Tigard Business Meeting
AGENDA

Tigard City Council & Local Contract Review Board

Meeting Date and Time:	March 24, 2026 - 6:30 p.m. Business Meeting
Meeting Location:	Hybrid - City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

Public Notice: In accordance with Oregon House Bill 2560, this will be a hybrid meeting where some Council, staff or public will participate in person and some will participate remotely.

How to comment:

- Written public comment may be submitted electronically at www.tigard-or.gov/Comments by noon the day before the meeting date.
- If attending the meeting in person, please fill out the public comment sign-in sheet at the front of the room and come to the microphone when your name is called.
- If you prefer to call in, please call 503-966-4101 when instructed to be placed in the queue. We ask that you plan on limiting your testimony to two minutes.
- You may comment by video through the Teams app. Go to this link to learn how to participate by video: https://www.tigard-or.gov/your-government/video-public-testimony-registration

Upon request, the City will endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by contacting: City Recorder Carol Krager at 503-718-2419 (voice) / carolk@tigard-or.gov or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

See Attached Agenda

View Livestream Online: https://www.tigard-or.gov/boxcast

Cable Viewers: The City Council meeting will be shown live on Channel 21 (1st Tuesdays) and Channel 28 (2nd & 4th Tuesdays) at 6:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

Thursday 6:00 p.m. Friday 10:00 p.m. Saturday 7:30 p.m. Sunday 11:30 a.m. Monday 6:00 a.m.

Tigard Business Meeting
AGENDA

Tigard City Council & Local Contract Review Board

MEETING DATE AND TIME: March 24, 2026 - 6:30 p.m. Business Meeting

MEETING LOCATION: Hybrid - City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

1. Business Meeting

   A. Call to Order

   B. Roll Call

   C. Pledge of Allegiance

   D. Call to Council and Staff for Non-Agenda Items

2. Public Comment **6:35 p.m. estimated time**

   A. Public Comment – Written

   B. Public Comment – In Person

   C. Public Comment – Phone-In or Video

3. City Manager Report **6:45 p.m. estimated time**

4. Consent Agenda: (Tigard City Council and Local Contract Review Board) The Consent Agenda is used for routine items including approval of meeting minutes, contracts or intergovernmental agreements. Information on each item is available on the city's website in the packet for this meeting. These items may be enacted in one motion without separate discussion. Council members may request that an item be removed by motion for discussion and separate action. **6:50 p.m. estimated time**

   A. Resolution for 2026 Non-profit Low-Income Housing Tax Exemption Applicants

   B. Approval of City Council Meeting Minutes

   C. Mechanical/HVAC Preventative Maintenance, Service, Repair, and Inspection Services

- *Consent Agenda - Items Removed for Separate Discussion: Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Council has voted on those items which do not need discussion.*

5. Legislative Public Hearing: Recreational Immunity Ordinance **6:55 p.m. estimated time**

6. Economic Development Strategic Plan Adoption **7:05 p.m. estimated time**

7. River Terrace 2.0 Update:Transportation and Equitable Finance Strategy **7:30 p.m. estimated time**

8. Non-Agenda Items

9. Executive Session: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

10. Adjournment **8:45 p.m. estimated time**

AIS-6088 **4. A.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): Consent Item

Agenda Title: Resolution for 2026 Non-profit Low-Income Housing Tax Exemption Applicants

Authored By: Trinity Miller

Presented By: Housing Planner Miller

Item Type: Motion Requested
Resolution

Information

Explanation of Issue

Staff is asking City Council to consider the annual property tax exemption requests from local non-profit affordable housing providers under the provisions of Tigard Municipal Code 3.50.

Applications were submitted by Community Partners for Affordable Housing, Northwest Housing Alternatives, Reach Community Development, and Resident Resources for property tax exemptions for 13 low-income housing developments and properties, which is allowable under TMC 3.50.

Action Requested

The City Council is being asked to adopt the resolution to grant exemption from property tax payment under Tigard Municipal Code Chapter 3.50 for the non-profit, low-income housing properties listed above.

Background Information

Dates of Previous and Potential Future Considerations

This request comes to the City Council on an annual basis.

Public Involvement

Passage of this resolution will continue the city's work to provide financial relief for low-income housing development and those that own properties in development.

Impacts (Community, Budget, Policies and Plans/Strategic Connection)

There is a fiscal impact on the city in the amount of $96,168.A spreadsheet itemizing lost property tax revenue from passage of this resolution is attached. It will affect the city's General Fund, with the exemption applying to property tax revenue in fiscal year 2026-2027.

Alternatives & Recommendation

Council could decide not to adopt this resolution, which would result in a tax obligation for the non-profit affordable housing provider. Requiring payment of these taxes would impact their resources and reduce their ability to serve the low-income community.
The city team recommends City Council adopt the resolution.

Additional Resources

N/A

Fiscal Impact

Cost: $96,168.00

Budgeted (yes or no): n/a

Where Budgeted (department/program): n/a

Additional Fiscal Notes:

The city would forego property tax collection of $96,168. The exemption would apply to property tax revenue in fiscal year 2026-2027.

Attachments

Resolution
Tax Exemption Matrix
2026 Staff Report - CPAH
CPAH Application Packet
2026 Staff Report - NHA
Northwest Housing Application Packet
2026 Staff Report - REACH
REACH Application Packet
2026 Staff Report - Resident Resources
Resident Resources Application Packet

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 26-

A RESOLUTION GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER TIGARD MUNICIPAL CODE SECTION 3.50 FOR FOUR NON-PROFIT, LOW-INCOME HOUSING PROJECTS AND TWO PROPERTIES OWNED AND OPERATED BY COMMUNITY PARTNERS FOR AFFORDABLE HOUSING (CPAH), ONE LOW-INCOME HOUSING PROJECT OWNED AND OPERATED BY NORTHWEST HOUSING ALTERNATIVES (NHA), ONE LOW-INCOME HOUSING PROJECT AND FOUR PROPERTIES OWNED AND OPERATED BY REACH COMMUNITY DEVELOPMENT, AND ONE LOW-INCOME HOUSING PROJECT OWNED AND OPERATED BY RESIDENT RESOURCES.

WHEREAS, Tigard Municipal Code (TMC) section 3.50 provides procedures for application and consideration of non-profit corporation low-income housing project exemptions from property taxes; and

WHEREAS, the TMC requires applications for exemption be filed with the city by March 1; and

WHEREAS, Community Partners for Affordable Housing is a qualified non-profit organization that filed a request by March 1, 2026, for exemption from property taxes for four, low-income housing projects and two vacant properties designated for future low-income housing, and meets all the applicable criteria for exemption in TMC 3.50; and

WHEREAS, Northwest Housing Alternatives is a qualified non-profit organization that filed a request by March 1, 2026, for exemption from property taxes for one low-income housing project, and meets all the applicable criteria for exemption in TMC 3.50; and

WHEREAS, REACH Community Development is a qualified non-profit organization that filed a request by March 1, 2026, for exemption from property taxes for one low-income housing project and four vacant properties designated for future low-income housing, and meets all the applicable criteria for exemption in TMC 3.50; and

WHEREAS, Resident Resources is a qualified non-profit organization that filed a request by March 1, 2026, for exemption from property taxes for one low-income housing project, and meets all the applicable criteria for exemption in TMC 3.50; and

WHEREAS, upon review of the applications, granting the exemptions would be consistent with the applicable Tigard Municipal Code 3.50 and with the adopted city housing policies.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The applicants - Community Partners for Affordable Housing, Northwest Housing Alternatives, Reach Community Development, and Resident Resources qualified for the exemption set forth in Tigard Municipal Code Section 3.50.

SECTION 2: The Finance Director is directed to certify to the Assessor of Washington County, OR that the 13 properties to receive exemption are:

a. 11157 SW Hall Blvd., Tigard
b. 11895 SW 91st Ave., Tigard
c. 12291 SW Knoll Dr., Tigard
d. 11090 SW 68th Pkwy., Tigard
e. 7595 SW Torchwood St., Tigard
f. 11655 SW Pacific Hwy., Parcel 2, Tigard
g. 8815 SW O'Mara St., Tigard
h. 6835 SW Clinton St., Tigard
i. 6860 SW Clinton St., Tigard
j. 11900 SW 69th Ave., Tigard
k. 11950 SW 69th Ave., Tigard
l. 11955 SW 68th Ave., Tigard
m. 7705 SW Pfaffle St., Tigard

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2026.

_____

Mayor - City of Tigard

ATTEST:

_____

City Recorder - City of Tigard

Property		Assessor's Account	Wash County Property Address	Owner Listed with Wash County	Applicant	2024 Taxable Assessed Value	2025/26 Land Value	2025/26 Structure Value	2025/26 Real Market Value (RMV)	Assessed vs. RMV for Commercial Property	Assessed vs. RMV for Residential Property	Assessed vs. RMV for Apartment Property	2025 Taxable Assessed Value*	City of Tigard Tax Rate	City of Tigard Local Option Rate	Total Property Tax Impact (All Jurisdictions)
										0.617	0.538	0.356		$2.5131/$1,000	$0.2900/$1,000	$18.6930/$1,000
11157 SW Hall Blvd	Village at Washington Square	R2077395	11163 SW Hall Blvd	Village at Washington Square LP	CPAH	$ 1,478,030	$ 793,000	$ 3,620,060	$ 4,413,060	$ -	$ -	$ 1,571,049	$ 1,571,049	$ 3,948	$ 456	$ 29,368
11895 SW 91st Avenue	Greenburg Oaks	R276472	11905 SW 91st Ave	Villa La Paz LP	CPAH	$ 5,294,192	$ 2,184,000	$ 13,218,840	$ 15,402,840	$ -	$ -	$ 5,483,411	$ 5,483,411	$ 13,780	$ 1,590	$ 102,501
12291 SW Knoll Drive	Knoll at Tigard	R458454	12291 SW Knoll Drive	Knoll at Tigard Apartments LP	CPAH	$ 3,360,036	$ 1,320,000	$ 8,713,540	$ 10,033,540	$ -	$ -	$ 3,571,940	$ 3,571,940	$ 8,977	$ 1,036	$ 66,770
11090 SW 68th Pkwy	Red Rock Creek Commons	R2093437	11090 SW 68th Pkwy	Red Rock Creek Commons LP	CPAH	$ 3,331,270	$ 1,320,000	$ 8,593,750	$ 9,913,750	$ -	$ -	$ 3,529,295	$ 3,529,295	$ 8,869	$ 1,023	$ 65,973
Legal Desc: 2021-021 PARTI	vacant property - future Woodland Hearth	R2221050	7595 SW Torchwood St	Community Partners for Affordable Housing	CPAH	$ 471,744	$ 1,638,000	$ -	$ 1,638,000	$ -	$ -	$ 583,128	$ 583,128	$ 1,465	$ 169	$ 10,900
Legal Desc: 2021-021 PARTI	vacant property - future Torchwood South	R2221051	no situs	Community Partners for Affordable Housing	CPAH	$ -	$ 1,421,380	$ -	$ 1,421,380	$ -	$ -	$ 506,011	$ 506,011	$ 1,272	$ 147	$ 9,459
8815 SW O'Mara Street	Alongside Senior Housing	R2214598	8815 SW O'Mara St	City of Tigard	NHA	$ 1,833,324	$ 1,843,180	$ 12,756,720	$ 14,599,900	$ -	$ -	$ 5,197,564	$ 5,197,564	$ 13,062	$ 1,507	$ 97,158
6835 SW Clinton Street	Dartmouth Crossing North Phase 1	R286112	6835 SW Clinton St	Dartmouth North Limited Partnership	REACH	$ 266,319	$ 2,210,000	$ 10,016,770	$ 12,226,770		$ -	$ 4,352,730	$ 4,352,730	$ 10,939	$ 1,262	$ 81,366
6860 SW Clinton Street	vacant property - future Dartmouth Crossing So	R286443	6860 SW Clinton St	Reach Community Development Inc	REACH	$ 161,695	$ 561,440	$ -	$ 561,440	$ -	$ -	$ 199,873	$ 199,873	$ 502	$ 58	$ 3,736
11900 SW 69th Avenue	vacant property - future Dartmouth Crossing So	R286452	11900 SW 69th Ave	Reach Community Development Inc	REACH	$ 107,856	$ 374,500	$ -	$ 374,500	$ -	$ -	$ 133,322	$ 133,322	$ 335	$ 39	$ 2,492
11950 SW 69th Avenue	vacant property - future Dartmouth Crossing So	R286461	11950 SW 69th Ave	Reach Community Development Inc	REACH	$ 122,026	$ 423,700	$ -	$ 423,700	$ -	$ -	$ 150,837	$ 150,837	$ 379	$ 44	$ 2,820
11955 SW 68th Avenue	vacant property - future Dartmouth Crossing So	R286498	12005 SW 68th Ave	Reach Community Development Inc	REACH	$ 160,980	$ 580,960	$ -	$ 580,960	$ -	$ -	$ 206,822	$ 206,822	$ 520	$ 60	$ 3,866
7705 SW Pfaffle Street	Hawthorne Villa	R282429	7709 SW Pfaffle St	Hawthorne Villa Apartments	Resident Resources	$ 5,233,576	$ 2,950,000	$ 11,526,070	$ 14,476,070	$ -	$ -	$ 5,153,481	$ 5,153,481	$ 12,951	$ 1,495	$ 96,334
													Total Impact	**$ 77,000**	**$ 8,885**	**$ 572,743**

Average Maximum Assessed Value (MAV) ÷ Average Real Market Value (RMV) = Taxable Assessed Value

•City of Tigard tax rate includes City of Tigard Permanent Rate (2.5131) + Local Option After 10/06/01 (0.2900)

•Total tax rate reported in Washington County Department of Assessment & Taxation Summary of Assessment and Tax Roll 2025-2026, Tax Code 023.66, and includes school (operating), general government (operating), and excluded from limitation.

Washington County - Historic Changed Property Ratio (CPR)

Property Class	2024/25	2025/26
1 - Residential	0.539	0.538
2 - Commercial/Local Indust	0.603	0.617
7 - Apartment	0.333	0.356

City of Tigard

MEMORANDUM

13125 SW Hall Boulevard, Tigard, Oregon 97223 • www.tigard-or.gov

To: Eric Kang, Finance Director

From: Trinity Miller, Housing Planner

Re: Community Partners for Affordable Housing (CPAH) 2026 Applications for Tax Exemption

Date: March 3, 2026

Community Partners for Affordable Housing (CPAH) has submitted six separate applications for low-income housing tax exemptions for each of the six properties it owns inside the city. The four developed properties include the 26-unit Village at Washington Square, the 84-unit Greenburg Oaks, the 48-unit Knoll at Tigard senior housing project, and the 48-unit Red Rock Creek Commons.

CPAH is also applying for a tax exemption for two lots of land owned and held for the purpose of developing affordable housing. The first property held for the purpose of developing affordable housing is located at 7595 SW Torchwood St (tax lot ID 1S136CA11700) and under construction as the 63-unit Woodland Hearth. The second land held for the purpose of developing affordable housing is located at 11655 SW Pacific Highway, Parcel 2, (tax lot ID 1S136CA11800) and under development as the 48-unit Torchwood South project.

Addresses:

11157 SW Hall Blvd.

11895 SW 91st Ave.

12291 SW Knoll Dr.

11090 SW 68th Pkwy.

7595 SW Torchwood St. (vacant)

11655 SW Pacific Hwy, Parcel 2 (vacant)

Tax Lots:

1S135DA04600, 1S135DC02000, 2S101BC01000, 1S136DA02500, 1S136CA11700, 1S136CA11800

City of Tigard
MEMORANDUM

Real Property Account #s:

R2077395, R276472, R458454, R2093437, R2221050, R2221051

Tigard Municipal Code (TMC) 3.50.020, Nonprofit Corporation Low Income Housing, provides criteria for considering exemption requests. A review of these criteria follows.

1. The property is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code.

CPAH submitted with their applications a copy of an Internal Revenue Service letter, dated March 11, 1999, verifying that CPAH qualifies as a 501(c)(3) organization. This criterion is met.

2. Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon.

CPAH has submitted Articles of Incorporation demonstrating that upon dissolution, the organization's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal, state, or local government for a public purpose. This criterion is met.

3. The property is:

a. Occupied by low income persons; or

b. Held for the purpose of future development as low-income housing.

CPAH has provided documents, including signed and recorded affordability covenants, demonstrating that in the case of all four of its developed projects, tenant income is verified upon application and is re-certified on an annual basis. Residents may remain in their units as long as they demonstrate qualifying income at entry. Continued eligibility is determined with household income at or below 60% of the area median income (AMI). Within each of its applications, CPAH certifies that all residents served by the four developed properties earn at or below the 60% of AMI. All developed properties will be occupied by qualifying of low income persons.

The Woodland Hearth property 7595 SW Torchwood St. was acquired by CPAH on December 10, 2024. It is under construction and held for the purpose of future development as low-income housing. The Torchwood South property at 11655 SW Pacific Highway, parcel 2 was acquired by CPAH on October 3, 2025. It is under development and held for the purpose of future development as low-income housing. This criterion is met.

4. The property or portion of the property receiving the exemption, is actually and exclusively used for the purposes described in section 501(c) (3) or (4) of the Internal Revenue Code.

CPAH is applying for full exemption at all six properties. CPAH has submitted signed documents stating the property is fully dedicated to nonprofit activities. This criterion is met.

5. The exemption has been approved as provided in Section 3.50.050.

This criterion relates to the required city process for handling exemption requests. Section 3.50.050 states the city will determine eligibility for exemption (as is detailed in this report) and send notice of the determination to the County Assessor. This criterion will be met upon approval by City Council.

Conclusion:

CPAH-owned properties have qualified for tax exemptions every year since 1996. According to the applications submitted, no changes in circumstances have occurred that would disqualify the non-profit housing provider from continuing to receive the exemption.

The city's Affordable Housing Plan adopted in June 2019 includes tax exemption as one of the city's strategies for facilitating affordable housing in the community.

Therefore, the granting of exemptions to CPAH is consistent with the applicable TMC standards and with adopted city housing policies.

VLG

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Village at Washington Square

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R2077395

3. The number of units and the exempted amount of each property being applied for under this chapter

26 units; 100% of the property

4. A description of the property for which the exemption is requested

Village at Washington Square is a 26-unit multifamily property at 11157 SW Hall Blvd in Tigard, OR serving low-income families, with resident services and youth services provided on site.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property is used for the charitable purposes of housing low-income occupants.

6. A certification of income levels of low-income occupants

All occupants are certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases property operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low-income housing development

The property is not being held for future development.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

N/A

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low-income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. That the applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

SUBSCRIBED and SWORN to before me this 17 day of February, 2026.

Nicole Swanson

Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)

OFFICIAL STAMP
NICOLE SWANSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 1052445
MY COMMISSION EXPIRES OCTOBER 06, 2028

My Commission Expires 10/6/2028

GBO

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Greenburg Oaks

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R-276472

3. The number of units and the exempted amount of each property being applied for under this chapter

84 units; 100% of the property

4. A description of the property for which the exemption is requested

Greenburg Oaks is an 84-unit multifamily property at 11895 SW 91st Ave in Tigard, OR serving low-income families, individuals and seniors. The property sits on a 3-acre site with a playground, community building, community garden and patio, and basketball court for resident use.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property is used for the charitable purposes of housing low-income occupants and providing social services on site.

6. A certification of income levels of low income occupants

All occupants are certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases property operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low-income housing development

The property is not being held for future development.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

N/A

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. The applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

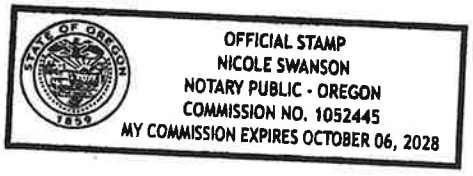
SUBSCRIBED and SWORN to before me this 17 day of February, 2026.

Nicole Swanson

Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)



My Commission Expires 10/6/2028

KNL

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Knoll at Tigard

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R-458454, R458436, R458445

3. The number of units and the exempted amount of each property being applied for under this chapter

48 units; 100% of the property

4. A description of the property for which the exemption is requested

Knoll at Tigard is a 48-unit multifamily property at 12291 SW Knoll Drive in Tigard, OR serving low-income seniors and veterans.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property is used for the charitable purposes of housing low-income occupants and providing social services on site.

6. A certification of income levels of low income occupants

All occupants are certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases property operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low income housing development

The property is not being held for future development.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

N/A

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low-income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. The applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

SUBSCRIBED and SWORN to before me this 17 day of February, 2026.

Nicole Swanson

Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)

OFFICIAL STAMP
NICOLE SWANSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 1052445
MY COMMISSION EXPIRES OCTOBER 06, 2028

My Commission Expires 10/6/2028

RRC

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Red Rock Creek Commons

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R2093437

3. The number of units and the exempted amount of each property being applied for under this chapter

48 units; 100% of the property

4. A description of the property for which the exemption is requested

Red Rock Creek Commons is a 48-unit multifamily property at 11090 SW 68th Pkwy. in Tigard, OR serving low-income people with resident services available on site.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property is used for the charitable purposes of housing low-income occupants and providing social services on site.

6. A certification of income levels of low income occupants

All occupants are certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases property operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low income housing development

The property is not being held for future development.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

N/A

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. The applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

SUBSCRIBED and SWORN to before me this 17 day of February, 2026.

Nicole Swanson

Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)

OFFICIAL STAMP
NICOLE SWANSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 1052445
MY COMMISSION EXPIRES OCTOBER 06, 2028

My Commission Expires 10/6/2028

WDH

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Woodland Hearth

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R-2221050

3. The number of units and the exempted amount of each property being applied for under this chapter

0 units; 100% of the property

4. A description of the property for which the exemption is requested

The site, located at approximately 11655 SW Pacific Hwy, is vacant and under construction. Woodland Hearth is under development as a 63-unit multifamily property that will serve low-income families. The property will sit on a 3-acre site with a playground, community building, and patio for resident use.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property will be used for the charitable purposes of housing low-income occupants and providing social services on site.

6. A certification of income levels of low income occupants

All occupants will be certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases development costs and operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low-income housing development

The property is being held for future development. Tentative estimated construction completion is September 2026.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

n/a

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. The applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

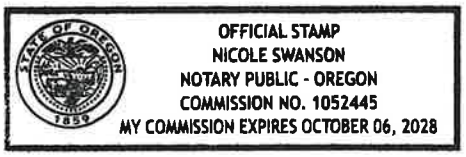
4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

SUBSCRIBED and SWORN to before me this 17 day of February, 2026.



Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)

My Commission Expires 10/6/2028

City of Tigard

Property Tax Exemption Application

2026-2027

Property Name: Torchwood South

1. The applicant's name, address, and telephone number

Community Partners for Affordable Housing

6380 SW Capitol Hwy, Portland OR 97239

503-293-4038 x 730

2. The assessor's account number for each site

R-2221051

3. The number of units and the exempted amount of each property being applied for under this chapter

0 units; 100% of the property

4. A description of the property for which the exemption is requested

The site, located at approximately 11655 SW Pacific Hwy, Parcel 2 is vacant. The site (which CPAH refers to as Torchwood South, for now) is under development as a 48-unit property that will serve low-income individuals, particularly seniors and individuals living with disabilities. The property will feature amenities such as a community room with kitchen, on-site laundry, on-site residential services and property management, and community-informed outdoor space.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose

100% of the property will be used for the charitable purposes of housing low-income occupants and providing social services on site.

6. A certification of income levels of low income occupants

All occupants will be certified to have an income of below 60% AMI on move in and annually thereafter.

7. A description of how the tax exemption will benefit project residents

The tax exemption decreases development costs and operating costs significantly, allowing CPAH to rent units at lower rates and provide social services on site to residents.

8. A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. Section 501(c)(3) or (4)

CPAH was granted 501(c)(3) status in February 1995 and is exempt from income taxes.

9. A description of the development of the property if the property is being held for future low-income housing development

The property is being held for future development of low-income housing.

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

n/a

Declarations

1. The applicant is aware of all requirements for property tax exemption imposed by this chapter;

2. The applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low income persons, will qualify for exemption at the time of application approval or within 30 days of the March 1 application deadline;

3. The applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and

4. The applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

By: Rachael Duke

Rachael Duke, Executive Director

For Community Partners for Affordable Housing

SUBSCRIBED and SWORN to before me this 19 day of February, 2026.

Nicole Swanson

Notary Public for Oregon (signature)

Nicole Swanson

Notary Public for Oregon (Print or Type Name)

OFFICIAL STAMP
NICOLE SWANSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 1052445
MY COMMISSION EXPIRES OCTOBER 06, 2028

My Commission Expires 10/6/2028

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:
MAR 11 1998

COMMUNITY PARTNERS FOR AFFORDABLE
HOUSING
PO BOX 23206
TIGARD, OR 97281-3206

Employer Identification Number:
93-1155559
DLN:
17053030720009
Contact Person:
THOMAS E O'BRIEN ID# 31187
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
February 1995
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

C. Ashley Bullard

District Director

Letter 1050 (DO/CG)

NONPROFIT
ARTICLES OF INCORPORATION
OF
COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

ARTICLE I

The name of the corporation is Community Partners for Affordable Housing and it shall not have members.

ARTICLE II

The corporation is a public benefit corporation. The corporation is organized exclusively for religious, charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Among the charitable and educational purposes for which the corporation is organized are:

a. **to develop, stimulate and facilitate the provision, ownership and management of housing for low and moderate income individuals and families in Washington County.**
b. **to assist and facilitate the purchase and rental of real property by low and moderate income persons.**
c. **to eliminate discrimination in the acquisition, disposition and rental of real estate by undertaking educational and other activities which will assist in the implementation of Federal, State and local Fair Housing Laws.**
d. **to undertake housing, community development and community self-help projects which serve the needs of low and moderate income persons in Washington County.**
e. **to administer housing as a community service regardless of race, color, religion, sex, disability, marital or familial status, sexual orientation, age or national origin.**

The corporation may engage in other lawful activities for which corporations may be organized pursuant to the Oregon Non-Profit Corporation Law; provided, however, that none of such activities be for profit and that no substantial portion of the corporation's activities shall be in furtherance of any purpose other than one of the exempt charitable purposes for which the corporation is organized. No substantial part of the activities of the corporation shall be 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. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation,

contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE III

The name of the registered agent is Margaret Ann Jozsa and the address of the registered agent is 14980 S.W. 103, Tigard, Oregon 97224.

ARTICLE IV

The directors will be elected or appointed after incorporation as follows: At each annual meeting of directors, the directors then in office will elect directors for the succeeding year. Vacancies on the board of directors, whether created by resignation or by increase in the size of the board, will be filled by affirmative vote of the remaining director or directors, though less than a quorum.

ARTICLE V

The mailing address where the Division may send notices is as follows: Community Partners for Affordable Housing
c/o Neighborshare
12750 S.W. Pacific Highway Suite 123
Tigard, Oregon 97223

ARTICLE VI

Upon dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Upon dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all liabilities of the corporation, dispose of all the assets of the corporation by transferring them to such other organization or organizations then qualifying as exempt organizations under Section 510(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code, as the board of directors shall determine. Any assets not so disposed of shall be disposed of by the court which has general jurisdiction for the county in which the principal office of the corporation is located, exclusively for such purposes or to such organization or organizations operated exclusively for such purposes, as said court shall determine.

ARTICLE VII

Provisions for regulation of internal affairs of the corporation:

(a) The corporation shall be a non-membership organization and shall be managed by its board of directors.

(b) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers or any other private persons, except that the corporation shall be authorized and empowered to make reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article 2 hereof.

(c) The directors and officers of the corporation shall be entitled to indemnification from the corporation to the full extent allowed by the Oregon Non-Profit Corporation Law.

(d) The personal liability of the directors and uncompensated officers of the corporation to the corporation for monetary damages for conduct as director or officer is hereby eliminated to the fullest extent allowed by law.

The undersigned President of Community Partners for Affordable Housing certifies that the board of directors of the corporation has approved and adopted the foregoing articles pursuant to the resolution adopted at a meeting on October 7, 1993.

Date: October 7, 1993

Mary Swintek
President

Submit the original and one true copy
$20.00

Registry Number:
365301-84

SECRETARY OF STATE
Corporation Division
Business Registry
158 12th Street NE
Salem, OR 97310-0210
(503) 378-4166

THIS SPACE FOR OFFICE USE ONLY

FILED
SEP 25 1993
SECRETARY OF STATE

ARTICLES OF INCORPORATION
Nonprofit Corporation

[redacted]

ARTICLE 1: Name of the corporation: Community Partners for Affordable Housing

ARTICLE 2: Type of corporation (check one only):

- [X] Public benefit
- [ ] Mutual benefit
- [ ] Religious

ARTICLE 3: Name of the initial registered agent: Margaret Ann Jozsa

Residence or office address of registered agent (must be a street address in Oregon):

14980 S.W. 103	Tigard	Oregon	97224
Street and number	City		Zip code

ARTICLE 4: Principal office address:
c/o Neighborcare

12750 S.W. Pacific Highway Suite 123	Tigard, OR		97223
Street and number	City	State	Zip code

ARTICLE 5: Indicate if corporation will have members:

- [ ] Yes
- [X] No

ARTICLE 6: Distribution of assets on dissolution or final liquidation: Upon dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3), or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

09209301903 831.219 20.00

QB
9-25-93

NP-1 (7/91)

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

Page 2

Name of corporation: Community Partners for Affordable Housing

ARTICLE 7: Name and address of each director is optional.
(If the corporation is a public benefit, you must list three or more directors and their addresses below.)

Mary Swintek - 9915 S.W. Freving St. #23 Tigard, OR 97223

Loren Kerkoff - 9905 S.W. McKenzie Tigard, OR 97223

Margaret Ann Jozsa - 14980 S.W. 103 Tigard, OR 97224

ARTICLE 8: [x] Each director named has consented to this appointment.

ARTICLE 9: Optional provisions:

None.

ARTICLE 10: Name and address of the incorporator:

Margaret Ann Jozsa (Name) 14980 S.W. 103 Tigard, OR 97224 (Address)

Execution:  (Signature) Margaret Ann Jozsa (Printed name) **Incorporator** (Title)

Person to contact about this filing: Margaret Ann Jozsa (Name) 288-5995 (Daytime phone number)

Make checks payable to the Corporation Division. Submit the completed form and fee to: Corporation Division, Business Registry, 158 12th Street NE, Salem, Oregon 97310-0210.

NP-1 (7/91)

1100 [illegible] N.W.

Submit the original and one true copy
$10.00 PD.

Registry Number:
365301-86

SECRETARY OF STATE
Corporation Division
Business Registry
158 12th Street NE
Salem, OR 97310-0210
(503) 378-4166
Facsimile (503) 378-4381

THIS SPACE FOR OFFICE USE ONLY

FILED
DEC 20 1993
SECRETARY OF STATE

ARTICLES OF AMENDMENT
Nonprofit Corporation

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

1. Name of the corporation prior to amendment:
   Community Partners for Affordable Housing
2. On a separate sheet, please state the article number(s) and set forth the article(s) as it is amended to read.
3. The amendment(s) were adopted on 10-1, 19 93. (If more than one amendment was adopted, identify the date of adoption of each amendment.
4. Check the appropriate statement:

   ☒ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

   ☐ Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast for	Number of votes cast against

Execution: [signature] Margaret Ann Jozsa Pres. Elect
Signature Printed name Title

Person to contact about this filing: Margaret Ann Jozsa 288-5995
Name Daytime phone number

MAKE CHECKS PAYABLE TO THE CORPORATION DIVISION. SUBMIT THE COMPLETED FORM AND FEE TO CORPORATION DIVISION, 158 12TH ST NE, SALEM, OR 97310-0210. OR FAX TO (503) 378-4381. PLEASE INCLUDE YOUR *VISA OR MASTERCARD* NUMBER AND EXPIRATION DATE. ____-____-____-____ ____/____

122 (7/93)

12/20

365301-86

2. ppp.

ARTICLE 4: c/o Neighborshare
12750 S.W. Pacific Highway Suite 123
Tigard, OR 97223

ARTICLE 7: Loren Kerkof

Submit the original and one true copy
$10.00

Registry Number:
365301-80

Corporation Division - Business Registry
Public Service Building
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327
(503) 986-2200 Facsimile (503) 378-4381

THIS SPACE FOR OFFICE USE ONLY

FILED
JAN 24 1995
Secretary of State

ARTICLES OF AMENDMENT
Nonprofit Corporation

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

1. Name of the corporation prior to amendment:

   Community Partners for Affordable Housing

2. On a separate sheet, please state the article number(s) and set forth the article(s) as it is amended to read.

3. The amendment(s) was adopted on 12-18, 19 94. (If more than one amendment was adopted, identify the date of adoption of each amendment.

4. Check the appropriate statement:

   [X] Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

   [ ] Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast for	Number of votes cast against

Execution: [signature] Margaret Ann Jozsa President
Signature Printed name Title

Person to contact about this filing: Margaret Ann Jozsa 503-288-5995
Name Daytime phone number

MAKE CHECKS PAYABLE TO THE CORPORATION DIVISION OR INCLUDE YOUR *VISA OR MASTERCARD* NUMBER AND EXPIRATION DATE _____. SUBMIT THE COMPLETED FORM AND FEE TO THE ABOVE ADDRESS OR FAX TO (503) 378-4381.

122 (7/93) 01129500206 031.219 10.00

1-24
KS

365301-86

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Amendments to read as follows:

ARTICLE II

The corporation is a public benefit corporation. The corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Among the charitable and educational purposes for which the corporation is organized are:

a. to develop, stimulate and facilitate the provision, ownership and management of housing for low and moderate income individuals and families in the cities of Tigard and Tualatin.

b. to assist and facilitate the purchase and rental of real property by low and moderate income persons.

c. to eliminate discrimination in the acquisition, disposition and rental of real estate by undertaking educational and other activities which will assist in the implementation of Federal, State and local Fair Housing Laws.

d. to undertake housing, community development and community self-help projects which serve the needs of low and moderate income persons in the cities of Tigard and Tualatin.

e. to administer housing as a community service regardless of race, color, religion, sex, disability, marital or familial status, sexual orientation, age or national origin.

The corporation may engage in other lawful activities for which corporations may be organized pursuant to the Oregon Non-Profit Corporation Law; provided, however, that none of such activities be for profit and that no substantial portion of the corporation's activities shall be in furtherance of any purpose other than one of the exempt charitable purposes for which the corporation is organized. No substantial part of the activities of the corporation shall be 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. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

365301-86

Amendments to read as follows:

ARTICLE VI

Upon dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Upon dissolution of the corporation, the board of directors shall, after paying or making provision for the payment of all liabilities of the corporation, dispose of all the assets of the corporation by transferring them to such other organization or organizations then qualifying as exempt organizations under Section 510(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code, as the board of directors shall determine. Any assets not so disposed of shall be disposed of by the court which has general jurisdiction for the county in which the principal office of the corporation is located, exclusively for such purposes or to such organization or organizations operated exclusively for such purposes, as said court shall determine.

ARTICLE IX

Provisions for regulation of internal affairs of the corporation:

(a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers or any other private persons, except that the corporation shall be authorized and empowered to make reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article 2 hereof.

(b) The directors and officers of the corporation shall be entitled to indemnification from the corporation to the full extent allowed by the Oregon Non-Profit Corporation Law.

(c) The personal liability of the directors and uncompensated officers of the corporation to the corporation for monetary damages for conduct as director or officer is hereby eliminated to the fullest extent allowed by law.

Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Articles of Amendment—Business/Professional/Nonprofit

Check the appropriate box below:

☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1, 2, 3, 4, 6, 7)

☒ NONPROFIT CORPORATION
(Complete only 1, 2, 3, 5, 6, 7)

For office use only

FILED
JAN 24 2003
OREGON
SECRETARY OF STATE

Registry Number: 365301-96

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

1) NAME OF CORPORATION PRIOR TO AMENDMENT: Community Partners for Affordable Housing

2) STATE THE ARTICLE NUMBER(s) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)
Article II a. and d., and Article III (address correction only)

3) THE AMENDMENT WAS ADOPTED ON: September 25, 2001
(If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

☐ Shareholder action was required to adopt the amendment(s). The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

☐ Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.

☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

☒ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

☐ Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Printed Name: Sheila Greenlaw-Fink

Signature: Sheila Greenlaw-Fink

Title: Executive Director

7) CONTACT NAME: Sheila Greenlaw-Fink

DAYTIME PHONE NUMBER — INCLUDING AREA CODE: 503-968-2724

FEES

Make check for $20 payable to "Corporation Division."

Processing fees are nonrefundable

NOTE: Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

CR113 (Rev. 06/01)

1-16-3 484 20 1-24

COMMUNITY PARTNERS
FOR AFFORDABLE HOUSING, INC
PO Box 23206 • Tigard OR 97281-3206 • Tel:503.968.2724 • Fax:503.598.8923 • www.cpahinc.org • info@cpahinc.org

365301-86

Amendment to Articles of Incorporation to read as follows, the changes are italicized:

ARTICLE II

a. to develop, stimulate and facilitate the provision, ownership and management of housing for low and moderate income individuals and families in the Tigard-Tualatin area *and contiguous portions of southwest Portland.*

d. to undertake housing, community development and community self-help projects which serve the needs of low and moderate income persons in the Tigard-Tualatin area *and contiguous portions of southwest Portland.*

Article III

The name of the registered agent is Sheila Greenlaw-Fink and the address of the registered agent is *13137 S.W. Pacific Highway, Tigard, Oregon, 97223.*

Articles of Amendment - Nonprofit

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - http://www.FilingInOregon.com - Phone: (503) 986-2200

REGISTRY NUMBER: _____

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record.
We must release this information to all parties upon request and it will be posted on our website. For office use only

Please Type or Print Legibly in Black Ink.

1) **ENTITY NAME:** Community Partners for Affordable Housing, Inc.

2) **STATE THE ARTICLE NUMBER(S):** and set forth the article(s) as it is amended to read. (Attach a separate sheet if necessary.)

Article 2: a) to develop, stimulate and facilitate the provision, ownership and management of housing for low and moderate income individuals and families in Eastern Washington County and Southwest Portland.

Article 2: d) to undertake housing, community development and community self-help projects which serve the needs of low and moderate income persons in Eastern Washington County and Southwest Portland.

Article 3: The name of the registered agent is Sheila Greenlaw-Fink and the address of the registered agent is 6380 SW Capitol Highway, #151, Portland, OR 97239.

3) **THE AMENDMENT WAS ADOPTED ON:** November 29, 2011

(If more than one amendment was adopted, identify the date of adoption of each amendment.)

4) **CHECK THE APPROPRIATE STATEMENT:**

☒ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

☐ Membership approval was required.

The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

5) **EXECUTION:** (Must be signed by at least one officer or director.)
By my signature, I declare as an authorized authority, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:	Printed Name:	Title:
SHGreenlawFink	Sheila Greenlaw-Fink	Executive Director

CONTACT NAME: (To resolve questions with this filing.)
Sheila Greenlaw-Fink

PHONE NUMBER: (Include area code.)
503-293-4038

FEES

Required Processing Fee $50
Confirmation Copy (Optional) $5
$55.00

No Fee for Nonprofit Type Change. No Fee for President/Secretary Change.

Processing Fees are nonrefundable. Please make check payable to "Corporation Division."

After recording, return to:

Washington County Department of Housing Services
111 N.E. Lincoln Street, #200-L, Hillsboro, OR 97124
Attention: CDBG Property Acquisition Coordinator (Mail Stop 63)

40
6
11

STATE OF OREGON } SS
County of Washington

I, Jerry R. Hanson, Director of Assessment and Taxation, and Ex-Officio County Clerk for said county, do hereby certify that the within instrument of writing was received and recorded in book of records of said county.

Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk

Doc : 2000096062
Rect: 267828 57.00
11/30/2000 02:22:00pm

Recorded By TICOR TITLE

W 75146

DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this "Declaration"), dated as of November 29, 2000, by Community Partners for Affordable Housing, and its successors and assigns (the "Owner") is given as a condition precedent to the award of Community Development Block Grant ("CDBG") Program funds by Washington County, a political subdivision of the State of Oregon, together with any successor to its rights, duties, and obligations (the "County").

WHEREAS, the County is an urban county applicant for Block Grant funds under the Housing and Community Development Act of 1974 (the Act), 42 USC 301 et seq. as amended, and the National Affordable Housing Act of 1990, and will receive Block Grant funds for the purpose of carrying out eligible community development and housing activities under the Act and under regulations promulgated by the Department of Housing and Urban Development (HUD) at 24 CFR Part 570;

WHEREAS, the Owner is or shall be the owner of land in the County of Washington, State of Oregon, more particularly described in Exhibit "A" hereto, on which up to twenty-six (26) multifamily units will be constructed for rental by low- and moderate-income households, said development to be known as the Village at Washington Square Project (the "Project"); and

WHEREAS, the Owner applied to the County and entered into an agreement dated November 22, 2000, for an award to the Project in an amount not to exceed thirty-nine thousand six hundred seventy-five dollars ($39,675) ("Project Agreement"); and

WHEREAS, the County requires as a condition precedent to the awarding of CDBG Land Acquisition funds that the Owner execute, deliver and record this Declaration in the official land deed records of the County in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of 24 CFR 570.208 and the

County's Occupancy Restrictions found in Section 4 hereof by regulation and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Owner, under this declaration, intends, declares, and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein and binding upon all subsequent owners of the Project land for such term, and are not merely personal covenants of the Owner;

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and County agree as follows:

SECTION 1 - DEFINITIONS

1.1 All the words and phrases used in this Declaration shall have the same meaning as when used in 24 CFR Part 570, unless the context requires otherwise.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

2.1 Upon execution of this Declaration by the Owner and the County, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the County in which the Project is located, and shall pay all fees and charges incurred in connection therewith.

2.2 The Owner intends, declares and covenants, on behalf of itself and all future Owners and operators of the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (1) shall be and are covenants running with the Project land, encumbering the Project for the term of this Declaration, binding upon the Owner's successors in title and all subsequent Owners and operators of the Project; (2) are not merely personal covenants of the Owner; and (3) shall bind the Owner (and the benefits shall inure to the County and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Declaration. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project. For the term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contracts, deed, or

other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

2.3 The Owner covenants to obtain the consent of any prior recorded lienholder on the Project to this Declaration.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER

3.1 The Owner hereby represents, covenants, and warrants as follows:

3.1.1 Community Partners for Affordable Housing (1) is an Oregon corporation duly organized under the laws of the State of Oregon, and is qualified to transact business under the laws of the State of Oregon, and Village at Washington Square Limited Partnership, (2) is an Oregon Limited Partnership duly organized and qualified to transact business under the laws of the State of Oregon, each has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (3) each has the full legal right, power and authority to execute and deliver this Declaration.

3.1.2 The execution and performance of this Declaration by the Owner (1) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (2) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (3) will not result in the creation or imposition of any prohibited encumbrance of any nature.

3.1.3 The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration or other permitted encumbrances).

3.1.4 There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

3.1.5 The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of the Project for any purpose other than owner-occupied housing during the term of this Declaration unless required by law or unless the County has given its prior written consent.

3.2 The Owner represents, warrants, and agrees that if the Project, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will use its best

efforts, subject to the rights of any mortgagee, to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

3.3 The Owner warrants that it has not and will not execute any other declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

SECTION 4 - OCCUPANCY RESTRICTIONS

4.1 The Owner represents, warrants, and covenants throughout the term of this Declaration and in order to satisfy the requirements of 24 CFR 570.208 that the Project shall be occupied on a continuous basis by households whose incomes are eighty percent (80%) or less of the area median income adjusted for family size, as published annually by HUD.

SECTION 5 - TERM OF DECLARATION

5.1 This Declaration, and the Occupancy Restrictions specified herein, apply to the Project immediately upon recordation, and the Owner shall comply with all restrictive covenants herein not later than June 30, 2001.

5.2 This declaration shall terminate on June 30, 2031.

5.3 This Declaration and the terms of affordability shall remain in effect for not less than the period described in section 5.2 without regard to the term of any mortgage, other encumbrance or other underlying security and without regard to any transfer of ownership, pursuant to the restrictive covenants running with the land, except that the affordability restrictions shall be terminated upon foreclosure by a lender who has been approved by the County or upon other transfer of title to the approved lender in lieu of foreclosure. However, if at any time following such a transfer by foreclosure or transfer in lieu of foreclosure, but still during the term of the affordability period, the owner of record prior to the foreclosure or transfer in lieu of foreclosure, or any newly formed entity that included the former owner or those with whom the former owner has or had family or business ties, obtains ownership interest in the Project or the Project property, the affordability period shall be revived according to its original term.

SECTION 6 - VERIFICATION OF OCCUPANCY RESTRICTIONS

6.1 The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County, to inspect any books and records of the Owner regarding the Project with respect to the incomes of low- and moderate-income households which pertain to compliance with the County's Occupancy Restrictions specified in this Declaration.

6.2 The Owner shall submit any other information, documents, or certifications reasonably requested by the County which the County shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the County's Occupancy Restrictions specified in this Declaration.

SECTION 7 - ENFORCEMENT OF 24 CFR 570 OCCUPANCY REQUIREMENTS

7.1 The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of 24 CFR 570 and applicable regulations of this Declaration. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of the County) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by HUD from time to time pertaining to Owner's obligations under 24 CFR 570 and affecting the Project.

7.2 The Owner acknowledges that the primary purpose for requiring compliance by the Owner with restrictions provided in this declaration is to assure compliance of the Project and the Owner with 24 CFR 570 and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE COUNTY SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

7.3 The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the County and all persons interested in Project compliance under 24 CFR 570 and the applicable regulations.

7.4 The Owner agrees to take any and all actions reasonably required by the County to substantiate the Owner's compliance with occupancy restrictions of 24 CFR 570.

7.5 This declaration and the Project Agreement of which it is a part may be enforced by the County or its designee in the event the Owner fails to satisfy any of the requirements herein.

7.6 If any suit or action is instituted to enforce the provisions of this Declaration, or seek damages, the prevailing party shall receive from the losing party in such suit or action such additional sum as the court may adjudge as reasonable attorney's fees, expenses and costs in such suit or action, and any appeal, including but not limited by, those fees and expenses incurred at trial, on appeal, on petition for review, arbitration, mediation and in a bankruptcy proceeding.

SECTION 8 - MISCELLANEOUS

8.1 Severability. The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.

8.2 Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the County:

Washington County Department of Housing Services
ATTN: CDBG Land Acquisition Coordinator
111 NE Lincoln, #200-L
Hillsboro, OR 97124

To the Owner:

Community Partners for Affordable Housing
P.O. Box 23206
Tigard, OR 97281-2306

8.3 The County and Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

8.4 Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this declaration as may be necessary to comply with 24 CFR 570, any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the CDBG assistance. The County, together with Owner, may execute and record any amendment or modification to this declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

8.5 Governing Law. This Declaration shall be governed by the laws of the State of Oregon and, where applicable, the laws of the United States of America.

IN WITNESS THEREOF, the Owner has caused this declaration to be signed by its duly authorized representatives, as of the day and year first written above.

Community Partners for Affordable Housing,
an Oregon Nonprofit Corporation

By: ~Sheila Greenlaw-Fink
Sheila Greenlaw-Fink, Executive Director

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me this 21 day of November, 2000, by Sheila Greenlaw-Fink, as Executive Director of Community Partners for Affordable Housing, an Oregon nonprofit corporation.

Deana L. Freauff
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9/26/2003

OFFICIAL SEAL
DEANA L. FREAUFF
NOTARY PUBLIC-OREGON
COMMISSION NO. 326242
MY COMMISSION EXPIRES SEPT. 26, 2003

EXHIBIT A - LAND

Description:

Parcel(s) 1, Partition Plat 1998-038, in the City of Tigard, County of Washington, State of Oregon

Parcel(s) 2, together with an easement for ingress and egress over Parcel 1 as set forth on the plat, Partition Plat 1998-038, County of Washington, State of Oregon

Washington County, Oregon
12/27/2011 02:50:19 PM 2011-091988
D-IPPS Cnt=1 Stn=10 A DUYCK
$65.00 $5.00 $11.00 $15.00 - Total = $96.00

01661572201100919880130130

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk

After Recording Return to:
Housing and Community Services
Attn: Multifamily Housing Section,
Jodi Enos
725 Summer Street, Suite B
Salem, OR 97301-1266

FATCO. NO. NCS 421430 B

HOUSING AND COMMUNITY SERVICES DEPARTMENT
STATE OF OREGON

9% LOW-INCOME HOUSING TAX CREDIT
DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS, (this "Declaration"), dated as of 12/22/11, by The Knoll at Tigard Apartments Limited Partnership, an Oregon limited partnership, and its successors and assigns (the "Owner") is given as a condition precedent to the allocation of low-income housing tax credits by the State of Oregon, acting by and through its Housing and Community Services Department, together with any successor to its rights, duties, and obligations, (the "Department").

RECITALS:

A. Owner is or will be the owner of a one (1) building, forty-seven (47) unit, plus one (1) non income-qualified manager's unit, rental housing development located on land in the City of Tigard, County of Washington, State of Oregon, more particularly described in **Exhibit A** hereto, known as or to be known as The Knoll at Tigard (the "Project").

B. Department has been designated by the Governor of the State of Oregon as the housing credit agency for the State of Oregon for the allocation of 2009 low-income housing tax credit dollars (the "Credit").

C. Owner has applied to Department and entered into a Reservation and Extended Use Agreement dated December 21, 2009 (the "REUA"), for an allocation of Credit to the Project in an amount not to exceed Eight Hundred Twenty-five Thousand Dollars ($825,000).

D. Department has agreed to issue a Form 8609 to the Owner upon the execution and recording of this Declaration, which Declaration constitutes part of the REUA.

E. Owner has represented to Department in Owner's Credit Application dated October 11, 2011 (the "Application"), *inter alia,* that Owner will lease/rent forty percent (40%) of the units in the Project to individuals or families whose income is sixty percent (60%) or less of the area family adjusted median gross income ("Low-Income Tenants") as determined in accordance with Section 42 of the Internal Revenue Code (the "IRC").

F. Department has determined that the Project will require a Credit allocation in the amount of $825,000 to be financially feasible.

G. Owner has represented to Department that it will maintain Project rent restrictions as described in the REUA and consistent with the IRC.

H. The IRC requires, as a condition precedent to the allocation of the Credit, that Owner execute, deliver and record this Declaration in the official land deed records of the county in which the Project is located in order to create certain restrictive covenants running with the land for the purpose of enforcing the requirements of IRC Section 42.

I. Department requires, as a condition precedent to the allocation of the Credit, that Owner execute, deliver and record this Declaration in the official land deed records of the county in which the Project is located in order to create certain restrictive covenants pursuant to ORS 456.625(15) and equitable servitudes running with the land for the purposes of enforcing this Declaration, the REUA, the IRC, all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by the United States Department of the Treasury, the Internal Revenue Service, HUD, or from time to time pertaining to Owner's obligations under the IRC, the REUA, or this Declaration and affecting the Project (the "Regulations"), and applicable Department administrative rules and directives (the foregoing Declaration, REUA, IRC, Regulations, and Department administrative rules and directives are collectively referred to hereinafter as the "Declaration Requirements").

J. Owner is willing, and intends, to execute and record this Declaration memorializing its representations, covenants, agreements and declarations with respect to the Project, the Credit, and the Declaration Requirements, including that the restrictive covenants and equitable servitudes set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein, unless otherwise modified in a signed and notarized writing by the Department, and are binding upon all subsequent owners of the Project property for such term, and are not merely personal covenants of the Owner.

DECLARATION

NOW, THEREFORE, in consideration of the Credit, the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees, covenants, and declares as follows:

SECTION 1 - INCORPORATIONS; DEFINITIONS

(a) The foregoing Recitals and the documents referenced therein are incorporated in this Declaration by reference to the same extent and with the same force and effect as if fully set forth herein, provided, however, that the Recitals shall not be deemed to modify the express provisions hereinafter set forth.

(b) All the words and phrases used in this Declaration shall have the meanings given herein or as used in the Regulations and other Declaration Requirements unless the context requires otherwise.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

(a) Upon execution of this Declaration, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to Department an executed original or certified copy of the recorded Declaration

showing the date, deed book and page numbers of record. The Owner understands and agrees that Department will not issue the Internal Revenue Service Form 8609 constituting final allocation of the Credit unless and until Department has received the recorded executed original of this Declaration.

(b) The Owner intends, declares, and covenants, on behalf of itself and all future owners and operators of the Project, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (I) shall be and are covenants and equitable servitudes running with the Project land and encumbering the Project for the Sixty (60) year term of this Declaration (or until January 1, 2072, whichever is later) (the "Affordability Period") binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project (II) are not merely personal covenants of the Owner, and (III) shall bind the Owner and the benefits shall inure to Department (and, as herein limited, to any past, present or prospective qualified tenant of the Project) and its respective successors and assigns during the Affordability Period. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full and that equitable servitudes have been created to insure that these restrictions and equitable servitudes run with the Project. Throughout the Affordability Period, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, the covenants and equitable servitudes contained or created herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

(c) The Owner covenants to obtain the consent of any prior recorded lienholder on the Project to this Declaration and such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609 constituting final allocation of the Credit.

(d) Notwithstanding any interests hereunder or in the REUA inuring to the benefit of past, present or prospective tenants of the Project pursuant to Section 2(b) above or otherwise, Department may compromise, waive, amend or modify this Declaration and the REUA (with the written consent of Owner or its successor) as it determines, in its sole discretion, to be to the benefit of Department, the Project, the Low-Income Housing Tax Credit Program or Department efforts to provide or maintain safe and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification must be in writing, signed by an authorized Department representative, and notarized by an Oregon notary public.

(e) Third-party beneficiaries under this Declaration shall have no claim, cause of action or other right of recourse against Department with respect to any action or lack of action taken by Department with respect to this Declaration, the REUA, the Credit, or the Project, arising from their rights under this Declaration, the REUA, or the other Declaration Requirements.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER

The Owner hereby represents, covenants, and warrants as follows:

(a) The Owner (I) is The Knoll at Tigard Apartments Limited Partnership, is duly organized under the laws of the State of Oregon, and is qualified to transact business related to the development and operation of the Project under the laws of the State of Oregon, (II) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (III) has the full legal right, power

and authority to execute and deliver this Declaration.

(b) The execution and performance of this Declaration by the Owner (I) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (II) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (III) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration and any duly subordinated Loan Documents relating to the Project or other permitted encumbrances).

(d) There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

(e) The Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in IRC Section 42 and applicable regulations.

(f) Each unit in the Project contains complete facilities for living, sleeping, eating, cooking, sanitation and satisfies any other applicable criterion in IRC §42(i)(3)(B), including that such units are to be used on other than a transient basis (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless in a manner consistent with IRC §42(i)(3)(B)(iii)).

(g) During the Affordability Period, all units subject to the Credit consistent with the applicable fraction identified below shall be leased, rented or made available to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in Section 42(g) of the IRC.

(h) The Owner agrees that the Department, qualified tenants, and appropriate third parties will be eligible to enforce the IRC entitlements with respect to the Project for the Affordability Period as provided by the Fair Housing Act, as amended.

(i) During the Affordability Period, the Owner covenants, agrees and warrants that each low-income unit is and will remain habitable and that the Project is and will be maintained in a safe, sanitary, and appropriate condition, all satisfactory to the Department.

(j) Subject to this Declaration and the other Declaration Requirements, including as amended, a limited partner or limited member of Owner that has provided Credit equity to assist in Project development may transfer its interest in Owner to an affiliate entity within one year of the date of this Declaration with written notice satisfactory to the Department. Subject to prior written notice to the Department and receipt of written approval by the Department, which the Department may give or withhold at its reasonable discretion, Owner may sell, transfer, or exchange the Project so long as (I) Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to this Declaration and the other Declaration Requirements, (II)

Owner shall pay a transfer charge to the Department as provided by Department administrative rule or directive. Transfers of any limited partner or limited member interest in Owner other than the one-time transfer to an affiliate entity provided above also shall be subject to such limited partner or limited member complying in advance with the terms of the immediately preceding sentence. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the Project or any low-income portion of the Project. The Owner agrees that Department may, in addition to the exercise of other remedies, void any sale, transfer, or exchange of the Project not in compliance with the terms of this subsection. Notwithstanding the foregoing, the Owner shall not dispose of any portion of a building which constitutes a portion of the Project and to which this Declaration applies unless the entire building is disposed of to such person.

