Interest, or (ii) an assignment of Sole Member's Interest due to Sole Member's Involuntary Withdrawal.

“Transfer” means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

“Withdrawal” means a Member's dissociation from the Company by any means.

SECTION II. FORMATION AND NAME; OFFICE; PURPOSE; TERM

2.1. **Organization.** Sole Member hereby organizes a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, has caused or will cause an Articles of Organization to be prepared, executed and filed with the State of Oregon. The Company is organized as an instrumentality of the Sole Member.

2.2. **Name of the Company.** The name of the Company shall be “Redwood Crossings LLC”. The Company may do business under that name and under any other name or names upon which Sole Member may, in its sole discretion, determine. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file a trade name certificate as required by law.

2.3. **Term.** The term of this Company shall commence on the date of the filing of the Articles of Organization with the Oregon Secretary of State's Office and shall be perpetual, unless earlier dissolved in accordance with Section VII hereof.

2.4. **Purpose.** Company is organized to have all of the powers permitted by ORS 63.077, as amended from time to time.

2.5. **Principal Office.** The principal office of the Company in the State of Oregon shall be located at 360 Church Street SE, Salem, OR 97301, or at any other place that Sole Member, in its sole discretion, determines.

2.6. **Registered Agent.** The name and address of the Company's registered agent in the State of Oregon shall be Daniel Atchison located at 555 Liberty Street SE, Room 205, Salem, OR 97301.

2.7. **Members.** The name, present mailing address, and taxpayer identification number of Sole Member is set forth on **Exhibit A**.

2.8. **Defects as to Formalities.** A failure to observe any formalities or requirements of this Agreement, the Articles of Organization for the Company or the Act shall not be grounds for

imposing personal liability on the Sole Member for liabilities of the Company.

2.9 Formation Expenses. The Company shall reimburse Sole Member for, or pay directly, all fees and expenses incident to and necessary for the organization of the Company.

2.10 Rights of Creditors and Third Parties. This Agreement is entered into for the exclusive benefit of the Company, its Sole Member and their successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and its Sole Member with respect to any contribution or otherwise.

2.11 Title to Property. All assets and property, whether real or personal, tangible or intangible, including contractual rights, owned or possessed by the Company shall be held or possessed in the name of the Company. All such assets, rights, and property shall be deemed to be owned or possessed by the Company as an entity, and no Member individually shall have any ownership of or rights to such property. The Sole Member's interest in the Company shall be personal property for all purposes.

SECTION III. CAPITAL; CAPITAL ACCOUNTS

3.1. Initial Capital Contributions. The Sole Member has made its initial capital contribution to the Company as reflected in the Company's books and records and the Company shall commence to do business.

3.2. No Other Capital Contributions Required. No Member shall be required to contribute any additional capital to the Company, and except as set forth in the Act, no Member shall have any personal liability for any obligations of the Company.

3.3. Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

SECTION IV. PROFIT, LOSS, AND DISTRIBUTIONS

4.1. Distributions of Cashflow. All distributions of cash or in-kind shall be made at such times and in such amounts as the Member shall determine in its sole discretion.

4.2. Allocation of Profit or Loss. All Profit or Loss shall be allocated to the Member.

4.3. Liquidation and Dissolution. If the Company is liquidated, the assets of the Company shall be distributed to the Member or to a Successor or Successors.

SECTION V.
MANAGEMENT: RIGHTS, POWERS, AND DUTIES

5.1. **Management.** The Company shall be managed solely by the Sole Member as Manager, who shall have complete and absolute discretion in the management and control of the affairs and business of the Company and shall possess all power and authority necessary and convenient to carry out the purposes of the Company.

5.2. **Personal Services.** Sole Member shall not be required to perform services for the Company solely by virtue of being a Member.

5.3. **Liability Limitation and Indemnification.**

5.3.1. Sole Member shall not be liable, responsible, or accountable, in damages or otherwise, to the Company for any act performed by it with respect to Company matters, except for fraud.

5.3.2. The Company shall indemnify its Sole Member and its representatives to the fullest extent permissible under Oregon law, as the same exists or may hereafter be amended, against all liability, loss and costs (including, without limitation, attorney fees) incurred or suffered by such Member or its representative by reason of or arising from the fact that such person is or was serving at the request of the Company as a director, officer, manager, partner, trustee, employee, or agent of another limited liability company, corporation, partnership, joint venture, trust, benefit plan, or other enterprise. The Company may, upon the request of the Sole Member, advance costs and arrange for the legal representation of the Sole Member with respect to all such matters to which this indemnification applies. The Company may, by consent of the Sole Member, provide indemnification to any employees and agents of the Company. The indemnification provided in this Section shall not be exclusive of any other rights to which any person may be entitled under any statute, bylaw, agreement, resolution of the Member, contract, or otherwise.

SECTION VI.
TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS

6.1. **Transfers.** Sole Member may Transfer all, or any portion of, or its interest or rights in, its Membership Rights to one or more Successors.

6.2. **Transfer to a Successor.** In the event of any Transfer of all or any part of Sole Member's Interest to a Successor, the Successor shall thereupon become a Member and the Company shall be continued.

SECTION VII.
DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY

7.1. **Events of Dissolution.** The Company shall be dissolved upon the earlier of that

date (i) the Sole Member determines, or its Successor determines, or all of its Successors unanimously determine, to dissolve the Company, (ii) the Company has no Members for a period of ninety (90) consecutive days, or (iii) the expiration of the term identified in Section 2.3 of this Agreement. The Company shall not dissolve merely because of Sole Member's Involuntary Withdrawal.

7.2. Procedure for Winding Up and Dissolution. If the Company is dissolved, the affairs of the Company shall be wound up. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company in satisfaction of the liabilities of the Company, and then to the Persons who are the Members of the Company in proportion to their Interests.

7.3. Filing of Articles of Cancellation. If the Company is dissolved, a Certificate of Cancellation shall be promptly filed with the Secretary of State. If there are no remaining Members, the Certificate shall be filed by the last Person to be a Member; if there is no Person who last was a Member, the Certificate shall be filed by the legal or personal representatives of the Person who last was a Member.

SECTION VIII. BOOK RECORDS, ACCOUNTING, AND TAX ELECTIONS

8.1. Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. Sole Member shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. Books and Records. Sole Member shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting principles and practices.

8.3. Annual Accounting Period. The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by Sole Member, subject to the requirements and limitations of the Code.

SECTION IX. GENERAL PROVISIONS

9.1. Assurances. Sole Member shall execute all such certificates and other documents and shall do all such filing, recording, publishing, and other acts as Sole Member deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Oregon.

9.3. **Section Titles.** The headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.4. **Binding Provisions.** This Agreement is binding upon, and inures to the benefit of, Sole Member and its heirs, executors, administrators, personal and legal representatives, Successors, and permitted assigns.

9.5. **Terms.** Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the Person may in the context require.

9.6. **Separability of Provisions.** Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

[Signature on next page.]

IN WITNESS WHEREOF, Sole Member executed, or caused this Agreement to be executed, under seal, as of the date set forth hereinabove.

**HOUSING AUTHORITY OF THE CITY OF
SALEM, OREGON,**
an Oregon public housing authority

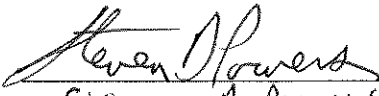
By: 
Name: STEVEN D. POWERS
Title: EXECUTIVE DIRECTOR

Exhibit A

Name, Address and Taxpayer Identification Number of Member	Percentage
Housing Authority of the City of Salem, Oregon 360 Church Street SE Salem, OR 97301 EIN: 93-0582087	100%