

**PORTLAND COMMUNITY INVESTMENT FUND**

(An Oregon nonprofit corporation)

Portland, Oregon

**A RESOLUTION of the GOVERNING BOARD**

**Number 1**

**AUTHORIZING ACTIONS TO FORM AND ADMINISTER A COMMUNITY DEVELOPMENT ENTITY WITHIN THE NEW MARKETS TAX CREDIT PROGRAM**

**WHEREAS**, on October 12, 2016, the Portland Development Commission (PDC) Board of Commissioners (Board) approved Resolution No. 7214 to proceed with formation of a Community Development Entity (CDE) for purposes of applying for and utilizing federal New Market Tax Credits (NMTC) to benefit projects in Portland's low income communities;

**WHEREAS**, on January 19, 2017, PDC staff filed articles of organization with the Oregon Secretary of State forming a new Oregon Nonprofit Corporation with the name of Portland Community Investment Fund (PCIF);

**WHEREAS**, the PCIF will act as a CDE for purposes of seeking an allocation of NMTCs from the U.S. Department of Treasury's Community Development Financial Institutions Fund (CDFI Fund), and to utilize such allocation to aid in the funding of projects in low income communities of Portland;

**WHEREAS**, PDC will act as the "Controlling Entity" of PCIF - defined within the NMTC program - but PCIF will remain a separate legal entity from PDC;

**WHEREAS**, the PDC Board, volunteering to act as the Governing Board for PCIF, would do so in their individual capacity and not as representatives of PDC; and

**WHEREAS**, formation and administration of PCIF will require a number of actions including but not limited to the election of officers and delegation of authority to act, the adoption of administrative protocols, the execution of support agreements and the appointment of an Advisory Board.

**NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of Directors of PCIF:

1. Affirms membership of the Governing Board of PCIF to include:
  - a. Tom Kelly
  - b. Gustavo Cruz
  - c. William Myers

- d. Alisha Moreland-Capuia
  - e. Mark Edlen
2. Affirms \_\_\_\_\_ by election to the position of Chairperson of the Board of Directors and approves the authority of the Chairperson to temporarily delegate acting authority to any other Director;
  3. Adopts the Bylaws of the Portland Community Investment Board in accord with Exhibit A, including a Conflict of Interest Policy;
  4. Confirms the following appointment of officers of PCIF:
    - a. President: Kimberly Branam with authority to delegate acting authority to PDC Directors and to appoint other staff in support of PCIF;
    - b. Chief Operating and Financial Officer: Faye Brown with authority to delegate acting authority to PDC Directors;
    - c. Secretary and General Counsel: Robert Betcone with authority to delegate acting authority to outside counsel;
  5. Appoints an initial Advisory Board with membership in accord with Exhibit B and delegate to the President the authority to replace or add members of the Advisory Board;
  6. Approves execution of a professional services agreement with PDC including a conditional and deferred reimbursement obligation in general accord with the terms in Exhibit C;
  7. Authorizes the President to execute all instruments necessary to further organize and support PCIF and act as a CDE and advance an application for an allocation of NMTCs, subject to a \$300,000 aggregate expenditure limitation; the majority of which will be for NMTC application consulting services, outside counsel legal fees, and staff time;
  8. Authorizes the President to apply for exemption from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
  9. Authorizes the President to apply for CDE certification with the CDFI Fund for itself and for each sub-CDE;
  10. Authorizes the creation of two limited liability companies to serve as project-specific sub-CDEs, which are necessary vehicles for deployment of NMTCs and would only be utilized if and when PCIF receives a NMTC allocation.

**BE IT FURTHER RESOLVED**, that all actions consistent with these Resolutions taken by the incorporator, or by any officer or trustee on behalf of PCIF prior to the date of these Resolutions, be and hereby are, ratified, confirmed, adopted, and approved.

**BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately.

**BYLAWS**  
**OF**  
**PORTLAND COMMUNITY INVESTMENT FUND**

**ARTICLE I**

**THE CORPORATION IN GENERAL**

1.1 **NAME AND DESCRIPTION.** The name of the Corporation shall be PORTLAND COMMUNITY INVESTMENT FUND (the “**Corporation**”), which has been organized as a public benefit corporation under the Oregon Nonprofit Corporation Act.