(k) The Owner will provide certified financial documentation acceptable to Department to satisfy the calculation of a qualified contract and to begin the one-year period for finding a buyer in accordance with IRC Section 42(h)(6) if desired. Notwithstanding any other provision of this Declaration or otherwise, absent the express written agreement of the Department (which the Department may give or withhold at its sole discretion) any one-year period applicable to the Department for finding a buyer for the Project in accordance with IRC Section 42(h)(6) shall not commence until the first day of the last year of the Affordability Period.

(l) The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Declaration unless required by law or unless the Department has given its prior written consent.

(m) If the Project, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will, subject to the rights of any mortgagee, repair and restore the Project to substantially the same condition as existed prior to the events causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

(n) The Owner has not and will not execute any other declaration, instrument, or other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, this Declaration and the other Declaration Requirements, including as amended, are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(o) Notwithstanding anything to the contrary herein or in the REUA, the applicable fraction for each building of the Project during the term of this Agreement shall not be less than the applicable fraction specified in the REUA, which is One Hundred percent (100%) of the Project units (the "Applicable Fraction"). [See IRC Section 42(h)(6)(B)] Each such unit comprising the Applicable Fraction within the Project (the "Qualified Units") and related common areas of the Project are subject to the terms, conditions, covenants, and equitable servitudes of this Declaration and the other Declaration Requirements, including as amended, throughout the Affordability Period and as additionally provided herein.

(p) In addition to the enforcement of applicable IRC rent limits, the Department may require the Owner to additionally reduce rents charged for Qualified Units if property taxes imposed upon the Project are reduced because of a change in Oregon law. Any such reduction in rent required by the Department will not exceed the reduction in property taxes, taking into account any replacement taxes or equivalent charges.

(q) The Owner will not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

(r) The Owner shall, satisfactory to the Department, complete and sign Part II of the Form 8609 for the first year of the Credit period and timely return a copy of same to the Department.

(s) The Department may charge, and Owner shall pay to the Department, periodic amounts for Department monitoring activities with respect to the Project as determined by the Department in accordance with its applicable administrative rules and directives, including as amended.

SECTION 4 –MINIMUM IRC INCOME RESTRICTIONS; RENTAL RESTRICTIONS

To verify minimum compliance with IRC requirements, the Owner represents, warrants, and covenants that from and after initial occupancy and throughout the remainder of the Affordability Period, in addition to its other obligations under this Declaration, that:

(a) Choose one of the below:

(1) ___ At least 20 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 50 percent or less of family adjusted area median income.

(2) **X** At least 40 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 60 percent or less of family adjusted area median income.

(b) Department may require that the determination of whether a tenant meets the low-income requirement be made by the Owner or his designated agent at least annually on the basis of the current income of such Low-Income Tenant.

SECTION 5 - ADDITIONAL COMPLIANCE REQUIREMENTS, INCLUDING OCCUPANCY, RENT AND USE RESTRICTIONS

The Owner represents, warrants and covenants that throughout the Affordability Period:

(a) The terms, conditions, and covenants of this Declaration apply to the Owner and all Qualified Units and related common areas of the Project for the full term of the Affordability Period and as additionally provided in this Declaration. All Qualified Units are subject to and shall be maintained in accordance with the income and rent restrictions of Section 4 as well as all other provisions of this Declaration.

(b) The Owner shall continuously comply with all habitability, maintenance, disclosure and other Declaration Requirements with respect to the Project, including but not limited to all income, rent, and use restrictions applicable to the Project, arising under this Declaration and the other Declaration Requirements, including as amended, for the full term of the Affordability Period and as additionally provided herein. These obligations are in addition to the minimum IRC restrictions of Section 4 and in excess of the required 15-year IRC Compliance Period.

(c) In no event shall Qualified Unit rents exceed gross rents allowable under the Declaration Requirements, including as amended.

(d) Regardless of any provision in this Declaration to the contrary, the Project occupancy, rent and use restrictions, and other terms and conditions, of this Declaration shall remain in effect throughout the Affordability Period, except in the event of a written, signed and notarized modification, waiver, or release of all or part of such restrictions, terms or conditions by the Department or pursuant to Section 6(b)(1), but subject to the three-year safe harbor requirements of the IRC and Section 6(c) of this Declaration.

(e) The Owner may terminate the tenancy of a Project tenant only for: (i) material noncompliance of lease terms including, but not limited to substantial lease violations, fraud, repeated minor violations and nonpayment of rent; (ii) drug abuse or other criminal activity; (iii) material failure to carry out obligations under Oregon's landlord and tenant act, ORS chapter 90; or (iv) other good cause..

(f) Consistent with Section 3(k), the earliest date upon which the Owner may request the Department to assist it in procuring a qualified contract for the acquisition of the low-income portion of the Project is on the first day of the last year of the Affordability Period.

(g) The Owner ___ does/ X does not covenant and agree that operating reserves of the Project, when released from restricted use, shall be wholly used to subsidize tenant rents consistent with guidelines prescribed by the Department.

SECTION 6 - TERM OF DECLARATION

(a) Except as hereinafter provided, the income, affordability, and use restrictions of this Declaration shall commence upon the first day in the Project period on which any building which is part of the Project is placed in service and shall endure for the entire 15-year Compliance Period and for the remaining balance of the Affordability Period and as additionally provided herein subject to earlier termination under Sections 5(c) and 6(b)(1). All other covenants, terms, and conditions herein shall commence upon execution of this Declaration by Owner and shall endure for the Affordability Period and as additionally provided herein subject to earlier termination under Sections 5(c) and 6(b)(1). Termination of the Affordability Period or this Declaration shall not extinguish remedies available to the Department arising under this Declaration or the REUA.

(b) The Owner shall comply with the terms, conditions, and covenants of this Declaration and other Declaration Requirements, including as amended, for the entire Affordability Period and as additionally provided herein; provided, however, this Declaration and the Affordability Period for any building which is part of this Project shall terminate:

(1) On the date the building is acquired by foreclosure or instrument in lieu of foreclosure; or

(2) On the last day of the one-year period specified in IRC Section 42(h)(6)(I) commencing on the first day of the last year of the Affordability Period, if the Owner has properly requested in accordance with IRC Section 42 that Department assist it in procuring a qualified contract for the acquisition of the low-income portion of any building which is a part of the Project, Department and the Owner have agreed upon the terms of sale as specified in Section 3(l) of this Declaration, and Department is unable to present a qualified contract within one year of reaching written agreement regarding the terms of sale.

(c) Notwithstanding subsection (b) above, IRC and Declaration rent limitations shall continue for a period of

three years following the termination of the Affordability Period pursuant to the procedures specified in subsection (b) above for tenants of the Project as of the date of termination. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any of the Qualified Units other than for good cause and shall not increase gross rents above the maximum allowed under this Declaration and the other Declaration Requirements, including as amended, with respect to such Qualified Units.

SECTION 7 - ENFORCEMENT OF DECLARATION REQUIREMENTS

(a) Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Department, to inspect and copy any books and records of the Owner regarding the Project, including but not limited to the incomes of Low-Income Tenants and Owner compliance with this Declaration and other Declaration Requirements, including as amended.

(b) Owner shall cooperate with any inspection or copying of its books or records regarding the Project and shall maintain such books and records for a period not less than three (3) years after the completion of the Affordability Period or until the completion of any claim, suit or action with respect to the Project, whichever is later.

(c) Owner shall permit and cooperate with the Department in any physical inspection of the Project, including appropriate inspection of Qualified Units in conformance with applicable law.

(d) The Owner shall submit any other information, documents, or certifications requested by Department to substantiate the Owner's continuing compliance with the provisions of this Declaration, the REUA, the IRC, applicable IRC regulations, and applicable Department administrative rules or directives.

(e) Owner covenants that it will not knowingly take or permit any action that would result in a violation of this Declaration or other Declaration Requirements. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of Department) to comply fully with this Declaration or other Declaration Requirements.

(f) Owner acknowledges that a primary purpose for requiring compliance by the Owner with this Declaration is to assure compliance of the Project and the Owner with IRC Section 42 and Regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING TAX CREDITS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT DEPARTMENT AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(g) The declarations, representations, covenants, and warranties of Owner set forth herein may be relied upon by the Department and all third parties under this Declaration.

(h) Owner shall take any and all actions reasonably required by Department to substantiate the Owner's compliance with this Declaration and other Declaration Requirements, including as amended, and shall

pay all charges to Department provided herein as required by the Department. Charges not paid by Owner to the Department as required shall incur a late payment fee of 2% per month until fully paid.

(i) This Declaration and the other Declaration Requirements, including as amended, may be enforced by the Department or its designee through an action for specific performance, or pursuant to any other remedies allowed at law or provided herein. In addition, this Declaration shall be deemed a contract enforceable by one or more Tenants as third-party beneficiaries of the Declaration subject to any and all limitations in this Declaration with respect to such third-party beneficiary interests and rights.

SECTION 8 - FUTURE TRANSFER OF OWNERSHIP, QUALIFIED CONTRACT

This Section (choose one of the below)

___ Will apply to the Project described herein:

__X__ Will not apply to the Project described herein:

a) For the purpose of ensuring the Project will continue to be used as affordable housing, Owner hereby agrees to transfer the Project to a "qualified nonprofit organization" [as defined in IRC 42(h)(5)(C)] acceptable to the Owner, Department and the mortgage lender after the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the Project, or as soon thereafter as the transfer can be consummated, on the following terms:

1) The consideration for the transfer shall be in accordance with the formula in IRC Section 42(h)(6)(F) in an amount equal to the sum of (a) the principal amount of outstanding indebtedness secured by the Project, (b) the adjusted investor equity in the building, and (c) other capital contributions not reflected in the amounts described above, reduced by cash distributions from (or available for distribution from) the project.

2) Owner shall be under no obligation to transfer the project to a qualified organization in the event that no acceptable qualified organization agrees in writing to accept title and assume Owner's obligations before the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the project.

3) In making the determination of the transferee qualified nonprofit organization, first right of refusal shall be given to _____.

b) Owner further covenants to use its reasonable best efforts to assure, at the time of the transfer: (i) the Project is generating sufficient cash flow to service Project debt and pay Project operating expenses; and (ii) the Project is in reasonably good physical condition (for a multi-family apartment project of its age and quality).

c) No provision of this section shall prevent any lender loaning funds secured by the Project from foreclosing on the property or otherwise exercising its full rights as a lender, except that any such lender must provide the Department with written notice of any default upon which it basis such action simultaneously with notice to Owner and equal cure rights to those of Owner. Department or its assigns shall have the right to cure any default, but shall have no liability for not exercising such right. In the event of a bona fide foreclosure or transfer of the Project to a lender by a deed

in lieu of foreclosure, the foreclosing lender shall take the Project free and clear of any obligation to transfer the Project to a nonprofit organization or to operate the Project as affordable housing except as provided for in IRC Section 42 and Section 6(c) hereof.

SECTION 9 - MISCELLANEOUS

(a) Severability. The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(b) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Department:
Oregon Housing and Community Services Department
Attn: LIHTC Program Manager
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

To the Owner:
The Knoll at Tigard Apartments Limited Partnership
Attn: Sheila Greenlaw-Fink
6380 SW Capitol Hwy. #151
Portland, OR 97239
TIN #: 27-2127386

Department, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this Declaration as the Department may deem necessary to comply with the IRC or other Declaration Requirements. Department, together with Owner, may execute and record any amendment or modification to this Declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

(d) Subordination of Declaration. This Declaration and the restrictions hereunder are subordinate to the construction loan and loan documents in an outstanding loan amount of $2,409,014 until permanent loan conversion at which point this Declaration and the restrictions hereunder are subordinate to the permanent loan and loan documents on the Project in an original principal amount not to exceed $1,650,000, except insofar as IRC Section 42 (h)(6)(E) otherwise requires. Department may subordinate this Declaration to other financing, in its sole discretion and such subordination shall be binding on all third-parties granted rights under this Declaration.

(e) Governing Law. This Declaration shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law and, where applicable, the laws of the United States of America.

(f) Survival of Obligations. The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

(g) Certifications.

(1) Owner hereby certifies that all information pertinent to Section 42 of the Internal Revenue Code, as amended, has been considered by it in the determination of eligible basis for the Project. This consideration includes but is not limited to any rule changes, Private Letter Rulings, Technical Assistance Memoranda, considerations, IRS guidance, etc.

(2) Owner further certifies that its project accounting and legal professionals/representatives have also considered the above in their advice to and review of the Project.

(h) Attorney Fees. In the event a lawsuit is instituted regarding this Declaration, the prevailing party in any dispute arising under this Declaration shall, to the extent permitted by law, be entitled to recover from the other its reasonable attorney fees and all costs and disbursements incurred at trial and on appeal. Notwithstanding any other provision in this Declaration or incorporated documents, reasonable fees shall not exceed the rate charged the Department by its attorneys.

(i) Venue: Consent to Jurisdiction. Any claim, action, suit or proceeding (collectively, "Claim") between Department and Recipient related to this Agreement shall be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted in the circuit court where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event shall this provision or any other provision in this Declaration be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OWNER, BY EXECUTION OF THIS DECLARATION, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

(j) Time of the Essence. Time is of the essence in the performance of this Declaration.

[The balance of this page left intentionally blank.]

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER: **The Knoll at Tigard Apartments Limited Partnership, an Oregon limited partnership**

By: The Knoll at Tigard LLC, an Oregon limited liability company
TIN No.: 27-2127386

By: _____
Sheila Greenlaw-Fink, Executive Director

STATE OF OREGON)
: ss
County of Mult)

The foregoing instrument was acknowledged before me this 22nd day of December, 2011, by Sheila Greenlaw-Fink, Executive Director of The Knoll at Tigard LLC, an Oregon limited liability company, who executed the foregoing instrument for on behalf of the owner.

OFFICIAL SEAL
JODY A MATLOCK
NOTARY PUBLIC - OREGON
COMMISSION NO. 448278
MY COMMISSION EXPIRES APRIL 12, 2014

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

[The balance of this page is intentionally left blank.]

EXHIBIT A

Real property in the County of Washington , State of Oregon, described as follows:

LOTS 3, 4, AND 5 OF THE DULY RECORDED PLAT OF "KNOLL ACRES", WASHINGTON COUNTY PLAT RECORDS, EXCEPTING THOSE PORTIONS TAKEN FOR STREET PURPOSES, SITUATED IN THE NORTHWEST ONE-QUARTER OF SECTION 1 AND THE NORTHEAST ONE-QUARTER OF SECTION 2, TOWNSHIP 2 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, IN THE CITY OF TIGARD, WASHINGTON COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 5, AND THE TRUE PLACE OF BEGINNING; THENCE SOUTH 29°01'00" WEST, ALONG THE SOUTHEAST LINE OF SAID LOT 5, A DISTANCE OF 149.08 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SW HUNZIKER STREET (WIDTH VARIES, BEING 37 FEET NORTHEASTERLY OF CENTERLINE);

THENCE NORTH 61°01'39" WEST, PARALLEL WITH AND 37.00 FEET NORTHEAST OF THE CENTERLINE OF SW HUNZIKER STREET, AND ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 55.91 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A 26.00 FEET RADIUS TANGENT CURVE CONCAVE TO THE NORTHEAST THROUGH A CENTRAL ANGLE OF 60°16'39" (CHORD BEARS NORTH 30°53'20" WEST, A DISTANCE OF 26.11 FEET) AN ARC DISTANCE OF 27.35 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF SW HALL BOULEVARD (WIDTH VARIES, BEING 50 EASTERLY OF CENTERLINE); THENCE NORTH 0°45'00" WEST, PARALLEL WITH AND 50.00 FEET EAST OF SAID CENTERLINE OF SW HALL BOULEVARD, AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 255.81 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A 26.00 FEET RADIUS TANGENT CURVE CONCAVE TO THE SOUTHEAST, THROUGH A CENTRAL ANGLE OF 97°18'55" (CHORD BEARS NORTH 47°54'27" EAST, A DISTANCE OF 39.04 FEET) AN ARC DISTANCE OF 44.16 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF SW KNOLL DRIVE (WIDTH VARIES, BEING 27.00 FEET SOUTHERLY OF CENTERLINE); THENCE SOUTH 83°26'05" EAST, PARALLEL WITH AND 27.00 FEET SOUTH OF SAID CENTERLINE OF SW KNOLL DRIVE, AND ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 107.23 FEET TO THE EAST LINE OF SAID LOT 3; THENCE SOUTH 00°45'00" EAST, ALONG THE EAST LINE OF SAID LOTS 3 AND 4, A DISTANCE OF 188.84 FEET TO THE TRUE PLACE OF BEGINNING.

WFG Title 19-300062 COMM

Washington County, Oregon 2019-067057
D-IRUL
Stn=6 M FERNANDES 09/27/2019 11:57:24 AM
$55.00 $11.00 $5.00 $60.00 $131.00

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of
Assessment and Taxation, Ex-Officio

After recording, return to:

Office of Community Development
328 West Main Street, Suite 100, Hillsboro OR 97123
Attention: Housing and Community Development Specialist
Mail Stop #7

WASHINGTON COUNTY
HOME Investment Partnerships Program

DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this "Declaration), dated as of September 27, 2019 as by Red Rock Creek Commons Limited Partnership, an Oregon Limited Partnership, and its successors and assigns (the "Owner") is given as a condition precedent to the award of HOME Investment Partnerships (HOME) Program funds by Washington County, a political subdivision of the State of Oregon, together with any successor to its rights, duties, and obligations (the "County").

WHEREAS, the Owner is or shall be the owner of a forty-eight (48) unit rental housing development located on land in the County of Washington, State of Oregon, more particularly described in Exhibit "A" hereto, known as or to be known as Red Rock Creek Commons (the "Project"); and

WHEREAS, the County has been designated by the U.S. Department of Housing and Urban Development ("HUD") as a Participating Jurisdiction in the HOME Investment Partnerships Program ("HOME Program") pursuant to 42 U.S.C. § 12701 et seq., 24 CFR Part 92 and amendments thereto; and

WHEREAS, Community Partners for Affordable Housing, an affiliate of Owner and co-sponsor of the Project ("Sponsor"), has applied to the County and entered into a Project Agreement dated September 27, 2019, for an award to the Project in an amount not to exceed ONE MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS ($1,200,000) ("Project Agreement"); and

WHEREAS, the Department of Housing and Urban Development (HUD) requires as a condition precedent to the awarding of HOME funds that the Owner execute, deliver and record this Declaration

in the official land deed records of the County in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of 24 CFR 92.252(e) and the County's Occupancy Restrictions found in Section 5 hereof by regulation and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Owner, under this declaration, intends, declares, and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein and binding upon all subsequent owners of the Project land for such term, and are not merely personal covenants of the Owner;

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and County agree as follows:

SECTION 1 - DEFINITIONS

All the words and phrases used in this Declaration shall have the same meaning as when used in 24 CFR Part 92, unless the context requires otherwise.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

2.1 Upon execution of this Declaration by the Owner, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the County in which the Project is located, and shall pay all fees and charges incurred in connection therewith.

2.2 The Owner intends, declares and covenants, on behalf of itself and all future Owners and Operators of the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (1) shall be and are covenants running with the Project land, encumbering the Project for the term of this Declaration, binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project; (2) are not merely personal covenants of the Owner; and (3) shall bind the Owner (and the benefits shall inure to the County and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Declaration. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project. For the term of this Declaration, each and every contract (except for any residential lease), deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide

that such conveyance is subject to this Declaration, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contracts, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

2.3 The Owner covenants to obtain the consent of any prior recorded lienholder on the Project to this Declaration.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER

3.1 The Owner hereby represents, covenants, and warrants as follows:

3.1.1 The Owner (1) is a limited partnership duly organized under the laws of the State of Oregon, and is qualified to transact business under the laws of the State of Oregon, (2) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (3) has the full legal right, power and authority to execute and deliver this Declaration.

3.1.2 The execution and performance of this Declaration by the Owner (1) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (2) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (3) will not result in the creation or imposition of any prohibited encumbrance of any nature.

3.1.3 The Owner will, at the time this Declaration is recorded in the official public land records of the County, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration, any financing relating to the Project or other encumbrances and interests described in a title report issued in connection with the transaction contemplated under the Project Agreement).

3.1.4 There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

3.1.5 The Project constitutes or will constitute a qualified Project as defined

in 24 CFR 92.2 and, in consideration of the HOME funds, EIGHT (8) of the Project's units will be designated as "HOME-assisted units." The HOME assisted units shall include eight (8) one-bedroom units. The HOME-assisted units within the project are "floating," and thus may be changed in accordance with 24 CFR 92.252.(f) and (i).

3.1.6 During the term of this Declaration, the Owner covenants, agrees and warrants that each HOME-assisted unit is and will remain habitable according to HUD Uniform Physical Condition Standards set forth at 24 CFR §200.855.

3.1.7 Subject to the requirements of 24 CFR 92 and this Declaration, the Owner may sell, transfer, or exchange the entire Project at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Declaration and to the requirements of 24 CFR 92 and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the project or any HOME-assisted portion of the Project. The Owner agrees that the County may void any sale, transfer, or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Declaration and the requirements of 24 CFR 92.

3.1.8 The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Declaration unless required by law or unless the County has given its prior written consent.

3.2 The Owner represents, warrants, and agrees that if the Project, or any part thereof, shall be damaged, destroyed, condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee, to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

3.3 With the exception of any declarations or use covenants required in connection with the financing of the Project, the Owner warrants that it has not and will not execute any other declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the most restrictive requirements, whether set forth in this Declaration or another declaration or use covenant, are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict therewith.

3.4 The Owner agrees that, in the event of foreclosure by the lender ("Lender") or other transfer in lieu of foreclosure, the County shall have the legal right at its sole discretion to assume ownership of the Project and any existing permanent mortgage financing to avoid termination of low-income affordability, subject to approval of such assumption by the Lender in its sole discretion.

SECTION 4 - TENANT INCOME RESTRICTIONS

Owner agrees to maintain EIGHT (8) of the Project dwelling units as HOME-assisted units which shall meet the affordability requirements of 24 CFR § 92.252 for the time period specified in Section 6, of this Part, Term of Declaration.

4.1 All HOME-assisted units shall be leased, rented or made available on a continuous basis to persons or households whose incomes at initial occupancy are fifty percent (50%) or less of the area median income adjusted for family size at no more than "Low" HOME rent less the utility allowance.

SECTION 5 - RENT LIMITATIONS

The Owner represents, warrants and covenants throughout the term of this Declaration that all HOME-assisted units shall be subject to the maximum rent limitations in 24 CFR 92.252 (a)–(g). Notwithstanding the foregoing, if any unit receives a project-based rental subsidy or a tenant receives a federal or state direct rental subsidy, and the rent charged to such tenant (or the tenant of such unit) is in accordance with the foregoing limitations, then the maximum rent (i.e., rent charged to the tenant plus rental subsidy) permitted hereunder is the rent allowable under the applicable federal or state project-based rental subsidy program.

SECTION 6 - TERM OF DECLARATION

6.1 This Declaration, and the Terms of Affordability specified herein, apply to the Project immediately upon recordation, and the Owner shall comply with all restrictive covenants herein not later than the first day after Project Completion as defined in 24 CFR § 92.2.

6.2 This declaration shall terminate thirty (30) years after Project Completion as set forth in 24 CFR § 92.2, subject to possible earlier termination pursuant to Section 6.3 below.

6.3 Pursuant to 24 CFR Part 92.252, as amended, this Declaration and the terms of affordability shall remain in effect for not less than the period described in section 6.2 without regard to the term of any mortgage, other encumbrance or other underlying security and without regard to any transfer of ownership, pursuant to the restrictive covenants running with the land, except that the affordability restrictions shall terminate upon foreclosure or upon transfer in lieu of foreclosure. In the event a Lender, its successors or assigns, lawfully acquire title to the Project through foreclosure or deed in lieu of foreclosure, neither the Lender nor any subsequent purchaser of the Project following such foreclosure or deed in lieu of foreclosure shall be deemed a "successor or assign" of the Owner, and all conditions and restrictions contained herein shall terminate on the date, if any, that the Project is so acquired by foreclosure or deed in lieu of foreclosure. However, if at any time following such a transfer by foreclosure or transfer in lieu of foreclosure, but still during the term of the affordability period, the owner of record prior to the foreclosure or transfer in lieu of foreclosure, or any newly formed entity that included the former owner or those with whom the former owner has or had family or business ties, obtains ownership interest in the Project or the Project property, the affordability period shall be revived according to its original term.

SECTION 7 - VERIFICATION OF OCCUPANCY RESTRICTIONS

7.1 The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County, to inspect any books and records of the Owner regarding the Project with respect to the incomes of Low-Income Tenants which pertain to compliance with the County's Occupancy Restrictions specified in this Declaration.

SECTION 8 - ENFORCEMENT OF 24 CFR 92 AFFORDABLE HOUSING AND INCOME TARGETING REQUIREMENTS

8.1 The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of 24 CFR 92 and applicable regulations of this Declaration. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of the County) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by HUD from time to time pertaining to Owner's obligations under 24 CFR 92 and affecting the Project.

8.2 The Owner acknowledges that the primary purpose for requiring compliance by the

Owner with restrictions provided in this declaration is to assure compliance of the Project and the Owner with 24 CFR 92 and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING HOME INVESTMENT PARTNERSHIP FUNDS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE COUNTY SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO REQUIRE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

8.3 The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the County and all persons interested in Project compliance under 24 CFR 92 and the applicable regulations.

8.4 The Owner agrees to take any and all actions reasonably required by the County to substantiate the Owner's compliance with occupancy restrictions of 24 CFR 92 as now constituted or subsequently amended and other occupancy restrictions of the County as now constituted or subsequently adopted.

8.5 This declaration and the Project Agreement of which it is a part may be enforced by the County or its designee in the event the Owner fails to satisfy any of the requirements herein. In the event the Owner fails to satisfy the requirements of this Declaration or the Project Agreement and legal costs are incurred by the County, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from, the Owner.

SECTION 9 - MISCELLANEOUS

9.1 Severability. The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.

9.2 Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the County: Washington County
Office of Community Development
ATTN: Housing and Community Development Specialist
328 West Main Street, Suite 100
Hillsboro OR 97123

To the Owner: Red Rock Creek Limited Partnership
c/o Community Partners for Affordable Housing
6380 SW Capitol Highway
Portland, OR 97239

With a copy to:

BATEMAN SEIDEL
Jessica Rizer, Esq.
888 SW 5th Avenue, Suite 1250
Portland, OR 97204

With a copy to:

BWC Opportunity Fund 2 Inc.
c/o Bank of the West Loan Middle Office
1625 W. Fountainhead Parkway
Tempe, AZ 85282
Attn: Priscilla Lindquist

With a copy to:

Boston Financial Investment Management, LP
101 Arch Street
Boston, MA 02110
Attn: Asset Management – Red Rock Creek

With a copy to:

Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102
Attn: Shane Deaver, Esq.

The County, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice to the Owner must also be delivered simultaneously to the Limited Partner which shall have cure rights as set forth in the Trust Deed between the County and Owner dated as of even date herewith.

9.3 Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this declaration as may be necessary to comply with 24 CFR 92, any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the HOME assistance. The County, together with Owner, may execute and record any amendment or modification to this declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

9.4 Governing Law. This Declaration shall be governed by the laws of the State of Oregon and, where applicable, the laws of the United States of America.

IN WITNESS THEREOF, the Owner has caused this declaration to be signed by its duly authorized representative, as of the day and year first written above.

OWNER:

Red Rock Creek Limited Partnership,
an Oregon limited partnership

By: CPAH Red Rock Creek Commons GP, LLC, an Oregon limited liability company
Its: General Partner

By: Community Partners for Affordable Housing, an Oregon nonprofit corporation
Its: Sole Member

By: Rachael Duke
Rachael Duke, Executive Director

9/24/19
Date Executed

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me this 24 day of September, 2019, by RACHAEL DUKE as EXECUTIVE DIRECTOR of COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said instrument, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

Joel Williams
Notary Public for Oregon
My commission expires: 6/1/2021

OFFICIAL STAMP
JOEL ANTHONY WILLIAMS
NOTARY PUBLIC-OREGON
COMMISSION NO. 962903
MY COMMISSION EXPIRES JUNE 01, 2021

EXHIBIT A - LAND

LEGAL DESCRIPTION:

Parcel 1, PARTITION PLAT NO. 2000-025, in the City of Tigard, County of Washington and State of Oregon

STREET ADDRESS: 11090 SW 68th Parkway
Tigard, OR 97223

TAXLOT No.: R2093437

WFG Title 2020454 Comm

After Recording Return to:
Housing and Community Services
Attn: Portfolio Administration
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

Washington County, Oregon **2020-128066**
D-R/BAM
Stn=2 S AKINS **12/14/2020 03:48:44 PM**
$30.00 $11.00 $5.00 $60.00 **$106.00**

I, Margaret Garza, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Margaret Garza, Director of Assessment and Taxation, Ex-Officio County Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT

9% LOW-INCOME HOUSING TAX CREDIT PROGRAM

FIRST AMENDMENT TO RESERVATION AND EXTENDED USE AGREEMENT AND DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS 9% Low-Income Housing Tax Credit Program First Amendment to the Reservation and Extended Use Agreement and the Declaration of Land Use Restrictive Covenants (this "**Amendment**") is made and entered into this 14 day of December, 2020 by and among Villa La Paz Limited Partnership an Oregon limited partnership ("**Owner**"), and the State of Oregon, acting by and through its Housing and Community Services Department, together with its successors and assigns ("**OHCS**").

RECITALS

A. The Owner is or was the owner of a four (4) building eighty-four (84) unit, low-income multifamily residential housing development (collectively, the "**Improvements**"), located on certain real property in the City of Tigard, County of Washington, State of Oregon, as more particularly described in Exhibit A hereto (the "**Property**"). The Property, the Improvements, as well as other real and personal property on the Property are collectively referred to herein as the "**Project**" and is known as "**Greenburg Oaks**".

B. The Owner received a Low Income Housing Tax Credit **("LIHTC")** allocation from OHCS with respect to the development and operation of the Project in a final not-to-exceed amount of Two Hundred Forty-Six thousand Seventy-five Dollars ($246,075) (the "**Tax Credits**" or "**Credits**") from OHCS.

C. The Tax Credits are evidenced by that certain Reservation and Extended Use Agreement executed between Owner and OHCS and dated on or about June 30, 2005 (the "**REUA**"). The REUA was amended by that certain amendment to LIHC Reservation and Extended Use Agreement February 15, 2007 (the "**REUA Amendment**"). The REUA, as modified by the REUA Amendment is referred to herein as the "**REUA**"

D. Certain performance obligations with respect to the Project were made in that certain 9% Low-Income Housing Tax Credit Declaration of Land Use Restrictive Covenants executed by the Owner in favor of OHCS on

or about April 16, 2007 and recorded April 17, 2007 in the official records of Washington County, Oregon, as Instrument No. 2007-042667 (the "**Declaration**").

E. The REUA, and the Declaration, are collectively referred to herein as the "**Tax Credit Documents**."

F. The terms and conditions of the Tax Credit Documents, applicable Internal Revenue Service ("**IRS**") regulations, applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), applicable OHCS administrative rules, orders, and directives, OHCS manuals, and other applicable law, including local codes and ordinances, are (including as amended from time to time) hereinafter collectively referred to as the "**Credit Requirements**."

F. The parties desire to amend the REUA and the Declaration by executing this Amendment to reflect updates to the Credit Requirements as required by OHCS within its sole discretion.

G. The parties also desire that this Amendment to the REUA and to the Declaration be recorded in the relevant county records at Owner's cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the Property and governing, among other things, the maintenance, monitoring, and operation of the Project.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the agreements and covenants herein contained, Owner, and OHCS agree as follows:

1. Incorporation of Recitals and Documents. The foregoing Recitals, Tax Credit Documents and Exhibits are incorporated herein by reference.

2. Modification of Documents.

REUA Modifications:

2.2 SECTIONS 13(c) AND 13(d) OF THE REUA are hereby deleted in their entirety.

2.3 SECTION 14 OF THE REUA, ENTITLED "FUTURE TRANSFER OF OWNERSHIP, QUALIFIED CONTRACT" is hereby deleted in its entirety and replaced with the following:

> "14. NO QUALIFIED CONTRACT RIGHT.
>
> OHCS herein denies, and Owner irrevocable waives and releases, any right by Owner or its successors to request a Qualified Contract (as defined in IRC Section 42(h)(6)(F)) as provided under IRC Section 42(h)(6)(E) or otherwise with respect to the Project."

Declaration Modifications:

2.4 SECTION 3(l) OF THE DECLARATION is hereby deleted in its entirety.

2.5 SECTION 5(e) OF THE DECLARATION is hereby deleted in its entirety.

2.6 SECTION 6(b)(2) OF THE DECLARATION is hereby deleted in its entirety.

2.7 SECTION 9 OF THE DECLARATION, ENTITLED "FUTURE TRANSFER OF OWNERSHIP, QUALIFIED CONTRACT" is hereby deleted in its entirety and replaced with the following:

"9. NO QUALIFIED CONTRACT RIGHT.

OHCS herein denies, and Owner irrevocable waives and releases, any right by Owner or its successors to request a Qualified Contract (as defined in IRC Section 42(h)(6)(F)) as provided under IRC Section 42(h)(6)(E) or otherwise with respect to the Project."

3. Except as expressly amended herein, all other terms and conditions of the Tax Credit Documents remain in full force and effect and will retain their lien priority based upon the recordings in the county records reflected above.

[Signature Pages to Follow]

IN WITNESS WHEREOF, this instrument has been duly executed as of the date and year first above written.

OHCS:

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

By: Roberto Franco
Roberto Franco, Assistant Director Affordable Rental Housing Development Resources

STATE OF OREGON)
: ss
County of Marion)

The foregoing instrument was acknowledged before me this 4th day of December, 2020 by Roberto Franco, Assistant Director of Affordable Rental Housing Development Resources, Housing and Community Services Department, for and on behalf of OHCS.

OFFICIAL STAMP
JO LYNN BELL
NOTARY PUBLIC - OREGON
COMMISSION NO. 990274
MY COMMISSION EXPIRES JULY 31, 2023

Jo Lynn Bell
NOTARY PUBLIC FOR OREGON
My Commission Expires: 7-31-2023

OWNER: **VILLA LA PAZ LIMITED PARTNERSHIP,**
an Oregon limited partnership
TIN #: 93-1768555

By: Community Partners of Affordable Housing,
An Oregon non-profit public benefit corporation

By: _____
Rachael Duke, Executive Director

STATE OF OREGON)
: ss
County of Multnomah

The foregoing instrument was acknowledged before me this 11 day of December 2020 by Rachael Duke, Executive Director of Community Partners of Affordable Housing, who executed the foregoing instrument for and on behalf of the Owner.

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: 10/15/21

OFFICIAL STAMP
TREVOR GARRETT CHEYNE
NOTARY PUBLIC-OREGON
COMMISSION NO. 967534
MY COMMISSION EXPIRES OCTOBER 15, 2021

EXHIBIT A

Real property in the County of Washington State of Oregon, described as follows:

PARCEL I:

A part of Lot 63, AMENDED PLAT OF NORTH TIGARDVILLE ADDITION, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at a point on the North line of said Lot 63, which is North 89°23' East 423.63 feet from the Northwest corner thereof; thence North 89°23' East 100.00 feet to an iron pipe on the Northwesterly line of Lincoln Avenue; thence along said Northwesterly line South 55°41' West 83.20 feet to an iron pipe; thence North 34°19' West, 55.49 feet to the point of beginning.

PARCEL II:

A tract of land in the Southeast quarter of Section 35, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northeast corner of John L. Hicklin Donation Land Claim No. 54; thence West 14.68 chains; thence South parallel with the West line of said claim 30.25 chains to the South line of the North half of said claim and the true point of beginning of the tract to be described; thence West along the South line of said North half 6.62 chains; thence North parallel with the West line of said claim 100 feet; thence East parallel with the South line of the North half of said claim 6.62 chains; thence South 100 feet to the true point of beginning; EXCEPT the Westerly 290.05 feet thereof.

PARCEL III:

A tract of land in Section 35, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at a point in the center of Greenburg Road, which bears South 89°34' West along Donation Land Claim line 968.9 feet and South 0°02' East 1237.5 feet from the Northeast corner of the John Hicklin Donation Land Claim; thence South 0°02' East along the Easterly line of that tract of land conveyed to Lou and Grace Rogers by Deed recorded in Book 144, page 577 of Washington County, Oregon, Deed Records, 376.35 feet to a point which bears North 0°02' West 282.85 feet from the Northeast corner of the 1.00 acre tract of land conveyed to Myrtle L. Severson by Deed recorded in Book 161, page 91 of said Deed Records; thence North 89°56' West 218.0 feet to the Southeast corner of the James O'Rourke 3.0 acre tract of land as described on page 191 in Book 123 of said Deed Records; thence West along the South line of said O'Rourke property 218.46 feet to a point on the West line of the Rogers property described in Book 144, page 577; thence South along the West line of said Rogers property 282.85 feet to the Northwest corner of that tract conveyed to Myrtle L. Severson by Deed recorded in Book 161, page 91; thence East along the North line of said Severson Tract to a point on the East line of said Rogers Tract above mentioned; thence North along the East line of said Rogers Tract 282.85 feet to the place of beginning.

EXCEPT that portion conveyed to the public for road purposes over the East 20 feet, recorded November 18, 1965 in Book 576, page 602, ALSO recorded November 21, 1967 in Book 724, page 747.

City of Tigard
MEMORANDUM

13125 SW Hall Boulevard, Tigard, Oregon 97223 • www.tigard-or.gov

To: Eric Kang, Finance Director

From: Trinity Miller, Housing Planner

Re: Northwest Housing Alternatives (NHA) 2026 Applications for Tax Exemption

Date: March 3, 2026

Northwest Housing Alternatives (NHA) has submitted an application for low-income housing tax exemptions for the 58-unit Tigard Senior Housing, located at 8815 SW O'Mara Street. This property is currently subject to no property taxes because the underlying land is owned by the City of Tigard. The city leased the property to NHA for the development of affordable housing. The tax exemption would be applied to these improvements to the property.

Address:

8815 SW O'MARA ST

Tax Lot:

2S102DB09600

Real Property Account:

R2214598

Tigard Municipal Code (TMC) 3.50.020, Nonprofit Corporation Low Income Housing, provides criteria for considering exemption requests. A review of these criteria follows.

1. The property is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code.

NHA submitted with their applications a copy of an Internal Revenue Service letter, dated August 24, 1989, verifying that NHA qualifies as a 501(c)(3) organization. This criterion is met.

2. Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon.

NHA has submitted Articles of Incorporation demonstrating that upon dissolution, the organization's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal, state, or local government for a public purpose. This criterion is met.

3. The property is:

a. Occupied by low income persons; or

b. Held for the purpose of future development as low-income housing.

NHA has provided signed and recorded affordability covenants stating that the properties will be occupied by qualifying of low-income persons. This criterion is met.

4. The property or portion of the property receiving the exemption, is actually and exclusively used for the purposes described in section 501(c) (3) or (4) of the Internal Revenue Code.

NHA has submitted signed documents stating the property is fully dedicated to nonprofit activities. This criterion is met.

5. The exemption has been approved as provided in Section 3.50.050.

This criterion relates to the required city process for handling exemption requests. Section 3.50.050 states the city will determine eligibility for exemption (as is detailed in this report) and send notice of the determination to the County Assessor. This criterion will be met upon approval by City Council.

Conclusion:

NHA, as a general partner in Tigard Senior Housing Limited Partnership, has applied to the city for a tax exemption in previous tax years. Staff had determined that the above-named property owned by the City of Tigard and leased to NHA meets the criteria for tax exemption.

The city's Affordable Housing Plan adopted in June 2019 includes tax exemption as one of the city's strategies for facilitating affordable housing in the community.

Therefore, the granting of exemptions to NHA is consistent with the applicable TMC standards and with adopted city housing policies.

Northwest Housing Alternatives

2316 SE Willard, Milwaukie, Oregon 97222
p: 503.654.1007 • f: 503.654.1319 • www.nwhousing.org

Monday, January 26, 2026

City of Tigard
Attn: Schuyler Warren
Senior Planner/Community Development
13125 SW Hall Blvd,
Tigard, OR 97223

Re: Tax Exemption Application

Schuyler,

Please review our application for tax exemption for 2026/2027 provide by sections in 3.50 of Tigard City Code.

A. The application must include the following information
    1. The applicant's name, address, and telephone number:
        a. Northwest housing Alternatives
        b. 2316 SE Willard St., Milwaukie, OR 97222
        c. 503-654-1007

    2. The assessor's account number for each site;
        a. Property Tax Account Number R2214598 / Tax Lot ID 2S102DB09600

    3. The number of units and the exempted amount of each property being applied for under this chapter;
        a. 58
        b. 100%

Northwest Housing Alternatives

2316 SE Willard, Milwaukie, Oregon 97222
p: 503.654.1007 • f: 503.654.1319 • www.nwhousing.org

4. A description of the property for which the exemption is requested;
    a. Alongside Senior Apartments, partnership name Tigard Senior Housing LP, is located on City of Tigard land directly adjacent to the Tigard Senior Center, Fanno Creek natural area, and Tigard City Hall and within easy walking distance of public transit. These apartments provide 57 apartment homes for seniors age 62 and older and one manager's unit. The project includes 40% of its units serving 30% AMI or below primarily through the use of project based rental assistance in alignment with Metro Bond goals. The remaining 60% of units serves 50% AMI or below through the use of OAHTCs that were awarded to the project with OHCS and Umpqua Bank.

        The apartment homes come with fully equipped kitchens, dishwashers, walk-in showers, walk-in closets, air-conditioning, and emergency response. The project includes community outdoor space, a lounge with fireplace and a community room with a teaching kitchen. Other amenities include a private meeting room adjacent to the lobby, laundry facilities, covered outdoor seating areas, and an enclosed roof top amenity space.

        In an attractive wooded setting with creek access and within the newly developing and highly walkable Tigard City core, residents enjoy active lifestyles and community connections. Onsite resident services provide links to opportunities for stability, growth, community building and independence. Connections with the directly adjacent Tigard Senior Center will provide meals, exercise, financial and legal education and supports and transportation connections for medical, shopping and community activities.

5. A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose;
    a. Northwest Housing Alternatives is a 501(c)(3) exempt organization whose purpose is to develop affordable housing. We are the leading nonprofit affordable housing developer in Oregon with a current portfolio of 1848 units across 16 counties. The money we save from property tax exemptions is funneled directly back into operations and further helps us to carry out our mission.

6. A certification of income levels of low income occupants;
    a. Please see the attached Reservation and Extended Use Agreement with OHCS.

Northwest Housing Alternatives

2316 SE Willard, Milwaukie, Oregon 97222
p: 503.654.1007 • f: 503.654.1319 • www.nwhousing.org

7. A description of how the tax exemption will benefit project residents;
    a. The savings resulting from the exemption helps to fund our resident services program at the property and is critical to making low-income housing development projects possible. With the reduction in costs, we have more cash flow to take on private debt, which means we are able to construct the project with higher quality building materials and therefore enhanced durability. It also allows us to provide greater amenities. Without the property tax exemption, the dwelling's quality would be reduced and the property would be less able to service its residents over the committed affordability period.

8. A declaration that the corporation has been granted an exemption from income taxes under the 26 U.S.C. Section 501(c)(3) or (4);
    a. See attached IRS 501(c)(3) confirmation letter
9. A description of the development of the property if the property is being held for future low-income housing development; and
    a. Building is now leased

10. Any other information required by state or local law or which is otherwise reasonably necessary to effectuate the purposes of this chapter at the time the application is submitted.

B. The application must include the following statements:
    1. That the applicant is aware of all requirements for property tax exemption imposed by this chapter;
    2. That the applicant's property qualified or, upon completion of the rehabilitation improvements and subsequent occupancy by low-income persons, will qualify for exemption at the time of application approval or within 0 days of the March 1 application deadline;
    3. That the applicant acknowledges responsibility for compliance with the Tigard Municipal Code, regardless of whether the applicant obtains the exemption provided by this chapter; and
    4. That the applicant agrees to furnish other information which is reasonably necessary to fulfill the objectives of this chapter.

Northwest Housing Alternatives

2316 SE Willard, Milwaukie, Oregon 97222
p: 503.654.1007 • f: 503.654.1319 • www.nwhousing.org

C. The applicant must verify the information provided in this application as required by subsections A and B above by oath or affirmation. (Ord. 19-17 1; Ord. 96-34)

All the information in this application is true to the best of my belief and knowledge and is for the purpose of determining eligibility for the tax exemption program authorized by ORS 370.540-370-548.

X Trell Anderson

Trell Anderson
Cheif Executive Officer

For: Northwest Housing Alternatives

State of Oregon
County of Clackamas
Subscribed and Sworn to before me this 29TH day of January 2026.

OFFICIAL STAMP
VICTORIA LAINE BUTLER
NOTARY PUBLIC-OREGON
COMMISSION NO. 1050667
MY COMMISSION EXPIRES AUGUST 20, 2028

X Victoria Laine Butler

Victoria Butler
Notary Public for Oregon

My Commission Expires August 20, 2028

Internal Revenue Service
District Director

Department of the Treasury

P O BOX 486
LOS ANGELES, CA 900530486

AUG 2 4 1988

Date:

NORTHWEST HOUSING ALTERNATIVES INC
2316 SOUTH EAST WILLARD STREET
MILWAUKIE, OR 97222

Employer Identification Number:
93-0814473
Case Number:
958131104
Contact Person:
TERRY IZUMI
Contact Telephone Number:
(213) 894-4170

Our Letter Dated:
Dec.17, 1985
Caveat Applies:
no

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi). Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes a notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If the heading of this letter indicates that a caveat applies, the caveat below or on the enclosure is an integral part of this letter.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Frederick C. Nielsen
District Director

Letter 1050(CG)

158977-13

FILED

AUG 17 1995

Secretary of State

CERTIFICATE ACCOMPANYING
AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF NORTHWEST HOUSING ALTERNATIVES, INC.
PURSUANT TO ORS 65.451(6)

1. The name of the corporation is Northwest Housing Alternatives, Inc.

2. A copy of the Amended and Restated Articles of Incorporation of Northwest Housing Alternatives, Inc. is attached hereto.

3. The corporation has no members.

4. The Amended and Restated Articles of Incorporation of Northwest Housing Alternatives, Inc. contain amendments which require approval by the Board of Directors.

5. The Amended and Restated Articles of Incorporation were approved on August 14, 1995 by a majority of the Board of Directors at a meeting properly called for that purpose.

I declare under penalty of perjury that I have examined the foregoing and to the best of my knowledge and belief it is true, correct and complete.

Dated this fourteenth day of August, 1995.

By _____
Winston Kurth
Secretary/Treasurer

Person to contact about this filing:

John H. Gadon
Garvey, Schubert & Barer
121 S.W. Morrison Street
Portland, Oregon 97204
(503) 228-3939 Daytime Telephone Number

75214/32112-00200

08189502112 831.219 10.00

NORTHWEST HOUSING ALTERNATIVES,

15897713-2452827 NBA

VOID IF ALTERED OR ERASED
VOID IF ALTERED OR ERASED
VOID WITHOUT WATERMARK OR IF ALTERED OR ERASED

158977-13

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF NORTHWEST HOUSING ALTERNATIVES, INC., A NONPROFIT PUBLIC BENEFIT CORPORATION

ARTICLE I
Name; Duration; Public Benefit Corporation

The name of the Corporation shall be the Northwest Housing Alternatives, Inc. and its duration shall be perpetual. This Corporation is a public benefit corporation.

ARTICLE II
Purposes and Powers

2.1 The Corporation is organized and shall be operated exclusively for charitable purposes, within the meaning of Sections 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), including, without limitation, (i) the relief of poverty and distress through the development, construction and operation of safe, sanitary and affordable housing for, and the provision of related services to, low-income individuals and families, including the homeless, elderly and disabled, in Oregon, (ii) combating community deterioration through the development, construction and operation of such housing, and by fostering community development in disadvantaged areas and (iii) working with other public and private entities to address the needs of low-income individuals and families in Oregon and to assist such individuals in achieving self-sufficiency.

2.2 The Corporation shall have the power to engage in any lawful activity for which corporations may be organized under the Act, as amended from time to time, provided that such activities are consistent with the purposes of the Corporation set forth in Section 2.1 and the restrictions and limitations on the corporation set forth in Article III of these Articles of Incorporation.

ARTICLE III
Restrictions

3.1 Nonprofit Status. The Corporation shall not have or issue shares of stock. The Corporation is not organized for profit, and no part of its net earnings shall inure to the benefit of any Director or Officer of the Corporation, or any private individual, except that the Corporation shall be authorized and empowered to reimburse the expenses of its Directors in accordance with the Bylaws of the Corporation, and to make payments and distributions in furtherance of the purposes of the Corporation and subject to the limitations of this Article III.

VOID IF ALTERED OR ERASED
VOID IF ALTERED OR ERASED
VOID WITHOUT WATERMARK OR IF ALTERED OR ERASED

158977-13

3.2 Distributions; Dissolution. No Director of Officer of the Corporation, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation or the winding up of its affairs. Upon such dissolution or winding up, after paying or making adequate provision for the payment of all of the liabilities of the Corporation, all remaining assets of the Corporation shall be distributed by the Board of Directors, for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or shall be distributed to an organization that then qualifies for exemption under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or to the federal government or a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Circuit Court of Clackamas County, Oregon, exclusively for such purposes or to such an exempt organization or organizations as such Court shall determine.

3.3 Prohibited Activity.

(a) No substantial part of the activities of the Corporation shall be devoted to attempting to influence legislation by propaganda or otherwise except as may be permitted to organizations qualified for exemption under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code. The Corporation shall not, directly or indirectly, participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The Corporation shall not have objectives or engage in activities which characterize it as an "action" organization within the meaning of the Code.

(b) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not conduct or carry on activities not permitted to be conducted or carried on (i) by an organization exempt from federal income tax under Section 501(c)(3) of the Code or corresponding section of any future federal tax code, or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Code or corresponding section of any future federal tax code, (iii) by a corporation exempt from the Oregon Corporation Excise Tax under ORS 317.080, as amended, or corresponding section of any future Oregon tax code.

ARTICLE IV
Members

The Corporation shall have no members.

VOID IF ALTERED OR ERASED
VOID IF ALTERED OR ERASED
VOID WITHOUT WATERMARK OR IF ALTERED OR ERASED

158977-13

ARTICLE V
Board of Directors

The number, manner of election and terms of persons serving on the Board of Directors shall be fixed by the Bylaws of the Corporation; provided, however, that, in no event, shall the number of directors be less than three.

ARTICLE VI
Bylaws

The Board of Directors shall adopt, and shall have the power to amend or repeal, the Bylaws of the corporation, by a majority vote of the Board.

ARTICLE VII
Limitation of Director Liability

To the fullest extent that the Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of Directors and "Uncompensated Officers" (as defined in the Act), a Director or an Uncompensated Officer of this Corporation shall not be liable to this Corporation for monetary damages for conduct as a Director or an Uncompensated Officer. Any amendments to or repeal of this Article or the Act shall not adversely affect any right or protection of a Director or Uncompensated Officer of this Corporation for or with respect to any acts or omissions of any such Director or Uncompensated Officer occurring prior to such amendment or repeal.

ARTICLE VIII
indemnification

To the fullest extent not prohibited by law, the Corporation: (i) shall indemnify any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of this Corporation), by reason of the fact that the person is or was a Director or Uncompensated Officer of this Corporation, and (ii) may indemnify any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of this Corporation), by reason of the fact that the person is or was a compensated Officer, employee or agent of this Corporation, or a fiduciary (within the meaning of the Employee Retirement Income Security Act of 1974), with respect to any employee benefit plan of this Corporation, or serves or served at the request of this Corporation as a Director or Officer of, or as a fiduciary (as defined above) of an employee benefit plan of, another corporation, partnership, joint venture, trust or other enterprise.

VOID IF ALTERED OR ERASED
VOID IF ALTERED OR ERASED
VOID WITHOUT WATERMARK OPPOSITE ALTERED OR ERASED

158977-13

This Article shall not be deemed exclusive of any other provisions for the indemnification of Directors, Officers, employees, or agents that may be included in any statute, bylaw, agreement, resolution of shareholders or Directors or otherwise, both as to action in any official capacity and action in any other capacity while holding office, or while an employee or agent of this Corporation.

ARTICLE IX
Mailing Address

The address that the Corporation Division may use for mailing notices to the corporation, which is the principal office of the corporation, is:

2316 S.E. Willard
Milwaukie, Oregon 97222

ARTICLE X
Amendment of Articles

These Articles may be amended only if such amendment is approved by a majority of the Board of Directors.

These Amended and Restated Articles of Incorporation have been adopted as of the fourteenth day of August, 1995.

Winston Kurth
Secretary/Treasurer

Person to contact about this filing:

John H. Gadon
Garvey, Schubert & Barer
121 S.W. Morrison Street, 11th Floor
Portland, Oregon 97204

Daytime Phone Number: (503) 228-393

75212.2

In Tigard and other jurisdictions that have adopted the policy of exemption at ORS 307.540 et seq., the sponsor that either owns the affordable housing or acts as the general partner of the partnership must be a 501(c)(3) or 501(c)(4) nonprofit corporation for federal tax purposes. Under the section cited by the City, both ORS 307.541(1)(a) and ORS 307.541(1)(b) are applicable to the nonprofit corporation, rather than the partnership permitted to be the owner under the control of the nonprofit corporation under ORS 307.541(4) (and permitted to have as its general partner a single-member LLC of which a nonprofit is the sole member under ORS 307.022). Just as a partnership would not be expected to satisfy the requirement under ORS 307.541(1)(a) that it be either a 501(c)(3) or 501(c)(4) nonprofit corporation (which it cannot do), similarly subsection ORS 307.541(1)(b) is intended to apply to 'the [nonprofit] corporation" and is consistent with the federal requirement that 501(c)(3) nonprofits are required to distribute their assets upon dissolution only for exempt purposes, i.e., for religious, charitable, scientific, literary, or educational purposes to other exempt nonprofits or to the federal or state or local government for a public purpose. In this case, NHA is a 501(c)(3) corporation and as such, its organizational documents restrict the distribution of its assets upon dissolution to other nonprofits organized exclusively for exempt purposes – please refer to section 3.2 of its A&R Articles.

VOID IF ALTERED OR ERASED
VOID IF ALTERED OR ERASED
VOID WITHOUT WATERMARK OR IF ALTERED OR ERASED

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT

4% LOW-INCOME HOUSING TAX CREDIT RESERVATION AND EXTENDED USE AGREEMENT

This 4% Low-Income Housing Tax Credit ("**LIHTC**") Reservation and Extended Use Agreement (this "**Agreement**" or "**REUA**") is made and entered into as of this 1st day of **April, 2022** by and between the State of Oregon, acting by and through its Housing and Community Services Department, together with its successors and assigns (hereafter, collectively known as "**OHCS**") and **Tigard Senior Housing Limited Partnership**, an Oregon limited partnership (the "**Owner**").

RECITALS

A. Owner is or will be the owner of a **one (1)** -building, **fifty-eight (58)** -unit affordable multifamily rental housing development with common areas (collectively, the "**Improvements**") located on land in the City of **Tigard**, County of **Washington**, State of Oregon, more particularly described in Exhibit A hereto (the "**Property**"), in which the Owner holds a long-term leasehold interest pursuant to a Ground Lease Agreement between the Owner, as Tenant, and the City of Tigard, as Landlord. The Property, together with the Improvements, are collectively hereinafter referred to as the "**Project**" and is known as the "**Tigard Senior Housing**".