1.2 **PURPOSES.** The purposes for which the Corporation has been formed are as follows:

A. The primary mission of the Corporation is to function as a “Community Development Entity” and serve, or provide investment capital for projects in, “low income communities” or “low income persons” (all as defined in Section 45D of the Code) within the City of Portland, Oregon, as the Corporation’s designated service area. Consistent with the foregoing, the Corporation may engage in all lawful purposes, activities, and pursuits presently or hereafter allowed to be carried on by a corporation which (i) qualifies under Section 501(c)(3) of the Code and (ii) is permitted by all applicable law.

B. This Corporation is organized and shall be operated exclusively for charitable and/or educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder, or the corresponding section of any future United States internal revenue law, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Code or the corresponding section of any future United States internal revenue law. Notwithstanding any other provision of the Articles of Incorporation of the Corporation or these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income taxation under Section 501(c)(3) of the Code, or the corresponding section of any future United States internal revenue law, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding section of any future United States internal revenue law.

C. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting

to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

1.3 **CORPORATE OFFICES.** The principal office of the Corporation shall be located at 222 NW 5th Avenue, Portland, OR 97209. The Corporation may have offices at other places, either within or without the State of Oregon, as the Board of Directors may from time to time determine or as the business of the Corporation may require.

## **ARTICLE II**

### **MEMBERS**

2.1 **MEMBERS.** The Corporation shall have no members. Any provision of law requiring notice to, the presence of, or the vote, consent or other action of members of a corporation shall be satisfied by notice to, the presence of, or the vote, consent or other action of the Board of Directors (the “**Board**”) of the Corporation.

## **ARTICLE III**

### **THE BOARD OF DIRECTORS OF THE CORPORATION**

#### **3.1 COMPOSITION, TERM AND POWER OF THE BOARD OF DIRECTORS.**

(a) The Board shall exercise general management and control of the mission and business affairs of the Corporation and shall have and exercise all of the powers which may be exercised or performed by the Corporation under the laws of the State of Oregon, the Articles of Incorporation and these Bylaws. Except for the appointment of a temporary Director pursuant to subsection 3.1(c) below, each Director of the Corporation shall also be a commissioner of the Portland Development Commission of the City of Portland (“PDC”). The number of members of the Board shall be identical to the number of PDC commissioners authorized by Chapter 15 of the City Charter (“Charter”) of the City of Portland (or the corresponding section of any future chapters of the Charter); *provided, however*, that the number of Directors of the Corporation shall never be less than three (3).

(b) Each PDC commissioner shall automatically serve as a Director without further appointment or election unless such PDC commissioner declines to serve as a Director. A Director shall be automatically removed if either he or she ceases to be a commissioner of PDC, or such PDC commissioner separately resigns as a Director of the Corporation. Each Director shall hold office for a term which is coterminous with such Director’s tenure as a PDC commissioner.

(c) The PDC board of commissioners (“PDC Board”) shall have the right to appoint a temporary Director to fill a vacancy on the Board in the event a PDC commissioner declines to serve as a Director or resigns as a director of the Corporation, or in the event a PDC commissioner office becomes vacant. Such temporary Director shall serve as a Director until he or she is removed by the PDC Board or until a new person is appointed as commissioner of PDC to fill such

vacancy.

(d) Each PDC Commissioner serving as Director of the Corporation shall do so in such person's individual capacity and not in his or her capacity as a PDC Commissioner.

3.2 **CHAIRPERSONS OF THE BOARD.** The Chairperson of the Board, if any, shall be appointed by majority vote of the Board and shall have such authority as more fully set forth in these Bylaws.

3.3 **MEETINGS AND PROCEDURAL RULES.**

A. Annual Meeting. The annual meeting of the Board of Directors shall be held on or about February 15 or shortly thereafter as soon as possible. Such meeting shall be held at the principal office of the Corporation or at such place as may be designated from time to time by the Chairperson, or in the absence of the Chairperson, by the President, for the purposes of electing officers as herein provided and transacting such other business as shall be necessary or desirable.

B. Regular Meetings of the Board. The Board shall meet as necessary during the year at such time and place as the Directors shall provide by resolution.

C. Special Meetings of the Board. Special meetings of the Board of Directors may be called upon written request by two or more Directors, the Chairperson of the Board, or the President.

D. Notice of Board of Directors Meetings. Written notice of all Board of Directors meetings may be mailed by first class mail or provided by by email to an address provided by the Directors, or personally delivered to each Director at least five (5) days before the date of the meeting, which notice shall in the case of special meetings state the nature of the business to be taken up at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail in a sealed envelope, properly addressed, first class, postage prepaid.

E. Quorum. For all meetings of the Board of Directors (other than for action taken by unanimous written consent), a quorum shall be a simple majority of the Directors then serving unless a greater majority is required by law or by these Bylaws.

F. Public Notice. To the greatest extent practicable the Corporation shall provide notice of and conduct all meetings in accord with the public meeting requirements of Oregon Revised Statutes section 192.620 et. seq.

G. Telephonic Meetings. Directors may participate in and act at any meeting of such Board by means of conference telephone or similar communication equipment by means of which all persons participating in the call can hear each other all at the same time. The Corporation shall provide access to any member of the public to attend such telephonic meeting in accordance with the public meeting requirements of Oregon Revised Statutes section 192.620 et. seq. Participation in such a meeting shall constitute presence in person at the meeting.

H. Voting. Voting on any question or in any election may be by voice, unless the individual presiding at the meeting shall order, or a Director shall demand, that voting be by ballot.

I. Approvals. Approval of any action by the Board, other than that under section 3.2 above, shall require a majority of the Directors then serving on the Board. The Directors of the Corporation shall consult with the Advisory Board (as defined below) when preparing an application for award of New Market Tax Credits.

J. Reimbursement of Directors. Directors shall receive no compensation for their services as such, but may be reimbursed for expenses of attendance at meetings or when on other business of the Corporation. Nothing contained in this section shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for such position.

K. Resignation and Removal. Any Director may resign at any time by delivering written notice to the Board of Directors or to the President of the Corporation. The resignation is effective when the notice is delivered, unless the notice specifies a later effective date.

L. Waiver of Notice. A Director may at any time waive any notice required by these Bylaws, the Articles of Incorporation or the Oregon Nonprofit Corporation Act. The waiver must be in writing, be signed by the Director entitled to the notice, specify the meeting for which the notice is waived and be filed with the minutes or corporation records. A Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless the director, at the beginning of the meeting, or promptly upon the Director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

### **3.4 ADVISORY BOARD.**

(a) For purposes of maintaining the Company's accountability to residents of "low-income communities" (as defined in Section 45D(e) of the U.S. Internal Revenue Code), the Corporation shall maintain a "New Markets Tax Credit Advisory Board" (the "Advisory Board") comprised of not less than seven (7), nor more than ten (10), members.

(b) The PDC shall identify persons to serve as initial members of the Advisory Board. The Board shall appoint the initial members of the Advisory Board. Following the appointment of the initial members of the Advisory Board, the President may appoint new members either to fill vacant positions or to increase the membership subject to the limit in section 3.4(a) above. Advisory Board members must be residents of the City of Portland who are not employees or elected officials of the City of Portland or the PDC. A minimum of four (4) members of the Advisory Board shall be residents of a "low-income community" or otherwise represent the interests of residents of "low-income communities" within the City of Portland, such as (i) a business owner whose business is located in a "low-income community," (ii) an employee or board officer of a community-based or charitable organization primarily serving "low-income communities," or (iii) an employee of a governmental agency that principally provides services

benefiting “low-income communities”. The members of the Advisory Board shall select amongst themselves one member to serve as Chair of the Advisory Board. Advisory Board members shall serve for a term of one year which, with the approval of the Board, may be renewed indefinitely. An Advisory Board member may be removed from the Advisory Board by the President if the President finds that such member has not fulfilled the duties and honored the limitations placed upon such member by these Bylaws or the governing charter.