B. OHCS has been designated by the Governor of the State of Oregon as the housing credit agency for the State of Oregon for the allocation ("**Allocation**") of 2022 low-income housing tax credit dollars (the "**Credit**") pursuant to Section 42 of the United States Internal Revenue Code of 1986, as amended (the "**IRC**" or "**Code**").

C. Owner has applied to OHCS for a reservation ("**Reservation**") of an Allocation of Credit to partially assist in the financing of the Project in an aggregate amount not to exceed **NINE MILLION SEVEN HUNDRED AND ONE THOUSAND ONE HUNDRED AND THIRTY DOLLARS ($9,701,130)**, and available in yearly increments with each increment not to exceed **NINE HUNDRED AND SEVENTY THOUSAND ONE HUNDRED AND THIRTEEN DOLLARS ($970,113).**

D. OHCS has agreed to make a Reservation of an Allocation of Credit for the Project pursuant to the terms of this Agreement, including the Declaration of Land Use Restrictive Covenants (the "**Declaration**") to be subsequently executed and recorded by Owner in the official records of the county or counties in which the Project is located, which Declaration is incorporated herein by this reference. The terms of the IRC, all applicable rules, rulings, policies, procedures, regulations, or other official statements promulgated or proposed and published by the United States Department of the Treasury ("**Treasury**"), the Internal Revenue Service (the "**IRS**"), or the United States Department of Housing and Urban Development ("**HUD**") from time to time pertaining to Owner's obligations under the IRC or other federal law (collectively, the "**Regulations**"), the terms of this REUA, the Declaration, applicable OHCS administrative rules, manuals, and directives, and any

other applicable state or local laws, ordinances, or covenants (including all of the foregoing as amended from time to time) are collectively referred to hereinafter as the "**Credit Requirements**".

E. Owner is willing to comply with the Credit Requirements for an Allocation of Credit from OHCS.

AGREEMENT

For good and sufficient consideration, including the terms and conditions of this Agreement, the parties covenant and agree as follows:

SECTION 1 - INCORPORATIONS; DEFINITIONS

(a) **Incorporation.** The foregoing Recitals and Exhibit A are incorporated into this Agreement by reference to the same extent and with the same force and effect as if fully set forth herein, provided, however, that the Recitals and Exhibit A shall not be deemed to modify the express provisions hereinafter set forth. Identified documents are incorporated as herein described.

(b) **Definitions.** All the words and phrases used in this Agreement, as applicable, shall have the meanings given herein or as used in the Regulations and other Credit Requirements unless the context clearly requires otherwise.

SECTION 2 – REPRESENTATIONS, WARRANTIES, AND COVENANTS OF OWNER

Owner represents warrants and covenants that:

(a) **Nature of Entity.** Owner is an **Oregon limited partnership**, duly organized, validly existing, and authorized to do business under the laws of Oregon and it has the power and authority to transact the business in which it is engaged and to enter into and perform this Agreement.

(b) **Authorization.** The making and performance of this Agreement by Owner has been duly authorized by all necessary action of Owner; do not and will not violate any provision of any applicable law, rule, or regulation or order of any court, regulatory commission, board or other administrative agency or any provision of Owner's organizing documents or authorizing statutes; and do not and will not result in the breach of, or constitute a default or require any consent under, any other agreement or instrument to which Owner is a party or by which Owner or any of its properties is bound or affected and do not and will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) **Valid and Binding Acts**. This Agreement, when executed and delivered, shall be a valid and binding obligation of Owner enforceable in accordance with its terms.

(d) **Compliance.** Owner agrees to fulfill all terms and conditions of this Agreement, including all Credit Requirements.

(e) **Project Completion.** Owner shall complete the Project no later than **December 31, 2024** and in accordance with the plans and specifications that have been approved by OHCS or modifications to those plans and specifications, which modifications must be approved by OHCS and in accordance with the terms and conditions of this Agreement.

(f) **Single-Asset Entity.** Owner is and at all times during the term of this Agreement, including but not limited to the Affordability Period (defined below), will be a single-asset entity, i.e., owning (subject to the leasehold referenced above in Recital A) and operating only the Project and no other asset.

(g) **Limitation on Debt**. Except to the extent of debt to which OHCS expressly agrees to be subordinated to in writing, Owner will have no other debt that does or may result in a lien against the Project without prior written consent from OHCS other than debt to the primary lender associated with Project repairs, casualty loss, eminent domain, and similar circumstances.

(h) **Further Acts.** Owner will do, make, execute, and deliver all such additional and further acts, instruments, or papers as OHCS may require in its sole discretion to protect OHCS' rights under this Agreement.

(i) **Reliance.** OHCS may rely upon statements, certificates, and other records of Owner and its agents and assigns, as well as of occupants of Qualified Units, including as to accuracy, genuine nature, and proper execution of such statements, certificates, and other records.

(j) **Consultation with Counsel**. OHCS may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection as to any action taken or suffered by OHCS in good faith and in conformity with the opinion of such counsel with respect to this Agreement or the Project.

(k) **Preservation.** Owner acknowledges and agrees that the Project is a "participating property" as defined in ORS 456.250 and, as such, is subject to the requirements, among other things, of ORS 456.250 through 456.265. Owner and any successors or assigns are bound by and will comply with the terms of ORS 456.250 through 456.265 and other related Credit Requirements with respect to the Project.

(l) **Waiver of Right to Propose Project Change.** OHCS herein denies, and Owner irrevocably waives and releases, any right by Owner or its successors to request a Qualified Contract (as defined in IRC Section 42(h)(6)(F)) as provided under IRC Section 42(h)(6)(E) or otherwise.

(m) **Prevailing Wage Compliance.** Owner will, prior to undertaking the Project, provide OHCS with a copy of a determination letter by the Oregon Bureau of Labor and Industries (BOLI) as to the application of Oregon's prevailing wage laws to the Project. Owner will comply with all applicable requirements arising under any state or federal prevailing wage laws with respect to the Project.

SECTION 3 - CREDIT RESERVATION; PROJECT INCOME AND RENT RESTRICTIONS; AFFORDABILITY PERIOD

(a) **Reservation.** OHCS hereby conditionally grants a Reservation for a Credit Allocation in an aggregate amount not to exceed **NINE MILLION SIX HUNDRED AND FIFTEEN THOUSAND SEVEN HUNDRED AND FIFTY-ONE DOLLARS ($9,615,751)**, and available in yearly increments with each increment not to exceed **NINE HUNDRED AND SIXTY-ONE THOUSAND FIVE HUNDRED AND SEVENTY-FIVE DOLLARS ($961,575)** to Owner for development of the Project. The Project involves the new construction of **one (1) qualified low-income residential building** on the Property. The Project will consist of **fifty-eight (58)** residential units (including **one (1)** manager unit) and related common areas and improvements, of which **fifty-seven (57)** units will be income and rent-restricted for low-income persons as further described below (the "**Qualified Units**"). However, if the **one (1)** manager unit is not occupied by a manager, it will be income and rent-restricted for low-income persons and considered a Qualified Unit as further described below. This conditional Reservation for the described Credit Allocation is further subject to Owner's satisfaction of the terms of this Agreement, including applicable Credit Requirements.

(b) **Rent and Income Restrictions.** Owner shall restrict Project rents and incomes as follows:

(1) Owner has elected to satisfy the minimum IRC Section 42 option of restricting **forty** percent (**40%**) of the total rental units in the Project and related common areas to persons with a combined maximum household median family income of **sixty** percent (**60%**) as determined by HUD and to correspondingly restrict rents for such units to limits established herein, including the Credit Requirements.

(2) Notwithstanding the minimum IRC election above, Owner additionally has elected to **further** restrict income and rents to **one hundred percent (100%)** (the "**Applicable Fraction**") of the total Qualified Units consistent with Credit Requirements and as more fully provided in the table below.

Unit Type	Number of Units	Maximum Percent of Median Family Income As Determined by HUD	Maximum Rent Standards As Determined by HUD
1 bedroom	57	60%	60%
Manager (2 bedroom)	1	N/A or 60% if not occupied by Manager	N/A or 60% if not occupied by Manager

* The **maximum restricted-incomes** for the Qualified Units reflected in the above table are based upon the rent-restriction election made by Owner in the Application as approved in the Reservation. Maximum restricted-incomes consistent with the foregoing standards are published by HUD, adjusted for family size and Project location.

** The **maximum restricted-rents** for the Qualified Units, as published by HUD, correspond to the elected income limits and Maximum Rent Standards payable by Qualified Units' tenants ("**Qualified Tenants**") reflected in the table, but actual rents for the Project payable by Qualified Tenants may be lower depending

on the terms of other applicable rent subsidies or OHCS rent-approval requirements. Under no circumstances will tenants be required to pay more rent than that allowed by applicable rent-subsidy programs or Credit Requirements, the most conservative restrictions having precedence.

*** The table shows maximum income and rent standards rounded up to the nearest percentile. The Owner has represented to OHCS in its Application that the rent payable by Qualified Tenants and income levels of Qualified Tenants will not exceed the maximums identified in the foregoing table and will otherwise comply with Credit Requirements.

(c) Rent Restrictions. Throughout the Affordability Period, the Owner will restrict gross rents with respect to the Qualified Unit(s) in compliance with Credit Requirements, with not-to-exceed limits as reflected in the above table. The not-to-exceed limits are indicated as a percentage of the applicable area (county) median family income determined by OHCS based upon information from HUD or other applicable source.

(i) Actual Unit Rents. Net rents allowable to the Owner are not more than allowable gross rents, less an appropriate utility allowance. Actual approved rents for Qualified Units, as determined by OHCS in its sole discretion, may be lower than allowable net rents, but not in excess of allowable net rents. In exercising its discretion, OHCS may consider factors including, but not limited to, the current cash flow of the Project. OHCS has sole authority and discretion in the determinations of what is an appropriate utility allowance and what other charges by Owner must be subsumed within approved Rents as normal or standard charges for Project occupancy.

(ii) Limitation of Unit Rents and Other Project Fees. OHCS also may limit other Project unit rents and Project fees as it determines, in its sole discretion, is necessary or appropriate to ensure the affordability of or access to Qualified Units. Project unit rents and Project fees limited under this subparagraph may only be increased subject to prior written approval by OHCS in accordance with the procedures of paragraph (iii) of this Subsection.

(iii)Prior Approval of Rents. Owner must obtain prior written approval from OHCS for setting or increasing Qualified Units' rents. The Owner may request an increase in rents annually in writing, together with supporting documentation (including a schedule of rents for all Project units), all satisfactory to OHCS, which request will be deemed approved if not in excess of Credit Requirements limits and not denied or modified by OHCS within ninety (90) days of its receipt by OHCS. Subject to Credit Requirements, OHCS may approve, deny or modify such rent increase requests at its sole discretion. OHCS, at its sole discretion, also may approve, deny or modify other requests by the Owner for rent increases, subject to Credit Requirements limits.

(iv) Most Restrictive Rent Limitations. Where Qualified Units' rents are subject to limitations from multiple OHCS funding sources, the most restrictive limitations will govern not-to-exceed limits for rents with respect to such units.

(d) OAHTC Adjustments. If the Project also has been awarded Oregon Affordable Housing Tax Credit (OAHTC) assistance, Owner may submit a request to OHCS for an additional adjustment in Project rents upon expiration of the OAHTC maximum twenty (20)-year

compliance period. OHCS, at its sole discretion subject to IRC limits and Oregon law, may approve, deny or modify such request upon its determination.

(e) **Affordability Period.** Owner shall maintain the foregoing rent and income restrictions applicable to the Project consistent with this Agreement, including the Credit Requirements, from the date the first building in the Project is placed in service for a period of **thirty (30)** years or until **December 31, 2054**, whichever is later (the "**Affordability Period**") or as longer provided in the Declaration, subject to any written modification of such restrictions agreed to in writing by OHCS. This Affordability Period comprises both the initial **fifteen (15)** year IRC Compliance Period and the Extended Use Period constituting the balance of the Affordability Period.

(f) **Rents Paid by Tenants.** For purposes of this Section 3, subject to OHCS and other subsidy provider policy, allowable rents will relate to those rents actually paid by the Tenants and will not limit the rents permitted under any HUD or other subsidy provider program that are not paid by the actual Tenant.

SECTION 4 – CONDITIONS PRECEDENT TO CREDIT ALLOCATION

Notwithstanding the foregoing conditional Reservation, Owner shall satisfy the following conditions precedent satisfactory to OHCS, in OHCS' sole discretion, to qualify for an Allocation by OHCS of the reserved Credit:

(a) **Work Performance.** Construct or purchase and rehabilitate the Project in accordance with local building, health and safety codes, applicable federal and State regulations, and Credit Requirements.

(b) **Placed-in-Service Certification.** Certify to OHCS in a timely and satisfactory manner that Project buildings are appropriately placed in service as part of a single, qualified low-income housing project.

(c) **Cost Certification; Financial Update.** Provide a timely final cost certification and financial update of the Application with respect to each building in the Project in form and substance satisfactory to OHCS, in OHCS' sole discretion (the updated Application(s), as approved by OHCS are prospectively incorporated herein by reference).

(d) **Declaration of Land Use Restrictive Covenants.** Execute and record in the official records of the county or counties wherein the Project is sited a Declaration satisfactory to OHCS, in OHCS' sole discretion, which among other things, restricts Project use, rents and tenant incomes as specified herein, requires appropriate maintenance and operation of the Project, and ensures Owner cooperation with OHCS compliance monitoring. The Declaration is hereby prospectively incorporated into this Agreement by reference, is precedent to any delivery of the Allocation of Credit by OHCS, and shall contain such other terms, conditions, covenants, and warranties as OHCS may prescribe at its sole discretion in accordance with Credit Requirements.

(e) **Other Terms and Conditions.** Satisfy such other terms and conditions as OHCS may reasonably require.

SECTION 5 – ADDITIONAL TERMS AND CONDITIONS

(a) **Allocation for Each Building.** As applicable, a Credit Allocation must be made for each Project building separately, based on individually updated Applications, when each building is placed in service.

(b) **No Liability by OHCS.** OHCS accepts no responsibility or liability for any adverse consequences to the Owner or any other person or entity arising under Credit Requirements or otherwise. Owner agrees that OHCS will bear no responsibility or liability for any such adverse consequence and irrevocably waives any claims against OHCS with respect to any and all such adverse consequences, including but not limited to recapture of Credit by the IRS or removal of the Project from the LIHTC program.

(c) **No Other Project or Use.** The Reservation herein may not be used with respect to any other project or property.

(d) **No Unapproved Transfers; Removal of General Partner/Managing Member or Management Agent.**

(1) **Sale, Transfer, or Other Disposition of an Interest in the Owner (including Investor), or Project.**

A. **Transfer of Any Interest in Project.** Except in relation to leases to tenants ("**Tenants**") for the residential units in the Project, if the Owner transfers or attempts to sell, assign, bequeath, dispose or otherwise transfer (collectively, "**Transfer**") any interest in the Project to any person, entity, or other assignee (collectively, "**Transferee**"), without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default under the terms of this Agreement and exercise the remedies provided for in this Agreement or otherwise available at law. OHCS' consent will not, however, be unreasonably withheld or delayed, but may be conditioned upon:

(i) reasonable evidence satisfactory to OHCS that the Owner is not then in default hereunder beyond any applicable grace period or cure period;

(ii) the execution and recording of documents satisfactory to OHCS;

(iii) the payment to OHCS of an appropriate transfer fee; and

(iv) any other conditions that may be imposed by OHCS, in its complete discretion, to assure, among other things, compliance with federal or state law or other Credit Requirements, and also including but not limited to the Owner providing OHCS with current financial information with respect to the Transferee and a full management agent packet for any existing or proposed management agent ("**Management Agent**").

B. **Transfer of Any Interest in the Owner.** If the Owner sells, transfers or otherwise disposes of any interest in the Owner without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default under the

terms of this Agreement and exercise the remedies provided for in this Agreement or otherwise available at law. The parties agree, however, that, so long as the Owner is not then in default hereunder beyond any applicable cure period, a Transfer of an interest in the Owner made in full compliance with any of clauses B.(i), B.(ii), B.(iii) or B.(iv) below will constitute a permitted Transfer of an interest in the Owner.

(i) **Transfers Permitted Prior to Making All Capital Contributions.** Prior to making all of the capital contributions with respect to this Project required to be made by the Investor under the terms and conditions of the ownership agreement in effect between the Investor and Owner as of the date of this Agreement (the "**Ownership Agreement**"), a one-time Transfer of the Investor's limited partnership or limited membership in the Owner may be made to an Affiliate of the Investor within one (1) year of the date of this Agreement with advance written notice to OHCS of such Transfer ("**Permitted Affiliate Transfer of Owner Interest**"). No OHCS consent shall be required for a Permitted Affiliate Transfer of Owner Interest, but written notice shall be provided to OHCS as set forth in this Agreement in connection with such Permitted Affiliate Transfer of Owner Interest. Further, OHCS will not impose a transfer fee or charge on the Owner for a Permitted Affiliate Transfer of Owner Interest.

(ii) **Other Transfers Made Prior to Making All Capital Contributions.** Prior to making all capital contributions required to be made by the Investor under the terms and conditions of the Ownership Agreement, other than a Permitted Affiliate Transfer of Owner Interest pursuant to clause (i) above, no interest in the Owner may be Transferred without the written consent of OHCS, which it may give or withhold in its sole but reasonable discretion, taking into consideration those factors it determines to be relevant. OHCS shall communicate its determination to consent or withhold consent to a Transfer promptly to the Owner and may impose a transfer fee or charge on the Owner consistent with applicable administrative rules, as amended from time to time.

(iii) **Transfers of Owner Interest After Making All Capital Contributions.** After all of the capital contributions to be made by the Investor under the Ownership Agreement have been made, the Transfer of the limited partnership or membership interest in the Owner (a "**Post Conversion Transfer of Owner Interest**") may be made subject to the following: OHCS must (A) be given advance written notice of the proposed Transfer; (B) give its written consent to the Transfer, which consent shall not be unreasonably withheld, conditioned or delayed; and (C) OHCS may impose a transfer fee or charge on the Owner consistent with applicable administrative rules, as amended from time to time. The parties agree that a Post Conversion Transfer of Owner Interest to an Affiliate shall be presumed reasonable and that OHCS will promptly provide its consent to

such a transfer upon confirmation that such transfer involves a Transfer to an Affiliate of the Investor and satisfaction of the foregoing conditions.

(iv) **Transfers of Interests in General Partner of Owner.** To assure appropriate use of tax credit capital contributions by Owner, and that any party having an ownership interest in the general partner or managing member of the Owner is suitable for such purpose, appropriate for the operational integrity of the general partner or managing member, and sufficiently limited in its capacity to direct or control actions by the general partner or managing member, a party proposing to acquire an ownership interest in the general partner or managing member (a "**Member**") may not acquire an ownership interest in the general partner or managing member without the prior written consent of OHCS. Such consent shall be conditioned on (a) the ownership interest in the general partner or managing member to be acquired by the Member being not greater than one-percent (1%) of the ownership interest in the Owner, (b) OHCS receiving evidence reasonably satisfactory to OHCS establishing the suitability of the Member, and (c) payment to OHCS of a transfer fee or charge consistent with program administrative rules, as amended from time to time.

C. **Transfer of Any Interest in Investor.** If the Investor Transfers any interest in the Investor without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default under the terms of this Agreement and exercise the remedies provided for hereunder or otherwise available at law. The parties agree, however, that, so long as the Owner is not then in default hereunder beyond any applicable cure period, a Transfer of an interest in the Investor made in full compliance with any of clauses C.(i), C.(ii) or C.(iii) below shall constitute a permitted transfer of an interest in the Investor.

(i) **Transfers Permitted Prior to Making All Capital Contributions.** Prior to making all of the capital contributions required under the terms and conditions of the Ownership Agreement: (1) Transfers of interests in the Investor (the "**Investor Membership Interests**") may be made among the initial holders of the Investor Membership Interests (the "**Initial Investment Members**"), provided that the Owner provides written notice to OHCS of the transfer within thirty (30) days of the Owner learning of the Transfer; and (2) Transfers of Investor Membership Interests may be made to a person or entity that is not an Initial Investment Member if, after making such Transfers not less than 75% of the holder(s) of the Investor Membership Interests are either (a) the Investor or an Affiliate of the Investor, or (b) Financial Institutions or Publicly Held Corporations with a credit rating at the time of such transfer of BBB- or better by Standard & Poor's or Baa3 or better by Moody's Investor Service, Inc., or wholly-owned subsidiaries of such entities or are otherwise holders that have been approved by OHCS, provided that the Owner shall provide written notice to OHCS of the transfer within thirty (30) days of the Owner learning of the transfer. Transfers of Investor Membership Interests described in sub-

clauses (1) and (2) of this clause (i) are referred to herein as "**Permitted Investor Membership Interest Transfers**"). No OHCS consent shall be required for any Permitted Investor Membership Interest Transfer pursuant to sub-clauses (1) or (2) of this clause (i), but written notice shall be provided to OHCS as set forth above in connection with each such Transfer. Further, OHCS may impose a transfer fee or charge on the Owner for Permitted Investor Membership Interest Transfers consistent with applicable administration rules, as amended from time to time.

(ii) **Other Transfers Made Prior to Making All Capital Contributions.** Prior to making all capital contributions required under the terms and conditions of the Ownership Agreement, other than Permitted Investor Membership Interest Transfers pursuant to clause (i) above, no interest in the Investor, including any Investor Membership Interest, may be Transferred without the written consent of OHCS, which consent may be given or withheld in its sole but reasonable discretion, taking into consideration those factors it determines to be relevant. OHCS will communicate its determination to consent or withhold consent to a Transfer promptly to the Owner and may impose a transfer fee or charge on the Owner consistent with applicable administrative rules, as amended from time to time.

(iii) **Transfers of Investor Interest After Making All Capital Contributions.** After all of the capital contributions to be made by the Investor under the terms and conditions of the Ownership Agreement have been made, the Transfer of any limited partnership or membership interest in the Investor, including any Investor Membership Interest (a "**Post Conversion Transfer of Investor Interest**") may be made without prior notice to or approval by OHCS, provided that Owner shall provide written notice to OHCS of any Post Conversion Transfer of Investor Interest within thirty (30) days of reasonable discovery of such Transfer. OHCS will not impose a transfer fee or charge on the Owner for a qualifying Post Conversion Transfer of Investor Interest.

(2) **Definition of Affiliate.** The term "Affiliate" means any corporation, partnership, limited liability company, or other entity directly or indirectly controlling, controlled by or under common control with such entity. For this purpose, "control," "controlled" or "controlling" means (i) ownership directly or indirectly of voting control of the corporation or other entity, (ii) control of the management through holding, directly or indirectly, a general partnership interest in a limited partnership or the managing member interest in a limited liability company, or (iii) if such entity has no stock or equity, control over a majority of the board of directors of such entity.

(3) **Removal and Replacement of General Partner or Managing Member.** The Investor may seek to remove a general partner or managing member of the Owner for cause pursuant to the terms of the Ownership Agreement in effect as of the date

of this Agreement, or pursuant to any revisions adopted by the parties to the Ownership Agreement and approved in writing by OHCS, subject to the following: (i) the Investor must notify OHCS in writing of its desire to remove the general partner or managing member of the Owner for cause; (ii) the Investor must notify OHCS in writing of the successor general partner or managing member of the Owner, if any, and (iii) OHCS must give its written consent to the removal and replacement of the general partner or managing member of the Owner, which consent will not be unreasonably withheld, conditioned or delayed. If the Ownership Agreement provisions related to the removal of the general partner or managing member of the Owner are amended without OHCS' written approval (a "**Removal Amendment**"), and the Investor seeks to remove a general partner or managing member of the Owner for cause pursuant to the Removal Amendment, the prior written consent of OHCS must be obtained and OHCS may give or withhold its consent in its sole discretion. Notwithstanding the foregoing, the Investor also may replace a general partner or managing member of the Owner for cause with an Affiliate of the Investor on a temporary basis for not longer than sixty (60) days pursuant to the terms of the Ownership Agreement in effect as of the date of this Agreement, or pursuant to any revisions adopted by the parties to the Ownership Agreement and approved in writing by OHCS. Such replacement does not require prior OHCS approval and will not be subject to an OHCS transfer fee, but notice thereof must be provided to OHCS within two (2) business days of such replacement. Permanent removal or replacement of the general partner or managing member of the Owner must still be accomplished in conformance with the first two sentences of this subparagraph (3).

(4) **Removal and Replacement of Management Agent.** OHCS may, for cause, require the removal and replacement of the Management Agent for the Project or, if the Owner directly manages the Project, OHCS may require the appointment of a Management Agent for the Project in lieu of the Owner. The Owner also may, with OHCS' approval, remove and replace a Management Agent in accordance with this Agreement, the terms and conditions of the Ownership Agreement, or any agreement with respect to Project management required by OHCS (at its sole discretion). Any then current, executed agreement with respect to Project management (including as amended) shall be deemed to be incorporated herein by this reference.

(5) **Unapproved Transfers Are Void.** Any Transfer of the Project, Owner, or Investor in violation of this Subsection 5(d) will be ineffective to relieve the Owner, the Investor or any Transferee or the Project of any continuing obligations under this Agreement. OHCS' consent hereunder will not be deemed continuing and the Owner and each permitted Transferee will continue to be bound by this Subsection unless OHCS has consented in writing to the Transfer of the Project, Owner, or Investor.

(e) **Consents by OHCS to Admission of Investor and to Security Interest.**

(1) **Admission of Investor Member and Special Member.** OHCS consents to the admission of the Investor member or limited partner, as applicable, in the Owner and within one year of this Agreement, as applicable, the admission of a special member or special limited partner in the Owner of an entity that is an Affiliate of the Investor.

(2) **Security in Managing Member Interest.** OHCS consents to the managing member/general partner of the Owner granting a security interest in its interest in the Owner as security for performance of obligations under the Ownership Agreement and under any document evidencing or securing the existing construction or permanent financing of the Project.

(3) **Security in Credits.** OHCS consents to the Owner granting to the existing primary commercial lender a security interest in the Credits as security for performance of the Owner's obligations under any document evidencing or securing construction or permanent financing of the Project. In the event of a foreclosure of a deed of trust, mortgage, or other security document securing the Owner's obligation to repay a loan, from the referenced lender, OHCS further consents to a foreclosure by such lender of its security interest in the Credits; provided, however, OHCS makes no representation as to the effect of such a foreclosure on the ability of the foreclosing entity to claim, transfer, or otherwise utilize the Credits pursuant to IRC Section 42, applicable Oregon law, or otherwise.

(f) **Sale of Project to Managing Member or General Partner.** Absent (1) a change in the managing member or general partner in Owner, or in the composition thereof, or (2) an uncured Event of Default under this Agreement, OHCS consents to the sale of the Project to the current managing member or general partner of the Owner upon termination of the "compliance period" applicable to the last building of the Project to be placed in service as provided in IRC Section 42 provided (1) OHCS is given adequate notice prior to the transfer, (2) the terms of such sale are reasonable as determined by OHCS, and (3) that Owner and the managing member or general partner shall have each complied with all other requirements of OHCS, including provision of requested information, execution of required documents satisfactory to OHCS, and payment of an appropriate Transfer fee as established by OHCS.

(g) **Additional Compliance.** Owner shall:

(1) **Project Maintenance.** Maintain the Project in a safe, sanitary, and habitable condition satisfactory to OHCS and in accordance with Credit Requirements, including applicable zoning and local code requirements.

(2) **Project Repair.** Keep the Project in good repair satisfactory to OHCS.

(3) **Management Plan.** File with OHCS a Project Management Plan and/or execute a Regulatory Agreement as to Project Management (the "**Management Plan**"), consistent with Credit Requirements, satisfactory to OHCS. Any then current Management Plan, when approved by OHCS, will be incorporated into this Agreement by reference. OHCS may require periodic revisions to the Management Plan from the Owner. The Owner may propose revisions to the Management Plan

for approval by OHCS. All Management Plan revisions are subject to OHCS' sole discretion and must be approved in writing by OHCS prior to becoming effective.

(4) **Management Agent.** Timely and suitably perform Project management responsibilities directly or through a management agent ("**Management Agent**") approved in writing by OHCS consistent with the Management Plan, including as the Management Plan may be revised from time to time.

(5) **Resident Services Plan.** File with OHCS a Project resident services plan (the "**Services Plan**"), consistent with the Credit Requirements, satisfactory to OHCS. Any then current Services Plan, when approved by OHCS, will be incorporated into this Agreement by reference. OHCS may require periodic revisions to the Services Plan. The Owner may propose revisions to the Services Plan for approval by OHCS. All Services Plan revisions are subject to OHCS' sole discretion and must be approved in writing by OHCS prior to becoming effective.

(6) **Resident Services.** Timely provide resident services ("**Services**") appropriate to the Project population and consistent with the Services Plan, including as the Services Plan may be revised from time to time.

(7) **Applicable Fraction.** Maintain the Applicable Fraction income and rent restrictions for each building of the Project specified in the Application(s), consistent with this Agreement.

(8) **Annual Certification of Compliance.** Provide an annual certification, in a format and on a schedule approved by OHCS in its sole discretion, that the Owner is fulfilling its obligations under this Agreement. OHCS may, from time to time, require additional information or reporting from Owner.

(9) **Records Maintenance.** Maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Owner will maintain records satisfactory to OHCS documenting compliance with Credit Requirements. Owner will retain and keep accessible all such records, books, documents, papers, plans, records of shipments and payments and writings throughout the Affordability Period and for a minimum of six (6) years, or such longer period thereafter, as may be required by OHCS, which does include any period beyond the Affordability Period during which an audit, claim, or litigation with respect to the Project or Agreement remains outstanding, plus two (2) years thereafter.

(10) **Records Access.** Allow inspection and copying of Project and other records by OHCS, the Oregon Secretary of State's Office ("**SOS**"), the federal government of the United States ("**U.S.**"), and their duly authorized representatives, as reasonably directed by OHCS, SOS, U.S., or their representatives.

(11) **Project Access.** With appropriate notice, allow inspection of the Project (including residential rental units) by OHCS, the SOS, the U.S., and their duly authorized representatives, as reasonably directed by OHCS, SOS, U.S., or their representatives.

(12) **Charges.** Timely pay an annual compliance monitoring charge to OHCS as and when OHCS shall from time to time determine consistent with Credit Requirements. OHCS may require or allow payment of the annual compliance monitoring charge in installments on a monthly or other interval basis. Owner shall pay other charges required by OHCS consistent with this Agreement or the Credit Requirements.

(13) **Further Acts.** Make, execute and deliver all such additional and further acts, instruments or papers as OHCS may require in its sole discretion to protect OHCS' rights under this Agreement.

(14) **Agent and Other Compliance.** Cause its agents, employees, contractors, subgrantees and assigns, if any, to comply with the terms and conditions of this Agreement, including all applicable Credit Requirements.

(h) **Allocation Limit.** The Credit Allocation will not exceed the Reservation amount. The Credit Allocation and maximum rents may be reduced in accordance with the IRC if OHCS determines at the times provided by IRC Section 42(m)(2), at its sole discretion that lesser amounts will satisfy appropriate financial feasibility standards for the development of the Project.

(i) **Credit Requirement Changes**. The U.S., IRS, or Treasury may change the requirements for Credit by subsequent regulation or by other published guidance, which shall be automatically incorporated into the Credit Requirements.

SECTION 6 – CREDIT LOCK ELECTION

☒ **If this box is checked,** the Owner hereby irrevocably elects, pursuant to IRC Section 42(b)(1)(A)(ii)(II), to set the applicable credit percentage(s) for the Project as the Percentage(s) prescribed by the Secretary of the Treasury for the month of **April, 2022**, which is the month in which the tax exempt bonds were issued with respect to each building comprising the Project. For the purpose of this election, the applicable credit percentage for the month of **April, 2022** is **4.00%.** For this election to be valid on an IRC Section 42(h)(4) tax-exempt bond financed project the Owner must deliver an original notarized Agreement signed by the Owner and OHCS, to OHCS by the fifth day of the month following the month of the bond sale.

☐ **If this box is checked**, Owner has made **NO ELECTION** pursuant to IRC Section 42(b)(1)(A)(ii) as of the date of this Agreement.

SECTION 7 – SECTION 42(m)(2) DETERMINATION OF CREDITS

(a) **Assumption of Risk.** By signing this Agreement, the Owner understands and accepts the risk that: 1) the final Credit amount or maximum rents agreed to be charged will be reduced in accordance with IRC Section 42(m)(2) if OHCS determines, at its sole discretion and in keeping with sound underwriting guidelines, that a lesser amount will meet OHCS' financial feasibility test for the development of the Project; 2) the U.S. may change the requirements for the Credit by subsequent regulation; and 3) the Credit will not exceed the amount shown above.

(b) **Satisfaction of QAP; Feasibility Alignment.** OHCS has determined that the Project, as represented, is consistent with and has satisfied the requirements of the Qualified Allocation Plan ("**QAP**") of the state of Oregon established under IRC Section 42(m)(1)(D) and that the Credits reserved for the Project are not greater than the amount necessary to make the Project financially feasible and viable as a low-income housing project throughout the credit period as provided in IRC Section 42(m)(2). In making this determination OHCS assumes no responsibility to any parties with respect to the Project or otherwise.

(c) **Binding Agreement.** OHCS and the Owner acknowledge this Agreement constitutes an agreement binding upon OHCS, the Owner, and all successors in interest to the Owner as Owners of the Project, as to the Credit Allocation, subject to compliance by the Owner with the requirements of IRC Section 42, the Declaration, the Credit Requirements, and the requirements of OHCS.

(d) **IRC Section 42(h) Determination.** OHCS in its capacity as the tax credit allocating agency and as issuer or designee of the issuer of the tax-exempt bonds that will finance the Project, has undertaken to make a determination as required by IRC Section 42(h), applying the standards set forth in IRC Section 42(m).

SECTION 8 – INSURANCE

(a) **Coverage.** Owner will obtain and maintain in full force and effect during the term of this Agreement: (i) Causes of Loss – Special Form property insurance together with endorsements for replacement cost, inflation adjustment, malicious mischief, and sprinkler damage coverage (if applicable), all in amounts not less than the full replacement cost of all Improvements, without reduction for co-insurance; (ii) commercial general liability insurance, including liabilities assumed under contract, with limits, coverage, and risks insured acceptable to OHCS, and in no event less than **$2,000,000.00** combined, single-limit coverage; and appropriate workers' compensation insurance coverage in satisfaction of Oregon law.

(b) **Insurance Companies and Policies.** All insurance must be written by a company or companies reasonably acceptable to OHCS; must require reasonable, but not less than five (5) days prior written notice to OHCS of cancellation or non-renewal; and must contain waivers of subrogation and endorsements that no act or negligence of Owner or any occupant will affect the validity or enforceability of such insurance as against OHCS. OHCS will be named as additional insured on all liability policies. Owner must forward to OHCS, upon request, certificates evidencing the coverage required under this Agreement and copies of all policies. Owner must forward to OHCS copies of any significant changes to the policy, including, but not limited to, cancellations and non-payment, that would affect the coverage.

(c) **Casualty/Loss Restoration.** After the occurrence of any casualty to the Property or Improvements, Owner will give prompt written notice of the casualty to OHCS, specifically describing the nature and cause of such casualty and the extent of the damage or destruction to the Property or Improvements. In the event of any casualty to any

Improvement, Owner will immediately take such action as is necessary to make the site safe and legal, including, if necessary, demolition of any Improvement, removal of debris, and/or grading the site. Owner assigns to OHCS all insurance proceeds that Owner may be entitled to receive with respect to any casualty. In the event that Owner desires to rebuild or restore the Project, insurance proceeds will be placed in escrow, with escrow instructions to release funds for invoices related to such reconstruction. Subject to the rights of the first lien holder, OHCS will have the right to review and approve of reconstruction plans, and may require the conditional release of liens as condition of escrow payments. No proceeds will be released if Owner is in default under this Agreement or under the obligations secured by this Agreement. If Owner (i) does not elect to restore the Project, or (ii) is in default under this Agreement or the obligations secured by this Agreement, OHCS may apply the insurance proceeds to satisfy the obligations subject to the rights of the first lien holder.

SECTION 9 – REMEDIES

(a) **Deficiencies.** OHCS may, from time to time, identify and direct Owner to correct deficiencies in its compliance with this Agreement (including all Credit Requirements), which Owner shall correct as directed.

(b) **Required Training.** OHCS may require Owner, its owners, principals, officers, employees, and agents to undertake training, at Owner's expense, as directed by OHCS.

(c) **Extension of Affordability Period.** OHCS may by written notice extend the Affordability Period described in this Agreement for periods of time matching corresponding periods of time during which OHCS determines the Owner to be in material noncompliance with any of the terms of this Agreement, the Declaration or the Credit Requirements.

(d) **IRS Reporting.** OHCS may report noncompliance with Credit Requirements to the IRS, including but not limited to by the filing of IRS Form 8823, *Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition.*

(e) **Removal from LIHTC Program.** Following an Event of Default that remains uncured after expiration of any applicable notice and cure period or following the recapture of Credits by the IRS, OHCS may remove the Project from the LIHTC program.

(f) **Default; Additional Remedies.** If the Owner defaults in the performance or observance of any covenant, agreement or obligation set forth in this Agreement or in the Credit Requirements (including correction of deficiencies), and if such default remains uncured by Owner for a period of thirty (30) days or less (depending upon the requirements of the notice, lesser notice periods being reserved for matters that OHCS determines relate to material health or safety needs of Project occupants) after notice thereof shall have been given by OHCS, or if such default runs for a period of thirty (30) days from the date the Owner should, with due diligence, have discovered such default, then OHCS may declare an "**Event of Default**" to have occurred hereunder provided, however, if an Event of Default is not reasonably capable of being cured within thirty (30) days or any lesser notice period provided by OHCS, OHCS may, in its sole discretion, extend the correction period for up to six (6) months, but only if OHCS determines there is good cause for granting the

extension; and provided further, however, in the event of a foreclosure, deed in lieu of foreclosure, or similar event with respect to the Project or the Property, the correction period for the successor for an existing default shall be no less than thirty (30) days from the earlier of the date the successor obtains control or becomes the owner of the Project. To the extent that the default is not corrected within the above-described period including extensions, if any, granted by OHCS, an Event of Default shall be deemed to occur and OHCS may exercise its rights and remedies under this Section 9. Following the occurrence of an Event of Default hereunder OHCS may, at its option, take any one or more of the following steps (except that itemized remedies (2), (3), and (6) always must be preceded by notice of default to the Investor in accordance with this subsection while Investor is a member of Owner), in addition to all other remedies provided in this Agreement, by law, or in equity:

(1) Report such noncompliance to the IRS;

(2) Effect removal of the Project from the LIHTC program, which removal may result in recapture of the Credit by the IRS

(3) By mandamus or other suit, action or proceeding at law or in equity, require Owner specifically to perform its obligations under this Agreement, including the Declaration and other Credit Requirements, or enjoin any acts or things that may be unlawful, inconsistent with this Agreement, including the Declaration and other Credit Requirements, or in violation of Owner's obligations or OHCS' rights under this Agreement, including the Declaration and other Credit Requirements;

(4) Obtain the appointment of a receiver to operate the Project in compliance with this Agreement;

(5) Require a change in the General Partner or Managing Member of Owner to OHCS' satisfaction and, for the duration (respectively) of Investor's involvement in Owner or the Primary Lender's Loan, reasonably satisfactory to Investor and Primary Lender;

(6) Require termination of the Management Agent and its replacement to OHCS' satisfaction;

(7) Require Owner to cease management of the Project and to engage a Management Agent acceptable to OHCS;

(8) Withhold from Owner, suspend, terminate, or (upon 30-days written demand) require the repayment of all or any part of other funding assistance provided by OHCS to Owner with respect to the Project;

(9) Declare Owner, or any member thereof, ineligible to receive further Credit or other OHCS funding assistance, including with respect to other projects or requests for same, for such period as OHCS determines in its sole discretion;

(10) Have access to, and inspect, examine and make copies of, all of the books and records of Owner pertaining to the Project and to inspect the Project itself;

(11) Enter onto the Property and correct Events of Default with respect to the Project at Owner's expense, which expense Owner will repay to OHCS within ten (10) days of any presentment of charges for same; and

(12) Exercise of such other remedies as permitted or authorized under this Agreement, including the Declaration and other Credit Requirements by law, or in equity.

(g) **Survival of Remedies; Remedies Not Exclusive.** The rights and remedies of OHCS provided for in this Agreement, which by their nature are intended to survive termination of this Agreement, shall survive the termination of the Affordability Period and of this Agreement. Furthermore, such remedies shall not be exclusive and are in addition to any other rights and remedies available at law, in equity or otherwise. No failure of or delay by OHCS to enforce any provision of this Agreement shall constitute a waiver by OHCS of that or any other provision, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

SECTION 10 - MISCELLANEOUS

(a) **Nonwaiver.** No failure of or delay by OHCS to enforce any provision of this Agreement shall constitute a waiver by OHCS of that or any other provision, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

(b) **No Discrimination; Marketing.** Except as permitted by law, Owner will not discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, sexual orientation, family status, age, disability or the receipt of public assistance. Owner will use its reasonable efforts to advertise and market the Project dwelling units, particularly the Qualified Units, within the County and, if applicable, City in which the Project is located.

(c) **Construction.** The parties to this Agreement acknowledge that each party and its counsel have participated in the drafting and revision of this Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement or any amendment, modification, supplementation, or restatement of the foregoing or of any exhibit to this Agreement.

(d) **Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Agreement.

(e) **Execution and Counterparts.** This Agreement may be executed in several counterparts, each of which will be an original, all of which will constitute but one and the same instrument.

(f) **Notice.** Except as otherwise expressly provided in this Agreement, any notices required or permitted to be given under this Agreement shall be given in writing, by personal delivery, or mailing the same, postage prepaid, to OHCS or Owner at the following addresses:

OHCS: Housing and Community Services Department
Attn: Asset Management and Compliance Section
725 Summer Street N.E., Suite B
Salem, Oregon 97301-1266

Owner: **Tigard Senior Housing Limited Partnership**
c/o Northwest Housing Alternatives, Inc.
2316 SW Willard Street
Milwaukie, OR 97222
Attention: Executive Director
E-mail: tanderson@nwhousing.org
Telephone: (503) 654-1007

With a copy to: **Kantor Taylor PC**
1200 Fifth Avenue, Suite 1910
Seattle, WA 98101
Attention: Andrea Sato
E-mail: asato@kantortaylor.com
Telephone: (206) 625-9951

or to such other address a party may indicate to the other pursuant to this Subsection. Any notice so addressed and mailed shall be effective five (5) days after mailing. Any notice by personal delivery shall be deemed to be given when actually delivered.

If written notice of a default to the Owner is required under this Agreement, then OHCS will also deliver written notice of such default to the Investor at the Investor's address as referenced below (or such other single address as may be provided in writing) for as long as the Investor shall have an ownership interest in Owner.

Investor: **Wincopin Circle LLLP**
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044
Attention: Asset Management
Telephone: (410) 964-0552
Facsimile: (410) 772-2630

With a Copy To: Attention: General Counsel
Email: sshack@enterprisecommunity.com

With a Copy To: **Gallagher Evelius & Jones LLP**
218 N. Charles Street, Suite 400
Baltimore, MD 21201
Attention: Ken Gross
Email: kgross@gejlaw.com
Telephone: (410) 347-1367

In addition to any other cure provisions contained in this Agreement, the Investor (and any special member or special limited partner affiliated therewith) will have the right to cure all defaults for which delivery of written notice to the Owner is required under this Agreement within the same time periods allowed to Owner.

(g) Third Party Beneficiaries; Limitation.

(1) **Modification of Agreement and Restrictive Covenants.** Third-party beneficiaries under this Agreement, if any, are limited to those persons qualified under the Credit Requirements to be occupants of the Project. The rights of such third parties are restricted to enforcement of the terms of the Declaration as contemplated in this Agreement. Notwithstanding such third-party beneficiary rights, OHCS may, with the written consent of the Owner, waive, modify or release any and all terms of this Agreement, including the Declaration and the restrictive covenants and equitable servitudes arising thereunder, at its sole discretion. Additionally, OHCS may waive, modify or release any and all terms of the Declaration and the restrictive covenants and equitable servitudes arising thereunder at its sole discretion without the consent of the Owner should the Project be removed from the LIHTC program. Third-party beneficiary rights are limited to the terms of the Declaration as contemplated in this Agreement, as the Agreement or Declaration may from time to time be so waived, modified or released by OHCS.

(2) **No Third-Party Claim Against OHCS.** Third-party beneficiaries under this Agreement, if any, including the Declaration, shall have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Agreement, the Declaration, the Credit, the Credit Requirements, or the Project, arising from their rights under this Agreement, the Declaration, or the requirements under the Declaration.

(3) **No Third-Party Attorney Fees.** Notwithstanding any other provision in this Agreement (including the Declaration), third-party beneficiaries neither have any right to the award of attorney fees or costs hereunder nor are they subject hereunder to an award of attorney fees or costs in favor of any others.

(h) Assignment; Successors and Assigns. Except as expressly permitted herein, Owner shall not assign or otherwise transfer any interest in this Agreement or in Owner (other than leases for the residential units in the Project) without the prior written consent of OHCS. Any attempted assignment or transfer in violation of this provision shall be null and void. The provisions of this Agreement shall be binding upon and shall run to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

(i) **Foreclosure.** Except with respect to government lenders, in the event the primary construction or primary permanent lender, its successors or assigns, lawfully acquire title to the Project through foreclosure or deed in lieu of foreclosure, neither the lender nor any subsequent purchaser of the Project following such a foreclosure or deed in lieu of foreclosure will be deemed a "successor or assign" of the Owner, and neither the lender nor such subsequent purchaser will have any obligation to repay the Credits and all conditions and restrictions contained herein will terminate on the date, if any, that the Project is so acquired by foreclosure or deed in lieu of foreclosure provided, however, that (i) the preceding provisions of this sentence will cease to apply and the restrictive covenants and equitable servitudes contained in this Agreement will be reinstated if, at any time during the Affordability Period subsequent to the early termination of this Agreement as the result of an event under this section, any person or entity that was an obligor under this Agreement prior to such early termination event, including the Owner, or any related person (within the meaning of IRC Section 42) obtains an ownership interest in the Project, and (ii) for three (3) years after the acquisition of title to the Project by the construction or permanent lender any Qualified Tenants in the Project may not be evicted except for cause and rents charged to such Qualified Tenants may not exceed the rent limits established in this Agreement.

(j) **Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.

(k) **Indemnity.** Owner shall indemnify, hold harmless, save, and (subject to ORS chapter 180) defend the State of Oregon, OHCS and their officers, agents, employees, members, and assigns, from all suits, actions, claims, losses, or damages of whatsoever nature, kind or description related to the Project or resulting from or arising out of the acts, omissions, neglect, or misconduct of Owner or its subcontractors, agents, or employees under this Agreement or related to the Project.

(l) **Survival of Obligations.** The obligations of Owner as set forth in the Application and Reservation, shall survive the Reservation or Allocation of any Credit and shall not be deemed to terminate or merge with the Reservation or Allocation of the Credit. Provisions of this Agreement which by their nature are intended to survive termination of this Agreement shall survive.

(m) **Attorney Fees.** In the event a lawsuit is instituted regarding this Agreement, the prevailing party in any dispute arising under this Agreement shall, to the extent permitted by law and this Agreement, be entitled to recover from the other its reasonable attorney fees and all costs and disbursements incurred at trial and on appeal. Reasonable attorney fees shall not exceed the rate charged OHCS by its counsel.

(n) **Governing Law; Venue: Consent to Jurisdiction.** This Agreement shall be governed by the laws of the State of Oregon without regard to principles of conflicts of law and the laws

of the United States of America, as applicable. Any claim, action, suit or proceeding (collectively, "Claim") among OHCS and Owner or with any third-party beneficiary related to this Agreement or the Project shall be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event shall this provision be construed as a waiver by the State of Oregon or OHCS of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OWNER, BY EXECUTION OF THIS AGREEMENT, HEREBY EXPRESSLY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

(o) **Merger Clause; Order of Precedence.** This Agreement, including the Declaration, Application, Reservation, and any exhibits, schedules, appendices, and attachments hereto (which are by this reference incorporated herein), constitutes the entire agreement between the parties on the subject matter hereof. Owner hereby acknowledges that the Application and the Reservation survive the execution and delivery of this Agreement. In the event of any inconsistencies between the body of the Agreement, the Application, the Reservation, and any of the attachments to the Agreement, the following is the descending order of precedence in which the various provisions are to be interpreted: the Declaration, the Agreement without any attachments or any incorporated provisions, the Management Plan, the Services Plan, the Reservation, the Application, the Property Description, any other attachments. No modification or amendment of this Agreement shall bind either party unless in writing and signed by both parties, and no waiver or consent shall be effective unless signed by the named party against whom such waiver or consent is asserted. Such waiver or consent, if given, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement.

(p) **Percentage of Project that is Bond Financed.** At the time of execution of this Agreement, the Owner has represented that **fifty-five** percent **(55%)** of the aggregate basis of the Improvements and Property is projected to be financed by tax-exempt bonds subject to an annually determined state volume cap limitation in accordance with IRC Section 146. It appears, from information provided by the Owner, that financing for the Project is projected to satisfy the requirements of IRC Section 42(h)(4) with respect to credit for buildings financed by tax-exempt bonds subject to volume cap and that principal payments on the financing will be applied within a reasonable period to redeem obligations the proceeds of which were used to provide such financing.

(q) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

(r) **Independent Contractor.** Owner will perform all obligations under this Agreement and will timely satisfy all Credit Requirements as an independent contractor. Owner is not an officer, employee or agent of the State, as those terms are used in ORS 30.265 or otherwise, with respect to performance under this Agreement.

(s) **Owner Responsible for Insurance Coverage.** Owner agrees that insurance coverage, whether purchased or by self-insurance, for Owner's agents, employees, officers, and/or subcontractors is the sole responsibility of Owner.

(t) **Non-federal Employment Certification.** Owner certifies that it is not employed by or contracting with the federal government for performance covered by this Agreement.

(u) **Good Standing Certification.** Owner certifies to the best of its knowledge and belief that neither the Owner nor any of its principals, officers, directors, or employees:

(1) Is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any state or federal department or agency;

(2) Has within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract related to a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements or receiving stolen property;

(3) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (u)(2); and

(4) Has within a three-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.

(v) **Blocked Persons.** Owner and Owner's employees and agents are not included on the list titled **"Specially Designated Nationals and Blocked Persons"** maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at:

https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx

(w) **No Limitations on Actions of OHCS in Exercise of Its Governmental Powers.** Nothing in this Agreement is intended, nor will it be construed, to in any way limit the actions of OHCS in the exercise of its governmental powers. It is the express intention of the parties hereto that OHCS will retain the full right and ability to exercise its governmental powers with respect to the Owner, the Project, the Credits, this Agreement, and the transactions contemplated by this Agreement and applicable Credit Requirements to the same extent as if it were not a party to this Agreement or the transactions contemplated hereby, and in no event will OHCS have any liability in contract arising under this Agreement, the Application, the Reservation, the Credit Requirements, or otherwise by virtue of any exercise of its governmental powers.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the first day written above.

OHCS:

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

By: Roberto Franco

Roberto Franco, Assistant Director
Development Resources and Production
Affordable Rental Housing Division

STATE OF OREGON)
: ss
COUNTY OF MARION)

This instrument was acknowledged before me this 20th day of April, 2022, by Roberto Franco, Assistant Director of the Development Resources and Production, Affordable Rental Housing Division, on behalf of the State of Oregon, acting by and through its Housing and Community Services Department.

OFFICIAL STAMP
SUSAN ELAINE BAILEY
NOTARY PUBLIC - OREGON
COMMISSION NO. 1013499
MY COMMISSION EXPIRES JUNE 27, 2025

Susan Elaine Bailey
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6-27-25

OWNER: **TIGARD SENIOR HOUSING LIMITED PARTNERSHIP,**
an Oregon limited partnership

By: **Tigard Senior Housing GP LLC,**
an Oregon limited liability company,
its General Partner

By: **Northwest Housing Alternatives, Inc.,**
an Oregon nonprofit public benefit corporation,
its Manager

By: Trell Anderson
Trell Anderson, Executive Director

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me this 22 day of April 2022 by Trell Anderson, as Executive Director of Northwest Housing Alternatives, Inc., an Oregon nonprofit public benefit corporation, as Manager of Tigard Senior Housing GP LLC, an Oregon limited liability company, as General Partner of Tigard Senior Housing Limited Partnership, an Oregon limited partnership, on behalf of the Owner.

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

Notary Public for Oregon
My Commission Expires: 8/30/22

OFFICIAL STAMP
WENDY ALICE GEURIN
NOTARY PUBLIC-OREGON
COMMISSION NO. 978610
MY COMMISSION EXPIRES AUGUST 30, 2022

Exhibit A
Legal Description

A tract of land situated in the southeast one quarter of Section 2, Township 2 South, Range 1 West, Willamette Meridian, City of Tigard, Washington County, Oregon and being a portion of that tract of land described as Parcel 1 of Partition Plat 2020-014, Washington County plat records; being more particularly described as follows:

Commencing at the most easterly southeast corner of said Parcel 1, said point falling on the north right-of-way of Southwest Omara Street; thence North 02°32'04" East, 158.52 feet along the east line of said Parcel 1; thence North 87°27'56" West, 8.90 feet to the **Point of Beginning;** thence North 87°21'32" West, 63.69 feet; thence North 42°24'54" West, 19.28 feet; thence North 02°31'37" East, 60.66 feet; thence North 87°27'47" West, 21.00 feet; thence North 02°31'45" East, 22.28 feet; thence North 17°19'32" West, 41.19 feet; thence South 72°14'33" West, 45.30 feet; thence North 87°28'02" West, 88.00 feet; thence North 02°31'57" East, 16.50 feet; thence North 87°28'05" West, 4.00 feet; thence North 02°31'47" East, 20.00 feet; thence South 87°25'27" East, 3.08 feet; thence North 44°13'19" East, 22.73 feet; thence South 87°27'37" East, 62.50 feet; thence North 72°14'01" East, 76.13 feet; thence North 86°04'03" East, 29.28 feet; thence North 62°19'56" East, 22.86 feet; thence South 42°27'58" East, 4.02 feet; thence South 68°50'01" East, 5.28 feet; thence South 87°27'57" East, 28.33 feet; thence South 24°55'18" East, 21.01 feet, said point being 8.90 feet westerly from the easterly line of said Parcel 1; thence South 02°32'04" West parallel with the East line of said Parcel 1, 191.23 feet to the **Point of Beginning.**

The basis of bearing is Partition Plat 2020-014, Washington County plat records. A bearing of North 02°32'04" East was held along the east line of Parcel 1 of said Partition Plat 2020-014.

City of Tigard

MEMORANDUM

13125 SW Hall Boulevard, Tigard, Oregon 97223 • www.tigard-or.gov

To: Eric Kang, Finance Director

From: Trinity Miller, Housing Planner

Re: REACH Community Development 2026 (REACH) Applications for Tax Exemption

Date: March 3, 2026

REACH Community Development (REACH) has submitted an application for low-income housing tax exemptions for the set of five properties that the organization purchased in 2021 within the city. The one developed property is the 85-unit Dartmouth Crossing North Phase 1 development located at 6835 SW Clinton St. REACH is also applying for a tax exemption for four lots of land owned and held for the purpose of developing affordable low-income housing as the Dartmouth Crossing South Phase 2 development located at 6860 SW Clinton St, 11900 SW 69th Ave, 11950 SW 69th Ave, and 11955 SW 68th Ave.