(c) The Advisory Board shall meet at least annually (on or about February 15 of each calendar year) and thereafter as frequently as is necessary to fulfill the actions under section (d) below; *provided*, that during the periods before the Corporation has received an allocation of federal new market tax credits and after the Corporation has transferred its entire allocation of federal new market tax credits to other qualified community development entities, the Advisory Board shall meet only as often as the Board of the Corporation requires. The President of the Corporation or its designee shall be responsible for sending notices of Advisory Board meetings to the members of the Advisory Board, for providing a venue for the Advisory Board to meet, and to maintain minutes of the meetings of the Advisory Board.

(d) The Advisory Board may be made subject to a governing charter as promulgated by the President but shall otherwise advise the Board of the Corporation regarding:

(i) the particular needs of any “low-income communities” (“LICs”) within the City of Portland;

(ii) Project types that might best serve the LICs and that are Qualified Active Low-Income Community Businesses (QALICB) as defined by IRC §45(d)(2). See also Treas. Reg. §1.45D-1(d)(4)(i) and Notice 2006-60;

iii) the effectiveness of qualified low-income community investments made by the Corporation (or any other qualified community development entities to which the Corporation has transferred an allocation of federal new market tax credit) in fulfilling the Company’s primary mission; and

(iii) what existing qualified active low-income community businesses could be targeted to relocate into a “low-income community” within the City of Portland.

(e) As part of its strategic planning, the Board of the Corporation may, from time to time, promulgate written guidelines (“NMTC Priority Guidelines”) on the types of qualified active low-income community businesses it intends to prioritize as part of the Corporation’s application for an allocation of new markets tax credits allocation. The role the Advisory Board is to support and advise the Board of the Corporation in identifying potential projects which are consistent with current NMTC Priority Guidelines and in assessing potential project qualities relative to the limitations of the New Market Tax Credit program which are consistent with the Corporation’s current NMTC Priority Guidelines. Board of the Corporation shall supply, when so promulgated, its most current NMTC Priority Guidelines to the Advisory Board. Notwithstanding the foregoing, the Board of the Corporation shall solely be responsible for determining the NMTC

Priority Guidelines and in the final selection of potential projects to receive the Corporation's allocation of new market tax credits.

## ARTICLE IV

### OFFICERS OF THE CORPORATION

4.1 **OFFICERS.** The officers of the Corporation shall include a Chairperson of the Board, a President a Chief Operating Officer, a Chief Financial Officer, a Secretary and a General Counsel. The Board may appoint other officers as may be needed from time to time. The powers and duties of the officers shall be as set forth in these Bylaws and as otherwise designated from time to time by the Board of Directors, to the extent consistent with law, the Articles of Incorporation and these Bylaws. Any number of offices may be held by the same person.

4.2 **APPOINTMENT.** The officers may be appointed by the Board at any time. They shall hold office for a period of one year or until their successors have been duly elected and qualified.

4.3 **CHAIRPERSON OF THE BOARD.** The Chairperson of the Board, shall be responsible for the administration of Board Meetings in general accord with Robert's Rules of Order and as approved by legal counsel.

4.4 **PRESIDENT.** The President of the Corporation shall be appointed by the Board. The President shall be the chief executive officer of the Corporation and shall be the direct executive representative of the Board of Directors in the management of the Corporation. The President shall have and exercise general management and supervision of the affairs of the Corporation, subject to the direction of the Board of Directors. The President shall have authority to effect any measures and to execute any and all documents to fulfill any action that has been approved by the Board.

4.5 **CHIEF OPERATING OFFICER.** The Chief Operating Officer shall perform such duties as are established from time to time by the Board or the President and shall report to the President but shall be charged with the general operation of the Corporation. The President may delegate any authority to the Chief Operating Officer.

4.6 **CHIEF FINANCIAL OFFICER.** The Chief Financial Officer shall perform such duties as are established from time to time by the Board or the President and shall report to the President but shall be charged with the general management of finances. The President may delegate any authority to the Chief Financial Officer.

4.7 **SECRETARY.** The Secretary shall perform such duties as are established from time to time by the Board or the President and shall report to the President but shall be charged with the general maintenance of Board proceedings and Corporate records.

4.8 **GENERAL COUNSEL.** The General Counsel shall perform such duties as are



established from time to time by the Board or the President and, while reporting to the President, shall represent the interests of the Corporation. The General Counsel shall be charged with the identification and management of legal issues.

4.9 **RESIGNATION AND REMOVAL.** Any officer of the Corporation may resign at any time by filing a written resignation with the Chairperson or President. Further, the Board of Directors may remove an officer of the corporation by means of a resolution receiving at least a four-fifths affirmative vote of the Board of Directors.

4.10 **VACANCIES.** A vacancy in an office may be filled by the Board of Directors for the unexpired portion of the term of such vacant office. In addition, in the case of appointment to a vacated office, the Board may appoint a term that includes a full term running from the time the term of the vacated office would have terminated

4.11 **DELEGATION.** The Board may delegate temporarily the powers and duties of any officer in case of such officer's absence or for any other reason, to any other officer, and may authorize the delegation by an officer of any such officer's powers and duties to any agent or employee subject to the general supervision of such officer.

## ARTICLE V

### COMMITTEES OF THE BOARD

5.1 **COMMITTEES GENERALLY.** The Board may, from time to time, designate a committee or committees to facilitate or inform the actions of the Board of Directors. Committees neither expand nor contract the responsibility of the Board, but instead enable the Board to function more efficiently and effectively. Committees only recommend actions and do not have the authority of the Board except where expressly authorized by these Bylaws or by the Board by resolution.

## ARTICLE VI

### DUALITY OF INTEREST

6.1. The Corporation has adopted and shall adhere to the Conflict of Interest Policy attached hereto as **Exhibit A** ("Conflict of Interest Policies"). Any Director, officer, employee, or committee member having an interest in a transaction, contract or other matter presented to the Board of Directors or a committee thereof for authorization, approval or ratification shall provide prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction, and the Board shall follow the procedures set forth in the Conflict of Interest Policies to manage and resolve such conflict. If, following review by legal counsel, the Corporation determines that an actual or potential conflict of interest exists beyond the scope of the Conflict of Interest Policies, then such conflict shall be managed in accord with the Guide for Public Officials, and Oregon Statutes cited therein, as published and supplemented by the Oregon Government Ethics Commission.

## ARTICLE VII

### LIABILITY OF DIRECTORS AND OFFICERS

7.1. The personal liability of any member of the Board of Directors, any duly elected officer of the Corporation, any PDC employee acting in support of the Corporation and any member of the Advisory Board (as defined in the Corporation's Bylaws) (each, an "Indemnified Person") for monetary damages for conduct as a Director, officer, support services provider or Advisory Board member is eliminated to the fullest extent permitted by law, and the Corporation shall defend, indemnify, and hold each Indemnified Person from any loss or damage, including attorneys' fees actually and reasonably incurred by it, by reason of any act or omission performed or omitted by it on behalf of the Corporation or in furtherance of the Corporation's interests; provided, however, such indemnification or agreement to hold harmless shall be recoverable only out of the assets of the Corporation. The foregoing indemnity shall extend only to acts or omissions performed or omitted by an Indemnified Person in good faith and in the belief that the acts or omissions were in the Corporation's interest or not opposed to the best interests of the Corporation. The Corporation shall not eliminate or limit the liability of an Indemnified Person for any act or omission occurring prior to the date when such provision becomes effective, and such provision shall not eliminate or limit the liability of a director or officer for:

- (A) Any breach of the Indemnified Person's duty of loyalty to the corporation or its members (if any);
- (B) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (C) Any unlawful distribution;
- (D) Any transaction from which the Indemnified Person derived an improper personal benefit; and Any act or omission in violation of Oregon Revised Statutes 65.361 to 65.367; and
- (E) Any provision that under this chapter is required or permitted to be set forth in the bylaws.