Addresses:

6835 SW Clinton St.

6860 SW Clinton St. (vacant)

11900 SW 69th Ave. (vacant)

11950 SW 69th Ave. (vacant)

11955 SW 68th Ave. (vacant)

Tax Lots:

1S136DD02900, 1S136DD06100, 1S136DD06200, 1S136DD06300, 1S136DD06600

Real Property Account #s:

R286112, R286443, R286452, R286461, R286498

Tigard Municipal Code (TMC) 3.50.020, Nonprofit Corporation Low Income Housing, provides criteria for considering exemption requests. A review of these criteria follows.

1. The property is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code.

REACH submitted with their application a copy of an Internal Revenue Service letter, dated January 18, 2018, verifying that REACH qualifies as a 501(c)(3) organization. This criterion is met.

2. Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon.

REACH has submitted Articles of Incorporation demonstrating that upon dissolution, the organization's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal, state, or local government for a public purpose. This criterion is met.

3. The property is:

a. Occupied by low income persons; or

b. Held for the purpose of future development as low-income housing.

REACH has provided certification documents demonstrating that the 85 units at Dartmouth Crossing North are occupied by low-income persons earning 60% of the area median income (AMI) or less, tenant income is verified upon application and is re-certified on an annual basis. REACH will have covenants with the state and with Washington County to lease residential units exclusively to low-income residents, earning 60% AMI or less, for at least 40 years. Compliance is monitored by the Oregon Department of Housing and Community Services and the Washington

County Office of Community Development. REACH acquired the properties held for future development as low-income housing on March 26, 2021. REACH has also provided a signed document stating that these remaining four properties are being held for the future development of low-income housing as Dartmouth Crossing Phase 2 also known as Dartmouth Crossing South which will be fully restricted to households earning 60% AMI or less. This criterion is met.

4. The property or portion of the property receiving the exemption, is actually and exclusively used for the purposes described in section 501(c) (3) or (4) of the Internal Revenue Code.

REACH is applying for full exemption at all seven properties. REACH has submitted documents stating that all seven properties are fully dedicated to nonprofit activities REACH's mission is to create quality, affordable housing and opportunities for individuals, families, and communities to thrive. This criterion is met.

5. The exemption has been approved as provided in Section 3.50.050.

This criterion relates to the required city process for handling exemption requests. Section 3.50.050 states the city will determine eligibility for exemption (as is detailed in this report) and send notice of the determination to the County Assessor. This criterion will be met upon approval by City Council.

Conclusion:

REACH-owned properties have qualified for tax exemptions every year since 2021. According to the applications submitted, no changes in circumstances have occurred that would disqualify the non-profit housing provider from continuing to receive the exemption. Staff has determined that the above-named properties owned by REACH meet the criteria for tax exemption.

The city's Affordable Housing Plan adopted in June 2019 includes tax exemption as one of the city's strategies for facilitating affordable housing in the community.

Therefore, the granting of exemptions to REACH is consistent with the applicable TMC standards and with adopted city housing policies.

REACH Community Development | Everyone deserves a place to call home.

Property Tax Abatement Application

City of Tigard
13125 SW Hall Blvd.
Tigard OR, 97223

February 23, 2026

Property: Dartmouth Crossing

Addresses: 6835 SW Clinton St, 11955 SW 68th Ace, 11950 SW 69th Ave, 11900 SW 69th Ave and 6860 SW Clinton St. Tigard OR, 97223.

Tax Lots: 2900, 3001 and 3100 of **Block 9.** 6100, 6200, 6300, 6600, and 6700 of **Block 12.**

Real Property Account #s: R286112 **Block 9** R286443, R286452, R286461, R286498 of **Block 12**

Project Description: As of March 31, 2021, this collection of lots has been acquired by REACH Community Development Inc. a 501(c)3 non-profit housing company for the development of income restricted housing. Covenants within the deeds of trust from acquisition lenders require the construction of income restricted housing. **Block 9** (North block) has been developed as Dartmouth Crossing Phase 1 aka Dartmouth Crossing North. **Block 12** (South block) will be developed as Dartmouth Crossing Phase 2 aka Dartmouth Crossing South.

Phase 1: The new multi-family residential building consists of 85 units and associated resident and management spaces. The development is fully restricted to households earning 60% of the median family income (MFI) or less. REACH has applied for funding through OHCS's LIFT program on March 2021.

Phase 2: REACH is submitting for funding anticipating a mixed-use development providing upwards of 36 income restricted residential units. The development is fully restricted to households earning 60% of the median family income (MFI) or less.

Charitable Purpose:

REACH's mission is to create quality, affordable housing and opportunities for individuals, families and communities to thrive. The newly developed Dartmouth North and the development of Dartmouth South will result in much needed affordable housing supported by REACH's team of resident services staff that provide. REACH will leverage additional

services and resources by addressing its five social determinants of health: Neighborhood & Build Environment, Social & Community, Education & Development, Health & Healthcare, Economic Stability. To help residents build a thriving future for themselves and their families, we have been providing asset-building services that include financial education, credit building through rent reporting, homeownership counseling, and matched savings accounts via Individual Development Accounts (IDAs). REACH's resident services has leveraged local partnerships to expand services for the specific communities identified through community engagement activities already underway.

Certification of Resident Income Levels:

Resident income levels are verified upon application for tenancy and are recertified each year. REACH will have covenants with the state and with Washington County to lease residential units exclusively to low-income residents, those earning less than 60% MFI, for a period of at least 40 years.

Dartmouth North is financed through the Low-Income Housing Tax Credit (LIHTC) program, and all households must have incomes at or below 60% of the Area Median Income (AMI). Compliance with these requirements is monitored by the Oregon Department of Housing and Community Services and the Washington County Office of Community Development.

Dartmouth Phase 2 will also be financed with LIHTC with the goal to provide 100% of the units will be leased to households with income at or below 60% of the AMI.

How Tax Exemption Will Benefit Residents:

100% of the property tax exemption is a direct subsidy for the development and operation of the projects. Every dollar reduction in operating costs is used to finance the project, expand resident services. Some costs, such as the cost of operating our resident services programs are not fully funded by building operations and must be funded from outside sources through fund raising and REACH revenues. Without property tax abatement operating revenue that would otherwise be available to support the resident services programming would be eliminated and continuous services would be dependent on fundraising efforts and other budget constraints.

Resident services are crucial to facilitating a stable and healthy community within our projects. These services mean REACH can be a better neighbor, increase community engagement and participation, assist with eviction prevention and other crisis interventions, connect kids to programming and many partnerships. The tax abatement serves as an investment in the overall strength and stability of Tigard and less demand on the social safety net.

REACH Community Development | Everyone deserves a place to call home.

Tax Exempt Status

REACH is a Community Housing Development Organization and a 501(c)3 non-profit. The developments will be controlled by single asset limited partnerships structured for the benefit of LIHTC equity investment and other economic development subsidies. REACH's IRS Determination Letter is attached. REACH undergoes a full independent audit of its books. The State of Oregon Housing and Community Services Department will review the project and resident files annually

Verification of Information

I hereby certify that the information in this application for tax abatement is accurate and complete to the best of my knowledge. REACH's property management staff performs day-to-day management of the property and is responsible for certifying income levels of each resident for compliance with program guidelines. The development will be compliant with all Tigard Municipal Codes.

Kathleen Mertz
Head of Real Estate
REACH Community Development, Inc

2/23/26
Date

State of OREGON)
)ss.
County of Multnomah)

On this 23rd day of February, 2026 personally appeared before me Kathleen Mertz who stated that (s)he is the Head of Real Estate of REACH CDC, a corporation, and that the instrument was signed in behalf of the said corporation by authority of its board of directors and acknowledged said instrument to be its voluntary act and deed. Before me:

OFFICIAL STAMP
MERRI E COMPTON
NOTARY PUBLIC - OREGON
COMMISSION NO. 1057286
MY COMMISSION EXPIRES MARCH 31, 2029

Merri E Compton
Notary Public for Oregon
My Commission Expires: March 31, 2029.

Internal Revenue Service
District Director

RECEIVED
MAY 24 1985

Department of the Treasury

Date: MAY 22 1985

Our Letter Dated:
September 20, 1982
Person to Contact:
EO Desk Officer
Contact Telephone Number:
(206) 442-5106

Reach Community Development, Inc.
1313 South East Oak
Portland, Oregon 97214

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(2). Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Michael F. Quinn

District Director

Internal Revenue Service
District Director

Department of the Treasury

Date: 20 SEP 1982

Employer Identification Number:
93-0813981
Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(2)
Advance Ruling Period Ends:
December 31, 1984
Person to Contact:
John Sutton
Contact Telephone Number:
(206) 442-5106

Reach Community Development, Inc.
1313 Southeast Oak
Portland, OR 97214

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section 509(a)(2).

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(2) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should call us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than $10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Michael J. [illegible]

District Director

IRS Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0029

In reply refer to: 4077967774
Jan. 18, 2018 LTR 4168C 0
93-0813981 000000 00
00023720
BODC: TE

REACH COMMUNITY DEVELOPMENT INC
4150 SW MOODY AVE
PORTLAND OR 97239-4417

010177

Employer ID Number: 93-0813981
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Dec. 07, 2017, regarding your tax-exempt status.

We issued you a determination letter in September 1982, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(2).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

4077967774
Jan. 18, 2018 LTR 4168C 0
93-0813981 000000 00
00023721

REACH COMMUNITY DEVELOPMENT INC
4150 SW MOODY AVE
PORTLAND OR 97239-4417

Sincerely yours,

Stephen A. Martin
Director, EO Rulings & Agreements

1 $55

Restated Articles of Incorporation - Nonprofit

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - http://www.FilingInOregon.com - Phone: (503) 986-2200

CONFIRMATION COPY

FILED
MAY 20 2011
OREGON
SECRETARY OF STATE

REGISTRY NUMBER: 161425-15

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) **NAME OF CORPORATION:** REACH Community Development, Inc.

2) **NEW NAME OF THE CORPORATION:** (If changed) _____

3) **A COPY OF THE RESTATED ARTICLES MUST BE ATTACHED.**

4) **CHECK THE APPROPRIATE STATEMENT:**

☒ The restated articles contain amendments which do not require membership approval. The date of the adoption of the amendments and restated articles was May 2, 2011. These amendments were duly adopted by the board of directors.

☐ The restated articles contain amendments which require membership approval. The date of the adoption of the amendments and restated articles was _____.

The vote of the members was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

5) **EXECUTION:** (Must be signed by at least one officer or director.)
By my signature, I declare as an authorized authority, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:	Printed Name:	Title:
Joan E. Cook	Joan E. Cook	Chief Financial Officer

CONTACT NAME: (To resolve questions with this filing.)
Joan Cook

PHONE NUMBER: (Include area code.)
503.231.0682

FEES

Required Processing Fee $50

Confirmation Copy (Optional) $5

Processing Fees are nonrefundable. Please make check payable to "Corporation Division."

RESTATED
ARTICLES OF INCORPORATION
OF
REACH COMMUNITY DEVELOPMENT, INC.

These Restated Articles of Incorporation of REACH Community Development, Inc., an Oregon nonprofit, public benefit corporation (the "Corporation"), supersede the existing Articles of Incorporation and all previous amendments.

ARTICLE I
NAME, DURATION AND DESIGNATION

The name of the Corporation is REACH Community Development, Inc., and its duration shall be perpetual. The Corporation is a public benefit corporation.

ARTICLE II
PURPOSES AND POWERS

A. The Corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor statute. The Corporation's purposes include: providing decent housing affordable to low and moderate income people, engaging in activities which serve such residents' needs for community and economic development; undertaking community economic development, neighborhood revitalization or other activities to combat community deterioration; lessening the burdens of government; and providing and engaging in other activities and services that are necessary or appropriate to carry out these purposes. The Corporation will carry out this work in Oregon and Washington.

B. The Corporation is intended to qualify as a tax-exempt organization described in Section 501(c)(3) of the Code. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of the Code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under the Code. No part of the net earnings or contributed funds of the Corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services received and to make payments and distributions in furtherance of the purposes herein set forth. Except to the extent otherwise authorized under Section 501(h) of the Code, no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not

permitted to be carried on (i) by a Corporation exempt from federal income tax under section 501(c)(3) of the Code, or (ii) by a Corporation, contributions to which are deductible under section 170(c)(2) of the Code.

C. Subject to the express limitations and restrictions contained in these Articles of Incorporation, this Corporation may engage in any lawful activity for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes ("ORS Chapter 65"), or any successor statute.

ARTICLE III
REGISTERED AGENT

The address of the Corporation's registered office is REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214, and its registered agent at that location is Debra Walsh, Executive Director.

ARTICLE IV
MAILING ADDRESS

Notices may be mailed to the Corporation's principal office to the attention of the Executive Director, REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214.

ARTICLE V
DISSOLUTION

Upon the dissolution or final liquidation of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the remaining assets to one or more exempt organizations described in Section 501(c)(3) of the Code, or to a state or local government for a public purpose. Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI
MEMBERSHIP

The Corporation shall have no members within the meaning of ORS Chapter 65.

ARTICLE VII
LIMITATION ON PERSONAL LIABILITY

No director or officer of the Corporation shall be personally liable to the Corporation for monetary damages for conduct as a director or officer; and no director or officer of the Corporation shall be liable to the Corporation or other person for any action

taken or not taken as a director or officer if the director or officer acts in compliance with the standards of conduct for directors and officers set forth in ORS Chapter 65; provided however, that this provision shall not eliminate the liability of a director or officer for any conduct for which liability may not be eliminated under ORS Chapter 65, including liability of a director or officer for (a) breach of the duty of loyalty to the Corporation, (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 director or officer derived an improper personal benefit, or (e) any act or omission prohibited by ORS Chapter 65 involving conflict of interest, loans or guarantees to directors or officers, or unlawful distributions. No amendment to these Articles that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director or officer for any act or omission that occurs prior to the effective date of the amendment.

ARTICLE VIII
AMENDMENT

These Articles of Incorporation may be amended by the affirmative vote of a majority of the Directors then in office, provided that two days' notice is first provided to each Director. The notice shall specify the time, date and place of the meeting, shall state that one of the purposes of the meeting is to consider one or more proposed amendments to the Articles, and shall contain or be accompanied by a copy or summary of the amendment(s). Once amended, the Corporation shall deliver to the Secretary of State articles of amendment, in accordance with ORS 65.447.

The name of the Corporation before and after the filing of these Restated Articles of Incorporation is REACH Community Development, Inc. These Restated Articles of Incorporation were adopted on May 2, 2011, by a sufficient vote of the Board of Directors. Approval of members or any person other than the Board of Directors was not required.

DATED: May 2, 2011

Ruth Ann Tsukuda
Ms. Ruth Ann Tsukuda, President

Questions regarding this filing may be addressed to:

Ruth Ann Tsukuda, President
REACH Community Development, Inc.
1135 SE Salmon Street
Portland, OR 97214.
Phone: (503) 231-0682

FILE NO. 102742

FILED
IN THE OFFICE OF THE CORPORATION COMMISSIONER OF THE STATE OF OREGON
JUN 17 1982
FRANK J. HEALY
CORPORATION COMMISSIONER

ARTICLES OF INCORPORATION

OF

REACH Community Development Inc.

The undersigned natural person of the age of eighteen years or more, acting as incorporator under the Oregon Nonprofit Corporation Law adopt the following Articles of Incorporation:

ARTICLE I:

The name of this corporation is REACH Community Development Inc. and its duration shall be perpetual.

ARTICLE II:

The purposes for which the corporation is organized are:

1) That the corporation may engage in any lawful activity, none of which is for profit, for which corporations may may be organized under ORS Chapter 61.
2) That the corporation shall be organized and operated exclusively for charitable, and/or educational activities, including primarily to combat community deterioration and build community skills through development of programs to provide educational access, housing opportunity for low and moderate income families, and community recreation in inner Southeast Portland.
3) To buy, sell or lease property so as to provide housing, employment, business opportunities, education, or recreation resources to low and moderate income individuals.

ARTICLE III:

The address of the initial registered office of the corporation is 1313 S.E. Oak, Portland, Oregon, 97214, and the name of its initial registered agent at such address is Dennis Gilman.

ARTICLE IV:

The number of directors constituting the initial board of directors is 10 (ten), and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and shall qualify are:

Name	Street and Number	City and State	Zip
Julianne Johnson	327 S.E. 14th	Portland, Oregon	97214
Nancy Waddell	321 S.E. 14th	Portland, Oregon	97214
Patti Morris	409 S.E. 21st	Portland, Oregon	97214
Judith Chambliss	939 S.E. 17th	Portland, Oregon	97214
Stan Kahn	722 S.E. 18th	Portland, Oregon	97214
Mary Ann Schwab	605 S.E. 38th	Portland, Oregon	97214
Jim Andrews	722 S.E. 11th	Portland, Oregon	97214

continued on page 2:

ARTICLE IV, continued:

Name	Street and Number	City and State Zip
Barbara Willer	1922 S.E. Washington	Portland, Oregon 97214
Kathy Bethel	1922 S.E. Washington	Portland, Oregon 97214
Delores Harrington	1922 S.E. Washington	Portland, Oregon 97214

ARTICLE V:

The name and address of each incorporator is:

Julianne Johnson	327 S.E. 14th	Portland, Oregon 97214

ARTICLE VI:

Upon dissolution of the corporation, the Board of Directors shall after paying or making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, 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 VII:

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in futtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be 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 any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law)or (b) by a corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United StatesInternal Revenue Law).

ARTICLE VIII:

The Board of Directors of this corporation shall be composed of a minimum of 15 and a maximum of 19 representatives of the citizens of inner southeast Portland. Members of the Board of Directors need not be residents of inner southeast Portland. The members of the Board of Directors shall be elected in the following manner:

1) Five (5) Directors shall be elected by the members of REACH Community Development Inc. as defined in the By-Laws of the corporation.

2) A total of six (6) Directors shall be selected by southeast Portland Neighborhood Associations. The Neighborhood Associations (as approved by the City of Portland) of Buckman, Sunnyside, Kerns, Brooklyn, Hosford-Abernathy, and Richmond shall each select one Director for the Board of REACH Community Development Inc.

3) Four (4) Directors shall be elected as representatives of community-based organizations or institutions. The interim Board of Directors of REACH Community Development Inc. shall select the four organizations or institutions to be represented. Each of the selected organizations or institutions shall select one representative to serve as a member of the Board of Directors of REACH Community Development Inc. Subsequent Boards of Directors of REACH Inc. may change the selection of community-based organizations or institutions to be represented prior to the selection of new representatives to fill community-based organization or institution slots (i.e. when terms of office of selected representatives are expiring), with the consent of the corporate membership.

4) A maximum of four (4) Directors shall be elected by the Board of Directors of this corporation. The initial Board of Directors shall not elect these Directors, but all subsequent Boards of Directors shall be entitled to elect these Directors.

ARTICLE IX:

A resolution approved by four-fifths (4/5) of the current Board of Directors shall be required to submit any proposed Amendment to these Articles of Incorporation to the members of the corporation for approval. Adoption of any proposed Amendment to these Articles of Incorporation shall require an affirmative vote by two-thirds (2/3) of the votes cast on the proposed amendment.

I, the undersigned incorporator, declare under penalties of perjury that I have examined the foregoing and to the best of my knowledge and belief, it is true, correct, and complete.

Julianne Johnson

Dated May 24, 1982

16142515

FILED
IN THE OFFICE OF THE CORPORATION COMMISSIONER OF THE STATE OF ORE.
APR 20 1987
CORPORATION COMMISSIONER

RESTATED ARTICLES OF INCORPORATION
OF
REACH COMMUNITY DEVELOPMENT, INC.

These Restated Articles of Incorporation of REACH COMMUNITY DEVELOPMENT, INC., an Oregon nonprofit corporation (the "corporation"), supersede the existing Articles of Incorporation and all previous amendments.

ARTICLE I. Name and Duration

The name of the corporation is REACH Community Development, Inc. and its duration shall be perpetual.

ARTICLE II. Purposes and Powers

A. The corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute, including, for such purposes, the combatting of community deterioration and the building of community skills through development of programs in inner Southeast Portland providing (i) educational access, (ii) housing opportunity for low and moderate income families, and (iii) community recreation.

B. The corporation may buy, sell or lease property in order to provide housing, employment, business opportunities, education, and recreation resources to low and moderate income individuals.

4/20

C. The corporation may receive donations from the general public and may apply to receive donations, grants and similar gifts from private individuals, public organizations and private organizations.

D. No part of the net earnings or contributed funds of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services received and to make payments and distributions in furtherance of the purposes herein set forth. Except to the extent otherwise authorized under section 501(h) of the Internal Revenue Code of 1986, as amended, or any successor statute, no substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute, or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or any successor statute.

E. Subject to the express limitations and restrictions contained in this Article II and in Article IV below, this corporation may engage in any lawful activity for which corporations may be organized under Chapter 61 of the Oregon Revised Statutes, or any successor statute.

ARTICLE III. Mailing Address

The mailing address where the Corporation Division may send notices is 1110 S.E. Alder Street, Portland, Oregon 97214.

ARTICLE IV. Dissolution

Upon the dissolution or final liquidation of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the remaining assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for religious, charitable, scientific, literary, educational or other purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute, as the Board of Directors shall determine.

Any assets not so disposed of shall be distributed to such organization or organizations as shall qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute, subject to the order of a court of competent

jurisdiction in the county in which the principal office of the corporation is then located.

ARTICLE V. Board of Directors

A. The business affairs of the corporation shall be managed by a Board of Directors, each member thereof individually to be referred to as a Director. The Board of Directors shall consist of a minimum of nine (9) and a maximum of fifteen (15) directors, such exact number to be fixed by resolution of the Directors from time to time.

B. The Board of Directors shall elect new Directors by the affirmative vote of two-thirds (2/3) of the remaining Directors.

C. Each Director shall be elected for a term of three (3) years commencing on the date of his or her election and continuing until such time as a successor shall be elected and qualify; provided, however, the respective terms of Directors may be staggered so that the terms of one class of Directors expire each year, and to accomplish this purpose, Directors may be elected for terms shorter than three (3) years.

D. During the annual meeting, the Directors shall elect persons to fill vacancies on the Board of Directors created by expiring terms and to fill any directorship resulting from an increase in the number of Directors. A Director may serve an unlimited number of terms, whether consecutive or not.

E. Any vacancy occurring on the Board of Directors due to death, removal or resignation of a Director may be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors, though less than a quorum of the Board of Directors, at any meeting of the Board. All Directors shall receive notice, personally or by mail, that one of the purposes of such meeting is to fill such a vacancy on the Board of Directors. A Director so elected shall serve for the unexpired portion of the term of his or her predecessor in office.

F. Upon election to the Board of Directors, each Director automatically and without further action shall assume his or her office as a Director of this corporation.

ARTICLE VI. Membership

The corporation has no members.

ARTICLE VII. Amendment

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the number of Directors fixed by the Bylaws, including any amendments thereto, or by resolution of the Directors from time to time.

IN WITNESS WHEREOF, the said corporation has caused these Restated Articles of Incorporation to be signed by Steven D. Rudman, its President, and Deborah Howe, its Secretary, this 13th day of April, 1987.

REACH COMMUNITY DEVELOPMENT, INC.,
an Oregon nonprofit corporation

By Steven D. Rudman
President

By Deborah A. Howe
Secretary

DECLARATION

I declare under penalties of perjury that I have examined these Restated Articles of Incorporation and to the best of my knowledge and belief, they are true, correct and complete.

Steven D. Rudman, President

STATEMENT ACCOMPANYING RESTATED ARTICLES OF INCORPORATION OF REACH COMMUNITY DEVELOPMENT, INC.

REACH COMMUNITY DEVELOPMENT, INC., an Oregon nonprofit corporation (the "Corporation"), furnishes this Statement in connection with the filing of Restated Articles of Incorporation, dated April 17, 1987:

1. The name of the corporation is REACH COMMUNITY DEVELOPMENT, INC.

2. The Restated Articles of Incorporation were adopted on February 16, 1987, at a meeting of the members at which there was a quorum and received at least two-thirds of the vote.

IN WITNESS WHEREOF, the said Corporation has caused this Statement to be signed by Steven D. Rudman, its President, and Deborah Howe, its Secretary, this 13th day of April, 1987.

REACH COMMUNITY DEVELOPMENT, INC.,
an Oregon nonprofit corporation

By Steven D. Rudman
President

By Deborah A. Howe
Secretary

DECLARATION

I declare under penalties of perjury that I have examined this Statement and, to the best of my knowledge and belief, it is true, correct and complete.

Steven D. Rudman, President

161425-15

FILED
IN THE OFFICE OF THE SECRETARY
OF STATE OF THE STATE OF OREGON
APR 27 1990
CORPORATION DIVISION

SECOND RESTATED ARTICLES OF INCORPORATION

OF

REACH COMMUNITY DEVELOPMENT, INC.

These Second Restated Articles of Incorporation of REACH COMMUNITY DEVELOPMENT, INC., an Oregon nonprofit corporation (the "corporation"), supersede the existing Restated Articles of Incorporation and all previous amendments.

ARTICLE I. Name and Duration

The name of the corporation is REACH Community Development, Inc. and its duration shall be perpetual.

ARTICLE II. Purposes and Powers

A. The corporation is a public benefit corporation within the meaning of the Oregon Nonprofit Corporation Act, as amended (the "Act").

B. The corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code"), including, for such purposes, the combatting of community deterioration and the building of community skills through development of programs in inner Southeast Portland providing (i) educational access, (ii) housing opportunity for low and moderate income families, and (iii) community recreation.

04239002313 831.115 10.00

C. The corporation may buy, sell or lease property in order to provide housing, employment, business opportunities, education, and recreation resources to low and moderate income individuals.

D. The corporation may receive donations from the general public and may apply to receive donations, grants and similar gifts from private individuals, public organizations and private organizations.

E. No part of the net earnings or contributed funds of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services received and to make payments and distributions in furtherance of the purposes herein set forth. Except to the extent otherwise authorized under section 501(h) of the Code, no substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or

(ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

F. Subject to the express limitations and restrictions contained in this Article II and in Article IV below, this corporation may engage in any lawful activity for which corporations may be organized under the Act, or any successor statute.

ARTICLE III. Mailing Address

The mailing address where the Corporation Division may send notices is 2405 S. E. 11th Avenue, Portland, Oregon 97214.

ARTICLE IV. Dissolution

Upon the dissolution or final liquidation of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the remaining assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for religious, charitable, scientific, literary, educational or other purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Code, as the Board of Directors shall determine.

Any assets not so disposed of shall be distributed to such organization or organizations as shall qualify as an

exempt organization or organizations under section 501(c)(3) of the Code, subject to the order of a court of competent jurisdiction in the county in which the principal office of the corporation is then located.

ARTICLE V. Board of Directors

A. The business affairs of the corporation shall be managed by a Board of Directors, each member thereof individually to be referred to as a Director. The Board of Directors shall consist of a minimum of nine (9) and a maximum of fifteen (15) directors, such exact number to be fixed by resolution of the Directors from time to time.

B. The Board of Directors shall elect new Directors by the affirmative vote of two-thirds (2/3) of the remaining Directors.

C. Each Director shall be elected for a term of three (3) years commencing on the date of his or her election and continuing until such time as a successor shall be elected and qualify; provided, however, the respective terms of Directors may be staggered so that the terms of one class of Directors expire each year, and to accomplish this purpose, Directors may be elected for terms shorter than three (3) years.

D. During the annual meeting, the Directors shall elect persons to fill vacancies on the Board of Directors created by expiring terms and to fill any directorship resulting from an increase in the number of Directors. A

Director may serve an unlimited number of terms, whether consecutive or not.

E. Any vacancy occurring on the Board of Directors due to death, removal or resignation of a Director may be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors, though less than a quorum of the Board of Directors, at any meeting of the Board. All Directors shall receive notice, personally or by mail, that one of the purposes of such meeting is to fill such a vacancy on the Board of Directors. A Director so elected shall serve for the unexpired portion of the term of his or her predecessor in office.

F. Upon election to the Board of Directors, each Director automatically and without further action shall assume his or her office as a Director of this corporation.

G. No Director or uncompensated officer of the corporation shall be personally liable to the corporation or its members for monetary damages for conduct as a Director or officer; provided that this Section G shall not eliminate the liability of a Director or officer for any act or omission for which such elimination of liability is not permitted under the Act. No amendment to the Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a Director or officer for any act or omission which occurs prior to the effective date of such amendment.

ARTICLE VI. Membership

The corporation has no members.

ARTICLE VII. Amendment

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the number of Directors fixed by the Bylaws, including any amendments thereto, or by resolution of the Directors from time to time.

IN WITNESS WHEREOF, the said corporation has caused these Second Restated Articles of Incorporation to be signed by Sebastian Degens, its President, and Leon Laptook, its Secretary, this 16 day of April, 1990.

REACH COMMUNITY DEVELOPMENT, INC.,
an Oregon nonprofit corporation

By _____
President

By _____
Secretary

CERTIFICATE ACCOMPANYING SECOND RESTATED ARTICLES OF INCORPORATION OF REACH COMMUNITY DEVELOPMENT, INC.

REACH COMMUNITY DEVELOPMENT, INC., an Oregon nonprofit corporation (the "Corporation") with no members, furnishes this Statement in connection with the filing of Second Restated Articles of Incorporation, dated April 16, 1990:

1. The name of the Corporation is REACH COMMUNITY DEVELOPMENT, INC.

2. The Restated Articles of Incorporation were adopted on April 16, 1990, at a meeting of the directors at which there was a quorum and received at least two-thirds of the vote of all of the directors.

IN WITNESS WHEREOF, the said Corporation has caused this Statement to be signed by Sebastian Degens, its President, and Leon Laptook, its Secretary, this 16 day of April, 1990.

REACH COMMUNITY DEVELOPMENT, INC.,
an Oregon nonprofit corporation

By Sebastian Degens
President

By Leon Laptook
Secretary

Submit the original and one true copy
$10.00

Registry Number:
161425-15

Corporation Division - Business Registry

THIS SPACE FOR OFFICE USE ONLY

FILED
SEP 18 1995
SECRETARY OF STATE

ARTICLES OF AMENDMENT
Nonprofit Corporation

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

1. Name of the corporation prior to amendment:

   REACH Community Development, Inc.

2. On a separate sheet, please state the article number(s) and set forth the article(s) as it is amended to read.

3. The amendment(s) was adopted on 1-23, 1995. (If more than one amendment was adopted, identify the date of adoption of each amendment.

4. Check the appropriate statement:

   [XX] Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

   [ ] Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast for	Number of votes cast against

Execution: Daniel B Cooper — Daniel B Cooper — Board President
Signature — Printed name — Title

Person to contact about this filing: Jean DeFond (503) 778-2170
Name — Daytime phone number

MAKE CHECKS PAYABLE TO THE CORPORATION DIVISION

(7/93)

161425-15

Amendments adopted January 23, 1995
REACH Community Development, Inc.

Article III is amended to read as follows:

> "The mailing address where the Corporation Division may send notices is 1135 S.E. Salmon Street, Portland, Oregon 97214."

Article V, paragraph A is hereby amended to read as follows:

> "The business affairs of the corporation shall be managed by a Board of Directors, each member thereof individually to be referred to as a Director. The Board of Directors shall consist of a minimum of eleven (11) and a maximum of nineteen (19) directors, such exact number to be fixed by resolution of the Directors from time to time."

Phone: (503) 986-2200
Fax: (503) 378-4381

Restated Articles of Incorporation—Business/Professional/Nonprofit

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilingInOregon.com

Check the appropriate box below:

☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1, 2, 3, 4, 6, 7)

☒ NONPROFIT CORPORATION
(Complete only 1, 2, 3, 5, 6, 7)

FILED
JUN 18 2003
OREGON
SECRETARY OF STATE
FOR OFFICE USE ONLY

REGISTRY NUMBER: 161425-15

In keeping with Oregon Statute 192.410-192.505, the information on the application is public record. We must release this information to all parties upon request and it may be posted on our website.

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAME OF CORPORATION PRIOR TO AMENDMENT: REACH Community Development, Inc.

2) NEW NAME OF THE CORPORATION (If changed): _____

3) A COPY OF THE RESTATED ARTICLES MUST BE ATTACHED

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

☐ The restated articles contain amendments which do not require shareholder approval. The date of the adoption of the amendments and restated articles was _____. These amendments were duly adopted by the board of directors.

☐ The restated articles contain amendments which require shareholder approval. The date of the adoption of the amendments and restated articles was _____.
The vote of the shareholders was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the restated articles. The restated articles were adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

☒ The restated articles contain amendments which do not require membership approval. The date of the adoption of the amendments and restated articles was May 19, 2003. These amendments were duly adopted by the board of directors.

☐ The restated articles contain amendments which require membership approval. The date of the adoption of the amendments and restated articles was _____.
The vote of the members was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Printed Name	Signature	Title
William A. VanVliet	William A VanVliet	President

7) CONTACT NAME (To resolve questions with this filing.): Joan Cook

DAYTIME PHONE NUMBER (Include area code.): 503-231-0692

FEES

Required Processing Fee $20

Processing Fees are nonrefundable.

Please make check payable to "Corporation Division."

NOTE: Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

6/18

114 (Rev. 6/03)

FILED
JUN 18 2003
OREGON
SECRETARY OF STATE

RESTATED ARTICLES OF INCORPORATION
REACH COMMUNITY DEVELOPMENT, INC.

These Restated Articles of Incorporation of REACH Community Development, Inc., an Oregon nonprofit, public benefit corporation (the "Corporation"), supersede the existing Articles of Incorporation and all previous amendments.

ARTICLE I – Name and Duration

The name of the Corporation is REACH Community Development, Inc., and its duration shall be perpetual.

ARTICLE II – Purposes and Powers

A. The Corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor statute. The Corporation's purposes include: providing decent housing affordable to low and moderate income people, engaging in activities which serve such residents' needs for community and economic development; undertaking community economic development, neighborhood revitalization or other activities to combat community deterioration; and providing and engaging in other activities and services that are necessary or appropriate to carry out these purposes. The Corporation will carry out this work in its primary service area of Inner Southeast Portland, as defined by its strategic plan, and in other areas of Portland that are underserved.

B. The Corporation may buy, sell, or lease property in order to provide housing, employment, business opportunities, education, and recreation resources to low and moderate income individuals.

C. The Corporation may receive donations from the general public and may apply to receive donations, grants and similar gifts from private individuals, public organizations and private organizations.

D. The Corporation is intended to qualify as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code"). The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of the Code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under the Code. No part of the net earnings or contributed funds of the Corporation shall inure to the benefit of or be distributable to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services received and to make payments and distributions in furtherance of the purposes herein set forth. Except to the extent otherwise authorized under section 501(h) of the Internal Revenue Code of 1986, as amended, or any successor statute, no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any

political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a Corporation exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, or any successor statute, or (ii) by a Corporation, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1986, as amended, or any successor statute.

E. Subject to the express limitations and restrictions contained in these Articles of Incorporation, this Corporation may engage in any lawful activity for which Corporations may be organized under Chapter 65 of the Oregon Revised Statues, or any successor statute.

ARTICLE III – Registered Agent

The address of the Corporation's registered office is REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214, and its registered agent at that location is Dee Walsh, Executive Director.

ARTICLE IV – Mailing Address

Notices may be mailed to the Corporation's principal office to the attention of the Executive Director, REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214.

ARTICLE V – Dissolution

Upon the dissolution or final liquidation of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the remaining assets to one or more exempt organizations described in Section 501(c)(3) of the Internal Revenue Code, or of the Corporation exclusively for the purposes of the corporation in such manner, or to a state or local government for a public purpose. Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI – Board of Directors

A. The business affairs of the Corporation shall be managed by a Board of Directors, each member thereof individually to be referred to as a Director. The Board of Directors shall consist of a minimum of eleven (11) and a maximum of nineteen (19) directors, such exact number to be fixed by resolution of the Directors from time to time.

B. The Board of Directors shall elect new Directors by the affirmative vote of two-thirds (2/3) of the remaining Directors.

C. Each Director shall be elected for a term of three (3) years commencing on the date of her or his election.

D. During the annual meeting, the Directors shall elect persons to fill vacancies on the Board of Directors created by expiring terms and to fill any directorship resulting from an increase in the number of Directors. A Director may serve an unlimited number of terms, whether consecutive or not.

E. Any vacancy occurring on the Board of Directors due to death, removal or resignation of a Director may be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors, though less than a quorum of the Board of Directors, at any meeting of the Board. All Directors shall receive notice, personally or by mail or email, that one of the purposes of such meeting is to fill such a vacancy on the Board of Directors. A Director so elected shall serve a three-year term.

F. Upon election to the Board of Directors, each Director automatically and without further action shall assume her or his office as a Director of this Corporation.

ARTICLE VII – Membership

The Corporation has no members.

ARTICLE VIII – Limitation on Personal Liability

No director or officer of the Corporation shall be personally liable to the Corporation for monetary damages for conduct as a director or officer; and no director or officer of the Corporation shall be liable to the Corporation or other person for any action taken or not taken as a director or officer if the director or officer acts in compliance with the standards of conduct for directors and officers set forth in ORS Chapter 65; provided however, that this provision shall not eliminate the liability of a director or officer for any conduct for which liability may not be eliminated under ORS Chapter 65, including liability of a director or officer for (a) breach of the duty of loyalty to the Corporation, (b) acts or omissions not in good faith or which invoive intentional misconduct or a knowing violation of law, (c) any unlawful distribution, (d) any transaction from which the director or officer derived an improper personal benefit, or (e) any act or omission prohibited by ORS Chapter 65 involving conflict of interest, loans or guarantees to directors or officers, or unlawful distributions. No amendment to these Articles that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director or officer for any act or omission that occurs prior to the effective date of the amendment.

ARTICLE IX – Indemnification

The Corporation may, but is not required to, indemnify up to the fullest extent allowed by law, and within the limitations of Article III, any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including an action, suit or proceeding by or in the right of the Corporation), by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation, or serves or served at the request of the Corporation as a director, officer, employee or agent, or as a fiduciary of an employee benefit plan, of another corporation,

partnership, joint venture, trust or other enterprise. This Article shall not be deemed exclusive of any other provisions for indemnification or advancement of expenses of directors, officers, employees, agents and fiduciaries included in any statute, bylaw, agreement, general or specific action of the Board of Directors or other document or arrangement, except that such person shall not apply for court-ordered indemnification.

ARTICLE X – Amendment

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the number of Directors then in office, provided that 2 days' notice is first provided to each Director. The notice shall specify the time, date and place of the meeting, shall state that one of the purposes of the meeting is to consider one or more proposed amendments to the Articles, and shall contain or be accompanied by a copy or summary of the amendment(s). Once amended, the Corporation shall deliver to the Secretary of State articles of amendment, in accordance with ORS 65.447.

DATED: May 19, 2003

William C. Van Vliet

Mr. William Van Vliet, President

Questions regarding this filing may be addressed to:

Mr. William Van Vliet, President
REACH Community Development, Inc.
1135 SE Salmon Street
Portland, OR 97214.
Phone: (503) 231-0682

161425-15

CERTIFICATION ACCOMPANYING RESTATED ARTICLES OF INCORPORATION Of REACH COMMUNITY DEVELOPMENT, INC.

REACH Community Development, Inc., an Oregon nonprofit, public benefit corporation (the "Corporation"), furnishes this Certification in connection with the filing of Restated Articles of Incorporation, dated May 19, 2003 (attached):

1. The name of the Corporation is REACH Community Development, Inc.

2. The Restated Articles of Incorporation were adopted on May 19, 2003, at a meeting of the Board of Directors at which a quorum was present. The motion to adopt the Restated Articles of Incorporation received an affirmative vote from least two-thirds of the Directors present at the meeting.

3. The Corporation has no members, and no member vote was required for adoption of the Restated Articles of Incorporation.

IN WITNESS WHEREOF, the said Corporation has caused this Statement to be signed by Mr. William Van Vliet, its President, and David Schue, its Secretary, this 19 day of May, 2003.

REACH Community Development, Inc.

By William A Van Vliet
President

By David Schue
Secretary

161425-15

FILED

JAN 0 9 2006

OREGON
SECRETARY OF STATE

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF REACH COMMUNITY DEVELOPMENT, INC.

These Amended and Restated Articles of Incorporation of REACH Community Development, Inc., an Oregon nonprofit, public benefit corporation (the "Corporation"), supersede the existing Articles of Incorporation and all previous amendments.

ARTICLE I: NAME, DURATION AND DESIGNATION

The name of the Corporation is REACH Community Development, Inc., and its duration shall be perpetual. The Corporation is a public benefit corporation.

ARTICLE II PURPOSES AND POWERS

A. The Corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor statute. The Corporation's purposes include: providing decent housing affordable to low and moderate income people, engaging in activities which serve such residents' needs for community and economic development; undertaking community economic development, neighborhood revitalization or other activities to combat community deterioration; and providing and engaging in other activities and services that are necessary or appropriate to carry out these purposes. The Corporation will carry out this work in the Portland-Vancouver OR-WA PMSA (including Clackamas, Columbia, Multnomah, Washington, Yamhill and Clark Counties).

B. The Corporation may buy, sell, or lease property in order to provide housing, employment, business opportunities, education, and recreation resources to low and moderate income individuals.

C. The Corporation may receive donations from the general public and may apply to receive donations, grants and similar gifts from private individuals, public organizations and private organizations.

D. The Corporation is intended to qualify as a tax-exempt organization described in Section 501(c)(3) of the Code. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of the Code, including for such purposes the making of distributions to organizations that qualify as exempt organizations under the Code. No part of the net earnings or contributed funds of the Corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services received and to

GM
1.9.05

make payments and distributions in furtherance of the purposes herein set forth. Except to the extent otherwise authorized under Section 501(h) of the Code, no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a Corporation exempt from federal income tax under section 501(c)(3) of the Code, or (ii) by a Corporation, contributions to which are deductible under section 170(c)(2) of the Code.

E. Subject to the express limitations and restrictions contained in these Articles of Incorporation, this Corporation may engage in any lawful activity for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes ("ORS Chapter 65"), or any successor statute.

ARTICLE III
REGISTERED AGENT

The address of the Corporation's registered office is REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214, and its registered agent at that location is Dee Walsh, Executive Director.

ARTICLE IV
MAILING ADDRESS

Notices may be mailed to the Corporation's principal office to the attention of the Executive Director, REACH Community Development, Inc., 1135 SE Salmon Street, Portland, OR 97214.

ARTICLE V
DISSOLUTION

Upon the dissolution or final liquidation of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all of the remaining assets to one or more exempt organizations described in Section 501(c)(3) of the Code, or to a state or local government for a public purpose. Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI
MEMBERSHIP

The Corporation shall have no members within the meaning of ORS Chapter 65.

ARTICLE VII
LIMITATION ON PERSONAL LIABILITY

No director or officer of the Corporation shall be personally liable to the Corporation for monetary damages for conduct as a director or officer; and no director or officer of the Corporation shall be liable to the Corporation or other person for any action taken or not taken as a director or officer if the director or officer acts in compliance with the standards of conduct for directors and officers set forth in ORS Chapter 65; provided however, that this provision shall not eliminate the liability of a director or officer for any conduct for which liability may not be eliminated under ORS Chapter 65, including liability of a director or officer for (a) breach of the duty of loyalty to the Corporation, (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 director or officer derived an improper personal benefit, or (e) any act or omission prohibited by ORS Chapter 65 involving conflict of interest, loans or guarantees to directors or officers, or unlawful distributions. No amendment to these Articles that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director or officer for any act or omission that occurs prior to the effective date of the amendment.

ARTICLE VIII
INDEMNIFICATION

The Corporation may, but is not required to, indemnify up to the fullest extent allowed by law, and within the limitations of Article II, any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including an action, suit or proceeding by or in the right of the Corporation), by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation, or serves or served at the request of the Corporation as a director, officer, employee or agent, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise. This Article shall not be deemed exclusive of any other provisions for indemnification or advancement of expenses of directors, officers, employees, agents and fiduciaries included in any statute, bylaw, agreement, general or specific action of the Board of Directors, or other document or arrangement, except that such person shall not apply for court-ordered indemnification.

ARTICLE IX
AMENDMENT

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the number of Directors then in office, provided that two days' notice is first provided to each Director. The notice shall specify the time, date and place of the meeting, shall state that one of the purposes of the meeting is to consider one or more

161425-13

proposed amendments to the Articles, and shall contain or be accompanied by a copy or summary of the amendment(s). Once amended, the Corporation shall deliver to the Secretary of State articles of amendment, in accordance with ORS 65.447.

The name of the Corporation before and after the filing of these Amended and Restated Articles of Incorporation is REACH Community Development, Inc. These Amended and Restated Articles of Incorporation were adopted on DEC. 12, 2005, by a sufficient vote of the Board of Directors. Approval of members or any person other than the Board of Directors was not required.

DATED: December 12, 2005

Elizabeth S. Ames

Ms. Elizabeth Ames, President

Questions regarding this filing may be addressed to:

Elizabeth Ames, President
REACH Community Development, Inc.
1135 SE Salmon Street
Portland, OR 97214.
Phone: (503) 231-0682

City of Tigard
MEMORANDUM

13125 SW Hall Boulevard, Tigard, Oregon 97223 • www.tigard-or.gov

To: Eric Kang, Finance Director

From: Trinity Miller, Housing Planner

Re: Resident Resources (RR) 2026 Application for Tax Exemption

Date: March 3, 2026

Resident Resources (RR), a non-profit as part of Hawthorne Village Apartments General Partnership, has submitted an application for low-income housing tax exemption for the 118-unit Hawthorne Villas, located at 7705 SW Pfaffle Street.

Address:

7705 SW Pfaffle St.

Tax Lot:

1S136CA01500

Real Property Account #:

R282429

Tigard Municipal Code (TMC) 3.50.020, Nonprofit Corporation Low Income Housing, provides criteria for considering exemption requests. A review of these criteria follows.

1. The property is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code.

Resident Resources submitted with their application a copy of an Internal Revenue Service letter verifying that Resident Resources qualifies as a 501(c)(3) organization. Resident Resources, as

part of Hawthorne Village Apartments General Partnership asserts their eligibility for the exemption under TMC section 3.50.020(C) which reads:

C. A partnership will be treated the same as a corporation to which this section applies if the corporation is:

1. **A general partner of the partnership; and**
2. **Responsible for the day to day operation of the property that is the subject of the exemption.**

The applicant submitted a partnership agreement as part of their application. These documents demonstrate that the property is owned by Hawthorne Village Apartments, an Oregon general partnership. The partnership is between Hawthorne Villa LLC and Resident Resources, an Oregon nonprofit corporation. Resident Resources is a general partner of the partnership and, according to section 9.1 of the partnership agreement, responsible for the day-to-day operations of the facility. This criterion is met.

2. Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon.

The applicant has submitted Articles of Incorporation demonstrating that upon dissolution, the organization's assets shall be distributed to one or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, and which have a charitable purpose which have a charitable purpose that is generally similar to the dissolving corporation. This criterion is met.

3. The property is:

a. Occupied by low income persons; or

b. Held for the purpose of future development as low-income housing.

The applicant provided both a statement and a deed restriction demonstrating that Hawthorne Villa will only rent to households earning at or below 60% of area median income (AMI). The

applicant states that compliance with this requirement includes efforts made at the advertising, application, and verification stages. In addition, the applicant has partnered with a compliance consultant, Alexia Consulting, to oversee new resident screening and annual certification.

The property deed restriction demonstrates the property is restricted to low-income persons at the time of application approval. The property deed restriction also demonstrates the income and rental restrictions shall remain in place until January 1, 2027. The City received notice of expiring affordability restrictions for Hawthorne Villas confirming the period of affordability will end on January 1, 2027. Therefore, when the affordability restriction ends, the City will move forward with the Termination of Exemption process per Tigard Municipal Code 3.50.060. This criterion is met.

4. The property or portion of the property receiving the exemption, is actually and exclusively used for the purposes described in section 501(c) (3) or (4) of the Internal Revenue Code.

Resident Resources is applying for full exemption at Hawthorne Villa. Resident Resources has submitted documents demonstrating that the property is fully dedicated to non-profit activities. This criterion is met.

5. The exemption has been approved as provided in Section 3.50.050.

This criterion relates to the required city process for handling exemption requests. Section 3.50.050 states the city will determine eligibility for exemption (as is detailed in this report) and send notice of the determination to the County Assessor. This criterion will be met upon approval by City Council.

Conclusion:

Resident Resources, as a general partner in Hawthorne Villa General Partnership, has applied to the city for a tax exemption in previous tax years. The property previously received city tax

exemption through Accessible Living Inc. (as part of Hawthorne Villa General Partnership), and Tualatin Valley Housing Partners.

Resident Resources' mission is "to enable low-income families of Oregon to find and keep affordable housing." The application states that through a Resident Service Plan (RSP) the nonprofit provides assistance with education, employment, and health services.

The city's Affordable Housing Plan adopted in June 2019 includes tax exemption as one of the city's strategies for facilitating affordable housing in the community.

Therefore, the granting of exemptions to Resident Resources is consistent with the applicable TMC standards and with adopted city housing policies.

Resident Resources
4800 SW Meadows Rd # 300 Lake Oswego, Oregon 97035
www.residentresourcesoregon.org
Phone 503-475-8212

To: City Of Tigard
13125 SW Hall Blvd
Tigard, Oregon 97223

February 19, 2026

Attn: Trinity Miller, Housing Planner
Community Development Department

Application for Tax Abatement

Hawthorne Villas

Located at 7705 SW Pfaffle Street
Tigard, Oregon 97223

A. Property Description
B. Project's Charitable Purpose
C. Certification of Resident Income Levels
D. How Tax Exemption Will Benefit Residents
E. Tax Exempt Status
F. Verification of Information
G. Attachments

A. Property Description

Hawthorne Villa Apartments is located at 7705 S.W. Pfaffle Street in the City of Tigard. The property Is set on 4.76 Acres adjacent to Pacific Highway. The Property is composed of eight apartment buildings with a single family home in front that is currently used as managers home and office with some space used for the community room, See Attachment #1 site plan. In these eight buildings there are one hundred eighteen separate apartments consisting of sixty two one bedroom apartments that are approximately six hundred five square feet, twenty one, one bedrooms that are approximately six hundred eight five square feet, five two bedrooms one bath at approximately seven hundred ninety square feet and thirty studio apartments that are three hundred sixty square feet. The property is restricted to low income families who make 60% of the average median income for Washington County.

The project was purchased by a respected local property owner (see attachment #2) who plans to maintain the affordability component to the property. His name is Rajiv Jain. He collectively owns and manages over eight hundred apartments in several states. Over three hundred of those apartments participated in section 42 restricted rent housing program. He resides in Portland and is committed to socially responsible ownership of all his properties. He has partnered with Resident Resources to create a safe and secure environment for these valued individuals whom need affordable housing. All the properties that Mr. Jain owns are well maintained with responsible management employees who are compassionate about what they do.

The property being located within walking distance to many local employers and employment sectors makes it an ideal location for those seeking affordable housing. The transportation needs of the Residents is well met as there are numerous transportation hubs within walking distance including Pacific Highway, the 217 and 5 freeways, bus routes and local rail transportation close by. The residents enjoy that there is adequate vehicle parking (171 parking stalls). This relieves them of the high cost of parking a vehicle. This can foster a sense of independence.

The Apartments business name is Hawthorne Villas Apartments, it is considered a section 42 affordable housing complex also know as Low Income Housing Tax Credit (LIHTC). It is a federal Program created in 1986 under the Federal Tax Reform Act. It accounts for over 90% of the affordable housing in the United States. The nature of the property and location make it an ideal property to receive this tax abatement.

For your records the tax parcel is R282429 in Census Tract 306.00 with a Zoning of R-12. The lot is over 207,000 square feet with multiple garden areas and courtyards. It has several laundry rooms for residents to do their own laundry.

B Projects Charitable Purpose

Resident Resource's mission is to enable low income families of Oregon find and keep affordable housing. Through our resident service plan (RSP) we strive to create an environment in which families feel safe to seek additional assistance in education, employment and health services. We have an open door policy in which all are welcome. Each Resident whom resides or wants to reside at Hawthorne Villas has an appointment with a staff member who helps identify potential needs relating to our core values of affordable housing, continued educational opportunities, employment referral services. We offer mediation assistance with the ownership/management to prevent evictions that may lead to homelessness. Our many health and social services contacts and referrals are a great resource for the residents with a focus on confidential assistance.

Our commitment to the Citizens of Tigard and around the state of Oregon has been to maintain an dignified approach to foster a confidential yet friendly approach to the housing needs of families who may need affordable housing. Many Residents face other significant challenges that can be softened with the right approach. This is done while maintaining the integrity of the property both materially and physically. Creating a safe environment for all Residents is our highest Priority.

Hawthorne Villas Ownership has made a significant commitment to fund Resident Services to a level where each resident can have a personal touch that will encourage them to use our services if needed. The tax abatement will go a long way to helping these fine Citizens of Tigard.

C. Certification Of Resident Income Levels

Hawthorne Villas is a rent restricted apartment complex that will only rent to individuals or families whom make at 60% or below of Washington County Area Medium Income. This compliance is achieved with our advertising, application process, verification process. A second oversight to insure our compliance we have partnered with expert Alexia Consulting whom is approved by the State of Oregon. They are experts in compliance and monitoring in this area, overseeing each new Resident as well as a yearly audit of each Resident File and our record keeping. The property deed restrictions are restricted till January 1, 2027. See attached recorded modifications of deed restrictions.

D. How Tax Exemption will Benefit Residents

With this tax exemption we are able to maintain the low income and affordability component to this property. The Tax exemption also allows us to fund Resident Resources thus reducing Homelessness in the City of Tigard as well as providing valuable services for some families who most need it. Through our efforts and management style we have consistently reduced police contacts with Residents which reduces costs to the City. The tax exemption allows us to staff a position which takes some of the burden off of the City of Tigard's resources. The exemption is used to create a safer, healthier more stable environment for Low Income Families. Please note that under Once the Extended Use Period has expired (or has been terminated), the owner may not evict or displace any households (other than for "good cause") and must maintain restricted rents for the following three years, as stated within IRC Section 42(h)(6)(E)(ii). Since these tenants are benefiting from the deed restrictions for an additional three years we will be applying for property tax exemption for 2027,2028,2029

E. Tax Exempt Status

Resident Resources is a Domestic Non Profit Public Benefit Corporation Registered in the State of Oregon. Registration #118973395 Certificate of Existence attached as attachment #3 Our Non Profit is formed in the State of Oregon and follows federal guidelines for 501 (c) (3). Our EIN number is #81-1513248 Our Corporation is organized exclusively for charitable, religious educational or scientific purposes Including for such purposes the making of distributions to organizations that qualify as exempt by the Internal Revenue Service, or the corresponding section of any future federal tax code. Resident Resources is a general partner with Hawthorne Villa, an Oregon General partnership and co manages the property.

F. Verification of Information

All the information provided above including attachments below are accurate and complete. Hawthorne Villa an Oregon General partnership is co-managed by Hawthorne Villa GP LLC and Resident Resources. I do so attest to its truthfulness and certify it.

William S. Maxwell

William S. Maxwell President Resident Resources
4800 SW Meadows Rd #300 Lake Oswego, OR 97035
wsmaxwellconsulting@gmail.com 503-475-8212

State Of Oregon

Date 2/26/2026

County Clackamas

This record was acknowledged before me on (date) February 26, 2026 by

(name(s)) of individual(s) William S. Maxwell

OFFICIAL STAMP
REID NAGANO
NOTARY PUBLIC - OREGON
COMMISSION NO. 1064127
MY COMMISSION EXPIRES DECEMBER 08, 2029

Notary Public State of Oregon

Signature

Official Seal

Name

Reid Nagano

G. Attachments
   1. Site Survey
      a. Building A
      b. Building B
      c. Building C
      d. Building D First floor
      e. Building D Second floor
      f. Building E
      g. Building F

   2. Oregon Certificate of Existence
   3. State of Oregon Amended Annual Report
   4. Certification of Low Income Housing Restriction
   5. IRS Certificate of 501 3 (c)

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: March 3, 2017

Person to Contact:
Mr. Molloy – ID# 0203248
Toll Free Telephone Number:
877-829-5500

WILLIAM MAXWELL
4800 SW MEADOWS RD STE 300
LAKE OSWEGO OR 97035

Dear Sir or Madam:

This is in response to your letter of January 30, 2017, requesting copies for Residents Resources.