7.2. The Corporation shall have the power to purchase and maintain insurance on behalf of any Indemnified Person, or is or was serving at the request of the Corporation as a Director, officer, support service provider, employee or agent of another Corporation, against any liability asserted against the person and incurred by the person in such capacity arising out of his/her status as such and to the extent permitted under the laws of the State of Oregon, provided the Corporation determines that the rates and terms applicable to such insurance are acceptable to it.

## ARTICLE VIII

## **FISCAL YEAR**

The fiscal year of this Corporation shall commence on July 1 and end on June 30, of each year.

## **ARTICLE IX**

### **PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS**

No Director, officer, employee, committee member or other person connected or affiliated with this Corporation, and no other private individual, shall receive at any time any of the net earnings or pecuniary revenue from the operations of this Corporation, provided that this Corporation shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for this Corporation in effecting any of its purposes. Any such compensation shall be fixed by the Board of Directors. No person or persons receiving such compensation shall possess any proprietary right in or to the property of this corporation or be entitled to share in the distribution of any of the corporate assets upon dissolution of this Corporation.

## **ARTICLE X**

### **DISSOLUTION OF THE CORPORATION**

Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed only to the City of Portland, or to one or more organizations (each, a “Qualifying Entity”) created and operated for one or more exempt purposes within the meaning of Article 4(a) hereof other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the Code and the regulations promulgated thereunder, or the corresponding section of any future United States internal revenue law; *provided, however*, that preference shall be given to one or more Qualifying Entities that supports economic development within the City of Portland, Oregon. Any such assets not so disposed of shall be disposed of by Multnomah County Circuit Court, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE XI**

### **INVESTMENTS**

Except as otherwise provided in the Articles of Incorporation, this Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors.

## **ARTICLE XII**

### **EXEMPT ACTIVITIES**

Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or agent of this Corporation shall take any action or carry out any activity by or on behalf of the Corporation not permitted to be taken or carried on without penalty by an organization exempt from federal taxation as now exists or as may hereafter be amended.

### **ARTICLE XIII**

#### **AMENDMENTS**

The Board of Directors of this Corporation shall have the authority to make, alter, amend and repeal the Bylaws of the Corporation by an approving vote of not less than four (4) of the Directors then serving, at a regular or special meeting of the Board except as otherwise provided by law.

### **ARTICLE XIV**

#### **MISCELLANEOUS PROVISIONS**

14.1 **DEPOSITORIES.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, financial institutions, mutual funds or other depositories as the Board of Directors may designate.

14.2 **CHECKS.** All checks, drafts, or other orders for the payment of money issued in the name of the Corporation may be signed by the Chairperson, the President or the Chief Financial Officer unless such authority is altered by a vote of the Board of Directors

14.3 **CONTRACTS AND INSTRUMENTS.** Subject to any limitations contained in these Bylaws or by resolution of the Board of Directors, all deeds, mortgages, bonds and other contracts or instruments of the Corporation shall be signed on behalf of this Corporation by the President or the Chief Financial Officer if the President has delegated that authority to the Chief Financial Officer.

14.4 **AGENTS AND REPRESENTATIVES.** The Board of Directors may appoint such agents and representatives of the Corporation with such powers and with the authority to perform such acts or duties on behalf of the Corporation as the Board of Directors may deem appropriate, consistent with these Bylaws, the Articles of Incorporation and applicable law.

Adopted by the Board \_\_\_\_\_

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**EXHIBIT A TO  
BYLAWS OF PORTLAND COMMUNITY INVESTMENT FUND**

**BOARD OF DIRECTORS**

**POLICY**

**CONFLICT OF INTEREST (DIRECTORS)**

Directors are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the Director's personal interests and the interests of the Corporation. A conflict of interest exists when the Director's loyalties or actions are divided between the Corporation's interests and the Director's interests or those of another, such as an applicant or grantee. Both the fact and the appearance of a conflict of interest should be avoided. A Director who is unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with the President for clarification.

In general, when conducting the business of the Corporation and awarding grants, a conflict of interest will be presumed when a Director or someone with whom the Director has a close relationship (a family member or close companion) serves as a trustee, director, officer, or stockholder of an affected organization or firm; has a formal affiliation or interest in an affected organization or firm; or could expect financial gain or loss from a particular decision. Recognizing that it is not possible to describe all possible conflicts of interest that could develop, some of the more common direct conflicts from which a Director or someone with whom the Director has a close relationship (a family member or close companion) should refrain, however, include the following:

- (1) Accepting personal gifts or entertainment from applicants, grantees or vendors;
- (2) Using proprietary or confidential Corporation information for personal gain or to the Corporation's detriment;
- (3) Having a direct or indirect financial interest in an activity undertaken by the Corporation or an applicant or grantee;
- (4) Using Corporation assets or labor for personal use; or
- (5) Representing that the Corporation will give financial or other support to any outside activity, organization, or individual, unless the request for such support has already proceeded through the proper channels and has been approved.

The following cases illustrate the existence or absence of a financial conflict of interest:

- (1) A business transaction between the Director and the Corporation, such as an agreement by the Director to perform accounting services for a fee, would, as a general rule, be a conflict of interest.
- (2) A Director who is an owner of a business that performs services for the Corporation for more than a nominal fee most likely has a conflict of interest even though the Director may not personally perform the services. A conflict of interest exists because the Director shares in the profits from such fees as an owner and therefore probably has a material financial interest in any transaction with the business.

- (3) A Director who owns an insignificant number of shares in a publicly traded company whose business activities with the Corporation has virtually no effect on the financial performance of that company generally does not have a conflict of interest in any transaction with that company.
- (4) A Director who owns land that will increase significantly in value if the Corporation acquires adjacent property has a material financial interest in the acquisition of the adjacent property. Thus, the acquisition would constitute a conflict of interest.

### **PROCEDURES**

The following procedures will apply to the resolution of any conflict of interest which cannot otherwise be avoided:

- (1) Any potential conflict of interest that may affect a matter under consideration shall be disclosed by the Director to the Board of Directors and made a matter of record as soon as the possible conflict is determined.
- (2) The interested Director shall not vote on such matter and shall not attempt to exert influence in connection with the matter. He or she may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (3) The minutes of the meeting shall reflect that a disclosure was made and the abstention from voting.
- (4) A Director who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (5) A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (6) No Director or committee member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- (7) For any matter in which the Director has a material financial interest, the following additional procedures shall apply prior to entering into the transaction:
  - (a) The Board of Directors determines in good faith that the Corporation will enter into the transaction for its own benefit;
  - (b) The Board of Directors determines in good faith that the transaction is fair and reasonable to the Corporation; and
  - (c) The Board of Directors determines in good faith after reasonable investigation that the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

If the transaction is to be considered for approval by a committee of the Board of Directors, the following shall apply:

- (i) It was not reasonably practicable to obtain approval of the full Board of Directors prior to entering into the transaction; and
  - (ii) The Board of Directors, after determining that the conditions of sections 5(a) and (b), above, were satisfied, ratifies the transaction at its next meeting following approval by the committee by a vote of a majority of the Directors then in office without counting the vote of the interested Director.
- (8) Any person who has knowledge of any action or conduct that appears contrary to these Conflict of Interest Policies and Procedures shall report the same to the President of the Corporation.
  - (9) These Conflict of Interest Policies and Procedures shall apply to the members of a committee of the Board of Directors as if each committee member were a Director.
  - (10) Each Director shall be advised of the Conflict of Interest Policy and Procedures prior to commencement of the Director's term of office.

If a Director or someone with whom a Director has a close relationship (a family member or close companion) has or has had, a financial, employment, or personal relationship with an applicant, grantee or vendor to the Corporation, the Director must disclose this fact in writing to the Corporate Secretary on the form approved for this purpose. Each Director and member of a committee with delegated powers shall annually sign a statement which affirms such person: (1) has received a copy of the conflicts of interest policy, (2) has read and understands the policy (3) has agreed to comply with the policy, and (4) understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**CONFLICT OF INTEREST (DIRECTORS)  
POLICY STATEMENT**

The policies of Portland Community Investment Fund, an Oregon nonprofit corporation (“Corporation”) Board of Directors require annual disclosure of (1) your affiliations (as trustee, director, officer, employee, advisory committee member, development committee member, volunteer, etc.) with any actual or potential Corporation grantee or borrower or any other organization with which the Corporation may have a financial relationship, and (2) the affiliations of persons with whom you have a close relationship (a family member or close companion) with any actual or potential Corporation grantee or borrower or any other organization with which the Corporation may have a financial relationship. See the Conflict of Interest Policies and Procedures (for Directors).