Enclosed are the copies you requested.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 23 2016

RESIDENT RESOURCES
4800 SW MEADOWS RD SUITE 300
LAKE OSWEGO, OR 97035-5277

Employer Identification Number:
81-1513248
DLN:
26053478001966
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
February 19, 2016
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 5436

RESIDENT RESOURCES

Sincerely,



Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

Resident Resources

A Oregon Non-profit Corporation

ARTICLES OF INCORPORATION

ARTICLE I
NAME

1.01 Name

The name of this corporation shall be Resident Resources. The business of the corporation may be conducted as Resident Resources.

ARTICLE II
DURATION

2.01 Duration

The period of duration of the corporation is perpetual.

ARTICLE III
PURPOSE

3.01 Purpose

Resident Resources is a non-profit corporation and shall operate exclusively for
Educational and charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code. This nonprofit is formed to assist low income families who seek to and reside in low income housing. The form of assistance will be in referrals to low income housing providers, educational opportunities, social services providers and employment resources. Our nonprofit will offer mediation between Resident and Landlords of low income housing to alleviate homelessness. We will also provide coordination to facilitate community gardens that will offer free food to the communities we serve.

3.02 Non-Profit

Resident Resources is designated as a non-profit corporation.

ARTICLE IV
NON-PROFIT NATURE

4.01 Non-profit Nature

Resident Resources is organized exclusively for charitable and educational purposes including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. No part of the net earnings of Resident Resources shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.

Notwithstanding any other provision of this document, the corporation shall not carry on any other activities not permitted to be carried on (a) by any organization exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code, corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Resident Resources is not organized and shall not be operated for the private gain of any person. The property of the corporation is irrevocably dedicated to its educational and charitable purposes. No part of the assets, receipts, or net earnings of the corporation shall inure to the benefit of, or be distributed to any individual. The corporation may, however, pay reasonable compensation for services rendered, and make other payments and distributions consistent with these Articles.

4.02 Personal Liability

No officer or director of this corporation shall be personally liable for the debts or obligations of Resident Resources of any nature whatsoever, nor shall any of the property or assets of the officers or directors be subject to the payment of the debts or obligations of this corporation.

4.03 Dissolution

Upon termination or dissolution of the Resident Resources any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the Resident Resources hereunder shall be selected by the discretion of a majority of the managing body of the Resident Resources and if its members cannot

so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the Resident Resources by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Oregon.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to this corporation, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Oregon to be added to the general fund.

4.04 Prohibited Distributions

No part of the net earnings or properties of this corporation, on dissolution or otherwise, shall inure to the benefit of, or be distributable to, its members, directors, officers or other private person or individual, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III, Section 3.01.

4.05 Restricted Activities

No substantial part of the corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

4.06 Prohibited Activities

Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on (I) by a corporation exempt from federal income tax as an organization described by Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (II) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE V
BOARD OF DIRECTORS

5.01 Governance

Resident Resources shall be governed by its board of directors.

5.02 Initial Directors

The initial directors of the corporation shall be
Ana Trevino PO Box 2308 Lake Oswego Oregon 97035
Andres Trevino 248 Greenridge Dr Lake Oswego, Oregon 97035
William Maxwell 4800 SW Meadows RD #300 Lake Oswego, Oregon 97035

ARTICLE VI
MEMBERSHIP

6.01 Membership

Resident Resources shall have no members. The management of the affairs of the corporation shall be vested in a board of directors, as defined in the corporation's bylaws.

ARTICLE VII
AMENDMENTS

7.01 Amendments

Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the board of directors.

ARTICLE VIII
ADDRESSES OF THE CORPORATION

8.01 Corporate Address

The address of the corporation is:

Resident Resources
4800 SW Meadows RD #300 Lake Oswego, Oregon 97035

The mailing address of the corporation is:

Resident Resources
4800 SW Meadows RD #300 Lake Oswego, Oregon 97035

ARTICLE IX
APPOINTMENT OF REGISTERED AGENT

9.01 Registered Agent

The registered agent of the corporation shall be:

William Seth Maxwell
4800 SW Meadows RD #300
Lake Oswego, Oregon 97035

ARTICLE X
INCORPORATOR

The incorporators of the corporation are as follow:

William Seth Maxwell
4800 SW Meadows RD #300
Lake Oswego, Oregon 97035

CERTIFICATE OF ADOPTION OF ARTICLES OF INCORPORATION

We, the undersigned, do hereby certify that the above stated Articles of Incorporation of Resident Resources
were approved by the board of directors on February, 21 2016 and constitute a complete copy of The Articles of Incorporation of Resident Resources

2-21-16
Ana Trevino PO Box 2308 Lake Oswego Oregon 97035

2-21-16
Andres Trevino 248 Greenridge Dr Lake Oswego, Oregon 97035

William Maxwell 2-21-16
William Maxwell 4800 SW Meadows RD #300 Lake Oswego, Oregon 97035

ACKNOWLEDGMENT OF CONSENT
TO APPOINTMENT AS REGISTERED AGENT

I, William Seth Maxwell, agree to be the registered agent for Resident Resources as appointed herein.

William seth Maxwell

William Seth Maxwell, Registered Agent

Date: 2-21-2016

PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT ("**Agreement**") is made and entered into effective as of March 3, 2016 ("**Effective Date**"), by and between Hawthorne Villa LLC, an Oregon limited liability company ("**Administrative General Partner**") and Resident Resources, an Oregon nonprofit corporation ("**Nonprofit General Partner**" and together with the Administrative General Partner, the "**Partners**" or the "**General Partners**").

RECITALS

A. The Nonprofit General Partner and the Administrative General Partner desire to form an Oregon general partnership.

B. The Partnership is formed to acquire and operate the Project.

C. This Agreement sets forth the rights and obligations of the Partners with respect to the Partnership and among the Partners.

NOW, THEREFORE, the Partners hereby adopt this Agreement on behalf of the Partnership pursuant to the terms and conditions set forth below:

SECTION 1
DEFINITIONS

All capitalized terms used in this Agreement shall have the meanings given to them in Schedule 1, attached hereto and by reference incorporated herein, or the meanings specified within the body of this Agreement.

SECTION 2
NAME

The Partnership shall be referred to as: **Hawthorne Villa Apartments**.

SECTION 3
DURATION

The Partnership shall have perpetual existence, unless sooner dissolved pursuant to the terms of this Agreement.

SECTION 4
OFFICES

The principal place of business of the Partnership shall be located 7705 SW Pfaffle Street, Tigard, OR 97223.

SECTION 5
ORGANIZATION OF PARTNERSHIP

5.1 **Organization.** The execution of this Agreement created the Partnership under the Act.

5.2 **Purpose.** The Partnership was formed for the purposes set forth in Recital B, above, and to carry on any and all activities related thereto in accordance with this Agreement.

5.3 **Rights of Creditors and Third Parties.** This Agreement is not intended for the benefit of any creditor of the Partnership or any other Person and no provision of this Agreement (including any provision relating to any Contribution or obligation of indemnity) shall be enforceable by a Person not a signatory to this Agreement.

5.4 **Title to Property.** The Partnership, as an entity, shall own all Partnership Property and no Partner shall have any ownership interest in Partnership Property in a Partner's individual name or right; and each Partner's Interest in the Partnership shall be personal property for all purposes.

5.5 **Payment of Individual Obligations.** The Partnership's credit and assets shall be used solely for the benefit of the Partnership, and no asset of the Partnership shall be transferred or encumbered for, or in payment of, any individual obligation of any Partner unless otherwise provided for in this Agreement.

SECTION 6

NAMES AND ADDRESSES OF PARTNERS; INTERESTS

6.1 **Partners.** The Partners of the Partnership and their names, addresses, Initial Contributions, and Interests are listed in Schedule 2 attached hereto.

6.2 **Interests**. Each Partner's rights and interests of whatever nature in the Partnership, including without limitation the right to participate in the management, to the extent herein expressly provided, to receive distributions of funds, and to receive allocations of income, gain, loss, deduction and credit, shall be referred to herein as such Partner's "**Interest**" in the Partnership. The initial percentage Interests are set forth on Schedule 2.

6.3 **Resignation**. A Partner may not resign or withdraw from the Partnership without Consent of the Administrative General Partner under subsection 8.2.1. A Partner shall not have the right to withdraw any part of its Paid-in-Capital.

SECTION 7

LIABILITY OF PARTNERS

Neither of the General Partners shall be liable, responsible or accountable in damages or otherwise to the Partnership for any action taken or failure to act by such Partner in its business judgment on behalf

of the Partnership within the scope of the authority conferred on it by this Agreement unless such action or omission constitutes a matter as to which such Partner is obligated to indemnify the Partnership under Section 15.2. Unless otherwise agreed to in writing by the Partners, (1) the Partners shall be liable to make contributions only to the extent required under this Agreement, (2) no Partner shall be required to make any other contributions or to lend any amounts to the Partnership, except as expressly required under this Agreement, and (3) no Partner shall have personal liability for the repayment of the Contributions or loans of any other Partner, except as expressly required under this Agreement. Except as expressly provided in this Agreement, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Person other than the Partners and their respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision of this Agreement give any third Person any right of subrogation or action over or against any party to this Agreement. Without limitation on the foregoing, to the fullest extent permitted by the Act, no third party shall have any right to enforce any Contribution obligation of a Partner. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of the General Partners otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of the Partners.

SECTION 8

MEETINGS OF PARTNERS

8.1 **Meetings.**

8.1.1 Meetings of the Partnership may be called by any Partner for any matters upon which the Partners may vote or as to which any Consent is required. The calling of a meeting shall be made by a General Partner, which shall give notice to all other Partners, which notice shall include (i) a statement of the purposes of the meeting, and (ii) the date of the meeting which shall be a date no fewer than fifteen days and no more than thirty days after the date of the Notice.

8.1.2 A written record shall be maintained by the Administrative General Partner of actions taken by the Partners at any meeting, or by Consent, and shall be kept with the other books and records of the Partnership.

8.1.3 A waiver of notice signed by a Partner, either before or after a meeting, shall be the equivalent of giving notice of the meeting as set forth above. The attendance of a Partner at a meeting shall constitute a waiver of notice.

8.2 **Partner Consent; Major Decisions.**

8.2.1 The following actions **("Major Decisions")** of the Partnership shall require the Consent of the Administrative Partner:

(a) Any call by the Partners for Additional Contributions pursuant to subsection 11.2.

(b) Any amendment and/or restatement of this Agreement.

(c) The dissolution, winding up, and liquidation of the Partnership.

(d) Causing the Partnership or the Partnership Property to be subject to any indebtedness for borrowed money, deferral payments for services or equipment, or be subject to any loans, guarantees or liens, drafts, promissory notes, or similar instruments of any manner whatsoever other than trade debt incurred in the ordinary course of business.

(e) Any Distribution pursuant to subsection 13.2 or pursuant to Section 16 .

(f) The withdrawal, replacement, or addition of any Partner or transfer of any Interest.

(g) Taking any action with regard to voluntary or involuntary Bankruptcy of the Partnership.

(h) Arranging on behalf of the Partnership the receipt of any grant of funds.

(i) Any merger, consolidation, sale, or reorganization of the Partnership.

(j) Any transfer or sale of any part of the Project or the Partnership Property or the acquisition of any real property in addition to the Partnership Property.

(k) Selection of any Project Lender(s) and the terms of any loan to the Partnership by a Project Lender.

(l) Any election required or allowed under the Code or the Treasury Regulations including, but not limited to, elections pursuant to Sections 42, 168, 709, and 754 of the Code, and all elections required or allowed under State or local law.

(m) Entering into any loan between the Partnership and a General Partner under which a General Partner would be subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2.

(n) Incurring on behalf of the Partnership any debt not in the ordinary course of business.

8.2.2 The Consent of the Nonprofit General Partner shall be required for and only for Major Decisions identified in Section 8.2.1 (b). Nothing in this Section 8.2.2 shall be construed to limit the rights of the Nonprofit General Partner under Section 9.6.

8.2.3 Any Partner may grant its Consent through a designated individual who is designated in writing by such Partner from time to time as having the authority to grant Consent for that Partner.

8.2.4 Any action required or permitted to be taken by the Partners at a meeting may be taken or made without a meeting and shall be deemed adopted if all Partners Consent to the action in

written form (which may take the form of an electronic message addressed to all Partners). Additionally, if all Partners sign a contract or agreement with a third party (such as a lease or contract for services, etc.), then such contract or agreement shall be deemed authorized by the Partnership without the need for a further written Consent of the Partners.

8.3 **Telephonic Meetings.** Meetings may be held by any means of communication by which all Partners participating may simultaneously hear each other. A Partner participating in such a meeting is deemed to be present in person at such meeting and to have waived any right to notice.

SECTION 9

RIGHTS, POWERS, OBLIGATIONS OF THE PARTNERS

9. 1 **Authority of Partners.**

(a) The Nonprofit General Partner shall be responsible for: (i) day to day operation of the Project provided, however, that performance of the day to day management of the Project shall be delegated, subject to oversight by the Nonprofit General Partner, to the Initial Property Manager or a Substitute Property Manager, and (ii) the performance of the Resident Services Plan. In addition, the Nonprofit General Partner shall have the right, power, and authority to: (a) require that all rents to be charged to low-income tenants occupying income- and/or rent-restricted units within the Project do not exceed those permissible under applicable regulations and/or regulatory agreements including, without limitation, regulations applicable under Section 42 of Code; (b) grant or withhold its Consent to the selection of any Substitute Property Manager (it being understood that the Nonprofit General Partner's signature on this Agreement constitutes its Consent to the engagement of the Initial Property Manager); (c) demand and obtain monthly Project operating reports of the Initial Property Manager or any Substitute Property Manager, and to advise the Administrative General Partner of any defaults by the same; and (d) conduct, upon at least three (3) business days' notice to all Partners, inspections of the condition and operations of the Project for the purpose of determining that day to day management of the Project meets applicable requirements.

(b) Subject to the terms of this Agreement, the Administrative General Partner shall have the right, power, and authority, acting for and on behalf of and in the name of the Partnership, to: (i) manage the affairs of the Partnership, including acting as the Initial Property Manager; (ii) execute by a single signature and deliver on behalf of the Partnership any contract, agreement, check, draft, or other instrument or document required or otherwise appropriate for the Partnership to transact business and further the purposes of the Partnership; (iii) engage auditors, attorneys and other professional advisors and consultants to assist in the affairs of the Partnership or manage Partnership Property; (iv) subject to subsection (c), below, select and enter into agreements with lenders, suppliers, service providers, and other vendors providing financing, goods, or services for the Partnership or in respect of the Partnership Property; and (iv) bring, compromise, settle, and defend actions and claims on behalf of the Partnership.

(c) Except for Major Decisions or other actions as to which this Agreement expressly requires the Consent of the Nonprofit General Partner, decisions made for and on behalf of the Partnership by the Administrative General Partner shall be binding on the Partnership. The Administrative General Partner is specifically authorized and empowered to execute any and all

instruments and documents as shall be required by any lender in connection with any agreements authorized under this Agreement including any loans so authorized and any Acquisition Documents.

9.2 **Duties, Responsibilities of the Nonprofit General Partner.** The Nonprofit General Partner shall cause to be filed with the appropriate local government such applications and filings required to obtain and maintain the property tax exemption authorized by Chapter 3.50.020 of the Tigard City Code and ORS 307.541 or other applicable provision of such code or state law.

9.3 **Duties, Responsibilities of the Administrative General Partner**. The Administrative General Partner, with the advice and counsel of the Nonprofit General Partner, shall cause the Partnership Property to be properly managed at the expense of the Partnership. Subject to Section 9.1(b), the Administrative General Partner may delegate its authority, power, and right to manage the Partnership Property to a management agent. The Administrative General Partner shall prepare or cause to be prepared all tax and information returns required of the Partnership or considered necessary by the Administrative General Partner (including, but not limited to, federal, state, and local income tax and information returns and any amended returns).

9.4 **Removal of Nonprofit General Partner for Cause**. Each of the following events (each a "**General Partner Default**") shall constitute a "**Nonprofit General Partner Event of Default**" hereunder if not cured within the time frames as provided below. If no time frame is provided, the Nonprofit General Partner Default will be an immediate Nonprofit General Partner Event of Default:

(a) A Bankruptcy with regard to the Nonprofit General Partner.

(b) Repeated failure of the Nonprofit General Partner to perform material obligations set forth in this Agreement which have or are reasonably likely to have a material adverse effect upon the Partnership, the Project, or the Partnership Property including any failure to obtain or retain a property tax exemption applicable to the Project.

If a Nonprofit General Partner Default set forth in subsection 9.4(a) occurs and any such Nonprofit General Partner Default causes an emergency situation, after written notice thereof to the Nonprofit General Partner, the Administrative General Partner may, without waiving or releasing the defaulting Nonprofit General Partner from any obligation hereunder, perform any such covenant or obligation required to be performed by the defaulting Nonprofit General Partner, but the Administrative General Partner shall not be obligated to do so. All necessary costs incurred by the Administrative General Partner in such performance shall be paid to the Administrative General Partner on demand (and the defaulting Nonprofit General Partner covenants to make such payment).

9.5 **Compensation of General Partners; Management Expenses.**

(a) In consideration for performing its duties on behalf of the Partnership, the Partnership shall pay the Nonprofit General Partner the amount of $1,000 per month (increasing annually at the rate of 2%). Such amount shall be payable monthly in arrears not later than the fifth day of each of the succeeding month (with the first payment for the period running from the Effective Date through April 30, 2016, to be paid on or before May 5, 2016) to the extent of cash available after payment of items senior in priority as set forth in the definition of the term "Net Cash from Operations." To the extent any portion

of such payment cannot be made due to lack of cash available for such purpose as determined in accordance with this Section 9.5(a), the unpaid portion shall be paid in such subsequent year to the extent of cash available for such purpose and, in all events, Net Cash from Capital Events as provided in Section 13.2.2 and, if necessary, upon a Dissolution Event as provided in Section 16.3.

(b) The Administrative General Partner shall be reimbursed its reasonable out of pocket Management Expenses associated with the performance of its duties on behalf of the Partnership, including fees advanced on behalf of the Partnership, accounting expenses, and reasonable staff time. In addition, the Administrative General Partner may receive a fee a Partnership Administration Fee as the Partnership and the Administrative General Partner may agree for the performance of duties relating to administration of Partnership accounting, tax filing, and other Partnership management duties.

9.6 **Limitation on Liability of General Partners.** The General Partners shall not be liable, responsible, or accountable in damages or otherwise to the Partnership for any acts performed in good faith and within the scope of authority of the General Partner pursuant to this Agreement. Absent the Consent of the Nonprofit General Partner, no obligation of the Partnership shall be guaranteed by or secured by any asset of the Nonprofit General Partner (excluding its Interest in the Partnership).

9.7 **Contracts with Affiliates**. The Administrative General Partner may, for, in the name and on behalf of, the Partnership, enter into agreements or contracts for performance of services for the Partnership with an Affiliate, and the Administrative General Partner may obligate the Partnership to pay compensation for and on account of any such services; provided, however, such compensation and services shall be at costs to the Partnership not in excess of those that would be incurred in making arms-length purchases of comparable services on the open market.

9.8 **Expressly Authorized Agreements**. By execution of this Agreement, the Partners authorize the Administrative General Partner to enter into such agreements as the Administrative General Partner shall deem necessary or appropriate in connection with the acquisition, transfer and financing of the Project Property.

SECTION 10

ACCOUNTING; BANK ACCOUNTS

10.1 **Accounting; Audit, Books and Records**. The books and records of the Partnership shall be maintained by the Administrative General Partner. The Administrative General Partner shall retain or cause to be retained such accountants as it shall determine to be reasonably prudent to ensure that any required tax returns, books of account, and audits are prepared, filed, and/or maintained in accordance with applicable law and customary accounting practices. Records related to the operations of the Partnership and the Partnership Property shall be accessible for inspection by any Partner or its representatives at any time during normal business hours upon one (1) business day's advance notice to the Administrative General Partner.

10.2 **Bank Accounts and Cash Management.** Administrative General Partner shall establish and maintain one or more bank accounts in the name of the Partnership at state or federally chartered banking institution (a "**Bank Account**"), and shall collect and deposit funds from the operations of the

Partnership into any such Bank Account, and disburse funds from such Bank Account including: (i) payment of expenses for the operations of the Partnership and (ii) disbursement of funds as required for Administrative General Partner to perform its duties under this Agreement, including the acquisition and management of the Partnership Property and reimbursement of all reimbursable amounts hereunder.

10.3 **Signature Authority for Bank Accounts**. Administrative General Partner shall have authority, on behalf of and for the account of the Partnership, to execute checks, drafts, wire authorizations, and other payments or authorizations for payment by a single signature without a signature of any other Partner.

10.4 **No Commingling.** Administrative General Partner shall not commingle any funds in the Bank Accounts of the Partnership with the funds or assets of Administrative General Partner.

SECTION 11

CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

11.1 **Initial Contributions.** The Partners shall make their Initial Contributions set forth in Schedule 2.

11.2 **No Additional Capital Contributions Required**. Except with the Consent of all Partners, no Additional Contributions from any Partner shall be required or permitted.

11.3 **Maintenance of Capital Accounts.** The Partnership shall establish and maintain Capital Accounts, with respect to each Partner in accordance with Treas. Reg. § 1.704-(l)(b).

SECTION 12

PROFIT AND LOSS

12.1 **Allocations of Profits and Losses.** Except as otherwise provided below, all Profits and Losses, and each item of income, gain, loss, deduction and/or credit associated therewith, shall be allocated among the Partners in the following order of priority:

12.1.1 First, Profit shall be allocated among the Partners in an amount equal to the sum of the negative Capital Account balances and if there is more than one Partner with a negative Capital Account balance, then among the Partners having negative Capital Account on a *pro rata* basis in proportion to their respective negative Capital Account balances.

12.1. 2 Second, Profits shall be allocated among the Partners in an amount equal to their Paid-In Capital.

12.1.3 Third, Profits shall be allocated among the Partners in proportion to their percentage Interests.

12.1.4 Fourth, Losses, and each item of income, gain, loss, deduction and/or credit associated therewith, shall be allocated among the Partners in proportion to their percentage Interests.

12.2 **Limitation on Loss Allocation.** Losses allocated pursuant to subsection 12.1 shall not exceed the maximum Losses that can be so allocated without causing any Partner to have an Adjusted Deficit at the end of any Fiscal Year. If some, but not all, of the Partners have Adjusted Deficits as a consequence of allocation of Losses, the limitations set forth in this subsection 12.2 shall be applied on a Partner-by-Partner basis so as to allocate the maximum permissible Losses to each Partner under Regs. § 1.704-l(b)(2)(ii)(d).

12.3 **Special Allocations.**

12.3.1 Except as provided in Treasury Regulation Section 1.704-2(f), if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the portion of such Partner's share of the net decrease in Partnership Minimum Gain at the end of the immediately preceding fiscal year, determined in accordance with Treasury Regulation Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulation Sections 1.704-2(f)(6) and 1.704-2(j)(2). This subsection 12.3.1 (a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.

12.3.2 In the event a Partner unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Section 1.704-1 (b) (2) (ii) (d) (4) , (5) or (6) in any fiscal year, and if such Partner has an Adjusted Capital Account Deficit as of the last day of such fiscal year, then, such Partner shall be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations under Section 704(b) of the Code, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This subsection 12.3.2 is intended to constitute a "qualified income offset" under Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

SECTION 13

DISTRIBUTIONS

13.1 **General.** No Partner shall have the right or power to demand or receive a Distribution in a form other than cash and shall not be required or compelled to accept a Distribution of any asset in-kind unless such Partner so agrees, and in any event no in-kind asset shall be distributed to a Partner to the extent that the interest distributed would exceed the Partner's *pro rata* share of operating or liquidating distributions. Notwithstanding anything contained in this Agreement to the contrary, no Distribution shall be made to a Partner in violation of the Act.

13.2 **Net Cash from Operations and Net Cash from Capital Events**. The Administrative General Partner shall determine if Net Cash from Operations and Net Cash from Capital Events is available for distribution. The Administrative General Partner shall cause the Partnership to distribute the amount so determined. Upon a distribution from Net Cash from Operations and Net Cash from Capital Events to the Partners ("**Distribution**") it shall be made as follows:

13.2.1 First, to the Partners in accordance with their percentage Interests until each Partner has received a full return of its Paid-In Capital.

13.2.2 Then to the payment of any accrued but unpaid amounts owed to the Nonprofit General Partner pursuant to Section 9.5(a).

13.2.3 Then, to the Partners pro rata in accordance with their percentage Interest in the Partnership.

13.4 **Liquidating Distributions.** If the Partnership is dissolved and its business and affairs are wound up, Distributions shall be made pursuant to Section 16

SECTION 14

ADDITIONAL PARTNERS

14.1 **Admission.** Persons may be added as Additional Partners upon the terms and conditions as to which the Partners have granted Majority Approval. Notwithstanding the foregoing, a Person shall not become an Additional Partner unless and until such Person:

(a) becomes a party to this Agreement as a Partner by signing a counterpart hereof and executes such documents and instruments as the Administrative General Partner may reasonably request as may be necessary or appropriate to confirm such Person as a Partner of the Partnership and such Person's agreement to be bound by the terms and conditions hereof; and

(b) if the Person is not an individual, provides the Partnership with evidence satisfactory to counsel for the General Partners of the authority of the Person to become a Partner and to be bound by the terms and conditions of this Agreement.

14.2 **Accounting.** No Additional Partner shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Partnership.

SECTION 15

INDEMNIFICATION

15.1 **Indemnity of the Partners**. The Partnership shall, to the fullest extent permitted by Applicable Law, indemnify, defend and hold the General Partners harmless from and against any Claims suffered or sustained by it by reason of any acts, omissions or alleged acts or omissions by a General Partner on behalf of the Partnership within the scope of authority conferred on it by this Agreement or arising from the fact that such General Partner is a General Partner of the Partnership, including any judgment, award, settlement, reasonable attorney's fees and other costs and expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; provided that the acts or omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claim is based were in good faith in accordance with its business judgment and did not constitute a matter as to

which such General Partner is obligated to indemnify the Partnership under this subsection 15.1. **"Claim"** means any obligation, liability, claim (including any claim for damage to property or injury to or death of any persons), lien or encumbrance, loss, damage, cost or expense (including any judgment, award, settlement, reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, including appellate proceedings, and any collection costs or enforcement costs).

15.2 The General Partners shall defend, indemnify, and save harmless (i) each other from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceedings arising out of a General Partner's (or an Affiliate's) (A) gross negligence, fraud, willful misconduct, (B) knowing or intentional violation of law, or (C) actions performed outside the scope of the authority of a General Partner pursuant to this Agreement. The indemnification provided under this subsection 15.2 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

15.3 The Administrative General Partner, jointly and severally, shall defend, indemnify, and save harmless the Nonprofit General Partner from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceedings arising out of a default under any debt or other obligation incurred by the Partnership except to the extent that such default was the direct and proximate result of the Nonprofit General Partner's (A) gross negligence, fraud, willful misconduct, (B) knowing or intentional violation of law, or (C) actions performed outside the scope of the authority of the Non General Partner pursuant to this Agreement.

SECTION 16

DISSOLUTION AND WINDING UP

16.1 **Covenant Not to Withdraw or Cause Dissolution.** Except as otherwise permitted by this Agreement, each Partner hereby covenants not to withdraw from the Partnership and agrees not to take any voluntary action that would cause the Partnership to dissolve. Notwithstanding any provision of the Act, the Partnership shall not dissolve prior to the occurrence of a Dissolution Event or the admission of a New Partner or a Substitute Partner.

16.2 **Dissolution Events.** The Partnership shall dissolve and commence winding up and liquidating upon the first to occur of any of the following dissolution events (**"Dissolution Events"**):

(a) The Majority Approval of the Partners to dissolve, wind up, and liquidate the Partnership; or

(b) The sale or transfer of the Project or all (or substantially all) of the Partnership Property; or

(c) A dissolution is required by law (and the law does not permit any agreement to the contrary).

Notwithstanding anything in the Act to the contrary, the foregoing events are the exclusive events that

may cause the Partnership to dissolve. Upon the death, Incapacity or Bankruptcy of any Partner, the Partnership shall not be dissolved or required to be wound up.

16.3 **Winding Up.** Upon the occurrence of a Dissolution Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors, and neither of the General Partners shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The Administrative General Partner shall (a) be responsible for overseeing the winding up and dissolution of the Partnership, (b) take full account of the Partnership's liabilities and Partnership Property, (c) cause the Partnership Property to be liquidated as promptly as is consistent with obtaining the fair value thereof, (d) cause the proceeds therefrom, to the extent sufficient therefore, to be applied and distributed in the order below, and (e) to file a certificate of cancellation, as provided in the Act, upon completion of all obligations under this Agreement and the Act.

(i) first, to the payment and discharge of all of the Partnership's debts and liabilities to creditors, other than any General Partner;

(ii) second, to the payment and discharge of all of the Partnership's debts and liabilities to the General Partners incurred in accordance with this Agreement; and

(iii) the balance, if any, to the Partners in accordance with the distribution provisions in subsection 13.2.

16.4 **Compliance With Regulations; Deficit Capital Accounts.** If the Partnership is "liquidated" within the meaning of Regs. § 1.704-l(b)(2)(ii)(g), distributions shall be made pursuant to this Article 16 to the Partners who have positive Capital Accounts in compliance with Regs. § 1.704-l(b)(2)(ii)(b)(2). If any Partner has a deficit Capital Account balance (after giving effect to all Contributions, distributions and allocations for all Fiscal Years, including the Fiscal Year during which such liquidation occurs), such Partner shall have no obligation to make any contribution with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

SECTION 17

TAXES

17.1 **Elections.** The Tax Matters Partner may make any tax elections for the Partnership allowed under the Code or the tax laws of any state or other jurisdiction having taxing jurisdiction over the Partnership, including, but without limitation, elections:

(a) to adjust the basis of Partnership Property pursuant to §§ 754, 734(b) and 743(b) of the Code, or comparable provisions of state or local law, in connection with transfers of Interest in the Partnership and Partnership distributions; and

(b) to extend the statute of limitations for assessment of tax deficiencies against Partners with respect to adjustments to the Partnership's federal, state or local tax returns.

17.3 **Tax Matters Partner**. The Administrative General Partner shall act as the Tax Matters Partner of the Partnership pursuant to § 6231(a)(7) of the Code.

SECTION 18

RIGHT TO PURCHASE PARTNERSHIP INTERESTS

18.1 **Right to Purchase Nonprofit General Partnership Interest**. Notwithstanding any other term or condition of this Agreement, at any time during the term of this Partnership Agreement, the Administrative General Partner shall have the right to purchase the Interest of the Nonprofit General Partner upon thirty days written notice. The Administrative General Partner may exercise such right directly, or through a related entity, or may assign such right to a third party who may exercise such right in lieu of the Administrative General Partner.

18.2 **Purchase Price for Nonprofit General Partnership Interest**. The purchase price for the Nonprofit General Partner's interest shall be equal to the then fair market value of such interest which for such purposes shall mean the then fair market value of the Property less all liens and encumbrances multiplied by 0.05%. Upon the payment of the purchase price, the Nonprofit General Partner shall convey its partnership interest to the Administrative General Partner or its nominee by an assignment of partnership interest.

SECTION 19

GENERAL CONTRACT PROVISIONS

19.1 **Governing Law.** This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Oregon and not in accordance with any conflict-of-law provisions that would apply the law of a different jurisdiction.

19.2 **Amendments.** Any amendment to this Agreement shall be in writing and be effective only upon execution by all Partners.

19.3 **Savings Clause.** If any provision of this Agreement shall be held to be invalid and unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those as to which it is held invalid shall not be affected hereby.

19.4 **Attorney Fees and Costs.** If action becomes necessary in connection with this Agreement or any rights arising therefrom or thereunder, or to recover damages for breach of any terms of this Agreement, or to obtain injunctive or other equitable relief, the prevailing party in such action shall be entitled to recover reasonable attorney fees and costs incurred in such action as determined by the arbitrator, arbitration panel or the trial court. In the event of any appeal from the action, the prevailing party shall be entitled to recover its reasonable attorney fees and costs incurred in such appeal, review, or petition for review, as determined by the appropriate appellate court. The term "**costs**" shall include, in addition to statutory costs and disbursements, all costs associated with the initial investigation of, and determination whether to commence, an action, and all costs associated with discovery depositions,

witness fees (expert and otherwise), and out-of-pocket costs incurred by the prevailing party in the prosecution or defense of the action. For the purpose of this subsection, the term "**action**" shall be deemed to include any proceeding commenced in any court of general or limited jurisdiction, including any proceeding commenced in the bankruptcy courts of the United States, or before any arbitrator or arbitration panel.

19.5 **Construction.** The General Partners, and any tribunal rendering any decision in connection with this Agreement shall construe this Agreement as follows:

(a) The section headings are used for ease of reference only.

(b) This Agreement shall not be construed against any party as the party who drafted the Agreement. The parties agree that there shall be a conclusive presumption that each party to an equal degree drafted the Agreement.

(c) All references to Persons in the singular or in the plural, in the masculine or in the feminine, or in the neuter, shall, where the context so suggests, be construed to include the plural or singular, the masculine or feminine, or the neuter, so as to give the appropriate meaning to such Person(s).

19.6 **Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original and all of which counterparts, taken together, shall constitute but one and the same agreement. Duplicates of the same signature page or pages with the original signatures on different pages may be attached to the original Agreement without affecting the validity thereof or the liability of the Partners or General Partner.

19.7 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

19.8 **Notices**. (a) All notices required or permitted to be given under this Agreement shall be in writing. Notices may be served only by one of the following means: (i) by certified or registered mail, postage paid with return receipt requested; (ii) by private courier, prepaid; (iii) by email or other telecommunication device capable of transmitting or creating a written record; or (iv) personally. Mailed notices shall be deemed delivered five (5) days after mailing, properly addressed. Couriered notices shall be deemed delivered when delivered as addressed, or if the addressee refuses delivery, when delivery is refused. Email notices shall be deemed delivered when receipt is either confirmed by confirming transmission equipment or acknowledged by the addressee or its office. Personal delivery shall be effective when accomplished. Unless a party changes its address by giving notice to the other party as provided herein, notices shall be delivered to the parties at the following addresses:

If to the Administrative General Partner: Hawthorne Villa LLC
13489 NW Trevino Street
Portland, Oregon 97229
Attention: Rajiv Jain
Email: rsj100@gmail.com

If to the Nonprofit General Partner: Resident Resources
4800 SW Meadows Road, #300
Attention: William Maxwell
Email: William.Maxwell@marcusmillichap.com

(b) Any Partner may change its notice address by providing Notice hereof to all other Partners.

19.9 **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

19.10 **Waivers.** The failure of any party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Agreement shall not prevent a subsequent act that would have originally constituted a violation from having the effect of an original violation.

[Remainder of Page Intentionally Blank]
[Signature Page Follows]

[SIGNATURE PAGE TO HAWTHORNE VILLA APARTMENTS PARTNERSHIP AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement with the intent that it be effective as of the Effective Date.

ADMINISTRATIVE GENERAL PARTNER:

HAWTHORNE VILLA LLC,
an Oregon limited liability company

By: _____
Rajiv Jain, Sole Member

NONPROFIT GENERAL PARTNER;

RESIDENT RESOURCES,
an Oregon nonprofit corporation

By: _____
Ana Trevino, President

SCHEDULE I

DEFINITIONS

"Act" shall mean the Oregon Revised Partnership Act, as the same may be amended from time to time.

"Acquisition Documents" shall mean any and all document that the Administrative General Partner deems necessary or advisable in connection with the acquisition and financing of the Project, including initial bridge financing and subsequent permanent financing.

"Additional Contribution" shall mean any Contribution made pursuant to subsection 11.2.

"Additional Partner(s)" shall mean a New Partner or a Substitute Partner.

"Adjusted Deficit(s)" shall mean, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) The Capital Account shall be increased by any amounts that such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the next-to-the-last sentence of Regulations Sections 1.704-2(g)(1) and 1.70402(i)(5); and

(b) The Capital Account shall be decreased by the items described in Sections 1.704-l(b)(2)(ii)*(d)*(4), 1.704-l(b)(2)(ii)*(d)*(5) and 1.704-1(b)(2)*(d)*(6) of the Regulations.

The foregoing definition of Adjusted Deficit is intended to comply with the provisions of Section 1.704-l(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with that Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership interests, by contract or otherwise. If a party is a natural person, then "Affiliate" shall include that Person's spouse, children and grandchildren (and in the case of children and grandchildren, "Affiliate" shall include their respective spouses as well).

"Agreement" shall mean this Partnership Agreement as originally executed and as amended or restated from time-to-time in accordance with the terms hereof.

"**Applicable Law**" shall mean, as to any Person, all federal, state and local laws (statutory or common), treaties, rules, regulations, determinations, orders, judgments, ordinances, decrees,

injunctions, writs, interpretations or Governmental Approvals, in each case applicable to or binding on such Person or any of its property or to which such Person or any of its property is subject.

"Bank Account" shall have the meaning set forth in subsection 10.2.

"Bankruptcy" shall mean an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application or a comparable order under federal, state or foreign law governing insolvency.

"Capital Account(s)" shall mean the account maintained with respect to a Partner determined in accordance with subsection 11.3.

"Capital Event" shall mean the sale or refinancing of any Partnership Property.

"Claim" shall have the meaning set forth in subsection 15.1.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"Consent" shall mean the written consent or approval of a Partner which consent or approval shall be obtained prior to the taking of the action for which Consent is required under this Agreement. Unless otherwise stated in the Agreement, the Consent of any partner shall not be unreasonably withheld.

"Contribution(s)" shall mean contributions of capital in the form of cash by a Partner and, more particularly, a Partner's Initial Contribution and Additional Contribution(s).

"Depreciation" shall mean for each Fiscal Year an amount equal to the depreciation, amortization or other cost-recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of any asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost-recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"Dissolution Event(s)" shall mean any of the events identified in subsection 16.2.

"Distribution" shall have the meaning set forth in subsection 13.2.

"Economic Rights" shall mean a Partner's rights to distributions of Partnership assets pursuant to the Act and this Agreement.

"Effective Date" shall have the meaning set forth in the preamble to this Agreement.

"Fiscal Year(s)" shall mean the Partnership's fiscal year, which shall end December 31.

"General Partner" shall have the meaning set forth in the Preamble of this Agreement.

"**General Partner Default**" shall have the meaning set forth in subsection 9.4.

"**General Partner Event of Default**" shall have the meaning set forth in subsection 9.4.

"**Governmental Approval**" shall mean all consents, rights, exemptions, concessions, permits, easements, rights of way, licenses, authorizations, certificates, orders, franchises, determinations or other approvals of or notices to or filings with any Governmental Authority.

"**Governmental Authority**" shall mean any governmental department, commission, board, regulatory authority, bureau, legislative body, agency, or any instrumentality of any federal, state, local or municipal government or domestic court.

"Gross Asset Value" shall mean an asset's adjusted basis for federal income tax purposes, except as follows:

(1) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner;

(2) The Gross Asset Values of all assets shall be adjusted to equal their respective gross fair market values, as determined by the Partnership, as of the following times:

(a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a *de minimis* initial Contribution;

(b) the distribution by the Partnership to a Partner of more than a *de minimis* amount of property as consideration for an interest in the Partnership; and

(c) the liquidation of the Partnership within the meaning of Regulations Section 1.704-l(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Partnership reasonably determines that such adjustments are necessary or appropriate to reflect the relative Economic Rights of the Partners.

(3) The Gross Asset Value of any asset distributed to any Partner shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Partnership;

(4) The Gross Asset Values of assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-l(b)(2)(iv)(m) and subparagraph (6) under the definition of Profits and Losses set forth below; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (4)

to the extent the Partnership determines that an adjustment pursuant to subparagraph (2) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (4); and

(5) The foregoing adjustments shall be made in lieu of any adjustments or allocations provided for in the Act.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (1), (2) or (4) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"Initial Contribution(s)" shall mean the initial Contribution made by a Partner pursuant to subsection 11.1, and listed on Schedule 2.

"Initial Property Manager" shall mean Hawthorne Villa LLC, an Oregon limited liability company.

"**Interest**" shall mean the percentage ownership rights in the Partnership set forth in subsection 6.2, and listed on Schedule 2.

"**Losses**," see the definition for "Profits and Losses."

"**Major Decisions**" shall have the meaning set forth in subsection 8.2.1.

"Majority Approval" shall mean, with respect to any proposed action, the written consent or approval of Partners holding at least fifty percent (50%) of the Interests in the Partnership which consent or approval shall be obtained prior to the taking of the action.

"**Management Expenses**" shall mean all amounts payable by the Partnership reimbursement as for expenses incurred on behalf of, or as the direct result of performing duties for, the Partnership, as provided in subsection 9.5.

"Net Cash from Operations" shall mean all cash and cash equivalents of the Partnership that result from the ordinary course of business of the Partnership after payment, in the following order:

1. Operating Expenses.
2. Amounts owed to the Nonprofit General Partner pursuant to Section 9.5(a).

"**New Partner**" shall mean a Person that is not an initial Partner and who becomes a Partner in the Partnership by the issuance of Interests to such Person by the Partnership after the date of this Agreement other than by a transfer of Interests hereunder.

"Operating Expenses" for a given fiscal period means all expenses reasonably incurred by the Partnership in acquiring, holding, or operating the Project and the Partnership Property during such period, including without limitation: utilities, principal and interest payments on any

loan and other sums paid to lenders, property taxes and assessments, the fees of the Initial Property Manager or Substitute Property Manager, required deposits to reserves, repairs, capital improvement and replacement items not paid out of reserves or insurance proceeds, and any costs and expenses relating to the operating and management (but not the formation) of the Partnership, including without limitation, accounting fees, audit fees, and reimbursed partnership expenses incurred by the Partners, including without limitation expenses and fees incurred by the Administrative General Partner pursuant to Section 9.5(b).

"**Paid-In Capital**" shall mean the Contributions paid by Partners to the Partnership in exchange for the issuance of their Interests and any Additional Contributions that they may thereafter make to the Partnership.

"Partner(s)" shall mean each of General Partner and the Limited Partner and each of the Persons who may hereafter become New or Substitute Partners.

"Partnership" shall mean the entity named in Section 2.

"Partnership Minimum Gain" shall mean the same as "partnership minimum gain" as set forth in Section 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

"Partnership Property" shall mean real property located in Washington County, City of Tigard, commonly known as Hawthorne Villa Apartments and located at 7705 SW Pfaffle Street, Tigard, OR 97223 and legally described in the deed by which the Partnership shall acquire such real property, and all appurtenances (excepting certain items not acquired) thereto including all easements, if any, benefiting the described property, any right, title or interest in adjacent rights-of-way, and any governmental approvals and development rights pertaining to the described property and all improvements, including fixtures, located on the real property owned by the Partnership.

"Person(s)" shall mean any natural person, partnership (whether general or limited), limited liability company, corporation, government (including a country, state, county or any other governmental subdivision, agency or instrumentality), custodian, nominee or any other individual or entity (or series thereof) in its own or any representative capacity, and the heirs, executors, administrators, legal representatives, successors and assigns of such "Person" where the context so permits.

"Profit(s)" and "Loss(es)" shall mean, for each Fiscal Year, an amount equal to the Partnership's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a)(for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(1) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this paragraph shall be added to such taxable income or loss;

(2) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-l(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this paragraph shall be subtracted from such taxable income or loss;

(3) If the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraphs (2) or (3) under the paragraph defining Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(4) Gain or loss resulting from any disposition of Partnership assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Partnership assets disposed of, notwithstanding that the adjusted tax basis of such assets differ from its Gross Asset Value;

(5) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition thereof; and

(6) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-l(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Partner's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

"Project" shall mean a 118 unit low-income housing development located on and consisting of the Partnership Property and known as Hawthorne Villa Apartments.

"Project Lender" shall mean one or more entities as selected by the Administrative General Partner to provide one or more loans for the acquisition and/or permanent financing relating to the Project and/or the Partnership Property.

"Regulations" or "Regs." shall mean proposed, temporary and final regulations promulgated under the Code in effect as of the date of execution of this Agreement and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

"Resident Services Plan" shall mean the plan of the Partnership to provide resident services to tenants, including emergency rental assistance, financial literacy education, child care and health referrals, access to computers, transportation, and job assistance.

"**Substitute Partner**" shall mean a Person that becomes a Partner by acquiring Interests from an existing Partner pursuant to a permitted transfer hereunder.

"Substitute Property Manager" shall mean a property management company authorized to manage low-income housing tax credit properties within the state of Oregon as shall be selected by the Administrative General Partner subject to the Consent of the Nonprofit General Partner.

"Tax Matters Partner" shall mean the Person appointed pursuant to subsection 17.3.

STATE OF OREGON } ss
County of Washington

I, Jerry R. Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for said county, do hereby certify that the within instrument of writing was received and recorded in book of records of said county.

Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk

Doc : 97032421
Rect: 184112 83.00
04/09/1997 04:02:29pm

1-15

[redacted]

RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL
TO:
Oregon Housing and Community
Services Department
1600 State Street
Salem, Oregon 97310
Attn: Komi P. Kalevor

SPACE ABOVE FOR RECORDER'S USE

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT
LOW-INCOME HOUSING TAX CREDIT
DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS, (this "Declaration"), dated as of April 8, 1997, by HAWTHORNE VILLA LIMITED PARTNERSHIP, and its successors and assigns (the "Owner") is given as a condition precedent to the allocation of low-income housing credits by the Oregon Housing and Community Services Department, a governmental agency of the State of Oregon, together with any successor to its rights, duties, and obligations, (the "Department").

WITNESSETH:

WHEREAS, the Owner is or shall be the owner of a(n) 119 unit/rental housing development, ~~one manager's unit~~ located on lands in the City of Tigard, County of Washington, State of Oregon, more particularly described in Exhibit A hereto, known as or to be known as HAWTHORNE VILLA APARTMENTS (the "Project"); and

*(includes 117 tax credit units and two common-area managers' units)

* 116

WHEREAS, the Department has been designated by the Governor of the State of Oregon as the housing credit agency for the State of Oregon for the allocation of low-income housing tax credit dollars (the "Credit"); and

WHEREAS, the Owner has applied to the Department and entered into a Determination Letter and Agreement for an allocation of Credit to the Project in an amount not to exceed One hundred eighty one thousand, one fourty three dollars ($181,143) of tax exempt bond financed 4% low-income housing credit allocation; and

WHEREAS, the Department has agreed to issue a Form 8609 to the Owner upon the execution and recording of this Declaration which constitutes part of the Determination Letter and Agreement; and

WHEREAS, the Owner has represented to the Department in Owner's Low-Income Housing Tax Credit Application (the "Application") dated March 24, 1997, that Owner shall lease/rent 100 percent of the units in the Project to individuals or families whose income is 60 percent or less of the area family adjusted median gross income ("Low-Income Tenants") as determined in accordance with Section 42 of the Internal Revenue Code (the "IRC"); and

WHEREAS, the Department has determined the Project would require a Credit allocation in the amount of $181,143 of tax exempt bond financed 4% tax credit allocation to be financially feasible; and

WHEREAS, the Owner has represented to the Department rent restrictions it will maintain for the period of time as specified in the Determination Letter and Agreement; and

2

WHEREAS, the IRC requires as a condition precedent to the allocation of the Credit that the Owner execute, deliver and record this Declaration in the official land deed records of the county in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of IRC Section 42 and the Department's Occupancy Restrictions found in Section 5 hereof by regulating and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Owner, under this Declaration, intends, declares, and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein and binding upon all subsequent owners of the Project land for such term, and are not merely personal covenants of the Owner,

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Department agree as follows:

SECTION 1 - DEFINITIONS

All the words and phrases used in this Declaration shall have the same meaning as when used in IRC Section 42, Treasury Regulations or Notices promulgated pursuant to IRC Section 42, Department Administrative Rules, and the Department of Housing and Urban Development ("HUD") Regulations unless the context requires otherwise.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

(a) Upon execution of this Declaration by the Owner and the Department, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to the Department an executed original or certified copy of the recorded Declaration showing the date, deed book and page numbers of record. The Owner understands and agrees that the Department will not issue the Internal Revenue Service Form 8609 constituting final allocation of the Credit unless and until the Department has received the recorded executed original of this Declaration.

(b) The Owner intends, declares, and covenants, on behalf of itself and all future Owners and operators of the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (I) shall be and are covenants running with the Project land, encumbering the Project for the term of this Declaration, binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project (II) are not merely personal covenants of the Owner, and (III) shall bind the Owner (and the benefits shall inure to the Department and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Declaration. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project. For the longer of the period this Credit is claimed or the term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to

this Declaration, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

(c) The Owner covenants to obtain the consent of any prior recorded lienholder on the Project to this Declaration and such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609 constituting final allocation of the Credit.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER

The Owner hereby represents, covenants, and warrants as follows:

(a) The Owner (I) is a limited partnership duly organized under the laws of the State of Oregon, and is qualified to transact business under the laws of the State of Oregon, (II) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (III) has the full legal right, power and authority to execute and deliver this Declaration.

(b) The execution and performance of this Declaration by the Owner (I) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (II) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (III) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration, any Loan Documents relating to the Project or other permitted encumbrances).

(d) There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

(e) The Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in IRC Section 42 and applicable regulations.

(f) Each unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless) which are to be used on other than a transient basis.

(g) During the Term of this Declaration, all units subject to the Credit shall be leased, rented or made available to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in Section 42(g) of the IRC.

(h) The Owner agrees that tenant and third parties will be eligible to enforce IRC Section 42 entitlements as

[redacted]

provided by the Fair Housing Act, as amended.

(i) During the term of this Declaration, the Owner covenants, agrees and warrants that each low-income unit is and will remain habitable.

(j) Subject to the requirements of IRC Section 42 and this Declaration, the Owner may sell, transfer, or exchange the entire Project at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Declaration and to the requirements of IRC Section 42 and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the project or any low-income portion of the Project. The Owner agrees that the Department may void any sale, transfer, or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Declaration and the requirements of IRC Section 42. Notwithstanding the foregoing, the owner shall not dispose of any portion of a building which constitutes a portion of the Project and to which this Declaration applies unless the entire building is disposed of to such person.

(k) The Owner agrees to notify the Department in writing prior to any sale, transfer, or exchange of the entire Project or any low-income portion of the Project.

(l) The Owner will provide certified financial documentation acceptable to the Department to satisfy the calculation of a qualified contract and to begin the one year period for finding a buyer in accordance with IRC Section 42(h)(6) if desired.

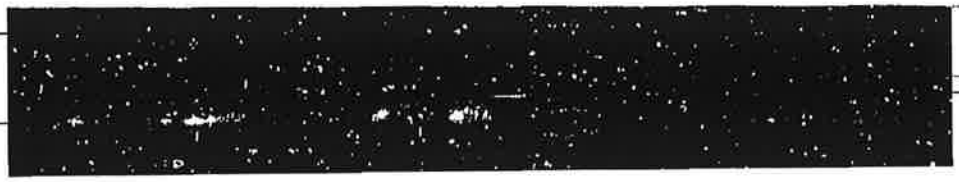
(m) The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Declaration unless required by law or unless the Department has given its prior written consent.

(n) The Owner represents, warrants, and agrees that if the Project, or any part thereof, shall be damaged, destroyed, shall be condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee, to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

(o) The Owner warrants that it has not and will not execute any other Declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(p) The applicable fraction for each building of the Project during the term of this Agreement shall not be less than the applicable fraction specified in the Low-Income Housing Tax Credit Determination Letter and Agreement (the "Agreement") executed by the Owner as 100 percent. [See IRC Section 42(h)(6)(B)]

(q) The Department may require the Owner to reduce rents charged for low-income units if property taxes imposed upon the Project are reduced because of a change in Oregon law. Any reduction in rent required by the Department shall not exceed the reduction in property taxes, taking into account any replacement taxes or equivalent charges, and shall further take into account prevailing operating expenses or debt coverage requirements of the Project's lender(s).



(r) If the Section 8 Income Limits used to determine rent limits are reduced to account for a reduction in property taxes imposed on the Project because of a change in Oregon law or if rents are otherwise reduced by federally subsidized housing assistance programs or comparable program to account for a reduction in property taxes imposed on the Project because of a change in Oregon law and the Department determines that the reduced rent charged for low-income units in the Project appropriately reflects the reduction in property taxes, then Section 3(q) of this Declaration shall not apply.

(s) The owner will not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

(t) The owner agrees to fill out and sign Part II of the Form 8609 required to be completed by the building owner for the first year of the credit period and return a copy (without Schedules and other supporting documents) to the Department for the purposes of compliance monitoring.

(u) The Department may charge a reasonable fee comparable to fees charged by the Department for monitoring activities in accordance with Section 8(d) of this Declaration for rent reviews and determinations made pursuant to Sections 3(q) and 3(r) of this Declaration.

SECTION 4 -INCOME RESTRICTIONS; RENTAL RESTRICTIONS

The Owner represents, warrants, and covenants that from and after initial occupancy and throughout the remaining term of this Declaration and in order to satisfy the requirements of IRC Section 42 ("Section 42 Occupancy Restrictions") that;

(Check applicable percentage election)

(a) (1) _ At least 20 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 50 percent or less of family adjusted area median income.

(2) X At least 40 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 60 percent or less of family adjusted area median income.

(b) The Department may require that the determination of whether a tenant meets the low-income requirement be made by the Owner or his designated agent at least annually on the basis of the current income of such Low-Income Tenant.

SECTION 5 - DEPARTMENT'S OCCUPANCY RESTRICTIONS

The Owner represents, warrants and covenants throughout the term of this Declaration that:

(a) Project rents will not exceed the gross rent allowable under IRC Section 42.

(Check b through e, if applicable)

(b) X The Owner will extend the income and rental restrictions of IRC Section 42 for 15 years after the close of the compliance period.

(c) X Regardless of any provision in this Declaration to the contrary, the Department's Occupancy Restrictions provided by this Section shall remain in place for a period of 30 years or until January 1, 2025 except in the case of foreclosure or deed in lieu of foreclosure of a prior recorded lien to this Declaration as provided in Section 6(b)(1) but subject to Section 6(c) of this Declaration.

(Check applicable election)

(d) (1) _X_ The Owner will SET the earliest date upon which the Owner may request the Department to assist in procuring a qualified contract for the acquisition of the low-income portion which is a part of the Project to after year 14, from the year the project was placed in service.

(2) __ ~~The Owner will POSTPONE the earliest date upon which the Owner may request the Department to assist in procuring a qualified contract for the acquisition of the low-income portion which is a part of the Project from after year 14 to year , from the year the project was placed in service.~~

(e) __ Operating reserves when released from restricted use shall be wholly used to subsidize tenant rents consistent with guidelines prescribed by the Department.

SECTION 6 - TERM OF DECLARATION

(a) Except as hereinafter provided, this Declaration and the IRC Section 42 Occupancy Restrictions specified herein shall commence with the first day in the Project period on which any building which is part of the Project is placed in service and shall end on the date which is 15 years after the close of the compliance period.

(b) The Owner shall comply with the requirements of IRC Section 42 relating to the extended use period, provided, however, this Declaration and the extended use period for any building which is part of this Project shall terminate:

(1) On the date the building is acquired by foreclosure or instrument in lieu of foreclosure; or

(2) On the last day of the one-year period specified in IRC Section 42(h)(6)(I), if the Owner has properly requested in accordance with IRC Section 42 that the Department assist in procuring a qualified contract for the acquisition of the low-income portion of any building which is a part of the Project, the Department and the Owner have agreed upon the terms of sale as specified in Section 3(l) of this Declaration, and the Department is unable to present a qualified contract within one year of reaching written agreement regarding the terms of sale.

(c) Notwithstanding subsection (b) above, IRC Section 42 rent requirements shall continue for a period of three years following the termination of the extended use requirement pursuant to the procedures specified in subsection (b) above for those tenants existing as of the date of termination. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum allowed under the IRC with respect to such low-income unit.

(d) If the Owner has agreed to optional Department's Occupancy Restrictions as reflected in Section 5 of this Declaration, neither this Declaration nor the extended use period shall terminate until the time period for compliance with such Department's Occupancy Restrictions has expired subject to earlier termination under Section 6(b)(1) above.

[redacted]

SECTION 7 - ENFORCEMENT OF DEPARTMENT'S OCCUPANCY RESTRICTIONS

(a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Department, to inspect any books and records of the Owner regarding the Project with respect to the incomes of Low-Income Tenants which pertain to compliance with the Department's Occupancy Restrictions specified in this Declaration.

(b) The Owner shall submit any other information, documents, or certifications requested by the Department which the Department shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the Department's Occupancy Restrictions specified in this Declaration.

SECTION 8 - ENFORCEMENT OF SECTION 42 OCCUPANCY RESTRICTIONS

(a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of IRC Section 42 and applicable regulations of this Declaration. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of the Department) to comply fully with the IRC and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by the United States Department of the Treasury, the Internal Revenue Service, or HUD from time to time pertaining to Owner's obligations under IRC Section 42 and affecting the Project.

(b) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with restrictions provided in this Declaration is to assure compliance of the Project and the Owner with IRC Section 42 and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING TAX CREDITS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE DEPARTMENT AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Department and all persons interested in Project compliance under IRC Section 42 and the applicable regulations.

(d) The Owner agrees to take any and all actions reasonably required by the Department to substantiate the Owner's compliance with occupancy restrictions of IRC Section 42 as now constituted or subsequently amended and other occupancy restrictions of the Department as now constituted or subsequently adopted and will pay a reasonable fee to the Department for the Department's monitoring of the Owners compliance based upon the Department's monitoring costs.

(e) This Declaration and the Determination Letter and Agreement of which it is a part may be enforced by the Department or its designee in the event the Owner fails to satisfy any of the requirements herein. In addition,

this Declaration shall be deemed a contract enforceable by one or more Tenants as third-party beneficiaries of the Declaration and Determination Letter and Agreement. In the event the Owner fails to satisfy the requirements of this Declaration or the Determination Letter and Agreement and legal costs are incurred by the Department or one or more of the tenants or beneficiaries, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from, the Owner.

SECTION 9 - EXTENDED LOW-INCOME HOUSING COMMITMENT **NOT APPLICABLE** An Option and Right of First Refusal Agreement has been entered into with Tualatin Valley Housing Partners, the Project's co-General Partner.

~~(a) For the purpose of insuring that the Project will continue to be used as affordable housing indefinitely, Owner~~ hereby agrees to transfer the Project to a "qualified nonprofit organization" [as defined in IRC 42(h)(5)(C)] acceptable to the Owner, the Department and the mortgage lender after the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the Project, or as soon thereafter as the transfer can be consummated, on the following terms:

(1) The consideration for the transfer shall be in accordance with the formula in IRC Section 42(h)(6)(F) in an amount equal to the sum of (a) the principal amount of outstanding indebtedness secured by the Project, (b) the adjusted investor equity in the Project, and (c) other capital contributions not reflected in the amounts described above, reduced by cash distributions from (or available for distribution from) the Project.

(2) Owner shall be under no obligation to transfer the Project to a qualified organization in the event that no acceptable qualified organization accepts title and assumes Owner's obligations before the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the Project.

(3) In making the determination of the transferee qualified nonprofit organization, first right of refusal shall be given to _____.

(4) Any controversy related to the selection of the transferee qualified organization shall be settled by arbitration pursuant to the rules of the American Arbitration Association.

(b) Owner further covenants to use its reasonable best efforts to assure that, at the time of the transfer: (i) the Project is generating sufficient cash flow to service Project debt and pay Project operating expenses; and (ii) the Project is in reasonably good physical condition (for a multi-family apartment project of its age and quality).

(c) No provision of this section shall prevent any lender loaning funds secured by the Project from foreclosing on the property or otherwise exercising its full right as a lender. In the event of a bonafide foreclosure or transfer of the Project to a lender by a deed in lieu of foreclosure, the foreclosing lender shall take the Project free and clear of any obligation to transfer the Project to a nonprofit organization or to operate the Project as affordable housing except as provided for in IRC Section 42. The Department or its assigns shall have ~~the right to cure any default to avoid foreclosure and assure transfer as stated above.~~

SECTION 10 - MISCELLANEOUS

(a) Severability. The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions thereof.

(b) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Department:	Oregon Housing and Community Services Department ATTN: LIHTC PROGRAM 1600 State Street Salem, Oregon 97310-0161
To the Owner:	HAWTHORNE VILLA LIMITED PARTNERSHIP ATTN: CHAD RENNAKER 16101 SW 72ND AVENUE SUITE 200 PORTLAND OR 97224

The Department, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this Declaration as may be necessary to comply with the IRC, any and all applicable rules, regulations, policies, procedures, rulings, or other official statements pertaining to the Credit. The Department, together with Owner, may execute and record any amendment or modification to this Declaration and such amendment or modification shall be binding on third-parties granted rights under this Declaration.

(d) Subordination of Declaration. This Declaration and the restrictions hereunder are subordinate to the permanent loan and loan documents on the Project in an original principal amount not to exceed $4,000,000, except insofar as IRC Section 42 (h)(6)(E) otherwise requires. The Department may subordinate this Declaration to other Financing, in its sole discretion and such subordination shall be binding on all third-parties granted rights under this Declaration.

(e) Governing Law. This Declaration shall be governed by the laws of the State of Oregon and, where applicable, the laws of the United States of America.

(f) Survival of Obligations. The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER

Hawthorne Villa Limited Partnership

By: _____

Name: G. David Sebastian

Title: President, Hawthorne Villa GP, Inc.,
General Partner of Hawthorne Associates Limited Partnership,
a General Partner

STATE OF OREGON)
)
County of Washington)

This instrument was acknowledged before me this 8th day of April, 1997, by G. David Sebastian, President.

Stephanie Carter

NOTARY PUBLIC FOR OREGON
My Commission Expires: Nov. 12, 2000

OFFICIAL SEAL
STEPHANIE CARTER
NOTARY PUBLIC-OREGON
COMMISSION NO. 059314
MY COMMISSION EXPIRES NOV. 12, 2000

This document prepared this March 27, 1997 by: Komi P. Kalevor
Print Name: Komi P. Kalevor
Title: Tax Credit Program Representative

h:\hf\Word\letters\
Revised 3/97



EXHIBIT "A"

PARCEL I:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner of said tract and true point of beginning of the tract herein described; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968, in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 96 feet to the East line of said Cason tract; thence South 0°11' West along the East line of said Cason tract, 315.0 feet to the Southeast corner thereof; thence North 88°17' West along the South line of said Cason tract, 121.6 feet to the Southeast corner of that tract conveyed in Deed Book 279, Page 648; thence North 0°11' East along the East line of that tract conveyed in Deed Book 279, Page 648, 141.34 feet, more or less, to the true point of beginning, all situated in Washington County, Oregon.

PARCEL II:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648, and the true point of beginning herein described; thence South 89°49' East, 110.0 feet to a point; thence North 0°11' East parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968, in Book 677, Page 139, Washington County Records, 173.66 feet to a point; thence North 88°37' West, 110.0 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 173.66 feet to the true point of beginning.

12

PARCEL III:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian and running thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner of thereof; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968, in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 51.0 feet to the true point of beginning of the herein described premises; thence continuing South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 90.0 feet; thence North 88°17' West, 45.0 feet; thence South 0°11' West, 90.0 feet to the true point of beginning.

PARCEL IV:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim in Section 36, Township 1 South, Range 1 West, Willamette Meridian in the County of Washington and State of Oregon, and running thence South 89°00' East, 1887.60 feet to a point on the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1030.34 feet to a point on the West line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968, in Book 677, Page 139, records of Washington County, being the Westerly Northwest corner of that tract described in Mortgage recorded October 29, 1968, in Book 722, Page 520, records of Washington County and the true point of beginning of the herein described premises; thence South 88°17' East 161.6 feet; thence North 0°11' East, 90.0 feet; thence South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 171.34 feet to a point; thence North 88°17' West, 65.0 feet to a point; thence South 0°11' West, 75.0 feet to a point; thence North 88°17' West, 141.6 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 186.34 feet to the true point of beginning.

13

APR 09 1997

PARCEL V:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, in Section 36, Township 1 South, Range 1 West of the Willamette Meridian and running thence South 89°00' East, 1887.60 feet to a point on the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 844.0 feet to a point on the West line of that tract described in deed to Leonard E. Cason et al, recorded January 16, 1968, in Book 677, Page 139, records of Washington County, being the Westerly Northwest corner of the first tract described in Mortgage recorded February 4, 1969, in Book 732, Page 58, records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 141.6 feet to a point; thence North 0°11' East, 75.0 feet to point; thence South 88°17' East, 65.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 113.66 feet to a point; thence North 88°17' West, 206 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 190 feet to the true point of beginning.

PARCEL VI:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim in Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon and running thence South 89°00' East, 1887.60 feet to a point on the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 654.0 feet to a point on the West line of that tract described in deed to Leonard E. Cason et al, recorded January 16, 1968, in Book 677, Page 139, records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded in Book 745, Page 285, records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 186.0 feet to a point; thence North 88°17' East, 206 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 186.0 feet to the true point of beginning.



PARCEL VII:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim in Section 36; thence South 89°00' East, 1687.00 feet to a point on the Northerly boundary of said Donation Land Claim; thence South 0°11', 290 feet to a point, said point being the Southwest corner of a tract conveyed to Oscar Sidler and Grace Sidler by deed recorded November 28, 1911 in Deed Book 90, Page 45, and the true point of beginning; thence South 0°11' West, 178 feet to a point on the West line of that tract described in a deed to Leonard E. Cason et al, recorded January 16, 1968 in Book 677, Page 139, records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded May 19, 1971, in Book 818, Page 167, records of Washington County; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 178 feet to the South line of said Sidler tract; thence North 89° West along the South line of said Sidler tract, 206.0 feet to the true point of beginning.

Washingt[illegible]unty, Oregon
09/30/2[illegible] 11:45:07 AM
D-IPPS Cnt=1 Stn=22 I REED
$60.00 $5.00 $11.00 $15.00 - Total = $91.00

2011-067937

01635157201100679370120127

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk

Return to:
Housing and Community Services
Attn: Multifamily Housing Section
725 Summer St. NE, Suite B
Salem, Oregon 97301-1266

SPACE AI

WFG Title 11002873 NN

HOUSING AND COMMUNITY SERVICES DEPARTMENT
STATE OF OREGON

CONSENT TO ASSIGNMENT, TRANSFER, ASSUMPTION AND MODIFICATION AGREEMENT LOW-INCOME HOUSING TAX CREDIT

THIS CONSENT TO ASSIGNMENT, TRANSFER, ASSUMPTION AND MODIFICATION AGREEMENT (this "Agreement") is entered into and made this 13th day of September, 2011, among:

PARTIES:

Recipient:	**HAWTHORNE VILLA LIMITED PARTNERSHIP,** an Oregon limited partnership
New Obligor:	**HAWTHORNE URBAN DEVELOPMENT LLC,** an Oregon limited liability company
Grantor (herein "Department"):	**STATE OF OREGON,** acting by and through its **Housing and Community Services Department**

RECITALS

A. Recipient is the owner of the real property described in Exhibit A and of any improvements thereon and of any personal property related thereto (collectively hereinafter, the "Project" or "Property"). Exhibit A is attached hereto and incorporated herein by reference. Recipient received a low-income housing tax credit allocation by the Department with respect to the development and operation of the Project in a final amount not to exceed One Hundred Eighty-One Thousand One hundred Forty-Three ($181,143) (the "Tax Credit"). The documents giving effect to the Tax Credit (the "Tax Credit Documents") are more fully described below.

B. Recipient has or will convey its interest in the Property to HAWTHORNE URBAN DEVELOPMENT LLC (the "New Obligor or Owner") pursuant to that certain Warranty Deed dated as of September 29th, 2011 (the "Deed").

C. Recipient and New Obligor are willing to document the transfer of the Project and New Obligor's assumption of Recipient's interests and obligations with respect to the Property and with respect to the Tax Credits from the Department and to commit to operate the Project in conformance with the Tax Credit Documents and this Agreement. The Department is willing to consent to the transfer in ownership of the

Property and to allow the assumption of the Tax Credit Documents consistent with the terms and conditions of this Agreement.

D. The Tax Credits are evidenced by a Reservation and Extended Use Agreement, Project No. 96046606, executed between the Recipient and the Department and dated on or about May 24, 1996, (the "Tax Credit Agreement"). Certain performance obligations with respect to the Project arising under the Tax Credits were made in a Declaration of Land Use Restrictive Covenants, executed by the Recipient in favor of the Department on or about, April 8, 1997 and recorded April 9, 1997, as Instrument No. 97032421, Records of Washington County, Oregon (the "Declaration"). The Tax Credit Agreement and the Declaration are collectively referred to herein as the "Tax Credit Documents."

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the agreements and covenants herein contained, Recipient and New Obligor hereby agree with the Department as follows:

1. Incorporation of Recitals and Documents. The terms of the foregoing Recitals, Exhibit A and the Tax Credit Documents are incorporated herein by reference.

2. Conveyance to New Obligor; Assignment. Recipient has conveyed or is conveying its interests in the Property to New Obligor in the manner described in this Agreement, in the Deed and in other purchase documents. Recipient hereby assigns his interests in the Tax Credit Documents and in the Property to New Obligor.

3. Assumption. New Obligor hereby unconditionally assumes the interests of Recipient in the Project and the interests and obligations of Recipient under the Tax Credit Documents as modified herein. New Obligor also hereby unconditionally agrees, covenants and warrants that it shall perform all obligations arising under this Agreement or otherwise owed to the Department under the Tax Credit Documents. The Department shall have the right to resort to, proceed against, or otherwise exercise its rights with respect to any and all remedies, restrictive covenants or equitable servitudes with respect to the Property or the New Obligor and its assigns or successors in interest, whether such rights arise under the Tax Credit Documents, this Agreement, or are otherwise now or subsequently available at law. New Obligor will execute and deliver to the Department such other documents reasonably requested by the Department to effect, exercise or maintain its rights under the Tax Credit Documents, this Agreement or otherwise with respect to the Project.

4. Consent. The Department hereby consents to and approves of the described transfer of the Property to New Obligor. The Department also consents to and approves of New Obligor's assumption of all the rights of Recipient and all obligations owed to the Department under the Tax Credit Documents, as further modified herein, without affecting in any manner the restrictions and requirements of such Tax Credit Documents with respect to any further or additional transfer of ownership of the Project. This consent and approval by the Department is conditioned, however, upon prior execution and recording of subordination agreements acceptable to the Department by any and all current lien holders with respect to the Property.

5. Limited Release. Recipient is hereby released by the Department from any obligations arising prospectively under the Tax Credit Documents except that Recipient is not released from any liability of any

nature arising under the Tax Credit Documents before the date of this Agreement. Recipient's remaining liability shall be joint and several with New Obligor and shall not be diminished or affected in any manner by New Obligor's assumption of the obligations and liabilities of Recipient under the Tax Credit Documents.

6. Modification of Tax Credit Documents.

6.1 The Declaration is hereby amended to include the following:

COVENANTS TO RUN WITH THE LAND; EQUITABLE SERVITUDES.

(a) The term "Owner" means the owner of the Project or Property and shall be construed to include the terms "Recipient" and "New Obligor" or "Owner" as appropriate.

(b) The Owner intends, declares, and covenants, on behalf of itself and all future owners and operators of the Project or Property during the term of this agreement, that the covenants, reservations, restrictions and equitable servitudes set forth in this agreement regulating and restricting the use, occupancy and transfer of the Project (1) shall be and are, until January 1, 2025, covenants running with the real property of the Project and do further constitute equitable servitudes with respect to the real property in favor of the Department and any tenant of this Project or Property, do encumber the Project until January 1, 2025, are binding upon the Owner's successors in title and all subsequent owners and operators of the Project, (2) are not merely personal covenants of the Owner, (3) shall bind the Owner and the Owner's successors and assigns until January 1, 2025, and (4) shall inure to the benefit of the Department and any tenant of the Project. The Owner hereby agrees that any and all Oregon state law requirements for the provisions of this agreement to constitute covenants running with the land or real property or to constitute equitable servitudes with respect to the real property in favor of the Department and any tenant of this Project or Property, shall be deemed satisfied in full. No transfer of any interest in the Project or Property shall be valid without the prior written consent of the Department. Until January 1, 2025, each and every contract, deed or other instrument hereafter executed conveying the Project or a portion thereof shall expressly provide that such conveyance is subject to this agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this agreement.

(c) The Owner covenants that the consent of any recorded prior lien holder on the Project or Property is not required in connection with recording this agreement, or if required, such consent has been or will be obtained by the Owner.

BURDEN AND BENEFIT.

The Owner hereby declares its understanding and intent that the burdens of the covenants, reservations, restrictions and equitable servitudes set forth herein touch and concern the land of the Project or Property in that the Owner's legal interest in the Project or Property is rendered less valuable thereby. The Owner hereby further declares its understanding and intent that the benefits of such covenants, reservations, restrictions and equitable servitudes touch and concern the land by enhancing and increasing the enjoyment and use of the Project or Property by tenants therein, the intended beneficiaries of such covenants, reservations, restrictions or equitable servitudes, and by furthering the public purposes for which tax credit assistance was provided by the Department for the Project or Property.

6.3 The Declaration is further amended by replacing Section 9 thereof with the following language:

SECTION 9 - FUTURE TRANSFER OF OWNERSHIP, QUALIFIED CONTRACT

This Section (choose one of the below)

____ Will apply to the Project described herein:

__X__ Will not apply to the Project described herein:

a) For the purpose of ensuring the Project will continue to be used as affordable housing, Owner hereby agrees to transfer the Project to a "qualified nonprofit organization" [as defined in IRC 42(h)(5)(C)] acceptable to the Owner, Department and the mortgage lender after the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the Project, or as soon thereafter as the transfer can be consummated, on the following terms:

1) The consideration for the transfer shall be in accordance with the formula in IRC Section 42(h)(6)(F) in an amount equal to the sum of (a) the principal amount of outstanding indebtedness secured by the Project, (b) the adjusted investor equity in the building, and (c) other capital contributions not reflected in the amounts described above, reduced by cash distributions from (or available for distribution from) the project.

2) Owner shall be under no obligation to transfer the project to a qualified organization in the event that no acceptable qualified organization agrees in writing to accept title and assume Owner's obligations before the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the project.

3) In making the determination of the transferee qualified nonprofit organization, first right of refusal shall be given to ____N/A___.

b) Owner further covenants to use its reasonable best efforts to assure, at the time of the transfer: (i) the Project is generating sufficient cash flow to service Project debt and pay Project operating expenses; and (ii) the Project is in reasonably good physical condition (for a multi-family apartment project of its age and quality).

c) No provision of this section shall prevent any lender loaning funds secured by the Project from foreclosing on the property or otherwise exercising its full rights as a lender. In the event of a bonafide foreclosure or transfer of the Project to a lender by a deed in lieu of foreclosure, the foreclosing lender shall take the project free and clear of any obligation to transfer the Project to a nonprofit organization or to operate the project as affordable housing except as provided for in IRC Section 42. Department or its assigns shall have the right to cure any default to avoid foreclosure and assure transfer as stated above.

7. Governing Law; Venue; Consent to Jurisdiction. Recipient, New Obligor and each person now or at any time hereafter liable, whether primarily or secondarily, hereby agree that this Agreement and each of the Tax Credit Documents shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or other proceeding (collectively "Claim") arising out of or related in any way to this Agreement shall be brought and conducted solely and

exclusively within an appropriate Circuit Court for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. The Recipient and the New Obligor hereby consent to the *in personam* jurisdiction of said courts. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court.

8. Notice to the Department. New Obligor shall promptly notify the Department in writing of (i) any material adverse change in the financial condition of New Obligor, or (ii) any suit, governmental action, claim or other proceeding pending or threatened in writing which may have a material adverse effect on New Obligor or their business operations, condition (financial or otherwise) or involving the Project. New Obligor shall promptly provide to the Department on request such credit reports, current financial statements and information, prepared by certified public accountant and certified by New Obligor, and other documents and information pertaining to the financial condition and obligations of New Obligor, in reasonable detail and certified where appropriate, as the Department may reasonably require from time to time, including a detailed statement of income and expenditures (including debt service obligations) and supporting schedules, and updated financial statements.

9. Further Documentation and Assurance. New Obligor shall execute upon request of the Department such additional instruments and provide such further assurances as the Department may consider reasonably desirable or necessary to evidence or carry out the parties' intent and agreement under this Agreement or to complete, perfect, continue and preserve the obligations, restrictive covenants and equitable servitudes created under the Tax Credit Documents and/or this Agreement. New Obligor shall be responsible for all costs incurred in this transaction, including the cost of obtaining a title insurance endorsement acceptable to the Department, if requested, insuring that the restrictive covenants and equitable servitudes arising under the Tax Credit Documents and this Agreement continue as valid encumbrances, in their original priority, against the Property and are not impaired by execution of this Agreement.

10 General Provisions.

10.1 Representations of New Obligor. New Obligor hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that: (i) the Tax Credit Documents (as modified by this Agreement) represent the legal, valid, binding and enforceable obligations of New Obligor; (ii) there are no existing claims, defenses, personal or otherwise, or right of set-off whatsoever available to New Obligor with respect to any of such Tax Credit Documents; and (iii) no event has occurred and no condition exists which would constitute a default under such Tax Credit Documents or this Agreement, either with or without notice or lapse of time, or both.

10.2 Survival; Ratification. Except as specifically modified pursuant to this Agreement, all the terms and provisions of the Tax Credit Documents remain in full force and effect. As modified by this Agreement, the Tax Credit Documents are approved and hereby ratified and reaffirmed.

10.3 No Relinquishment of Covenants. This Agreement shall in no way act as a release or relinquishment of the restrictive covenants, equitable servitudes and encumbrances (collectively called the "Covenants") recorded with respect to the Property protecting the Department's ability to enforce operation of the Project consistent

with the terms of the Tax Credit Documents except as expressly released or modified in this Agreement. The Covenants, as modified, are hereby ratified, and confirmed in all respects.

10.4 Full Force and Effect. This Agreement, and the Tax Credit Documents are in full force and effect and nothing contained in this Agreement shall be construed as modifying such documents, except as specifically provided pursuant to this Agreement.

10.5 Defined Terms. Capitalized terms shall have the defined meanings provided in this Agreement or in the Tax Credit Documents.

10.6 Severability. A determination that any term or provision of this Agreement is invalid or otherwise not enforceable shall not affect the validity of the remaining terms and provisions of this Agreement which shall remain in full force and effect.

10.7 Time of the Essence. Time is of the essence in the performance of any and all obligations under this Agreement.

10.8 Attorney Fees. In the event a lawsuit is instituted regarding this Agreement, the prevailing party in any dispute arising under this Agreement shall, to the extent permitted by law, be entitled to recover from the other its reasonable attorney fees and all costs and disbursements incurred at trial and on appeal. Notwithstanding any other provision in this Agreement or incorporated documents, reasonable fees shall not exceed the rate charged the Department by its attorneys.

10.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute but one agreement. Any party may execute this Agreement by signing any such counterpart.

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, this instrument has been duly executed as of the date and year first above written.

DEPARTMENT: **The State of Oregon,** acting by and through its **HOUSING AND COMMUNITY SERVICES DEPARTMENT**

By: David W. Summers, Manager
Multifamily Housing Section

STATE OF OREGON)
: ss
County of Marion)

The foregoing instrument was acknowledged before me this 13th day of September, 2011, by David W. Summers, Manager, Multifamily Housing Section, Housing and Community Services Department, on behalf of the Department.

OFFICIAL SEAL
SUSAN ELAINE BAILEY
NOTARY PUBLIC-OREGON
COMMISSION NO. 441023
MY COMMISSION EXPIRES SEPT. 08, 2013

Susan Bailey
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9/8/13

[The balance of this page is intentionally left blank]

RECIPIENT: HAWTHORNE VILLA LIMITED PARTNERSHIP,
an Oregon limited partnership

By: Hawthorne Villa GP, Inc.,
an Oregon corporation

Ashile M. Johnson

By: Ashile Johnson, Member

STATE OF OREGON)

: ss

County of ~~Washington~~ Multnomah)

The foregoing instrument was acknowledged before me this 29 day of September, 2011, by Ashile Johnson, Member, general partner of Hawthorne Villa Limited Partnership, on behalf of said limited partnership of Hawthorne Villa GP, Inc. an Oregon general partnership.

OFFICIAL SEAL
GREGORY S. BRAY
NOTARY PUBLIC-OREGON
COMMISSION NO. 424165
MY COMMISSION EXPIRES JAN. 2, 2012

NOTARY PUBLIC FOR OREGON
My Commission Expires: 1.2.12

[The balance of this page is intentionally left blank]

NEW OBLIGOR: HAWTHORNE URBAN DEVELOPMENT LLC,
an Oregon limited liability company

By: Saj Jivanjee, Member

STATE OF OREGON)
: ss
County of ~~Washington~~ Multnomah)

The foregoing instrument was acknowledged before me this 16th day of September, 2011, by Saj Jivanjee, Member of Hawthorne Urban Development LLC, on behalf of said limited liability company.

OFFICIAL SEAL
GREGORY S. BRAY
NOTARY PUBLIC-OREGON
COMMISSION NO. 424165
MY COMMISSION EXPIRES JAN. 2, 2012

NOTARY PUBLIC FOR OREGON
My Commission Expires: 1.2.12

NEW OBLIGOR: HAWTHORNE URBAN DEVELOPMENT LLC,
an Oregon limited liability company

By: Richard Krueger, Member

STATE OF OREGON)
: ss
County of ~~Washington~~ Multnomah)

The foregoing instrument was acknowledged before me this 16th day of September, 2011, by Richard Krueger, Member of Hawthorne Urban Development LLC, on behalf of said limited liability company.

OFFICIAL SEAL
GREGORY S. BRAY
NOTARY PUBLIC-OREGON
COMMISSION NO. 424165
MY COMMISSION EXPIRES JAN. 2, 2012

NOTARY PUBLIC FOR OREGON
My Commission Expires: 1.2.12

[The balance of this page is intentionally left blank]

EXHIBIT A

Real property in the County of Washington, State of Oregon, described as follows:

PARCEL I:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner of said tract and true point of beginning of tract herein described; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 96 feet to the East line of said Cason tract; thence South 0°11' West along the East line of said Cason tract, 315.0 feet to the Southeast corner thereof; thence North 88°17' West along the South line of said Cason tract, 121.6 feet to the Southeast corner of that tract conveyed in Deed Book 279, Page 648; thence North 0°11' East along the East line of that tract conveyed in Deed Book 279, Page 648, 141.34 feet, more or less to the true point of beginning, all situated in Washington County, Oregon.

PARCEL II:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648, and the true point of beginning herein described; thence South 89°49' East, 110.0 feet to a point; thence North 0°11' East, parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet to a point; thence North 88°37' West, 110.0 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 173.66 feet to the true point of beginning.

PARCEL III:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner thereof; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 51.0 feet to the true point of beginning of the herein described premises; thence continuing South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 90.0 feet; thence North 88°17' West, 45.0 feet; thence South 0°11' West, 90.0 feet to the true point of beginning.

PARCEL IV:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1030.34 feet to a point on the West line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of that tract described in Mortgage recorded October 29, 1968 in Book 722, Page 520, Records of Washington County and the true point of beginning of the herein described premises; thence South 88° 17' East, 161.6 feet; thence North 0°11' East, 90.0 feet; thence South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 171.34 feet to a point; thence North 88°17' West, 65.00 feet to a point; thence South 0°11' West, 75.0 feet to a point; thence North 88°17' West, 141.6 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 186.34 feet to the true point of beginning.

PARCEL V:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 844.0 feet to a point on the West line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of the first tract described in Mortgage recorded February 4, 1969 in Book 732, Page 58, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 141.6 feet to a point; thence North 0°11' East, 75.0 feet to a point; thence South 88°17' East, 65.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 113.66 feet to a point; thence North 88°17' West, 206 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 190 feet to the true point of beginning.

PARCEL VI:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 654.0 feet to a point on the West line of that tract described in deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded in Book 745, Page 285, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 186.0 feet to a point; thence North 88°17' East, 206 feet to a point on the West line of said Cason tract; thence South 0°11 West along said West line, 186.0 feet to the true point of beginning.

PARCEL VII:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

BEGINNING at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary

line of said Donation Land Claim; thence South 0°11' West, 290 feet to a point, said point being the Southwest corner of a tract conveyed to Oscar Sidler and Grace Sidler by deed recorded November 28, 1911 in Deed Book 90, Page 45, and the true point of beginning; thence South 0°11' West, 178 feet to a point on the West line of that tract described in a deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded May 19, 1971 in Book 818, Page 167, Records of Washington County; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 178 feet to the South line of said Sidler tract; thence North 89° West along the West line of said Sidler tract, 206.0 feet to the true point of beginning.

[The balance of this page is intentionally left blank]

Washington County, Oregon 2016-018081
D-IRUL
Stn=24 C WHITE 03/09/2016 01:52:30 PM
$70.00 $11.00 $5.00 $20.00 $106.00

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of
Assessment and Taxation, Ex-Officio

After Recording Return to:
Housing and Community Services
Attn: Asset Management & Compliance Section
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

SPACE ABOVE THIS LINE FOR RECORDER'S USE

WFG Title COMM 150153X

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT

4% LOW-INCOME HOUSING TAX CREDIT PROGRAM

CONSENT TO ASSIGNMENT, TRANSFER, ASSUMPTION AND MODIFICATION AGREEMENT, DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS Consent to Assignment, Transfer, Assumption and Modification Agreement, Declaration of Land Use Restrictive Covenants (this "Assignment") is made and entered into by and among **Hawthorne Urban Development, LLC**, an inactive Oregon limited liability company (the "Owner"), **Richard Krueger and Saj Jivanjee,** as tenants in common (the "Successor Owner"), and the State of Oregon, acting by and through its Housing and Community Services Department, together with its successors and assigns (the "Department" or "OHCS") this 9 day of March, 2016.

RECITALS

A. The Successor Owner is the owner of an **Eight (8)** building, **One-Hundred Nineteen (119)** unit including **two (2) manager units**, low-income multifamily residential housing development located on land in the City of **Tigard**, County of **Washington**, State of Oregon, more particularly described in Exhibit A hereto, and known commonly as **Hawthorne Villa Apartments** (the "Property" or the "Project").

B. Hawthorne Villa Limited Partnership (the "Recipient") received a Low Income Housing Tax Credit allocation from the OHCS with respect to the development and operation of the Property in the final amount not to exceed **One Hundred Eighty-One Thousand, One Hundred Forty-Three Dollars ($181,143)** (the "Tax Credit" or "Credit") from the OHCS.

C. The Tax Credit is evidenced by an Applicable Percentage Rate (APR) Election Form, executed between the Recipient and OHCS, dated on or about **April 8, 1996**, Acceptance of Tax Credit Offer, executed by Recipient and dated on or about **May 3, 1996** (collectively hereafter the "REUA" or the "Agreement").

D. Certain performance obligations with respect to the Property arising under the Credit were made in a Declaration of Land Use Restrictive Covenants executed by the Recipient in favor of the OHCS on or about **April 8, 1997** and recorded **April 9, 1997**, in the official records of **Washington** County, Oregon, as **Instrument No. 97032421**, and amended by Consent to Assignment, Transfer, Assumption and Modification Agreement, dated **September 13, 2011** and recorded **September 30, 2011**, in the official records of **Washington** County, Oregon, as **Instrument No. 2011-967937** (the "First Assignment"). The Declaration and the First Assignment are

collectively hereafter the "Declaration". The terms and conditions of this Assignment, the REUA, the Declaration, applicable Internal Revenue Service ("IRS") regulations, applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable OHCS administrative rules and directives, and other applicable law, including local codes and ordinances are hereinafter collectively referred to as the "Credit Requirements."

E. The REUA and the Declaration are hereinafter referred to collectively as the "Tax Credit Documents".

F. The Recipient conveyed its interest in the Property to the Owner by Statutory Special Warranty Deed dated as of **September 29, 2011**, and recorded on **September 30, 2011**, in the official records of **Washington** County, Oregon, as **Instrument No. 2011-057934** (the "Owner Deed").

G. The Owner has conveyed its interest in the Property to the Successor Owner by Quitclaim Deed dated as of **December 2, 2015**, and recorded on **December 30, 2015**, in the official records of **Washington** County, Oregon, as **Instrument No. 2015-106293** (the "Successor Deed").

H. The parties desire to execute this Assignment, *inter alia*, to evidence the terms by which OHCS consents to the transfer of the Property to Successor Owner, the assumption by Successor Owner of the rights, interests, and obligations of Owner in and with respect to the Property and the Tax Credit Documents, and the commitment herein that Successor Owner will operate the Property in conformance with all applicable Credit Requirements, including but not limited to the Tax Credit Documents and this Assignment.

I. The Owner is willing to document the transfer of the Property and its rights, interests, and obligations in the Tax Credit Documents to Successor Owner, and Successor Owner is willing to document its assumption of the rights, interests, and obligations of Owner in and with respect to the Property and the Tax Credit Documents from Owner. Successor Owner also is willing to commit to operate the Property in conformance with the Credit Requirements, including the Tax Credit Documents and this Assignment. OHCS is willing to consent to the transfer in ownership of the Property and to allow the assumption of the Tax Credit Documents as described above, consistent with the terms and conditions of this Assignment.

J. The parties also desire that this Assignment be recorded in the relevant county records at Owner's or Successor Owner's cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the Property real property and govern, *inter alia*, the maintenance, monitoring, and operation of the Property.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the agreements and covenants herein contained, Owner and Successor Owner hereby agree with OHCS as follows:

1. **Incorporation of Recitals and Documents.** The foregoing Recitals, Exhibit A, and the Tax Credit Documents are incorporated herein by reference. Notwithstanding this incorporation, the foregoing Recitals, Exhibit A, and the Tax Credit Documents do not modify the express terms of this Assignment.

2. **Definitions.** Words and phrases used in this Assignment will have the same meanings as used in the Tax Credit Documents or other Credit Requirements, unless the context clearly requires otherwise.

3. **Conveyance to Successor Owner; Assignment.** Owner has conveyed its interests in the Property to Successor Owner in the manner described in this Assignment, in the applicable deed and in other

purchase documents. Owner hereby assigns its interests in the Tax Credit Documents and in the Property to Successor Owner.

4. **Assumption.** Successor Owner hereby unconditionally assumes the interests, rights, and obligations of Owner in and with respect to the Property and Tax Credit Documents, including as modified herein. Successor Owner also hereby unconditionally agrees, covenants and warrants that it will operate the Property and perform all obligations arising under the Tax Credit Documents, as amended, or otherwise arising under applicable Credit Requirements. OHCS may resort to, proceed against, or otherwise exercise its rights with respect to any and all remedies, restrictive covenants or equitable servitudes with respect to the Property or the Successor Owner and its assigns or successors in interest, whether such rights arise under the Tax Credit Documents, under this Assignment, under the other Credit Requirements, or otherwise. Successor Owner will execute and deliver to OHCS such other documents reasonably requested by OHCS to effect, exercise, enforce, or maintain its rights under the Tax Credit Documents, this Assignment, or otherwise with respect to the Property or other Credit Requirements.

5. **Consent.** OHCS hereby consents to and approves of the described transfer of the Property to Successor Owner. OHCS also consents to and approves of Successor Owner's assumption of all the rights, interests, and obligations of Owner in and with respect to the Tax Credit Documents, as herein amended, and other applicable Credit Requirements without affecting in any manner the restrictions and requirements of such Tax Credit Documents, this Assignment, or other Credit Requirements with respect to any further or additional transfer of ownership of the Property. This consent and approval by OHCS is conditioned, however, upon prior execution and recording of subordination agreements acceptable to OHCS by any and all current lien holders with respect to the Property.

6. **Limited Release.** Owner is hereby released by OHCS from any obligations arising prospectively under the Tax Credit Documents, as amended, but Owner is not released from any liability of any nature arising under the Tax Credit Documents or other Credit Requirements before the date of this Assignment. Owner's remaining liability will be joint and several with Successor Owner and will not be diminished or affected in any manner by Successor Owner's assumption of the obligations and liabilities of Owner under the Tax Credit Documents, as amended, or under this Assignment.

7. **Notice to OHCS.** Successor Owner will promptly notify OHCS in writing of (i) any material adverse change in the financial condition of Successor Owner, or (ii) any suit, governmental action, claim or other proceeding pending or threatened in writing which may have a material adverse effect on Successor Owner or their business operations, condition (financial or otherwise) or involving the Property. Successor Owner will promptly provide to OHCS on request such credit reports, current financial statements and information, prepared by certified public accountant and certified by Successor Owner, and other documents and information pertaining to the financial condition and obligations of Successor Owner, in reasonable detail and certified where appropriate, as OHCS may reasonably require from time to time, including a detailed statement of income and expenditures (including debt service obligations) and supporting schedules, and updated financial statements.

8. **Modification of Declaration.**

8.1 The Declaration is, hereby, amended to substitute the following language in lieu of "**SECTION 2 – RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND**", subsection (c) (this amended language supersedes any contrary language in the Declaration or the First Assignment):

(b) The Owner intends, declares, and covenants, on behalf of itself and all future owners and operators of the Project or Property during the term of this agreement, that the covenants,

reservations, restrictions and equitable servitudes set forth in this agreement regulating and restricting the use, occupancy and transfer of the Project (1) shall be and are, until **January 1, 2027**, covenants running with the real property of the Project and do further constitute equitable servitudes with respect to the real property in favor of the Department and any tenant of this Project or Property, do encumber the Project until **January 1, 2027**, are binding upon the Owner's successors in title and all subsequent owners and operators of the Project, (2) are not merely personal covenants of the Owner, (3) shall bind the Owner and the Owner's successors and assigns until **January 1, 2027**, and (4) shall inure to the benefit of the Department and any tenant of the Project. The Owner hereby agrees that any and all Oregon state law requirements for the provisions of this agreement to constitute covenants running with the land or real property or to constitute equitable servitudes with respect to the real property in favor of the Department and any tenant of this Project or Property, shall be deemed satisfied in full. No transfer of any interest in the Project or Property shall be valid without the prior written consent of the Department. Until **January 1, 2027,** each and every contract, deed or other instrument hereafter executed conveying the Project or a portion thereof shall expressly provide that such conveyance is subject to this agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this agreement.

8.2 The Declaration is, hereby, amended to substitute the following language in lieu of "**SECTION 5 – OHCS'S OCCUPANCY RESTRICTIONS**", subsection (c) (this amended language supersedes any contrary language in the Declaration or the First Assignment):

(c) Regardless of any provision in this Declaration to the contrary, OHCS' Occupancy Restrictions provided by this Section will remain in place for a period of **Thirty (30)** years or until **January 1, 2027** (the "Affordability Period"), except in the case of foreclosure or deed in lieu of foreclosure of a prior recorded lien to this Declaration as provided in Section 6(b)(1), but subject to Section 6(c) of this Declaration.

8.3 The Declaration is, hereby, amended to substitute the following language in lieu of "**SECTION 6 – TERM OF DECLARATION**", subsection (a) (this amended language supersedes any contrary language in the Declaration or the First Assignment):

(a) Except as hereinafter provided, the income, affordability, and use restrictions of this Declaration will commence upon the first day in the Project period on which any building that is part of the Property is placed in service and will endure for the entire fifteen (15)-year Compliance Period and for the remaining balance of the Affordability Period and as additionally provided herein, subject to earlier termination under Sections 5(d) and 6(b)(1). All other covenants, terms, and conditions herein will commence upon execution of this Declaration by Owner and will endure for the Affordability Period and as additionally provided herein subject to earlier termination under Sections 5(d) and 6(b)(1). Termination of the Affordability Period or this Declaration will not extinguish remedies available to OHCS arising under this Declaration or the Agreement.

8.4 The Declaration is, hereby, amended to substitute the following language in lieu of "**SECTION 10 – MISCELLANEOUS**", subsection (b):

(b) Notices. All notices to be given pursuant to this Declaration will be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To OHCS: Oregon Housing and Community Services
Attn: Asset Management & Compliance Section
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

To the Owner: **Richard Krueger**
21001 Dairy Creek Road
North Plains, Oregon 97133

and

Saj Jivanjee
32230 NE Old Parrett Mt Road
Newburg, Oregon 97132

OHCS, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

9. **Further Documentation and Assurance.** Successor Owner will execute upon request of OHCS such additional instruments and provide such further assurances as OHCS may consider reasonably desirable or necessary to evidence or carry out the parties' intent and agreement under this Assignment or to complete, perfect, continue and preserve the obligations, restrictive covenants and equitable servitudes created under the Tax Credit Documents, including this Assignment. Successor Owner will be responsible for all costs incurred in this transaction, including the cost of obtaining a title insurance endorsement acceptable to OHCS, if requested, insuring that the restrictive covenants and equitable servitudes arising under the Tax Credit Documents and under this Assignment continue as valid encumbrances, in their original priority, against the Property and are not impaired by execution of this Assignment.

10. Restrictive Covenants and Equitable Servitudes to Run with the Land.

10.1 **Inducement.** Successor Owner represents and warrants that the consent by OHCS to Owner transferring the Project to Successor Owner is an inducement to the Successor Owner to assume and comply with the Tax Credit Documents as herein modified, to execute and comply with this Assignment, and otherwise to operate the Project in accordance with Credit Requirements. In consideration of such consent, the Owner has entered into this Assignment and has agreed to restrict the uses to which the Project can be put on the terms and conditions set forth herein. Therefore, the Successor Owner covenants, agrees and acknowledges that OHCS has relied on this Assignment in determining to consent to Owner transferring the Project to Successor Owner.

10.2 **Covenants; Equitable Servitudes.**

(1) The parties hereby declare their express intent that throughout the Affordability Period described in the Tax Credit Documents, as herein modified, the covenants, restrictions, charges and easements set forth herein will be deemed covenants running with the land of the Project and will create equitable servitudes running with the land of the Project, and will pass to and be binding upon OHCS' and the Successor Owner's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein.

(2) Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a rental agreement or lease for a dwelling unit) will contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument will conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

(3) Any and all legal requirements for the provisions of this Assignment to constitute restrictive covenants running with the land of the Project and applying to the Project as a whole, or to create equitable servitudes with respect to same in favor of OHCS, are deemed satisfied in full.

(4) The consent of any recorded prior lien holder on the Project, including the Property, is not required in connection with recording this Assignment, or if required, such consent has been or will be obtained by the Successor Owner.

10.3 Burden and Benefit.

(1) The Successor Owner hereby declares its understanding and intent that the burdens of the covenants and equitable servitudes set forth herein touch and concern the land of the Project, and the Project as a whole, in that the Successor Owner's legal interest in the Project is rendered less valuable thereby.

(2) The Successor Owner hereby further declares its understanding and intent that the benefits of such covenants and equitable servitudes touch and concern the land of the Project, and the Project as a whole, by enhancing and increasing the enjoyment and use of the Project by tenants, intended beneficiaries (in addition to OHCS) of such covenants, reservations and restrictions, and by furthering the public purposes for which allocation of Tax Credits was issued.

10.4 Right of Modification. OHCS may compromise, waive, amend or modify the terms of this Assignment including, but not limited to the restrictive covenants and equitable servitudes created hereby, with the written consent of Successor Owner or subsequent Project owners, as it so determines to be to the benefit of OHCS, the Project, the Program, or OHCS' efforts to provide or maintain safe, sanitary, and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification of this Assignment must be in writing, signed by an authorized OHCS representative.

10.5 No Right of Action. Tenants and other third-party beneficiaries under this Assignment (including incorporated documents), if any, have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Assignment (including incorporated documents and the described restrictive covenants and equitable servitudes), the Credit, or the Project arising from their rights, if any, under this Assignment or otherwise.

10.6 No Attorney Fees. Tenants and other third-party beneficiaries under this Assignment (including incorporated documents), if any, have no right to attorney fees under this Assignment or otherwise for claims asserted as third-party beneficiaries hereunder (including incorporated documents) nor will parties hereto have a right to attorney fees against tenants and other third-party beneficiaries, if any, hereunder.

11. General Provisions.

11.1 Representations of Successor Owner. Successor Owner hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that: (i) the Tax Credit Documents and this Assignment represent the legal, valid, binding and enforceable obligations of Successor Owner; (ii) there are no existing claims,

defenses, personal or otherwise, or right of set-off whatsoever available to Successor Owner with respect to any of such Tax Credit Documents or this Assignment; that it is duly organized, validly existing under the laws of Oregon, is authorized to do business in Oregon, and has the power and authority to transact the business in which it is engaged and to enter into and perform this Assignment; and (iii) no event has occurred and no condition exists which would constitute a default under such Tax Credit Documents or this Assignment, either with or without notice or lapse of time, or both.

11.2 Survival; Ratification. Except as specifically modified pursuant to this Assignment, all the terms and provisions of the Tax Credit Documents remain in full force and effect. As modified by this Assignment, the Tax Credit Documents are approved and hereby ratified and reaffirmed.

11.3 No Relinquishment of Covenants. This Assignment will in no way act as a release or relinquishment of the restrictive covenants, equitable servitudes and encumbrances (collectively called the "Covenants") recorded with respect to the Property protecting OHCS' ability to enforce operation of the Property consistent with the terms of the Tax Credit Documents except as expressly released or modified in this Assignment. The Covenants, as herein modified, are hereby ratified and confirmed in all respects.

11.4 Full Force and Effect. This Assignment and the Tax Credit Documents, as amended, are in full force and effect and nothing contained in this Assignment will be construed as modifying such documents, except as specifically provided pursuant to this Assignment.

11.5 Severability. A determination that any term or provision of this Assignment is invalid or otherwise not enforceable will not affect the validity of the remaining terms and provisions of this Assignment which will remain in full force and effect.

11.6 Indemnity. Owner and Successor Owner will save, hold harmless, indemnify and (subject to ORS chapter 180) defend the State of Oregon, OHCS, and their officers, agents, employees, members and assigns, from all suits, actions, claims, losses or damages of whatsoever nature, kind or description related to the Property or resulting from or arising out of their acts, omissions, neglect or misconduct or the acts, omissions, neglect or misconduct or their subcontractors, agents, or employees under the REUA, the Declaration, this Assignment, the other Credit Requirements, or otherwise related to the Credit or Property.

11.7 Time of the Essence. Time is of the essence in the performance of any and all obligations under this Assignment.

11.8 Attorney Fees. In the event a lawsuit is instituted regarding this Assignment (including the Tax Credit Documents), the prevailing party in any dispute arising under this Assignment will, to the extent permitted by law, be entitled to recover from the other its reasonable attorney fees and all costs and disbursements incurred at trial and on appeal. Notwithstanding any other provision in this Assignment or incorporated documents, reasonable fees will not exceed the rate charged the OHCS by its attorneys.

11.9 Counterparts. This Assignment may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will constitute but one agreement. Any party may execute this Assignment by signing any such counterpart.

11.10 Governing Law; Venue: Consent to Jurisdiction. This Assignment will be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between any parties hereto related to this Assignment will be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be

brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event will this provision be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OWNER AND SUCCESSOR OWNER BY EXECUTION OF THIS ASSIGNMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

11.11 Waiver. Notwithstanding any interests hereunder or otherwise inuring to the benefit of past, present or prospective tenants of the Property, the OHCS may compromise, waive, amend or modify this Assignment, the Tax Credit Documents or other Credit Requirements with the written consent of Successor Owner as OHCS determines to be to the benefit of OHCS, the Property, Credit Requirements, or OHCS efforts to provide or maintain safe and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification of this Assignment must be in writing, signed by an authorized OHCS representative.

11.12 No Claim. Any third-party beneficiaries under the Tax Credit Documents or this Assignment will have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Assignment, the Tax Credit Documents, Credit Requirements, the Property, the Owner, or the Successor Owner.

11.13 Construction. The parties to this Assignment acknowledge that each party and its counsel have participated in the drafting and revision of this Assignment. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Assignment or any amendment, modification, supplementation or restatement of the foregoing or of any exhibit to this Assignment.

11.14 No Impairment of Governmental Powers. Nothing in this Assignment is intended, nor will it be construed, to in any way limit the actions of OHCS or State of Oregon in the exercise of their governmental powers. It is the express intention of the parties hereto that OHCS and State of Oregon will retain the full right and ability to exercise their governmental powers with respect to the Grantee, the Owner, the Successor Owner, the Credit, the Project, and the transactions contemplated by this Assignment to the same extent as if OHCS were not a party to this Assignment or the transactions contemplated thereby, and in no event will OHCS or the State of Oregon have any liability in contract arising under this Assignment by virtue of any exercise of their governmental powers.

[Signature Pages to Follow.]

IN WITNESS WHEREOF, this instrument has been duly executed as of the date and year first above written.

OHCS:

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

By: _____
Julie V. Cody, Assistant Director

STATE OF OREGON)
: ss
County of Marion)

The foregoing instrument was acknowledged before me this 3rd day of March, 2016, by Julie V. Cody, Assistant Director, Housing and Community Services Department, on behalf of the OHCS.

OFFICIAL STAMP
KATHLEEN MAYUMI CONNOR
NOTARY PUBLIC - OREGON
COMMISSION NO. 941712
MY COMMISSION EXPIRES AUGUST 11, 2019

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

[The balance of this page is intentionally left blank.]

OWNER:

HAWTHORNE URBAN DEVELOPMENT LLC,
an inactive Oregon limited liability company

By: _____
Saj Jivanjee, Member

STATE OF OREGON)
: ss
County of Multnomah)

The foregoing instrument was acknowledged before me this 9 day of March, 2016, by Saj Jivanjee, Member, who executed the foregoing instrument on behalf of the owner.

OFFICIAL STAMP
TREVOR GARRETT CHEYNE
NOTARY PUBLIC-OREGON
COMMISSION NO. 922330
MY COMMISSION EXPIRES NOVEMBER 20, 2017

NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/20/17

By: _____
Richard Krueger, Member

STATE OF ~~OREGON~~ c/o Pennsylvania)
: ss
County of Blair)

The foregoing instrument was acknowledged before me this 8 day of March, 2016, by Richard Krueger, Member, who executed the foregoing instrument on behalf of the owner.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cristi Lynne Waltz, Notary Public
Freedom Twp., Blair County
My Commission Expires April 12, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

NOTARY PUBLIC FOR ~~OREGON~~ c/o Pennsylvania
My Commission Expires: April 12 2016

[The balance of this page is intentionally left blank.]

SUCCESSOR OWNER: **RICHARD KRUEGER AND SAJ JIVANJEE,**
as tenants in common

By: _____
Saj Jivanjee, an individual

STATE OF OREGON)
: ss
County of Multnomah)

The foregoing instrument was acknowledged before me this 9 day of March, 2016, by Saj Jivanjee, an individual, who executed the foregoing instrument on behalf of the successor owner.

OFFICIAL STAMP
TREVOR GARRETT CHEYNE
NOTARY PUBLIC-OREGON
COMMISSION NO. 922330
MY COMMISSION EXPIRES NOVEMBER 20, 2017

NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/20/17

By: _____
Richard Krueger, an individual

STATE OF ~~OREGON~~ Pennsylvania)
: ss
County of Blair)

The foregoing instrument was acknowledged before me this 8 day of March, 2016, by Richard Krueger, an individual, who executed the foregoing instrument on behalf of the successor owner.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cristi Lynne Waltz, Notary Public
Freedom Twp., Blair County
My Commission Expires April 12, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

NOTARY PUBLIC FOR ~~OREGON~~ Pennsylvania
My Commission Expires: April 12 2016

[The balance of this page is intentionally left blank.]

EXHIBIT A

Real property in the County of **Washington**, State of Oregon, described as follows:

PARCEL I:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner of said tract and true point of beginning of tract herein described; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 96 feet to the East line of said Cason tract; thence South 0°11' West along the East line of said Cason tract, 315.0 feet to the Southeast corner thereof; thence North 88°17' West along the South line of said Cason tract, 121.6 feet to the Southeast corner of that tract conveyed in Deed Book 279, Page 648; thence North 0°11' East along the East line of that tract conveyed in Deed Book 279, Page 648, 141.34 feet, more or less to the true point of beginning, all situated in Washington County, Oregon.

PARCEL II:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648, and the true point of beginning herein described; thence South 89°49' East, 110.0 feet to a point; thence North 0°11' East, parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet to a point; thence North 88°37' West, 110.0 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 173.66 feet to the true point of beginning.

PARCEL III:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a

point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner thereof; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 51.0 feet to the true point of beginning of the herein described premises; thence continuing South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 90.0 feet; thence North 88°17' West, 45.0 feet; thence South 0°11' West, 90.0 feet to the true point of beginning.

PARCEL IV:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1030.34 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of that tract described in Mortgage recorded October 29, 1968 in Book 722, Page 520, Records of Washington County and the true point of beginning of the herein described premises; thence South 88°17' East, 161.6 feet; thence North 0°11' East, 90.0 feet; thence South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 171.34 feet to a point; thence North 88°17' West, 65.00 feet to a point; thence South 0°11' West, 75.0 feet to a point; thence North 88°17' West, 141.6 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 186.34 feet to the true point of beginning.

PARCEL V:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 844.0 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of the first tract described in Mortgage recorded February 4, 1969 in Book 732, Page 58, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 141.6 feet to a point; thence North 0°11' East, 75.0 feet to a point; thence South 88°17' East, 65.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 113.66 feet to a point; thence North 88°17' West, 206 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 190 feet to the true point of beginning.

PARCEL VI:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 654.0 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded in Book 745, Page 285, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 186.0 feet to a point; thence North 88°17' East, 206 feet to a point on the West line of said Cason tract; thence South 0°11 West along said West line, 186.0 feet to the true point of beginning.

PARCEL VII:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 290 feet to a point, said point being the Southwest corner of a tract conveyed to Oscar Sidler and Grace Sidler by Deed recorded November 28, 1911 in Deed Book 90, Page 45, and the true point of beginning; thence South 0°11' West, 178 feet to a point on the West line of that tract described in a deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded May 19, 1971 in Book 818, Page 167, Records of Washington County; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 178 feet to the South line of said Sidler tract; thence North 89° West along the West line of said Sidler tract, 206.0 feet to the true point of beginning.

Washington County, Oregon 2016-018102
D-IPPS
Stn=18 K GRUNEWALD 03/09/2016 02:30:06 PM
$65.00 $11.00 $5.00 $20.00 $101.00

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio

After Recording Return to:
Housing and Community Services
Attn: Asset Management & Compliance Section
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

SPACE ABOVE THIS LINE FOR RECORDER'S USE

WFG Title 15015281 COMM

STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT

4% LOW-INCOME HOUSING TAX CREDIT PROGRAM

CONSENT TO ASSIGNMENT, TRANSFER, ASSUMPTION AND MODIFICATION AGREEMENT, DECLARATION OF LAND USE RESTRICTIVE COVENANTS

THIS Consent to Assignment, Transfer, Assumption and Modification Agreement, Declaration of Land Use Restrictive Covenants (this "Assignment") is made and entered into by and among **Richard Krueger and Saj Jivanjee**, as tenants in common (the "Owner"), **Hawthorne Villa Apartments,** an Oregon general partnership (the "Successor Owner"), and the State of Oregon, acting by and through its Housing and Community Services Department, together with its successors and assigns (the "Department" or "OHCS") this 9 day of March, 2016.

RECITALS

A. The Owner is the owner of an **Eight (8)** building, **One-Hundred Nineteen (119)** unit including **two (2) manager units**, low-income multifamily residential housing development located on land in the City of **Tigard,** County of **Washington**, State of Oregon, more particularly described in Exhibit A hereto, and known commonly as **Hawthorne Villa Apartments** (the "Property" or the "Project").