Please complete this form annually and return it to the Corporate Secretary. Note your continuing responsibility to advise the Corporate Secretary of additional affiliations as you undertake them.

The undersigned hereby discloses (circle one and explain, if necessary):

- I know of no existing or likely close involvement or other affiliation between myself (including members of my family and business enterprises in which I may have an interest) and any existing or prospective vendor, consultant or grantee of the Corporation.
- I am aware that such an affiliation exists or may exist, with the following prospective vendor, consultant or grantee, as described below:

<u>Business/Organization</u>	<u>Nature of Relationship</u>	<u>Dates of Relationship</u>
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In addition, I acknowledge that:

- I have received the Conflict of Interest Policies and Procedures (for Directors);
- I have read and I understand the policies and procedures;
- I agree to comply with the policies and procedures; and
- I understand the Corporation is charitable, and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Name: (printed) \_\_\_\_\_

Name: (signed) \_\_\_\_\_

Date \_\_\_\_\_

Reviewed by \_\_\_\_\_

Date \_\_\_\_\_



**CERTIFICATION**

The undersigned, being the duly elected and qualified Secretary of the Corporation, hereby certifies that the foregoing initial Bylaws of the Corporation were duly adopted by the Board of Directors of the Corporation effective as of \_\_\_\_\_, 2016.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**Portland Community Investment Fund  
Advisory Board Roster**

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**Advisory Board Roster**

The Advisory Board is composed of eight individuals with experience or expertise relevant to redevelopment and community economic development including: neighborhood business management or ownership, financial lending or resource development, community leadership, and neighborhood revitalization and property redevelopment. PCIF maintains accountability to the residents of its targeted Low-Income Communities by having an Advisory Board where at least 20% of the members are designated as a *Low-Income Community Representative*. Low-Income Community Representatives must either 1) reside in a Portland Low-Income Community; or 2) represent the interests of residents of Portland's Low-Income Communities. Following is the 2017 roster of the Advisory Board:

<b>Name</b>	<b>Organization</b>
Michael DeMarco	Our 42nd Avenue
Ian Galloway	Portland Branch of the Federal Reserve Bank of San Francisco
Damien Hall	Ball Janik
Arlene Kimura	East Portland Action Plan
Michele Reeves	Civilis
Carmen Rubio	Latino Network
Nathan Teske	Hacienda Community Development Corporation

**Term Sheet**  
**for**  
**Professional Services Agreement**  
**between**  
**Portland Development Commission and the Portland Community Investment Fund**

**Service Provider:** Portland Development Commission

**Service Recipient:** Portland Community Investment Fund (CDE) and Affiliated Sub CDEs

**Term:** Commencing immediately and for so long as the CDE remains subject to the compliance period under the New Market Tax Credit Program

**Termination:** Upon the first to occur: Mutual agreement; the generation of \$300,000 in cost to PDC or on December 31, 2017.

**Scope:** On call services including but not limited to: administration of outside legal counsel; administration of application consulting and reparation; support services to the Advisory Board; contract management, accounting for tax allocation, loans and equity investments; loan servicing; report preparation, review, and response to audit and general administrative support. Other services may be provided at the request of the Service Recipient if those services are in support of the NMTC program and Service Provider has the capacity to offer such services.

**Cost:** Service provider shall provide the services at the fully loaded cost, including overhead, to Service Provider

**Payment/Reimbursement:** The Service Recipient shall not be obligated to reimburse the Service Provider before the time that Service Recipient has collected fees under the NMTC program. This deferred obligation to reimburse the Service Provider shall carry a 5% annual compounded interest rate.