B. Hawthorne Villa Limited Partnership (the "Recipient") received a Low Income Housing Tax Credit allocation from the OHCS with respect to the development and operation of the Property in the final amount not to exceed **One Hundred Eighty-One Thousand, One Hundred Forty-Three Dollars ($181,143)** (the "Tax Credit" or "Credit") from the OHCS.

C. The Tax Credit is evidenced by an Applicable Percentage Rate (APR) Election Form, executed between the Recipient and OHCS, dated on or about **April 8, 1996**, Acceptance of Tax Credit Offer, executed by Recipient and dated on or about **May 3, 1996** (collectively hereafter the "REUA" or the "Agreement").

D. Certain performance obligations with respect to the Property arising under the Credit were made in a Declaration of Land Use Restrictive Covenants executed by the Recipient in favor of the OHCS on or about **April 8, 1997** and recorded **April 9, 1997**, in the official records of **Washington** County, Oregon, as **Instrument No. 97032421**, and amended by Consent to Assignment, Transfer, Assumption and Modification Agreement, dated **September 13, 2011** and recorded **September 30, 2011**, in the official records of **Washington** County, Oregon, as **Instrument No. 2011-967937** (the "First Assignment"), and further amended by Consent to Assignment,

Transfer, Assumption and Modification Agreement, Declaration of Land Use Restrictive Covenants, dated March 9, **2016**, and recorded March 9, **2016**, in the official records of **Washington** County, Oregon, as **Instrument No. 2016-**018081 (the "Second Assignment"). The Declaration, the First Assignment and the Second Assignment are collectively hereafter the "Declaration". The terms and conditions of this Assignment, the REUA, the Declaration, applicable Internal Revenue Service ("IRS") regulations, applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable OHCS administrative rules and directives, and other applicable law, including local codes and ordinances are hereinafter collectively referred to as the "Credit Requirements."

E. The REUA and the Declaration are hereinafter referred to collectively as the "Tax Credit Documents".

F. The Recipient conveyed its interest in the Property to Hawthorne Urban Development, LLC, an Oregon limited liability company (the "Second Owner") by Statutory Special Warranty Deed dated as of **September 29, 2011**, and recorded on **September 30, 2011**, in the official records of **Washington** County, Oregon, as **Instrument No. 2011-057934** (the "Second Owner Deed").

G. The Second Owner has conveyed its interest in the Property to the Owner by Quitclaim Deed dated as of **December 2, 2015,** and recorded on **December 30, 2015**, in the official records of **Washington** County, Oregon, as **Instrument No. 2015-106293** (the "Owner Deed").

H. The Owner has conveyed its interest in the Property to the Successor Owner by Statutory Warranty Deed dated as of March 9, **2016**, and recorded on March 9, **2016**, in the official records of **Washington** County, Oregon, as **Instrument No. 2016-**018082 (the "Successor Deed").

I. The parties desire to execute this Assignment, *inter alia*, to evidence the terms by which OHCS consents to the transfer of the Property to Successor Owner, the assumption by Successor Owner of the rights, interests, and obligations of Owner in and with respect to the Property and the Tax Credit Documents, and the commitment herein that Successor Owner will operate the Property in conformance with all applicable Credit Requirements, including but not limited to the Tax Credit Documents and this Assignment.

J. The Owner is willing to document the transfer of the Property and its rights, interests, and obligations in the Tax Credit Documents to Successor Owner, and Successor Owner is willing to document its assumption of the rights, interests, and obligations of Owner in and with respect to the Property and the Tax Credit Documents from Owner. Successor Owner also is willing to commit to operate the Property in conformance with the Credit Requirements, including the Tax Credit Documents and this Assignment. OHCS is willing to consent to the transfer in ownership of the Property and to allow the assumption of the Tax Credit Documents as described above, consistent with the terms and conditions of this Assignment.

K. The parties also desire that this Assignment be recorded in the relevant county records at Owner's or Successor Owner's cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the Property real property and govern, *inter alia*, the maintenance, monitoring, and operation of the Property.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the agreements and covenants herein contained, Owner and Successor Owner hereby agree with OHCS as follows:

1. **Incorporation of Recitals and Documents.** The foregoing Recitals, Exhibit A, and the Tax Credit Documents are incorporated herein by reference. Notwithstanding this incorporation, the foregoing Recitals, Exhibit A, and the Tax Credit Documents do not modify the express terms of this Assignment.

2. **Definitions.** Words and phrases used in this Assignment will have the same meanings as used in the Tax Credit Documents or other Credit Requirements, unless the context clearly requires otherwise.

3. **Conveyance to Successor Owner; Assignment.** Owner has conveyed its interests in the Property to Successor Owner in the manner described in this Assignment, in the applicable deed and in other purchase documents. Owner hereby assigns its interests in the Tax Credit Documents and in the Property to Successor Owner.

4. **Assumption.** Successor Owner hereby unconditionally assumes the interests, rights, and obligations of Owner in and with respect to the Property and Tax Credit Documents, including as modified herein. Successor Owner also hereby unconditionally agrees, covenants and warrants that it will operate the Property and perform all obligations arising under the Tax Credit Documents, as amended, or otherwise arising under applicable Credit Requirements. OHCS may resort to, proceed against, or otherwise exercise its rights with respect to any and all remedies, restrictive covenants or equitable servitudes with respect to the Property or the Successor Owner and its assigns or successors in interest, whether such rights arise under the Tax Credit Documents, under this Assignment, under the other Credit Requirements, or otherwise. Successor Owner will execute and deliver to OHCS such other documents reasonably requested by OHCS to effect, exercise, enforce, or maintain its rights under the Tax Credit Documents, this Assignment, or otherwise with respect to the Property or other Credit Requirements.

5. **Consent.** OHCS hereby consents to and approves of the described transfer of the Property to Successor Owner. OHCS also consents to and approves of Successor Owner's assumption of all the rights, interests, and obligations of Owner in and with respect to the Tax Credit Documents, as herein amended, and other applicable Credit Requirements without affecting in any manner the restrictions and requirements of such Tax Credit Documents, this Assignment, or other Credit Requirements with respect to any further or additional transfer of ownership of the Property. This consent and approval by OHCS is conditioned, however, upon prior execution and recording of subordination agreements acceptable to OHCS by any and all current lien holders with respect to the Property.

6. **Limited Release.** Owner is hereby released by OHCS from any obligations arising prospectively under the Tax Credit Documents, as amended, but Owner is not released from any liability of any nature arising under the Tax Credit Documents or other Credit Requirements before the date of this Assignment. Owner's remaining liability will be joint and several with Successor Owner and will not be diminished or affected in any manner by Successor Owner's assumption of the obligations and liabilities of Owner under the Tax Credit Documents, as amended, or under this Assignment.

7. **Notice to OHCS.** Successor Owner will promptly notify OHCS in writing of (i) any material adverse change in the financial condition of Successor Owner, or (ii) any suit, governmental action, claim or other proceeding pending or threatened in writing which may have a material adverse effect on Successor Owner or their business operations, condition (financial or otherwise) or involving the Property. Successor Owner will promptly provide to OHCS on request such credit reports, current financial statements and information, prepared by certified public accountant and certified by Successor Owner, and other documents and information pertaining to the financial condition and obligations of Successor Owner, in reasonable detail and certified where appropriate, as OHCS may reasonably require from time to time, including a detailed statement of income and expenditures (including debt service obligations) and supporting schedules, and updated financial statements.

8. **Modification of Declaration.** The Declaration is, hereby, amended to substitute the following language in lieu of "**SECTION 10 – MISCELLANEOUS**", subsection (b):

(b) Notices. All notices to be given pursuant to this Declaration will be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To OHCS: Oregon Housing and Community Services
Attn: Asset Management & Compliance Section
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266

To the Owner: **Hawthorne Villa LLC**
Attn.: Rajiv Jain
13489 NW Trevino Street
Portland, Oregon 97229

OHCS, and the Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

9. **Further Documentation and Assurance.** Successor Owner will execute upon request of OHCS such additional instruments and provide such further assurances as OHCS may consider reasonably desirable or necessary to evidence or carry out the parties' intent and agreement under this Assignment or to complete, perfect, continue and preserve the obligations, restrictive covenants and equitable servitudes created under the Tax Credit Documents, including this Assignment. Successor Owner will be responsible for all costs incurred in this transaction, including the cost of obtaining a title insurance endorsement acceptable to OHCS, if requested, insuring that the restrictive covenants and equitable servitudes arising under the Tax Credit Documents and under this Assignment continue as valid encumbrances, in their original priority, against the Property and are not impaired by execution of this Assignment.

10. Restrictive Covenants and Equitable Servitudes to Run with the Land.

10.1 Inducement. Successor Owner represents and warrants that the consent by OHCS to Owner transferring the Project to Successor Owner is an inducement to the Successor Owner to assume and comply with the Tax Credit Documents as herein modified, to execute and comply with this Assignment, and otherwise to operate the Project in accordance with Credit Requirements. In consideration of such consent, the Owner has entered into this Assignment and has agreed to restrict the uses to which the Project can be put on the terms and conditions set forth herein. Therefore, the Successor Owner covenants, agrees and acknowledges that OHCS has relied on this Assignment in determining to consent to Owner transferring the Project to Successor Owner.

10.2 Covenants; Equitable Servitudes.

(1) The parties hereby declare their express intent that throughout the Affordability Period described in the Tax Credit Documents, as herein modified, the covenants, restrictions, charges and easements set forth herein will be deemed covenants running with the land of the Project and will create equitable servitudes running with the land of the Project, and will pass to and be binding upon OHCS' and the Successor Owner's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the

respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein.

(2) Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a rental agreement or lease for a dwelling unit) will contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument will conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

(3) Any and all legal requirements for the provisions of this Assignment to constitute restrictive covenants running with the land of the Project and applying to the Project as a whole, or to create equitable servitudes with respect to same in favor of OHCS, are deemed satisfied in full.

(4) The consent of any recorded prior lien holder on the Project, including the Property, is not required in connection with recording this Assignment, or if required, such consent has been or will be obtained by the Successor Owner.

10.3 Burden and Benefit.

(1) The Successor Owner hereby declares its understanding and intent that the burdens of the covenants and equitable servitudes set forth herein touch and concern the land of the Project, and the Project as a whole, in that the Successor Owner's legal interest in the Project is rendered less valuable thereby.

(2) The Successor Owner hereby further declares its understanding and intent that the benefits of such covenants and equitable servitudes touch and concern the land of the Project, and the Project as a whole, by enhancing and increasing the enjoyment and use of the Project by tenants, intended beneficiaries (in addition to OHCS) of such covenants, reservations and restrictions, and by furthering the public purposes for which allocation of Tax Credits was issued.

10.4 Right of Modification. OHCS may compromise, waive, amend or modify the terms of this Assignment including, but not limited to the restrictive covenants and equitable servitudes created hereby, with the written consent of Successor Owner or subsequent Project owners, as it so determines to be to the benefit of OHCS, the Project, the Program, or OHCS' efforts to provide or maintain safe, sanitary, and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification of this Assignment must be in writing, signed by an authorized OHCS representative.

10.5 No Right of Action. Tenants and other third-party beneficiaries under this Assignment (including incorporated documents), if any, have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Assignment (including incorporated documents and the described restrictive covenants and equitable servitudes), the Credit, or the Project arising from their rights, if any, under this Assignment or otherwise.

10.6 No Attorney Fees. Tenants and other third-party beneficiaries under this Assignment (including incorporated documents), if any, have no right to attorney fees under this Assignment or otherwise for claims asserted as third-party beneficiaries hereunder (including incorporated documents) nor will parties hereto have a right to attorney fees against tenants and other third-party beneficiaries, if any, hereunder.

11. General Provisions.

11.1 Representations of Successor Owner. Successor Owner hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that: (i) the Tax Credit Documents and this Assignment represent the legal, valid, binding and enforceable obligations of Successor Owner; (ii) there are no existing claims, defenses, personal or otherwise, or right of set-off whatsoever available to Successor Owner with respect to any of such Tax Credit Documents or this Assignment; that it is duly organized, validly existing under the laws of Oregon, is authorized to do business in Oregon, and has the power and authority to transact the business in which it is engaged and to enter into and perform this Assignment; and (iii) no event has occurred and no condition exists which would constitute a default under such Tax Credit Documents or this Assignment, either with or without notice or lapse of time, or both.

11.2 Survival; Ratification. Except as specifically modified pursuant to this Assignment, all the terms and provisions of the Tax Credit Documents remain in full force and effect. As modified by this Assignment, the Tax Credit Documents are approved and hereby ratified and reaffirmed.

11.3 No Relinquishment of Covenants. This Assignment will in no way act as a release or relinquishment of the restrictive covenants, equitable servitudes and encumbrances (collectively called the "Covenants") recorded with respect to the Property protecting OHCS' ability to enforce operation of the Property consistent with the terms of the Tax Credit Documents except as expressly released or modified in this Assignment. The Covenants, as herein modified, are hereby ratified and confirmed in all respects.

11.4 Full Force and Effect. This Assignment and the Tax Credit Documents, as amended, are in full force and effect and nothing contained in this Assignment will be construed as modifying such documents, except as specifically provided pursuant to this Assignment.

11.5 Severability. A determination that any term or provision of this Assignment is invalid or otherwise not enforceable will not affect the validity of the remaining terms and provisions of this Assignment which will remain in full force and effect.

11.6 Indemnity. Owner and Successor Owner will save, hold harmless, indemnify and (subject to ORS chapter 180) defend the State of Oregon, OHCS, and their officers, agents, employees, members and assigns, from all suits, actions, claims, losses or damages of whatsoever nature, kind or description related to the Property or resulting from or arising out of their acts, omissions, neglect or misconduct or the acts, omissions, neglect or misconduct or their subcontractors, agents, or employees under the REUA, the Declaration, this Assignment, the other Credit Requirements, or otherwise related to the Credit or Property.

11.7 Time of the Essence. Time is of the essence in the performance of any and all obligations under this Assignment.

11.8 Attorney Fees. In the event a lawsuit is instituted regarding this Assignment (including the Tax Credit Documents), the prevailing party in any dispute arising under this Assignment will, to the extent permitted by law, be entitled to recover from the other its reasonable attorney fees and all costs and disbursements incurred at trial and on appeal. Notwithstanding any other provision in this Assignment or incorporated documents, reasonable fees will not exceed the rate charged the OHCS by its attorneys.

11.9 Counterparts. This Assignment may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will constitute but one agreement. Any party may execute this Assignment by signing any such counterpart.

11.10 Governing Law; Venue: Consent to Jurisdiction. This Assignment will be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between any parties hereto related to this Assignment will be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event will this provision be construed as a waiver by the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OWNER AND SUCCESSOR OWNER BY EXECUTION OF THIS ASSIGNMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

11.11 Waiver. Notwithstanding any interests hereunder or otherwise inuring to the benefit of past, present or prospective tenants of the Property, the OHCS may compromise, waive, amend or modify this Assignment, the Tax Credit Documents or other Credit Requirements with the written consent of Successor Owner as OHCS determines to be to the benefit of OHCS, the Property, Credit Requirements, or OHCS efforts to provide or maintain safe and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification of this Assignment must be in writing, signed by an authorized OHCS representative.

11.12 No Claim. Any third-party beneficiaries under the Tax Credit Documents or this Assignment will have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Assignment, the Tax Credit Documents, Credit Requirements, the Property, the Owner, or the Successor Owner.

11.13 Construction. The parties to this Assignment acknowledge that each party and its counsel have participated in the drafting and revision of this Assignment. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Assignment or any amendment, modification, supplementation or restatement of the foregoing or of any exhibit to this Assignment.

11.14 No Impairment of Governmental Powers. Nothing in this Assignment is intended, nor will it be construed, to in any way limit the actions of OHCS or State of Oregon in the exercise of their governmental powers. It is the express intention of the parties hereto that OHCS and State of Oregon will retain the full right and ability to exercise their governmental powers with respect to the Grantee, the Owner, the Successor Owner, the Credit, the Project, and the transactions contemplated by this Assignment to the same extent as if OHCS were not a party to this Assignment or the transactions contemplated thereby, and in no event will OHCS or the State of Oregon have any liability in contract arising under this Assignment by virtue of any exercise of their governmental powers.

IN WITNESS WHEREOF, this instrument has been duly executed as of the date and year first above written.

OHCS:

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

By: _____
Julie V. Cody, Assistant Director

STATE OF OREGON)
: ss
County of Marion)

The foregoing instrument was acknowledged before me this 3rd day of March, 2016, by Julie V. Cody, Assistant Director, Housing and Community Services Department, on behalf of the OHCS.

OFFICIAL STAMP
KATHLEEN MAYUMI CONNOR
NOTARY PUBLIC - OREGON
COMMISSION NO. 941712
MY COMMISSION EXPIRES AUGUST 11, 2019

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: August 11, 2019

[The balance of this page is intentionally left blank.]

OWNER:

RICHARD KRUEGER AND SAJ JIVANJEE,
as tenants in common

By: _____
Saj Jivanjee, an individual

STATE OF OREGON)
: ss
County of Multnomah)

The foregoing instrument was acknowledged before me this 9 day of March, 2016, by Saj Jivanjee, an individual, who executed the foregoing instrument on behalf of the owner.

OFFICIAL STAMP
TREVOR GARRETT CHEYNE
NOTARY PUBLIC-OREGON
COMMISSION NO. 922330
MY COMMISSION EXPIRES NOVEMBER 20, 2017

NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/20/17

By: _____
Richard Krueger, an individual

STATE OF ~~OREGON~~ CW Pennsylvania)
: ss
County of Blair)

The foregoing instrument was acknowledged before me this 8 day of March, 2016, by Richard Krueger, an individual, who executed the foregoing instrument on behalf of the owner.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cristi Lynne Waltz, Notary Public
Freedom Twp., Blair County
My Commission Expires April 12, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

NOTARY PUBLIC FOR ~~OREGON~~ CW Pennsylvania
My Commission Expires: April 12 2016

[The balance of this page is intentionally left blank.]

SUCCESSOR OWNER:

HAWTHORNE VILLA APARTMENTS,
an Oregon general partnership

By: **Hawthorne Villa, LLC,**
an Oregon limited liability company
Tax ID #: 81-0825959

By: _____
Rajiv Jain, Sole Member

STATE OF OREGON)
: ss
County of Multnomah)

The foregoing instrument was acknowledged before me this 9 day of March, 2016, by Rajiv Jain, Sole Member, of Hawthorne Villa, LLC, who executed the foregoing instrument on behalf of the successor owner.

OFFICIAL STAMP
TREVOR GARRETT CHEYNE
NOTARY PUBLIC-OREGON
COMMISSION NO. 922330
MY COMMISSION EXPIRES NOVEMBER 20, 2017

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: 11/20/17

[The balance of this page is intentionally left blank.]

EXHIBIT A

Real property in the County of **Washington**, State of Oregon, described as follows:

PARCEL I:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner of said tract and true point of beginning of tract herein described; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 96 feet to the East line of said Cason tract; thence South 0°11' West along the East line of said Cason tract, 315.0 feet to the Southeast corner thereof; thence North 88°17' West along the South line of said Cason tract, 121.6 feet to the Southeast corner of that tract conveyed in Deed Book 279, Page 648; thence North 0°11' East along the East line of that tract conveyed in Deed Book 279, Page 648, 141.34 feet, more or less to the true point of beginning, all situated in Washington County, Oregon.

PARCEL II:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648, and the true point of beginning herein described; thence South 89°49' East, 110.0 feet to a point; thence North 0°11' East, parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet to a point; thence North 88°37' West, 110.0 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 173.66 feet to the true point of beginning.

PARCEL III:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a

point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1204.0 feet to an iron pipe, said iron pipe marking the Northwest corner of that tract conveyed in Deed Book 279, Page 648; thence South 89°49' East, 85.0 feet along the North line of that tract conveyed in Deed Book 279, Page 648 to the Northeast corner thereof; thence South 89°49' East, 25.0 feet; thence North 0°11' East parallel with the East line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Washington County Records, 173.66 feet; thence South 88°17' East, 51.0 feet to the true point of beginning of the herein described premises; thence continuing South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 90.0 feet; thence North 88°17' West, 45.0 feet; thence South 0°11' West, 90.0 feet to the true point of beginning.

PARCEL IV:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 1030.34 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of that tract described in Mortgage recorded October 29, 1968 in Book 722, Page 520, Records of Washington County and the true point of beginning of the herein described premises; thence South 88°17' East, 161.6 feet; thence North 0°11' East, 90.0 feet; thence South 88°17' East, 45.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 171.34 feet to a point; thence North 88°17' West, 65.00 feet to a point; thence South 0°11' West, 75.0 feet to a point; thence North 88°17' West, 141.6 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 186.34 feet to the true point of beginning.

PARCEL V:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 844.0 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Westerly Northwest corner of the first tract described in Mortgage recorded February 4, 1969 in Book 732, Page 58, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 141.6 feet to a point; thence North 0°11' East, 75.0 feet to a point; thence South 88°17' East, 65.0 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 113.66 feet to a point; thence North 88°17' West, 206 feet to a point on the West line of said Cason tract; thence South 0°11' West along said West line, 190 feet to the true point of beginning.

PARCEL VI:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 654.0 feet to a point on the West line of that tract described in Deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded in Book 745, Page 285, Records of Washington County and the true point of beginning of the herein described property; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 186.0 feet to a point; thence North 88°17' East, 206 feet to a point on the West line of said Cason tract; thence South 0°11 West along said West line, 186.0 feet to the true point of beginning.

PARCEL VII:

A part of the George Richardson Donation Land Claim in the Northeast quarter of the Southwest quarter of Section 36, Township 1 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of the George Richardson Donation Land Claim, situated in Section 36, Township 1 South, Range 1 West, Willamette Meridian; thence South 89°00' East, 1887.60 feet to a point in the Northerly boundary line of said Donation Land Claim; thence South 0°11' West, 290 feet to a point, said point being the Southwest corner of a tract conveyed to Oscar Sidler and Grace Sidler by Deed recorded November 28, 1911 in Deed Book 90, Page 45, and the true point of beginning; thence South 0°11' West, 178 feet to a point on the West line of that tract described in a deed to Leonard E. Cason, et al, recorded January 16, 1968 in Book 677, Page 139, Records of Washington County, being the Northwest corner of the first tract described in Mortgage recorded May 19, 1971 in Book 818, Page 167, Records of Washington County; thence South 88°17' East, 206 feet to a point on the East line of said Cason tract; thence North 0°11' East along said East line, 178 feet to the South line of said Sidler tract; thence North 89° West along the West line of said Sidler tract, 206.0 feet to the true point of beginning.

AIS-6124 **4. B.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): Consent Item

Agenda Title: Approval of City Council Meeting Minutes

Authored By: Lindsay Bartholomew

Presented By: City Recorder Krager

Item Type: Motion Requested

Information

Explanation of Issue

Previous meeting minutes are submitted to Council on the Consent Agenda for approval.

Action Requested

Consider approval of minutes.

Background Information

Minutes for the following meetings are presented for Council approval:

February 17, 2026
February 24, 2026
March 3, 2026
March 10, 2026

Alternatives & Recommendation

Recommend approval of minutes, with or without revisions.

Additional Resources

N/A

Attachments

Meeting Minutes - 02/17/2026
Meeting Minutes - 02/24/2026
Meeting Minutes - 03/03/2026
Meeting Minutes - 03/10/2026

City *of* Tigard
City Council Business/Workshop Meeting Minutes
February 17, 2026

1. Business/Workshop Meeting

A. Call to order – At 6:30 p.m. Mayor Hu called the Tigard City Council & Town Center Development Agency meeting to order.

B. Roll Call – Deputy City Recorder Bartholomew called the roll.

	Present	Absent
Councilor Robbins	✓	
Councilor Schlack	✓	
Councilor Shaw (virtual)	✓	
Council President Wolf	✓	
Councilor Anderson	✓	
Councilor Ghoddusi	✓	
Youth Councilor Hellhake	✓	
Mayor Hu	✓	

C. Pledge of Allegiance – Mayor Hu asked everyone to join him in the Pledge of Allegiance.

D. Call to Council and Staff for Non-Agenda Items – None

2. Public Comment

A. Public Comment – Written: None

B. Public Comment – In Person: None

C. Public Comment – Phone-In: None

3. Community Updates

A. Tigard High School Envoy

Envoy Khosravani shared that it has been a wonderful month, kicking off the second semester. There is a lot going on at Tigard High School, such as STUDD (Students Against

Underage Drinking and Drug use) hosting a kindness themed week, Leadership planning a unity week including opportunities to share personal stories and a multicultural assembly, planning for Prom in May, and winter sports wrapping up. The third annual Women in Sports Symposium had four Tigard High School alumni athletes invited to speak on the panel. The National Honor Society held a successful blood drive.

B. Tigard Police Department Report

Chief McDonald highlighted the historical correlation between a lower number of dispatched calls for service and faster response times to priority 1 & 2 calls for service. He shared a snapshot of Police Department community engagement and events in January and February. The session spots filled quickly for the Police Community Academy in 2026 and will be starting the last week of February.

C. Council Board and Committee Liaison Reports

Councilors reported on their city board and committee and regional liaison assignment meetings.

4. Town Center Development Agency (TCDA): Joint Meeting With The Town Center Advisory Commission (TCAC)

Redevelopment Manager Farrelly and members of the TCAC led the annual joint meeting with the TCDA Board. They shared highlights of their 2025 Annual Report and 2025-26 Strategic Plan. Some highlights of 2025 accomplishments include the collection of downtown parking data which resulted in altering parking limit times and days, opening two new Launch Pod food carts at Universal Plaza, and several organizations received Development Assistance grants towards housing and shelter. The TCDA Board expressed interest in meeting with the TCAC again in the summer of 2026 to discuss economic development strategy implementation.

TCAC Members:

	Present	Absent
Gabriel Velasquez (Chair)	✓	
Bob Tomasovic (Vice Chair)	✓	
Ben Coli	✓	
Sarah Erickson		✓
John Goodhouse	✓	
JoJo Keating		✓
Patty Lofgren	✓	
Michele Powers (virtual)	✓	
Sarah Serata	✓	
Chris Sjolin	✓	

5. Board And Committee Discussion

Assistant to the City Manager Hendrix shared an historical overview of city boards and committees and feedback collected from multiple groups. Councilor Schlack recommended standardizing board and committee bylaws and provided a document with suggestions. Council discussed and expressed interest in adding a Finance Committee, rescoping the Committee for Community Engagement (CCE) to include equity and special events, and more details on what a homelessness task force would include. This agenda item will be brought back to council for further discussion in April.

6. Consider Resolution for Bond Referral

City Attorney Rihala presented the proposed ballot title for the bond measure in the May election and shared a summary of small changes that were made to the final version.

Councilor Schlack moved to approve Resolution No. 26-08. Council President Wolf seconded the motion. There was no further discussion. Mayor Hu conducted a vote and the motion passed unanimously.

Resolution No. 26-08 - A RESOLUTION OF THE CITY OF TIGARD CALLING A MEASURE ELECTION FOR GENERAL OBLIGATION BONDS

	Yes	No
Councilor Robbins	✓	
Councilor Schlack	✓	
Councilor Shaw	✓	
Council President Wolf	✓	
Councilor Anderson	✓	
Councilor Ghoddusi	✓	
Youth Councilor Hellhake	–	–
Mayor Hu	✓	

7. Non-Agenda Items – None

8. Executive Session – None

9. Adjournment

Mayor Hu announced the meeting adjourned at 8:16 p.m.

_____
Lindsay Bartholomew, Deputy City Recorder

Attest:

_____
Yi-Kang Hu, Mayor

Date: _____

City *of* Tigard
City Council Business Meeting Minutes
February 24, 2026

1. Business Meeting

A. At 6:30 p.m. Mayor Hu called the Tigard City Council meeting to order.

B. City Recorder Krager called the roll.

	Present	Absent
Mayor Hu	x	
Councilor Robbins		x
Councilor Schlack		x
Councilor Shaw	x	
Councilor Anderson	x	
Councilor Ghoddusi (remote)	x	
Council President Wolf	x	
Youth Councilor Hellhake	x	

C. Mayor Hu asked everyone to mute their mics and join him in the Pledge of Allegiance.

D. Call to Council and Staff for Non-Agenda Items – None.

2. Recognition – Presentation of Police Lifesaving Award

Police Chief McDonald presented a Lifesaving Award to Officer Yamashita for a remarkable effort to save the life of a person found unresponsive in a parked car. Chief McDonald said Officer Yamashita's actions reflected great credit on himself, the City of Tigard and the Tigard Police Department, demonstrating core values of attitude, leadership, integrity, service, and teamwork.

3. City Manager Report

Acting City Manager Tritsch announced that February 22-28 is Engineers Week. Some of the city's engineers participated in events designed to inspire high school students to become the next generation of innovative engineers. There are 91 projects underway in Tigard to help improve our infrastructure, including the Cook Family Park Accessible Dock,

McDonald Street Improvements, Steve Street Park and Stabilization of the Red Rock Creek.

4. Public Comment

A. Public Comment - Written:

A written comment was received from Jeff Darland regarding the River Terrace 2.0 annexation and the Kingston Terrace Water System Plan Addendum, asking Council to withhold approval until a plan district, funding strategies and an adopted System Development Charge rate structure is in place.

B. Public Comment – In Person:

Julia Cai, a volunteer with the Oregon Falun Dafa Association, spoke about upcoming performances by Chinese immigrant Shen Yun performers in April. She noted that the Chinese Communist Party has intensified its campaign to turn public opinion against the organization with disinformation.

Jeff Darland spoke about concerns related to Agenda Items 5 and 6 regarding growth in River Terrace 2.0 and King City is moving faster than the financial framework to pay for it and concerns that existing customers will end up subsidizing the water service for development.

C. Public Comment – Phone in or Video: None.

5. Legislative Public Hearing Continuation: River Terrace 2.0 Annexation

A. Open Public Hearing – Mayor Hu opened the public hearing.

B. Mayor Hu announced that staff recommended that Council continue the annexation hearing for River Terrace 2.0 to a date and time certain of June 2, 2026, at 6:30 p.m.

Council President Wolf moved to continue the public hearing for Case Number ANX2025-00001 to the regularly scheduled City Council meeting of June 2, 2026, at 6:30 p.m. Councilor Shaw seconded the motion. Mayor Hu conducted a vote and the motion passed unanimously. He noted that public comments may continue to be submitted on this item prior to that date, and the Council will take public testimony at the continued hearing on that date.

6. Receive Briefing on Findings and Recommendations Related to the Kingston Terrace Addendum to the 2020 Water System Plan

Senior Project Engineer Horton gave an update and slide presentation on the findings of the Kingston Terrace addendum to the 2020 Water System Plan (WSP). He reviewed what the Water System Plan identifies and noted it is updated every 5-10 years. The next review is in Fiscal Year 2027, and the project kickoff is in Quarter 3 of 2026. Major changes to a Water System Plan (WSP) are handled as addendums. The last addendum was done in 2014 for River Terrace 1.0. The Council will be asked to review and adopt the Kingston Terrace Water System Plan Addendum at an upcoming meeting. Results from the Kingston Terrace Addendum will be incorporated into the 2027 WSP update.

Tigard has an intergovernmental agreement with King City to provide water to them. In 2024 King City annexed 528 acres and the Kingston Terrace Master Plan calls for approximately 4,100 dwelling units to be developed, with full development by 2033 and the remainder of Kingston Terrace area being developed by 2053. This will be a major change to the water system and will expand the existing water system by about 20%. He showed slides showing estimated average, maximum and peak hour Kingston Terrace Water Demands.

Senior Project Engineer Horton said an analysis of the water system storage capacity shows a nearing reservoir storage deficit in the pressure zone that will be serving Kingston Terrace. The Water System Supply analysis did not consider the Lake Oswego-Tigard Expansion Project, which will add 4 million gallons a day in 2031 and onward. The actual supply deficit starts around 2050. There are capital improvement projects in place and currently funded to make water system improvements necessary to support expansion of the Tigard Water Service Area. Senior Project Engineer Horton confirmed for Mayor Hu that Tigard will collect water SDCs from King City.

Councilor Shaw referred to Mr. Darland's public comment that the Intergovernmental Agreement (IGA) may warrant scrutiny because it had been written before Kingston Terrace infrastructure costs were known and asked if the SDC is constrained or somewhat deficient on funding. Project Planner Horton said he could look into how the IGA will affect SDC fees, but the city is bound by the current IGA saying that we will provide water to King City and any area they annex.

City Engineer Wisniewski said the IGA sets the guideline that we provide water to King City, but it is the SDC methodology that sets the rate. On the current SDC project list there are a number of planning efforts underway including River Terrace 2.0 and the citywide water system. If we only looked into Kingston Terrace right now, we would shortly after be looking at the water SDC methodology rate update, the upcoming River Terrace Addendum and then the water system plan citywide. We holistically look at the entire system. If done incrementally, Council would be faced with potentially changing rates 3 times in the near future. He said the way the water system operates is that it is a citywide impact, not just a regional impact. In looking at the current project list, we are confident that our near-term projects are afforded based on our current rate. Then with system planning efforts being updated every 5 years on average, 10 years at the most, things like the Aquifer Storage and Recover Well (ASR) 4 Project will be included in a future water plan update and rate study.

Councilor Shaw said it would be helpful for Council to receive a financial analysis spreadsheet prior to the next discussion. She was also interested in a retrospective review of River Terrace 1.0 just to see if the allocation of the SDCs was effective. City Engineer Wisniewski said that could be prepared and remarked that very few River Terrace 1.0 projects were city capital projects as most were done by private developers.

7. Downtown Reimagined Alternatives Discussion

Senior Planner Shanks gave an update on the long-range project for Tigard's downtown. The vision was updated in 2020 and is "Downtown Tigard will be a vibrant, active and welcoming city center at the heart of the community." Amendments to the Comprehensive Plan were completed in 2024 in Phase 1 of the project. Phase II will revisit draft proposals to update the zoning code and the City Center Urban Renewal Plan, with alternatives leading to adoption of code amendments to local land use policies and regulations in August/September 2026. Original proposals and suggested alternatives for the transportation network, bike network, and zoning were discussed. Next steps include stakeholder engagement and sharing the input in a Council Workshop meeting.

Previous council feedback during the Comprehensive Plan amendments included concerns about the lack of bike facilities, high downtown speed limits, ensuring alignment with the MADE project and maximum and minimum building heights being too high along Hall Blvd. Senior Planner Shanks showed plans proposed to address those concerns and alternatives for council consideration and asked for direction.

Transportation Network: Gaps were evaluated to explore what made sense from a development aspect on how to add streets into existing networks, which is difficult and requires focus on balancing the public need for mobility, connection and access while recognizing a desire not to overburden property owners with right-of-way acquisition. Councilor Shaw asked what analysis was done on proposing new streets. Senior Planner Shanks said pedestrian/cycling connection needs, property ownership patterns, lot size and large block formation were all considered. Mayor Hu said he wanted to address concerns about Main Street safety for cyclists.

The Refined Bike Network shows streets with bike lanes that should be there. Some of these will be completed with CIP projects. The goal is to provide a comfortable alternative network for bike riders who prefer not to share the road with cars, while getting them to key destinations such as transit or the trail system. Mayor Hu requested more analysis and while he understands that Main Street cannot be redone right now, suggested planning for the future.

Senior Planner Shanks highlighted a refined proposal to have a bike lane between Commercial Street to Hall Boulevard, for riders less comfortable with sharing the road with cars. A graph was displayed showing how much right-of-way width would be needed and impacts to parking spaces.

A revised zoning map was shown with some MU-CBD (Mixed-use Central Business District) designation moving to mixed-use zones of business, residential and employment. In the refined

proposal, the MADE project helped direct redevelopment in such a way that it supports the original proposal. The proposal is that MUE (mixed-use Employment) remains. Since the light rail project has stalled there is less reason for maximum building heights of 12 stories along Hall Blvd. and the recommendation is a maximum building height of six stories.

A slide was shown of next steps including stakeholder outreach in March and April, draft code amendment posting in May with a public notification and comment period through June, final Code Amendment posting in July and legislative public hearings held in August and September.

Senior Planner Shanks asked for Council feedback on the Transportation Network, application of Mixed-use zoning and building height maximum along Hall Blvd.

Mayor Hu asked if the Transportation plans were coming before the Tigard Transportation Advisory Committee and Principal Transportation Planner Gehrke said she would get it scheduled. Comments from Council were positive on to simplifying zoning and updating the building heights. Councilor Anderson would like to see bike lanes vs. right-of-way acquisition determined.

In response to a question from Councilor Shaw, Senior Planner Shanks said the stakeholders that will be involved in March and April were the Chamber of Commerce, Town Center Advisory Commission, Tigard Downtown Alliance, Tigard Transportation Advisory Committee, Planning Commission, potential downtown developers and downtown businesses.

Councilor Shaw asked if Council could meet after stakeholder feedback is received for a discussion at a future Workshop. Members of Council agreed with that request.

Assistant Community Development Director Warren pointed out that the project schedule is not on a specific timetable and can accommodate obtaining feedback so the city can get this right for the future of downtown.

8. **Non-Agenda Items** - None

9. **Executive Session** - None

10. **Adjournment**

At 7:57 p.m. Mayor Hu announced there were no additional agenda items and adjourned the meeting.

_____
Carol A. Krager, City Recorder

Attest:

_____
Yi-Kang Hu, Mayor

Date:_____

City *of* Tigard
City Council Business Meeting Minutes
March 3, 2026

1. Business Meeting

A. Call to order – At 6:30 p.m. Mayor Hu called the Tigard City Council meeting to order.

B. Roll Call – Deputy City Recorder Bartholomew called the roll.

	Present	Absent
Youth Councilor Hellhake	✓	
Mayor Hu	✓	
Councilor Robbins		✓
Councilor Schlack	✓	
Councilor Shaw	✓	
Council President Wolf		✓
Councilor Anderson	✓	
Councilor Ghoddusi	✓	

C. Pledge of Allegiance – Mayor Hu asked everyone to join him in the Pledge of Allegiance.

D. Call to Council and Staff for Non-Agenda Items – None

2. Public Comment

A. Public Comment – Written: One written public comment was submitted by John Cook about the Street Maintenance Fee (SMF) and Pavement Condition Index (PCI).

B. Public Comment – In Person: None

C. Public Comment – Phone-In or Video: None

3. City Manager Report

Acting City Manager Tritsch shared that the Police Community Academy started last Thursday. The first evening included time with Chief McDonald, a tour of the department, and a look behind the scenes of operations. This is a popular annual program, and anyone who lives or works in Tigard is welcome to join the 2027 waitlist.

4. Quasi-Judicial Public Hearing: Consider Approval of Hall Boulevard Pedestrian Crossing Comprehensive Plan Map Amendment and Sensitive Lands Review

A quasi-judicial public hearing was held to consider adoption of an ordinance that would allow improvement of a pedestrian crossing on Hall Boulevard. Associate Planner McGinnis gave the staff report and applicant James Stupfel from DOWL testified. No public comments were received on this agenda item.

The project will include replacing non-compliant lighting equipment, replacing the curb ramps, and adding signage. Construction is expected to be completed between the summer of 2026 and January 2027, without the need for road closures or detours.

Councilor Schlack moved to approve Ordinance No. 26-05. Councilor Shaw seconded the motion. There was no further discussion. Deputy City Recorder Bartholomew conducted a roll call vote and the motion passed unanimously.

Ordinance No. 26-05 – AN ORDINANCE APPROVING COMPREHENSIVE PLAN MAP AMENDMENT, CMA2025-0003/SLR2025-0002, TO REMOVE GOAL 5 PROTECTION FROM 0.003 ACRE OF LOCALLY SIGNIFICANT WETLANDS FROM THE "TIGARD WETLAND AND STREAM CORRIDOR MAP" INVENTORY ASSOCIATED WITH IMPROVEMENTS TO THE FANNO CREEK TRAIL PEDESTRIAN CROSSING AT HALL BOULEVARD

	Yes	No
Youth Councilor Hellhake	–	–
Mayor Hu	✓	
Councilor Robbins	–	–
Councilor Schlack	✓	
Councilor Shaw	✓	
Council President Wolf	–	–
Councilor Anderson	✓	
Councilor Ghoddusi	✓	

5. Quasi-Judicial Public Hearing: Consider Approval of Steve St. Park Comprehensive Plan Map Amendment

A quasi-judicial public hearing was held to consider adoption of an ordinance that would allow adding a pathway to connect Steve St. to the new Steve Street Park. Associate Planner McGinnis gave the staff report and applicant Grace Coffey from Winter Brook Planning testified. No public comments were received on this agenda item.

The new park will serve a neighborhood of over 600 Tigard community members who are currently not able to access a park or natural area within a 10-minute walk. This walkway will provide an ADA-accessible path for pedestrian and bicycle access to the new park.

Councilor Shaw moved to approve Ordinance No. 26-06. Councilor Schlack seconded the motion. There was no further discussion. Deputy City Recorder Bartholomew conducted a roll call vote and the motion passed unanimously.

Ordinance No. 26-06 – AN ORDINANCE APPROVING COMPREHENSIVE PLAN MAP AMENDMENT, CMA2025-0002, TO REMOVE GOAL 5 PROTECTION FROM 0.03 ACRE OF LOCALLY SIGNIFICANT WETLANDS FROM THE "TIGARD WETLAND AND STREAM CORRIDOR MAP" INVENTORY ASSOCIATED WITH CONSTRUCTION OF A PATHWAY TO STEVE STREET PARK

	Yes	No
Youth Councilor Hellhake	–	–
Mayor Hu	✓	
Councilor Robbins	–	–
Councilor Schlack	✓	
Councilor Shaw	✓	
Council President Wolf	–	–
Councilor Anderson	✓	
Councilor Ghoddusi	✓	

6. Economic Development Strategic Plan Update

Economic Development Manager Hauther and ECONorthwest Project Director Craigie provided an update on the recent strategic planning workshop and asked for feedback on the Economic Development Three-Year Strategic Plan draft. Council expressed support for the plan and provided suggestions.

Councilor Ghoddusi and Mayor Hu expressed interest in performance metrics and progress identification marks when possible. Economic Development Manager Hauther shared that we are working to update internal processes to be data forward. We plan to collect a baseline of data from business experience surveys, which will help us track how we are doing year-over-year.

Councilors Shaw and Schlack asked for the materials to clarify that the Town Center Advisory Commission (TCAC) is an internal Tigard committee, not an external organization. Councilor Schlack expressed interest in TCAC having more of an economic development focus.

Councilor Ghoddusi asked that while clarifying and refining partner and city roles, to emphasize Council's role in the governance structure overall.

Mayor Hu shared that attracting new business is important, and that it is equally or more important to serve our existing businesses. He highlighted that communication is very important. Councilor Anderson suggested making it obvious to developers and businesses who within the city to contact. Economic Development Manager Hauther shared that we have a

dedicated person within redevelopment that works on recruitment of developers, investors, and those looking to create opportunities in Tigard.

Councilors Shaw and Schlack suggested a pilot interdepartmental economic development committee to leverage the expertise within the city. Councilor Shaw highlighted the data gathered for Street Maintenance Fee (agenda item 7) and suggested leveraging existing data sources.

7. Street Maintenance Fee (SMF) Discussion

Project Manager George and Kittelson Consultants provided an overview of the Street Maintenance Fee (SMF) and options for changing the fee calculation method. The SMF dollars are used by our Pavement Maintenance Program (PMP) to rehab and perform preventative maintenance on city roadways. Continuous maintenance of our roadways has kept Tigard's Pavement Condition Index (PCI) at "very good" status which is better than 88% of peer cities.

The calculation of the SMF is outdated. It is currently based on number of parking spaces, and there is a disconnect between the current fee and the impact by vehicle trips on our roadways. Changing the SMF to be based on trip generation would provide a closer representation of use/damage to roadways by trip generators. Any fee changes would come through the Fees & Charges Schedule updates.

Mayor Hu proposed considering vehicle weight as part of the new SMF calculation, because heavy vehicles cause more damage to the roads than small vehicles. Councilor Shaw shared a concern about vehicle mile weight, since the state is doing it and we would want to be mindful to avoid double charging.

Mayor Hu suggested transitioning to the new SMF rates carefully to avoid drastic fee changes, including considering not decreasing residential rates, to offset the transition for businesses. Councilor Ghoddusi suggested reducing the residential bills slightly, to help residents and help offset rates for businesses. Youth Councilor Hellhake agreed with the partial decrease to residential fees. Councilors Schlack and Shaw recommended keeping the residential rate the same until it needs to be increased.

Mayor Hu requested an appeal process for businesses that disagree with the bucket for rates that they are placed in. Kittelson Consultant Popenuk confirmed that businesses will have the opportunity to appeal bucket categories.

Mayor Hu proposed revisiting this policy on a reoccurring basis, such as every five years, to review what is working and/or not working.

Councilors Schlack and Shaw expressed concern with the staff time it could take to manage a complicated system for the SMF. Kittelson Consultant Popenuk shared that the intent is for them to set up the process well, so that it is not time consuming and expensive to administer.

Councilor Schlack requested refinement of the example business buckets for rates. Overall, Council requested more informal briefings and information on the business side of the fee.

8. Non-Agenda Items – None

9. Executive Session – None

10. Adjournment

Mayor Hu announced the meeting adjourned at 8:33 p.m.

_____
Lindsay Bartholomew, Deputy City Recorder

Attest:

_____
Yi-Kang Hu, Mayor

Date: _____

City *of* Tigard

City Council & Town Center Development Agency
Business Meeting Minutes
March 10, 2026

1. **Business Meeting**

A. Call to Order – At 6:30 p.m. Mayor Hu called the Tigard City Council and Town Center Development Agency meeting to order.

B. City Recorder Krager called the roll.

	Present	Absent
Councilor Shaw	x	
Council President Wolf (remote)	x	
Councilor Anderson	x	
Councilor Ghoddusi	x	
Youth Councilor Hellhake	x	
Mayor Hu	x	
Councilor Robbins	x	
Councilor Schlack	x	

C. Pledge of Allegiance – Mayor Hu asked everyone join him in the Pledge of Allegiance.

D. Call to Council and Staff for Non-Agenda Items – There were none.

2. **Public Comment**

A. Public Comment – Written: None

B. Public Comment – In Person: None

C. Public Comment – Video: Jeff Darland spoke about concerns with new development not paying its proportionate share of water infrastructure and existing residents having to carry the burden. He asked the Council to authorize the use of development fees to pay debt service, direct city staff to figure out the overpayment by ratepayers, begin the planning on how to make amends and start a corrected rate study this year. He requested this be done before commissioning any new projects related to water.

3. **City Manager Report**

Acting City Manager Tritsch announced two items. A Joint Town Hall with Mayor Hu, Senator Neron Misslin, Representative Bowman and Representative Rieke Smith will be held at the Public Works Auditorium on March 14, from 2:30-4:00 p.m. The "If I Were Mayor" student contest is open for submittals and is an opportunity for young people in Tigard to reflect on leadership and share ideas. Details are on the city's website, and the entry period ends March 29, 2026.

4. **Adopt 2026 Federal Legislative Agenda**

Assistant to the City Manager Hendrix presented the staff report identifying federal legislative items from an initial Council discussion in December: Project specific funding for a Public Safety Facility and 72nd Avenue Corridor improvements, Support of the Reauthorization of the Transportation and Infrastructure Bill, and Affordable Housing. Councilors agreed with adding some items mentioned by Councilor Shaw including Community Development Block Grant (CDBG) support, Community Fueling Infrastructure Program, railroad crossing elimination, tax-exempt municipal bonds, opposition of changes to FEMA and to cuts for programs for Tigard's most vulnerable population including Medicare, Medicaid and SNAP benefits. Tigard's zip code was mentioned but was a lower priority to some councilors.

Mayor Hu suggested a few edits to the Public Safety Facility Planning paragraph in the Legislative Agenda document provided by staff and recommended the first sentence be replaced with, "Tigard is committed to maintaining reliable public safety and emergency response services under both normal conditions and during major emergences." He recommended using "energy efficient" instead of the vague adjective "green" in the third sentence.

Assistant to the City Manager Hendrix will bring forward an edited list to Council for consideration at a May meeting.

Mayor Hu announced that the next agenda item is a Town Center Development Agency item and convened the TCDA Board.

5. **Town Center Development Agency (TCDA) Cinema Site Discussion**

Redevelopment Manager Farrelly gave an update on the cinema site and asked for TCDA Board direction on whether to begin a Request for Qualifications (RFQ) for the redevelopment portion of the cinema site. The goals are to provide the Tigard Triangle's first neighborhood park, build out street and trail infrastructure, restore Red Rock Creek, including new stormwater and sewer facilities; and redevelop a portion of the property.

Community Engagement activities included a survey on desired park features. Top responses were walking and biking trails, playground, and picnic areas with tables and shelters. When asked what else the Tigard Triangle community needs most, the leading responses were entertainment options (Music, Movie/Theater Venue, Makerspace, Art Gallery, Arcade, etc.) and food options (Restaurants, Food carts and Farmers Markets). Developers were also interviewed to get their assessment of the market and response to the city's goals for the property. Youth Councilor Hellhake noted that the Tigard Youth Advisory Council (TYAC) discussed what they'd like to see in a park and their top three were a dog park, skate park and installation of outdoor fitness equipment.

Suggestions from the TCDA Directors included exploring land trust options for home ownership, affordable housing, a community center and ensuring the TCDA has control over what is developed if mixed-use is built.

Four scenarios for TCDA consideration were: 1. Redevelopment First, 2. Joint Development of the Park and Private Development, 3. Develop the Park first or 4. Develop the entire site for public use. Staff's recommendation was Scenario 1 and the TCDA Board unanimously agreed with that option, which will clearly separate the projects and allow park design work to begin while an RFQ is issued to select a private developer shortlist, with a June-September timeline for the selection.

Mayor Hu reconvened the City Council for the next agenda item.

6. **Review of Youth Councilor Position (Requested by Councilors Schlack and Robbins)**

Acting City Manager Tritsch introduced this item and highlighted that it was a review of the overall program and not intended to be specific to anyone. Any changes made would not go into effect until the next cycle. Assistant to the City Manager Hendrix gave a slide presentation and said Council direction was requested on Youth Councilor eligibility and whether to establish measurable goals for a one-year pilot refinement to the program, or to sunset the Youth Councilor role in favor of a broader civic education initiative.

Youth Councilor Eligibility

A question arose from a community comment about what youth are eligible to apply for the Youth Councilor position. Currently they must be a resident of Tigard entering their junior or senior year at the time of application, attend a school serving Tigard residents and have and maintain passing grades.

Councilor Robbins suggested expanding Youth Councilor eligibility to include students living in unincorporated areas. An example was given of a student who lived in an unincorporated neighborhood, had attended Tigard elementary schools, felt part of the Tigard community, but currently did not attend high school in Tigard so was ineligible to apply.

Councilor Schlack asked if unincorporated area students are eligible to be on the Tigard Youth Advisory Council (TYAC) and Youth Councilor Hellhake confirmed that TYAC allows participation from members living in unincorporated Tigard if they attend a school in the Tigard-Tualatin School District (TTSD). Councilor Schlack said he is opposed to non-residents having representation on the Council but was fine with them being on TYAC.

Councilors Robbins, Anderson and Ghoddusi were in favor of extending Youth Councilor eligibility to students who live in an unincorporated area but attend a TTSD high school. A majority, Councilors Schlack, Councilor Shaw, Council President Wolf and Mayor Hu were not in favor of extending eligibility to non-residents.

Youth Councilor Purpose

Mayor Hu asked the Council if they wanted to consider additional goals for the program next year or eliminating the position. Youth Councilor Hellhake said it was important and has been a great program but felt there should be additional focus on supporting civic engagement in schools. Councilor Anderson recommended keeping the program and adding a requirement that they report back to their peers.

Councilor Schlack said he did not feel the program achieved the goal of amplifying the voices of younger residents. He expressed concerns about non-elected, advisory positions serving directly on an elected governing body and said, "Council decisions carry real consequences for Tigard residents, from setting residential fees to appointing a mayor, and anyone given the privilege of deliberating towards those decisions at Council meetings should be accountable to voters."

Councilor Schlack added that if community members want more young people on Council, they should elect them. An 18-year-old registered voter and resident of Tigard could run for office. He said he struggled with maintaining an age-based advisory seat on Council after the Council recently expressed skepticism about providing age-based positions for seniors on other city boards and committees.

Council President Wolf said she supports a Youth Councilor position as it is non-voting and the accountability is different.

Councilor Shaw said having been on the Council since 2020, she did not believe access was equitable and the funding goes to just one individual. She said given budgetary constraints, the staff support and resources would have more impact on education if they were given to the TYAC. She added that senior citizens also do not have a voice and asked why there would be a special seat for youth on Council but not for other age groups.

Councilor Ghoddusi supported making more structured goals and perhaps setting up community-based college credits, possibly from Portland Community College. He noted that someone 55 and older can run for council but those under 18 cannot.

Councilor Robbins supported keeping the position and offered to work on ideas to advertise more with the schools. She suggested using this next year to explore other successful programs. Councilor Shaw said despite robust communication with the schools, the city has struggled every year to have anyone apply, and there was one year when no one applied.

Mayor Hu said youth involvement is valued but we need to figure out the best way to get it. Councilors Anderson, Robbins and Ghoddusi and Council President Wolf expressed support for keeping the program.

Mayor Hu proposed a subcommittee to discuss more successful recruitment and to develop program goals and measurements for evaluation next year. Acting City Manager Tritsch recommended a 4-6 week focus to develop and refine the program and explore details on marketing and recruitment.

Councilor Shaw noted that the staff recommendation for the agenda item summary was to sunset the program. Council President Wolf said it was a great opportunity for an individual but recognized there are limited resources. She changed her recommendation to move forward based on the staff recommendation to sunset the program and focus the resources on TYAC.

Mayor Hu said he wanted to encourage youth engagement in a meaningful way but for the reasons identified by Councilor Schlack, Councilor Shaw and Council President Wolf, he agreed with them, making a majority of Council voting to eliminate the Youth Councilor program.

7. **Non-Agenda Items** – None.

8. **Executive Session**– None Scheduled

9. **Adjournment** – There being no further business, Mayor Hu adjourned the meeting at 7:41 p.m.

_____
Carol A. Krager, City Recorder

Attest:

_____
Yi-Kang Hu, Mayor

_____
Date

AIS-6093 **4. C.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): Consent Item

Agenda Title: Mechanical/HVAC Preventative Maintenance, Service, Repair, and Inspection Services

Authored By: Toni Riccardi

Presented By: Project Managers Kevin Cole and Justin James

Item Type: Motion Requested

Information

Explanation of Issue

The purpose of this action is to approve the award of a contract to RINU Inc. dba Reitmeier, for Mechanical/HVAC Preventative Maintenance, Service, Repair, and Inspection Services.

Action Requested

It is recommended that the Tigard City Council, also serving as the Local Contract Review Board, award a contract to RINU Inc. dba Reitmeier for Mechanical/HVAC Preventative Maintenance, Service, Repair, and Inspection Services in the amount of $125,000 annually and direct the City Manager to take the steps necessary to execute the contract.

Background Information

Project Overview:
Repair and maintenance for citywide (14 sites) HVAC systems, including system programming and inspection services.

Project Timeline:
Annual maintenance contract. Option to renew annually for an additional four years. Contract terminates December 31, 2031.

Strategic Vision:
Maintain city facilities in an efficient and fiscally responsible manner.

Procurement Process:
The City issued a Request for Proposals (RFP) for the project on January 9, 2026, with notice published in the Daily Journal of Commerce. Upon closing, the City received two (2) proposals; one proposal was determined to be qualified in accordance to the City's Request for Proposal. The proposals received are listed below:

- RINU Inc. dba Reitmeier
- Harder Mechanical Contractors

An evaluation committee of three staff members from Facilities and Fleet scored the proposals based on the following criteria, as outlined in the RFP:

- Firm Qualifications and Project Team (up to 40 points per evaluator)
- Project Understanding and Approach (up to 30 points per evaluator)
- Cost Proposal (up to 30 points per evaluator)

Upon review, the evaluation committee found RINU Inc. dba Reitmeier to be the top-ranking firm with the top scores in all evaluation criteria categories. RINU Inc. dba Reitmeier received the highest score for both their proposal and cost proposal. Accordingly, RINU Inc. dba Reitmeier received the selection committee's recommendation for contract award. As such, and in accordance with ORS 279 and Tigard Public Contracting Rule 70.016.B.5, the City issued a Notice of Intent to Award and entered into negotiations with RINU Inc. dba Reitmeier. The City and RINU Inc. dba Reitmeier were able to reach an agreed-upon scope and price. The total cost of the contract is $625,000.00.

Alternatives & Recommendation

The Local Contract Review Board may reject this contract award recommendation and direct staff to re-solicit for the work. Delays in procuring a HVAC contract will result in deferred maintenance and potentially higher overall cost to maintain HVAC equipment.

Additional Resources

Fiscal Impact

Cost: $625000

Budgeted (yes or no): Yes

Where budgeted?: 650-6400

Additional Fiscal Notes:

The contract estimates a spending of up to $125,000 per year for preventative maintenance and unexpected repairs. This agreement will increase operating costs by approximately $41,000 per year, an increase of 49% from the previous contract, which will be reflected starting in the FY 2027 budget.

Attachments

No file(s) attached.

AIS-6104 **5.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): 10 Minutes

Agenda Title: Legislative Public Hearing: Recreational Immunity Ordinance

Authored By: Shelby Rihala

Presented By: City Attorney Rihala

Item Type: Motion Requested
Ordinance
Public Hearing - Legislative

Information

Explanation of Issue

State law allows local governments to opt-in to certain limitations on liability under the recreational immunity statute. This ordinance allows Tigard to benefit from the statutory limitations.

Action Requested

Adopt the proposed ordinance opting-in to limitations on liability under ORS 105.668.

Background Information

Recreational immunity is a statutory protection for property owners who have made their land available to the public without charge for recreational purposes. Recreational immunity was originally created by the Oregon Legislature to encourage landowners to make their lands available to the public for recreation, by providing tort immunity for liability that might result from that access. Over the years, it has evolved through case law and legislation.

ORS 105.668 provides local governments with immunity from liability for the use of trails and associated structures in public easements and unimproved rights-of-way, provided the local government adopts an ordinance, resolution, policy, or order opting-in to this limitation. This ordinance achieves that opt-in for the City of Tigard.

Alternatives & Recommendation

In order to benefit from recreational immunity's limitations on liability to the fullest extent allowed by statute, staff recommends adopting this ordinance as proposed.

Additional Resources

Attachments

Ordinance

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 26-

AN ORDINANCE LIMITING LIABILITY FOR THE CITY OF TIGARD UNDER ORS 105.668, RECREATIONAL IMMUNITY

WHEREAS, under Oregon law, recreational immunity generally protects property owners who have made their land available to the public without charge for recreational purposes. Recreational immunity was originally created by the Oregon Legislature to encourage landowners to make their lands available to the public for recreation, by providing tort immunity for liability that might result from that access; and

WHEREAS, the Oregon Legislature enacted SB 1576 in its 2024 Legislative Session, which amended ORS 105.668 to provide immunity for liability to all local governments for the use of trails and associated structures in public easements and unimproved rights-of-way; and

WHEREAS, ORS 105.668(3) provides that a city must opt-in in order to receive the fullest benefit of the statute's limitations on liability; and

WHEREAS, the Legislature made additional changes to the recreational immunity statutes in 2025, with SB 179 adding "walking, running, [and] bicycling" to the definition of "recreational activity" and expanding recreational immunity coverage to improved rights of way under certain circumstances; and

WHEREAS, the City of Tigard desires to opt-in to the immunity provided by ORS 105.668 through the passage of this ordinance.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

SECTION 1: A new Tigard Municipal Code Chapter 7.90 is hereby adopted as provided in Exhibit A (new text in underline).

SECTION 2: If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity does not affect the other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

SECTION 3: This ordinance shall be effective 30 days after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By _____ vote of all council members present after being read by number and title only, this _____ day of _____, 2026

Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this _____ day of _____, 2026.

Yi-Kang Hu, Mayor

Approved as to form:

City Attorney

Date

Tigard Municipal Code Chapter 7.90

LIABILITY LIMITED FOR THE CITY OF TIGARD AND OTHER PARTIES FROM PRIVATE CLAIMS PURSUANT TO ORS 105.668

7.90.010 Limitation of Liability.

A. A personal injury or property damage resulting from use of a trail that is in a public easement or an unimproved right-of-way, or from use of structures in a public easement or unimproved right-of-way, by a user on foot, on a horse, on a bicycle or other nonmotorized vehicle or conveyance does not give rise to a private claim or right of action based on negligence against:

1. The City of Tigard;
2. The City of Tigard's officers, employees or agents to the extent the officers, employees or agents are entitled to defense and indemnification under ORS 30.285;
3. The owner of land abutting the public easement or unimproved right-of-way in Tigard; or
4. A nonprofit corporation and its volunteers for the construction and maintenance of the trail or the structures in a public easement or unimproved right-of-way in Tigard.

B. The immunity granted by this Chapter from a private claim or right of action based on negligence does not grant immunity from liability:

1. Except as provided in subsection A.2 of this section, to a person that receives compensation for providing assistance, services or advice in relation to conduct that leads to a personal injury or property damage.
2. For personal injury or property damage resulting from gross negligence or from reckless, wanton or intentional misconduct.
3. For an activity for which a person is strictly liable without regard to fault.

AIS-6073 **6.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): 25 Minutes

Agenda Title: Economic Development Strategic Plan Adoption

Authored By: Danelle Hauther

Presented By: Economic Development Manager Hauther and ECOnorthwest Project Director Matt Craigie

Item Type: Motion Requested
Resolution
Update, Discussion, Direct Staff

Information

Explanation of Issue

The team will present a final version of the Economic Development Strategic Plan to Council and request adoption of the plan.

Action Requested

Staff is asking the City Council to review and adopt the final version of the Economic Development Strategic Plan.

Background Information

In August 2025, Tigard engaged ECOnorthwest to conduct comprehensive stakeholder engagement efforts to inform the development of an Economic Development Strategic Plan. This included:

- Focus Groups: Small group discussions were facilitated in order to hear from representatives of major stakeholder groups, including small/medium business, community partners, large business and landowners, workforce and funding partners, regional partners, and a make-up session for anyone who could not participate in their group time.
- 1:1 interviews with key City of Tigard staff, major employers, small business owners, and community partners (Tigard Chamber, Washington County Economic Development, Cities of Sherwood and Beaverton Economic Development divisions, etc.).
- Survey: An electronic survey was distributed via email to all businesses with a valid City of Tigard Business License.

Workshop #1 Overview (Nov. 17)

A half-day workshop was held on November 17, 2025, to engage a cross-section of internal and external stakeholders. Councilors Schlack and Shaw attended as the Council liaisons, providing governance context and Council priorities throughout the discussion. Key partners in attendance included:

- City Council Liaisons
- Washington County Economic Development
- Tigard Chamber of Commerce
- Tigard Downtown Alliance

City staff from:

- City Management
- Finance
- Police Department
- Community Development
- Redevelopment
- Economic Development

Workshop #1 covered:

- Overview and findings from focus groups, interviews, and the online business survey
- Development of Tigard's mission, vision, and guiding values for Economic Development
- Identification and initial prioritization of strategic pillars to guide future programming and investments

Following the workshop, all participants were invited to review the first draft of the mission, vision, guiding values, and strategic pillars to provide feedback for the consultants. This information helped to inform the current version of the draft document.

Workshop #2 Overview (Jan 15)
A half-day workshop was held on January 15, 2026, with the same stakeholder invitation list as the first workshop. Workshop #2 focused on:

- Affirming the mission, vision, values statements following the Council-requested modifications to the vision statement.
- Building out the Action items under each of the four strategic pillars.
- Starting to identify metrics and outcomes for each pillar.

Following the workshop, all stakeholders were invited to review the draft strategic pillars and associated action items ahead of the development of the comprehensive plan. The draft Economic Development Strategic Plan was shared with Council during their March 3, 2026, meeting. It focused on the coordinated actions for each strategic pillar and the implementation plan. The final version being presented to Council incorporates any additional feedback and comments requested during that Council meeting.

Dates of Previous and Potential Future Considerations
Previous:

- August 26, 2025: City Council received a presentation introducing the scope of work for Economic Development Strategic Plan development and requested assignment of two Council Liaisons to the project.
- November 17, 2025: Workshop #1 (with Councilors Schlack and Shaw participating as liaisons).
- January 6, 2026: Council received updates from stakeholder engagement (focus groups, interviews, business survey) and Workshop #1.
- January 15, 2026: Workshop #2 (with Councilors Schlack and Shaw participating as liaisons).
- March 3, 2026: Update from Workshop #2 and review draft plan.

Current:

- March 24, 2026: Review and adopt the draft Economic Development Strategic Plan

Impacts (Community, Budget, Policies and Plans/Strategic Connection)
Community Impact: Increases alignment of Economic Development programming and investments

with the highest priority needs of the business community.
Budget Impact: Guides development of FY26-27 budget.
Policy Alignment: Supports Council Goal 2: Elevate economic opportunities for current and future residents.

Alternatives & Recommendation

Council may choose not to adopt the Economic Development Strategic Plan. If selected, staff request that Council provide direction to support development of a final plan that reflects Council priorities and community values.

Additional Resources

N/A

Attachments

Staff Presentation Powerpoint

Economic Development Strategy

Resolution



Economic Development Strategic Plan Development

March 24, 2026

Danelle Hauther, Economic Development Manager

CITY OF Tigard

Project Purpose

Create a 3-year Economic Development Strategy that guides the city's work to maximize program impact.

- Clarify the city's purpose and desired outcomes in conducting economic development activities.
- Develop shared priorities that align staff, partners, and the city's leadership around a unified direction.
- Develop specific actions and metrics to meet the desired outcomes.

Strategic Plan Elements

ECONOMIC DEVELOPMENT VISION STATEMENT

We envision Tigard as a vibrant community, known for its economic strengths and quality of place, where strong partnerships and responsive services enable thriving businesses, meaningful career paths, and a resilient economy with enduring opportunities for all.

MISSION STATEMENT

The City of Tigard and its partners advance economic and community prosperity by supporting a diverse and resilient business ecosystem, delivering accessible and navigable services, and aligning partners and city efforts to strengthen Tigard's competitiveness and identity as a vibrant place to live, invest, and work.

STRATEGIC PILLARS

BUSINESS ATTRACTION, SUPPORT & GROWTH	PARTNERTSHIPS & NAVIGATION	OPERATIONS & COMMUNICATION	DEVELOPMENT & PLACEMAKING

GUIDING VALUES

CUSTOMER SERVICE	COLLABORATIVE PARTNERSHIP	INTEGRITY	CREATIVE INITIATIVE	EQUITABLE PRACTICE

ECOnorthwest

Council Feedback

Following the Council's review of the Draft Plan on March 3, the following comments were identified:

Business Attraction, Support, and Growth

- Ensure that tracking of metrics is aligned with current city systems and staff capacity.

Partnership and Navigation

- Clarify the implementation role of the City Council and partners.

Operations and Communication

- Ensure one main point of contact for development.

Development and Placemaking

- Consider processes that create efficiencies for new business opportunities
- Leverage existing data sources

Recommendation

Staff recommends City Council adopt the City of Tigard Economic Development Strategic Plan (FY2027–FY2030).



Questions?

Thank You!

CITY OF Tigard

ECOnorthwest

March 2026

Economic Development Three-Year Strategic Plan

City of Tigard

Prepared for: City of Tigard

ECOnorthwest
920 SW 6th Ave • Suite 1400 • Portland, OR 97204 • 503-222-6060

Acknowledgments

Tigard City Council:
Yi-Kang Hu, Mayor
Maureen Wolf, Council President
Jake Schlack, Councilor - Economic Development Council Liaison
Jeanette Shaw, Councilor - Economic Development Council Liaison
Tom Anderson, Councilor
Faraz Ghoddusi, Councilor
Heather Robbins, Councilor

City Staff and Community Partners:
Danelle Hauther, Economic Development Manager
Sambo Kirkman, Community Development Director
Emily Tritsch, Interim City Manager
James McDonald, Chief of Police, Acting Deputy City Manager
Shelby Rihala, City Attorney
Eric Kang, Finance Director
Nicole Hendrix, Assistant to City Manager
Sean Farrelly, Redevelopment Manager
Kimberlee Ables, Communications Manager
Brittany Gada, Senior Planner, Community Development
Windol Cador, Redevelopment Project Manager
Amber Gomez, Associate Planner, Community Development
Tina Escalera, Economic Development Specialist
Adrienne Chaille, Washington County Economic Development
Megan De Salvo, Tigard Chamber of Commerce
Kyle Knepper, Tigard Downtown Alliance

Project Consultant:
ECOnorthwest
Matt Craigie, Project Director
Cadence Petros, Project Director
Tamar Farchy, Project Manager
Oscar Saucedo-Andrade, Project Manager
Mia Oscarsson, Research Analyst

Table of Contents

1. **About the Strategic Plan 3**
2. **Engagement Findings 4**
3. **Environmental Scan 11**
4. **Economic Development Strategic Framework 15**

About the Strategic Framework 15
Vision 15
Mission 15
Strategic Pillars 16
Guiding Values 17
Tigard Economic Development Framework 18

5. **Implementation Plan 19**

Appendix A: Market Scan Slides 29
Appendix B: Engagement List 33

1. About the Strategic Plan

Meeting the Current Moment

The 2026-2029 (FY27-30) Economic Development Strategic Plan represents the city's commitment to near-term, lasting improvements to Tigard's economic and business ecosystem. This plan reflects the needs and priorities brought to light by Tigard's diverse communities, businesses, and workers. Unlike Tigard's general 2020-2025 Strategic Plan, which had long-term horizons ranging from five to twenty years, this plan focuses on the **next three years** to make sure that strategies are realistic, actionable, and achievable. The next three years are instrumental for making progress towards Tigard's updated economic development vision:

ECONOMIC DEVELOPMENT VISION STATEMENT

We envision Tigard as a vibrant community known for its economic strengths and quality of place, where strong partnerships and responsive services enable thriving businesses, meaningful career paths, and a resilient economy with enduring opportunities for all.

Strategic Plan Overview

Throughout the development of this strategic plan, the city consulted with local businesses, community organizations, regional partners, and community members on their needs and which services they'd like to see from the city. In addition, the city evaluated Tigard's current economic strengths, weaknesses, opportunities, and challenges to guide the direction of the strategic plan. These findings directly translate to the strategic framework of this plan, which includes Tigard's economic development vision, mission, strategic pillars, and guiding values.

The implementation plan outlines the specific actions the city will undertake under each strategic pillar to make the strategic plan a reality. The implementation plan focuses on what is achievable within the three-year timeline and identifies year one priorities that will be built upon in each year's annual work plan. The implementation plan also includes indicators to measure impact and progress under each strategic pillar, which may be refined as the plan is implemented and priority actions are identified each year.

2. Engagement Findings

Development of the three-year strategic plan involved extensive engagement with stakeholders contributing to economic development in Tigard, including small business owners, large employers, community partners, and city officials. Engaged parties had the opportunity to provide their perspectives and guide strategic plan development. The city conducted focus groups, interviews, and an online survey for businesses with an active Tigard business license with the purpose of understanding the city's current economic landscape. The engagement identified business needs, historically how the city's programs have addressed those needs, and what the city can do to refine its role in the economic development ecosystem, providing services where gaps exist and capacity is aligned.

Focus Groups Summary

The city conducted three individual interviews and six focus groups, two of which were in-person and four of which were virtual. The in-person focus groups consisted of

- Community organizations and
- Small to medium-sized businesses.

The four virtual focus groups consisted of:

- Property owners and large employers,
- Workforce, education, and finance organizations,
- Regional partners, and
- Miscellaneous/alternate time for anyone who could not join their category group.

The focus groups and interviews combined engaged a total of 27 individuals. Across focus groups and interviews, participants described Tigard as a city with a strong small business base and a generally positive reputation among employers. However, participants also cited growing economic and workforce pressures. Conversations highlighted rising costs and workforce instability as shared challenges, alongside opportunities for Tigard to strengthen its role as a connector and coordinator.

Perceptions of Tigard's Business Environment

While some participants described Oregon's broader business environment as cautious or growth-averse, Tigard's reputation among large employers was largely positive. One employer described Tigard as "a responsive city for businesses," noting appreciation for the city's permit tracking and access to staff during development. However, participants expressed concern that potential changes to Oregon's tax-free status could undermine regional collaboration and increase competition. In this context, Tigard's ability to offer

certainty, responsiveness, and efficient processes will be increasingly important for retaining and attracting investment.

Small Business Awareness and Growth Infrastructure

Small business owners emphasized time constraints and limited awareness of existing city programs. One participant noted that they lacked capacity to navigate complex processes or attend city workshops. Instead, many relied on established third-party networks – such as the Tigard Chamber of Commerce, Beaverton Chamber, Washington County Chamber, and the Women to Women Networking group – for up-to-date information and relevant resources. Focus group participants suggested Tigard could strengthen its role by promoting local success stories that spotlight small business and improving communication channels between local businesses. The need for business growth infrastructure arose as a recurring theme, particularly around space and equipment. With the number of new businesses revolving each month in Tigard, one regional partner noted the strength of Tigard's "micro-enterprise investments" and "small businesses, entrepreneurial ecosystem," but emphasized how access to grants could help small businesses expand beyond their initial startup phase.

Regional Collaboration

Several participants emphasized regional collaboration is critical. Stakeholders referenced the "rapidly new development on the left side of Tigard" as an opportunity to plan comprehensively for residential health, recreation, and amenities. Tigard was encouraged to build stronger relationships with hotels that drive tourism into the city. The Westside Economic Alliance (WEA) underscored the importance of maintaining a strong, coordinated presence among westside cities and employers to attract investment and plan regionally. One regional partner noted that "the nature of chambers tends to be member and small business driven...it's really important Tigard has a strong relationship with big box operators and hotels." Participants also suggested Tigard explore workforce development partnerships with organizations like WorkSystems, such as Hillsboro's customized incumbent worker training, to better align local workforce with employer demand.

Workforce Conditions, Economic Pressures, and Training Opportunities

Stakeholders across all focus groups described a challenging labor market shaped by layoffs at large employers like Intel and Wells Fargo, alongside persistent inflationary pressures on food, insurance, and borrowing costs. Community organizations note that during economic downturns, enrollment in workforce programs such as Portland Youth Builders consistently rises and highlighted the importance of layoff transition services provided by partners like WorkSystems. Local institutions like George Fox University's Portland Center expressed interest in activating their facilities beyond evening graduate programs to support local workforce and community use. Focus group participants saw potential for Tigard to partner

with educational institutions to expand training, leadership, and ESOL programs that address identified gaps in the workforce.

For some large employers, workforce strategies involve relocating workers with the desired expertise from outside of the state. On the other hand, major retail tends to maintain a local workforce with Washington Square employing "anywhere between 1,200 and 2,000 store employees on a given day." The City of Beaverton was highlighted as a model for integrating economic and workforce strategies – such as incentivizing local breweries and traded-sector businesses – to strengthen both economic development and quality of life. One participant noted how Beaverton "looked at [their] local sector businesses strategically to incentivize [their] traded sector businesses." Tigard could learn from similar approaches to align business vitality with livability goals.

There was also acknowledgement of fear among immigrant residents and business owners related to Federal policies and identification risks, which could discourage participation in city programs and local opportunities.

City Capacity and Role

Interviews highlighted both the city's limited staffing and the need for strategic partnerships—like with Washington Square—to achieve greater impact. Focus group participants consistently framed Tigard's economic role as a connector and convener, suggesting the city could cultivate more relationships with businesses and organizations to understand their need.

A recurring recommendation for Tigard to clarify and communicate its strategic direction to partners and track business engagement was stated. As one regional partner framed it, "Can you bring a customer service approach to your development process?" Similarly, another participant said the city should make sure it can keep track of when it refers businesses to technical assistance providers. This makes it easier to follow-up and ask how it went. The mindset of follow-through and responsiveness was seen as key to effective business support.

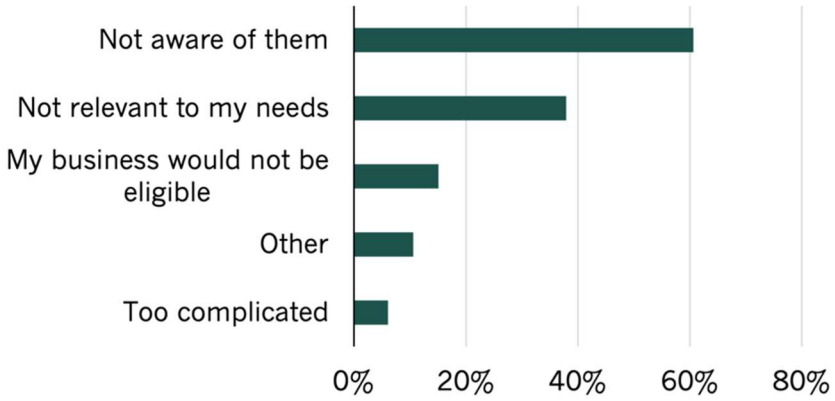
Business Survey Analysis

The business survey received 102 responses fielded from October 15 to December 23, 2025. Most responses were collected through Tigard's business license email list.

Survey responses reinforced themes raised in focus groups and interviews, particularly around moderate business confidence paired with both strengths and gaps related to city support. Around 42 percent of survey respondents felt their business was doing slightly better or much better now compared to last year and many noted Tigard's strong collaboration among businesses and support from the city and chamber. However, respondents also expressed wanting to see consistent engagement with small and diverse business owners as well as streamlined city processes for permits or licensing.

Businesses most often turn to peer networks and professional associations for support rather than city resources. Nearly half of respondents (45 percent) reported relying on other business owners, and 39 percent turned to professional or trade associations. In comparison, substantially fewer participants consulted the City of Tigard website (17 percent) or city staff (12 percent). A lack of awareness emerged as the primary barrier to program participation, with approximately 60 percent of participants indicating they were not aware of city programs (Exhibit 1).

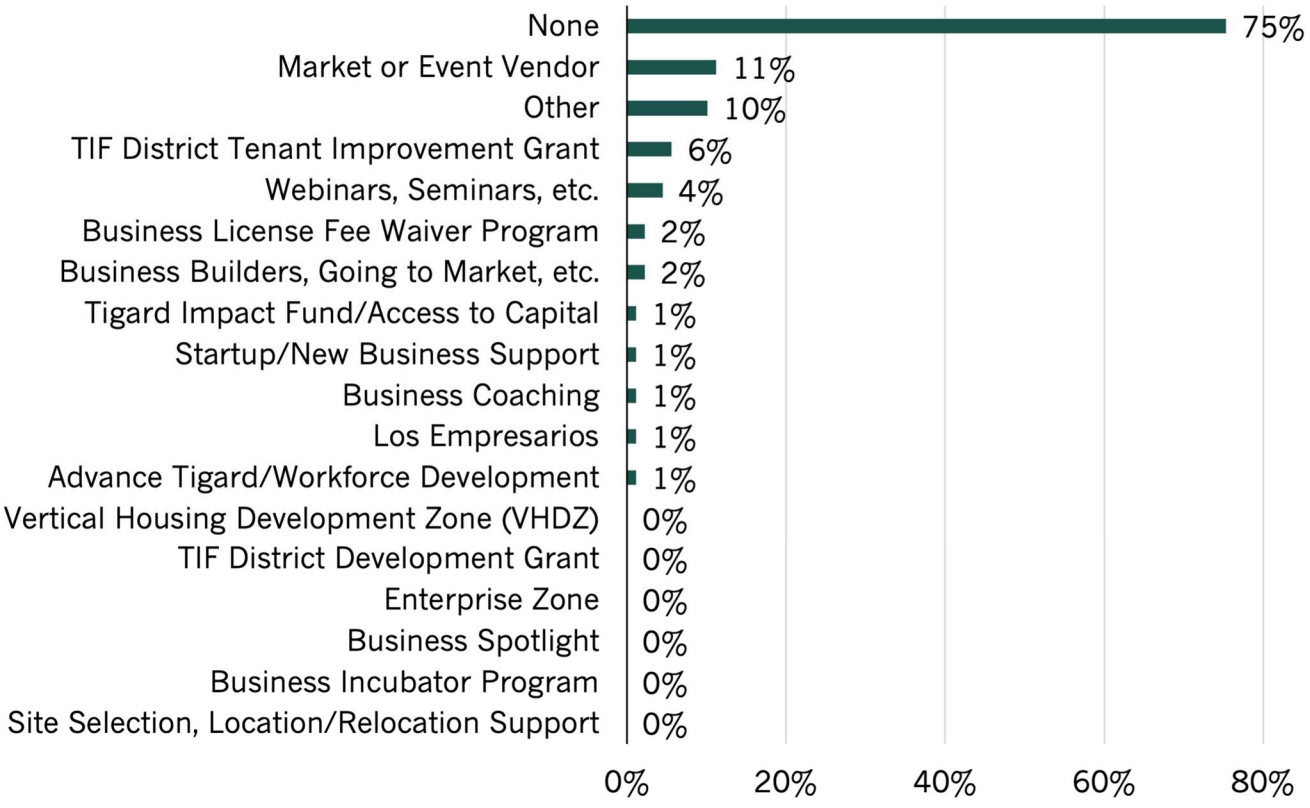
Exhibit 1. Barriers to Accessing Tigard Business Programs



Source: City of Tigard Business Survey

Survey results further indicate low utilization of the city's business support programs, with 75 percent of respondents reporting they have not used any City of Tigard business support program, service, or incentive. Among those that had engaged with city resources, the most commonly used were market or event vendors (11 percent) and "other" programs (10 percent). Write-in responses for "other" programs include COVID loan program and business license renewals. Training and funding-related programs saw limited participation, while several programs saw zero participation (Exhibit 2).

Exhibit 2. Tigard Business Programs Participation



Source: City of Tigard Business Survey

Note: Respondents could select all that apply.

When asked what types of support would be most beneficial, participants most frequently identified marketing and promotion opportunities (51 percent) and programming around access to capital (45 percent). Additional write-in responses for "other" include fee reductions, waivers, streamlined permitting, grants, and facilitating events for vendors (Exhibit 3).

Exhibit 3. Ranking of Beneficial Tigard Business Programs



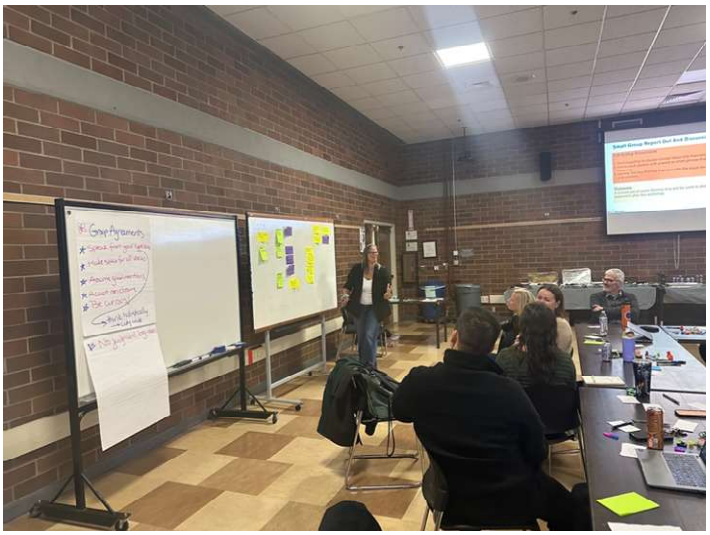
Source: City of Tigard Business Survey

Note: Respondents could select up to three options.

Workshops Summary

In addition to soliciting input from local businesses and community members, the city conducted two in-person workshops with staff and economic development partners to draft the strategic framework for the plan. Participants included representatives from the city's Finance, Community Development, Planning, and Economic Development departments. Other economic development partners, such as the Tigard Chamber of Commerce, also participated in the workshops. A list of participants is included later in the full report.

Workshop #1 involved the development of the city's vision and mission of economic development. Workshop #1 participants also established the strategic pillars around which the three-year plan is implemented. Additionally, Workshop #1 participants drafted a set of guiding values for the city to follow while it supports and conducts economic development. The results of Workshop #1 were compiled by the city and distributed to participants to review and further refine the framework elements. Results of Workshop #1 were also presented to City Council for feedback.



Workshop 1 Visioning Exercise. Source: ECOnorthwest

Workshop #2 focused on developing actions under each strategic pillar. Participants in Workshop #2 were given the opportunity to ideate on potential actions that would be feasible to complete in three years and align with the city's capacity and role. Participants also brainstormed potential metrics that could be used to track progress in each strategic pillar. Similar to Workshop #1 results, participants were given an additional opportunity to provide feedback and refine the actions identified.

3. Environmental Scan

Establishing Tigard's Current Economic Position

The environmental scan provides an overview of Tigard's current economic assets and areas of opportunity. This step ensures that strategies and actions to advance economic development in Tigard help current programs achieve better reach and outcomes and streamline or remove less effective efforts.

The environmental scan consists of a synthesis of information gathered through stakeholder engagement and research. The results of the scan are organized into a SWOC (strengths, weaknesses, opportunities, and challenges) matrix to identify Tigard's key challenges and areas of growth. The SWOC helps inform the direction for the vision, mission, and strategic pillars of the economic development framework. The matrix is useful on its own to showcase where the city has strength and room to grow and serves as the basis for a core framework of the strategies.

Tigard's Programs and Assets

The City of Tigard, as of 2026, offers numerous city-run or funded programs aimed at business and worker development. Tigard facilitates economic development through a combination of regulatory and zoning pathways, city or partner-run programming, and direct funding. The city leverages TIF districts to encourage capital development and fund grants directly to businesses for tenant improvement and business development. It also uses zoning mechanisms like vertical housing development zoning (VHDZ) and enterprise zones to facilitate development in targeted areas. The city offers or supports partner programs, such as Opportunity Café and Advance Tigard, which provide workforce development to workers and underrepresented communities in Tigard. For a full list of foundational and support programs operated by the city, see Appendix A.

SWOC Analysis

A SWOC analysis is a strategic tool used to identify internal and external factors—strengths, weaknesses, opportunities, and challenges (sometimes called "SWOT" or "threats")—that influence the potential

How do cities typically approach economic development?

Mid-size cities like Tigard employ a variety of services, incentives, and programs for economic development, all of which are dependent on a city's unique resource and capacity limitations, economic geography, and overall prioritization of economic growth. Many cities leverage economic incentive programs, like Oregon's Enterprise Zone or a local storefront improvement grant, with the aim of unlocking new economic activity. City programs engage with businesses to help ease the path to growth or connect them with local investment and expand visibility.

Through economic development programs, cities can act as **critical conveners and connectors** ensuring that businesses can access the resources, capital, and technical services that they need to thrive.

success of a project or initiative. At its best, a SWOC can prioritize what matters and guide real-world action. As opposed to a one-time exercise which is then shelved, the SWOC analysis in this strategic plan actively informs the vision, mission, and strategic pillars around which the strategic framework is built.

This SWOC analysis focuses on the elements that differentiate Tigard and make it unique as a place to do business. It centers the role of and opportunities for the city to drive and prioritize economic development. The SWOC was informed by the engagement, including focus groups, business survey, and interviews, as well as conversations with city staff and market scan of Tigard's resources and amenities.

STRENGTHS

- **Strategic Location and Regional Connectivity:** Tigard sits at the crossroads of I-5, Hwy 217, and Hwy 99W which provide regional connection to Portland and other major hubs.
- **High Quality of Life & Outdoor Recreation Amenities:** Strong quality of life amenities including parks, recreation, safety, housing variety, and multimodal transportation boost talent and residential attraction.
- **Strong Local Business Networks:** Businesses trust and rely on existing networks like the Tigard Chamber, Washington County, and women-focused industry groups. The city also has an active and successful micro-enterprise ecosystem and entrepreneurial culture.

WEAKNESSES

- **Lack of a Formal Citywide Economic Development Strategy:** Although the city's 2020–2025 Strategic Plan offers some direction, it does not provide a dedicated framework for prioritizing or focusing economic development projects and programs.
- **Constrained Employment Land Supply:** Tigard is land locked and has limited vacant industrial and employment land, restricting growth in job-dense industries unless redevelopment occurs.
- **Low Program and Services Awareness Among Businesses:** Small and medium-sized businesses lack awareness of city programs and find process time-consuming or difficult to navigate.
- **Office and Industrial Submarket Declining:** office and industrial markets in Tigard are experiencing declining demand as large space is vacated by tenants and limited new construction.

OPPORTUNITIES

- **Redevelopment Potential in Key Growth Areas:** Redevelopment potential in Downtown, Tigard Triangle, Washington Square Regional Center, and the Hwy 99 corridor.
- **Education & Workforce Partnership:** Partnerships with workforce organizations (WorkSystems) and large employers to tailor workforce training needs and fill workforce readiness gaps. George Fox University Portland Center could expand facility use for workforce training.
- **Business Support System Enhancements:** Support businesses with customer service, permit navigation, relationship development, and grants/loans to help micro-enterprises grow beyond the start-up phase into the mid-tier scale.
- **Leverage Existing City Assets:** Tigard benefits from a range of economic and recreational assets that can serve as a foundation for future development. Harnessing these resources strategically will be critical to advancing the city's economic development objectives

CHALLENGES

- **Regional Economic Uncertainty & Employment Contraction:** Layoffs at major employers (like Intel and Wells Fargo) create workforce instability. Inflation and escalation on cost of goods, insurance, and borrowing strains households and businesses.
- **Competition from Peer Cities:** Other regional cities have been cited as great places to start new businesses due to streamlined permitting and proactive business retention strategies. Other locations in Washington County have greater industrial land availability.
- **Trust Barriers Among Vulnerable Communities:** Immigrant communities may avoid city programs, undermining equitable economic participation.

SWOC Analysis Summary

The output of the SWOC is a four-quadrant matrix that summarizes each of the SWOC components. The matrix is used to conceptualize the components and their relationship with one another. The matrix should be revisited over the course of the strategy timeline, ensuing that ongoing actions are aligned with the SWOC.

STRENGTHS	WEAKNESSES
Strategic Location and Regional Connectivity High Quality of Life & Outdoor Recreation Amenities Strong Local Business Networks	Lack of a Formal Economic Development Strategy Constrained Land Supply Low Program and Services Awareness Among Businesses Office and Industrial Submarket Declining
OPPORTUNITIES	**CHALLENGES**
Redevelopment Potential in Key Growth Areas Education & Workforce Partnership Business Support System Enhancements Leverage Existing City Assets	Regional Economic Uncertainty Competition from Peer Cities Trust Barriers Among Vulnerable Communities

4. Economic Development Strategic Framework

About the Strategic Framework

The Strategic Framework is the backbone of the three-year strategic plan. The Strategic Framework incorporates the findings from engagement efforts, environmental scan, and workshops to provide clear direction for economic development activities over the next three years.

Vision

Tigard's economic development vision describes the future the city is working toward. Grounded in ideas generated during the city's workshop, the vision expresses the long-term outcomes the community seeks to create for businesses, workers, and residents.

ECONOMIC DEVELOPMENT VISION STATEMENT

We envision Tigard as a vibrant community known for its economic strengths and quality of place, where strong partnerships and responsive services enable thriving businesses, meaningful career paths, and a resilient economy with enduring opportunities for all.

Mission

Tigard's economic development mission defines the purpose of this work and the role the city plays in reaching the vision and supporting a healthy local economy. Developed through the city's workshop, the mission reflects why Tigard engages in economic development and the commitments that guide staff in advancing community prosperity.

MISSION STATEMENT

The City of Tigard and its partners advance economic and community prosperity by supporting a diverse and resilient business ecosystem, delivering accessible and navigable services, and aligning partners and city efforts to strengthen Tigard's competitiveness and identity as a vibrant place to live, invest, and work.

Strategic Pillars

Tigard's strategic pillars outline the core areas where the city will focus its energy to advance a thriving and resilient local economy. Rooted in the insights generated during the workshop, they provide a framework for coordinated action and guide the development of specific initiatives and measures in the next phase of the strategy.

1. BUSINESS ATTRACTION, SUPPORT, AND GROWTH

We provide services, programs, and guidance that help businesses start, grow, adapt, come to, and flourish in Tigard, and we connect workers to the training and career pathways that help them thrive and support the needs of local employers.

2. PARTNERSHIPS AND NAVIGATION

We bolster the region's network of partners that support businesses and workers by cultivating strong relationships and providing navigation resources to fill gaps, avoid duplication, and connect people to the resources that best meet their needs.

3. OPERATIONS AND COMMUNICATION

We strengthen the internal systems, tools, resources, and communication practices across city departments to deliver clear, coordinated, and high-quality economic development services that reliably support Tigard's businesses and workers.

4. DEVELOPMENT AND PLACEMAKING

We advance development, infrastructure, and placemaking across Tigard's districts through business recruitment and supportive programs, supporting the establishment of high-quality commercial areas across the city.

Guiding Values

Tigard's economic development work is guided by core values that reflect how staff addresses the needs of businesses, workers, partners, community, and fellow staff. These values emerged directly from the city's workshop and express the behaviors and commitments that shape their approach in doing this work. These values are reflected across each of the strategic pillars and will guide the city's actions throughout the next three years.

- **CUSTOMER SERVICE**

  We provide clear, respectful, and reliable support across our programs and services, delivering high-quality, timely guidance and support that businesses and communities can trust.

- **COLLABORATIVE PARTNERSHIP**

  We work openly and constructively with partners across the city and the region, building strong relationships and shared understanding to support coordinated action and collective success.

- **INTEGRITY**

  We communicate openly and act with honesty and accountability, following through on our commitments so businesses, workers, partners, and community members can rely on our work.

- **CREATIVE INITIATIVE**

  We step forward with curiosity and insight, bringing creative thinking, practical ideas, and data-informed guidance to help businesses and workers move ahead with confidence.

- **EQUITABLE PRACTICE**

  We strive to ensure fairness, inclusion, and accessible pathways in our programs and services, responding to diverse needs with respect and removing barriers that prevent full participation.

Tigard Economic Development Framework

The graphic below pulls all the components of the strategic framework together.

ECONOMIC DEVELOPMENT VISION STATEMENT

We envision Tigard as a vibrant community known for its economic strengths and quality of place, where strong partnerships and responsive services enable thriving businesses, meaningful career paths, and a resilient economy with enduring opportunities for all.

MISSION STATEMENT

The City of Tigard and its partners advance economic and community prosperity by supporting a diverse and resilient business ecosystem, delivering accessible and navigable services, and aligning partners and City efforts to strengthen Tigard's competitiveness and identity as a vibrant place to live, invest, and work.

STRATEGIC PILLARS

BUSINESS ATTRACTION, SUPPORT & GROWTH	**PARTNERTSHIPS & NAVIGATION**	**OPERATIONS & COMMUNICATION**	**DEVELOPMENT & PLACEMAKING**

GUIDING VALUES

CUSTOMER SERVICE	**COLLABORATIVE PARTNERSHIP**	**INTEGRITY**	**CREATIVE INITIATIVE**	**EQUITABLE PRACTICE**

5. Implementation Plan

This strategic plan will be implemented over a **three-year period**, starting with fiscal year 2027, ensuring that the actions identified have near-term impacts on businesses, workers, and communities in Tigard. Given the short timeframe for implementing the strategic plan, the city should develop an annual workplan at the beginning of each fiscal year to prioritize and develop concrete implementation steps. The annual workplan will serve as a detailed implementation roadmap, and the yearly workplan cycle ensures that the city takes stock of and identifies new and shifting priorities among the actions and strategic pillars. Within each workplan, the city should also delegate clear responsibilities and roles for both internal departments and external partners.

The implementation plan provided in the strategic plan serves as a first step for beginning implementation, including actions, year one priorities, lead organizations, and indicators to track progress and success. Organized by strategic pillar, it provides overall direction and guidance from which the city can develop detailed yearly workplans. Indicators are separated into three types: *outcome*, which signal impact in the broader community; *equity*, which show distribution of impact to minority or underrepresented groups; and *implementation*, which demonstrate internal improvements or outputs

The Role of the City Council

Tigard's City Council plays a central role in guiding the city's economic development efforts. As the community's elected representatives, the Council provides policy direction and sets the overall vision for city-led economic development initiatives. Council perspectives helped shape this three-year strategy and informed the strategic framework and actions outlined in the plan. As implementation moves forward, continued communication between Council and city staff will remain important, particularly regarding perspectives and input Councilors hear from businesses, community members, and other stakeholders.

PILLAR 1: BUSINESS ATTRACTION, SUPPORT, AND GROWTH	
ACTIONS	**SUPPORTING ORGS**
BA 1: Develop focused tools and services that support new and expanding businesses **Sub-actions:** • Conduct a resource scan of local and regional business support services and partners • Coordinate with partners to create and distribute business-supportive resource guides • Support externally run mentorship and coaching opportunities for targeted businesses in Tigard, such as a business incubator program, business-to-business mentorship, and industry-specific coaching • Dedicate city capacity for external and internal business resource guidance (i.e. through a full or part-time staff role) **Year 1 Priorities:** ♦ Analyze staff and supporting organizations' capacity and capabilities to address key actions ♦ Complete resource scan of business partners to identify which partners best match the needs of the business community ♦ Begin development of resource and navigation guide for incoming Tigard businesses in collaboration with partners	**Community Development** Economic Dev. Redevelopment TCAC Planning **Communications** **City Management** **Finance** **Local Partners** Chamber TDA
BA 2: Develop internal data tracking and analysis tools to improve service provision **Sub-actions:** • Examine business types and industry clusters present in Tigard to understand the current business landscape and identify opportunities for success through identification of targeted business categories. • Disseminate an annual Business Experience Survey to gather qualitative information on how businesses are faring in Tigard and establish regular touchpoints with businesses **Year 1 Priorities:** ♦ Develop and administer a Business Experience Survey to establish baseline business data ♦ Conduct landscape analysis to inform opportunity assessment and identification of target industries and/or locations	**Community Development** Economic Dev. Redevelopment Planning **Communications** **Finance** Business License **Industry Partners** Brokers/Developers Consultants Economic Development Organizations

PILLAR 1: BUSINESS ATTRACTION, SUPPORT, AND GROWTH	
ACTIONS	**SUPPORTING ORGS**
BA 3: Create targeted marketing campaigns and materials to highlight local businesses and ongoing business opportunities in the city **Sub-actions:** • Develop a unified brand identify and marketing campaign to market Tigard as a prime location for recruiting, expanding businesses. ○ Consider creating a marketing prospectus that city staff can use to attract new businesses • Invest in avenues to *tell the story* of Tigard, such as business spotlights, public engagement, networking, media relations, etc. **Year 1 Priorities:** ♦ Develop citywide branding and marketing guidelines and materials ♦ Expand number of networking and community events attended by city staff ♦ Invest in social media campaigns targeted specifically at new or emerging businesses	**Partner Organizations** **Community Development** Economic Dev. **Communications** **City Management** **Local Partners** Chamber TDA
PILLAR 1 INDICATORS	
Outcome: • Greater awareness, understanding, and connectivity with the business community ***Equity:*** ♦ Increase in share of businesses in Tigard owned or run by underrepresented groups ***Implementation:*** ♦ Improved internal capacity to provide business resource guidance ♦ Increase in number and reach of business-supportive guide, services, and programs ♦ Increase in number of businesses reached through survey and marketing efforts	

PILLAR 2: PARTNERSHIPS AND NAVIGATION	
ACTIONS	**SUPPORT ORGS**
PN 1: Evaluate existing partnerships and assess current needs, capacity, and performance across partner organizations. **Sub-actions:** • Conduct a partnership capacity scan to assess current list of partners and evaluate whether and how partners are providing services in line with City goals, where there is the greatest value add, and to identify service gaps • Engage with economic development partners at roundtables and other economic development events and meetings **Year 1 Priorities:** ♦ Complete partnership capacity scan by assessing full list of current and potential partnerships, and their programs	**Partner Organizations, Regional Governments** **Community Development** Economic Dev. Redevelopment **Communications** **Local Partners** Washington County Economic Development
PN 2: Identify opportunities for strengthening or creating new partnerships and clarifying and refining partner and city roles. **Sub-actions:** • Formalize key partnerships and establish clear roles and expectations for city economic development partners • Invest in partnerships that expand economic development capacity, impact, and reach to better serve Tigard businesses **Year 1 Priorities:** ♦ Upon completion of partnership capacity scan, identify which partners would benefit from formalization and draft official MOUs for key partners	**Partner Organizations** **Community Development** Economic Dev. Redevelopment **Communications** **Local Partners** Washington County Economic Development **Industry Partners** Brokers/Developers Consultants EDO - Economic Development Organizations

PILLAR 2 INDICATORS
Outcome: ♦ Increase in number of workers or businesses served by partner organizations ***Equity:*** ♦ Increase in access to partner services for underserved businesses and workers ***Implementation:*** ♦ Increase in number of businesses or workers referred to partner services through city-led or supported navigation

PILLAR 3: OPERATIONS AND COMMUNICATIONS	
ACTIONS	**SUPPORT ORGS**
OC 1: Evaluate and refine internal and external coordination and communications with fellow staff, business community, and customers, centering on a consistent and clear voice and messaging. **Sub-actions:** • Evaluate and improve customer service standards to ensure consistent messaging and internal collaboration • Create dedicated internal staff capacity, whether through staff time or an interdepartmental economic development committee, that focuses on aligning economic development focused activities, opportunities, and challenges across city projects • Develop internal processes to document existing and new relationships, events, and economic development actions to facilitate information sharing **Year 1 Priorities** ♦ Conduct cross-department interviews and/or survey to assess customer service standards ♦ Pilot an interdepartmental economic development committee ♦ Explore potential internal processes and technology to improve information sharing	**Community Development** Economic Dev. Redevelopment TCAC Planning **Communications** **Local Partners** Washington County Economic Development Tigard Chamber TDA
OC 2: Promote internal and external awareness of economic development opportunities and programs in Tigard. **Sub-actions:** • Create information sharing platforms, like newsletters or social media, focused on economic development activities that inform the public regarding ongoing efforts • Support ongoing educational events with partners (such as "State of the Tigard Economy") to highlight economic development opportunities and initiatives that tell Tigard's economic story **Year 1 Priorities:** ♦ Research information-sharing platforms that meet city needs ♦ Assess current partner-led educational events happening in the city to understand gaps where the city could step in or support ♦ Host at least one economic development event lead by city	**Community Development** Economic Dev. Redevelopment TCAC Planning **City Management** **Communications** **Local Partners** Washington County Economic Development Tigard Chamber TDA **Industry Partners** Brokers/Developers Consultants EDO - Economic

	Development Organizations

PILLAR 3 INDICATORS

Outcome:

- Increase in business use and awareness of city economic development service, processes, and resources
- Improved cross-department collaboration for economic development activities

Equity:

- Increase in number of minority or underrepresented businesses reached through communications efforts

Implementation:

- Improved documentation and tracking of economic development activities and projects across city departments

PILLAR 4: DEVELOPMENT AND PLACEMAKING	
ACTIONS	**SUPPORT ORGS**
DV 1: Leverage existing policies and regulations to better support development. **Sub-actions:** • Explore opportunities to calibrate regulations to support new development and redevelopment of businesses and industries aligned with the needs and priorities of the Tigard community **Year 1 Priorities:** ♦ Conduct a commercial space inventory and analysis to understand opportunities for targeted geographic recruitment ♦ Identify processes, regulations, and zoning policies that can be leveraged to promote economic development ♦ Develop guidance or process for using regulations to promote business development	**Community Development** Economic Dev. Redevelopment Planning **Communications**
DV 2: Create and refine impactful development incentives and tools. **Sub-actions:** • Create a "development checklist" to help potential developers and businesses build and grow in Tigard • Consider new policies and tools and refine existing strategies to support and incentivize target development while balancing city resources and leveraging external funding sources and programs • Examine tools like vertical housing development zone (VHDZ) expansion to support mixed-use development **Year 1 Priorities:** ♦ Create development checklist for businesses to navigate city processes ♦ Conduct an inventory of all current economic development-related strategies and policies in the city	**Community Development** Economic Dev. Redevelopment Planning **City Management** **Communications**

PILLAR 4: DEVELOPMENT AND PLACEMAKING	
ACTIONS	**SUPPORT ORGS**
DV 3: Recruit businesses in targeted industries for specific geographic areas across Tigard. **Sub-actions:** • Identify target industry types to recruit to Tigard • Examine areas in Tigard aligned for target industry placement • Develop a recruitment strategy for target industries **Year 1 Priorities:** ♦ In tandem with BA 1, complete cluster industry and business analysis to help identify targeted industry types ♦ Begin geographic assessment of Tigard business areas and potential industry placement	**Partner Organizations** **Community Development** Economic Dev. Redevelopment Planning **Communications** **Local Partners** Washington Co. Economic Development Tigard Chamber **Industry Partners** Brokers/Developers Consultants EDO - Economic Development Organizations

PILLAR 4: DEVELOPMENT AND PLACEMAKING	
ACTIONS	**SUPPORT ORGS**
DV 4: Support development of livable communities focused on safety, connection, and high quality of life. **Sub-actions:** • Coordinate infrastructure improvements and beautification efforts in business and mixed-use districts • Identify opportunities for economic development alignment with planning projects such as HOME and River Terrace 2.0 • Expand use of TIF districts for economic development • Collaborate with other city departments to develop and expand wayfinding signage along streets and trails connecting neighborhoods to business and multi-use districts **Year 1 Priorities:** • Analyze existing wayfinding resources and identify areas of improvement • Conduct full assessment of existing infrastructure improvements and identify areas for EcDev coordination	**Community Development** Economic Dev. Redevelopment Planning **Communications** **PW – Engineering** **PW - Streets**

PILLAR 4 INDICATORS
Outcome: ♦ Decrease in commercial vacancy rates in targeted corridors or districts ♦ Increase in business retention or expansion in targeted districts ***Equity:*** ♦ Increase in share of grants and development incentives awarded to underrepresented businesses or communities ***Implementation:*** ♦ Number of development tools, incentives, or guidance materials created or updated

Appendix A: Market Scan Slides

CITY OF TIGARD ENVIRONMENTAL SCAN

ECOnorthwest
IMPACT THROUGH INSIGHT

TIGARD'S PROGRAMS: ECONOMIC FOUNDATION

- Enterprise Zone
- VHDZ
- TIF Capital Investment
- Tigard Impact Fund
- TIF Grants
  - Tenant improvement grant
  - Development grant





2

ECOnorthwest

TIGARD'S PROGRAMS: ENTREPRENEURISM, ECONOMIC MOBILITY & EQUITY

- Opportunity Café
- Lauch Pod
- Los Empresarios de Tigard
- Business Coaching
- Advance Tigard/Workforce Development
- Missing Middle RLF
- Community Investment Trust

3

ECOnorthwest

EVIRONMENTAL SCAN

STRENGTHS

- **Strategic Location and Regional Connectivity:** Tigard sits at the crossroads of I-5, Hwy 217, and Hwy 99W which provide regional connection to Portland and other major hubs.
- **High Quality of Life & Outdoor Recreation Amenities:** Strong quality of life amenities including parks, recreation, safety, housing variety, and multimodal transportation boost talent and residential attraction.
- **Strong Local Business Networks:** Businesses trust and rely on existing networks such as the Tigard Chamber, Washington County, and women-focused industry groups. The City also has an active and successful micro-enterprise ecosystem and entrepreneurial culture.

4

ECOnorthwest

EVIRONMENTAL SCAN

WEAKNESSES

- **Lack of a Formal Citywide Economic Development Strategy:** Although the City's 2020–2025 Strategic Plan offers some direction, it does not provide a dedicated framework for prioritizing or focusing economic development projects and programs.
- **Constrained Employment Land Supply:** Tigard is land locked and has limited vacant industrial and employment land, restricting growth in job-dense industries unless redevelopment occurs.
- **Low Program and Services Awareness Among Businesses:** Small and medium-sized businesses lack awareness of City programs and find process time-consuming or difficult to navigate.
- **Office and Industrial Submarket Declining:** office and industrial markets in Tigard are experiencing declining demand as large space is vacated by tenants and limited new construction.

5 ECOnorthwest

EVIRONMENTAL SCAN

OPPORTUNITIES

- **Redevelopment Potential in Key Growth Areas:** Redevelopment potential in Downtown, Tigard Triangle, Washington Square Regional Center, and the Hwy 99 corridor.
- **Education & Workforce Partnership:** Partnerships with workforce organizations (WorkSystems) and large employers to tailor workforce training needs and fill workforce readiness gaps. George Fox University Portland Center could expand facility use for workforce training.
- **Business Support System Enhancements:** Support businesses with customer service, permit navigation, relationship development, and grants/loans to help micro-enterprises grow beyond the start-up phase into the mid-tier scale.
- **Leverage Existing City Assets:** Tigard benefits from a range of economic and recreational assets that can serve as a foundation for future development. Harnessing these resources strategically will be critical to advancing the City's economic development objectives

6 ECOnorthwest

EVIRONMENTAL SCAN

CHALLENGES

- **Regional Economic Uncertainty & Employment Contraction:** Layoffs at major employers (like Intel and Wells Fargo) create workforce instability. Inflation and escalation on cost of goods, insurance, and borrowing strains households and businesses.
- **Competition from Peer Cities:** Other regional cities have been cited as great places to start new businesses due to streamlined permitting and proactive business retention strategies. Stil other locations in WA County have greater industrial land availability.
- **Trust Barriers Among Vulnerable Communities:** Immigrant communities may avoid city programs, undermining equitable economic participation.

ECOnorthwest

Appendix B: Engagement List

The following community organizations, companies, and partners were invited to participate in a series of focus groups based on organization type:

Small/Medium Business	Community Partners	Property Owners/Large Employers	Workforce, Education and Finance	Regional Partnership and Coordination
TCAC and TDA Rep	Adelante Mujeres	City of Beaverton	Creekside HS	Washington County
Tigard Chamber of Commerce	Jesse Aronson, Worksystems	Perlo Construction	PCC	Business Oregon
Tigard Bull Mountain Farmers Market	xceleratewomen	PacTrust	George Fox	Greater Portland Inc
WG Acupuncture	Centro	Macerich	Worksystems	City of Tualatin
Wow Cow	National Assn of Minority Contractors (NAMC)	Fought & Co	CRAFT3	City of Sherwood
NW Accent	Hillsboro Medical Center	United Fab Solutions	Small Business Development Center	Explore TV
Cloudminders	Portland Community College	Verxcorp	WorkSource	Westside Economic Alliance
Shipping Strategies Group	Latino Built	Abbott		City of Beaverton
Tualatin Valley Creates	Oregon Assn of Minority Entrepreneurs (OAME)	Biamp		
Enterprising Generations	Northwest Native Chamber (NWNC)	Cushman		
Pho /tiger & Foxy's	APANO	NAI Elliott		
Taco Del Sol		Unitus Credit Union		
Sugarland Taste		Embassy Suites		
HibisBloom		Jason Graf, FFF		
Minute Man Press				

HMC				
Native Chamber				

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 26-

A RESOLUTION ADOPTING THE THREE-YEAR ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR FY27-30.

WHEREAS, the City of Tigard recognizes that a strong and resilient local economy supports community prosperity, quality jobs, and a vibrant quality of life for residents, workers, and businesses; and

WHEREAS, the City of Tigard developed an Economic Development Strategic Plan for Fiscal Years 2027–2030 to establish a clear framework for advancing economic opportunity, supporting local business, and strengthening the city's position within the regional economy; and

WHEREAS, the Economic Development Strategic Plan was developed through a collaborative process that included robust engagement with local businesses, community organizations, regional partners, and city staff, as well as focus groups, interviews, and a business survey to better understand Tigard's economic landscape and priorities; and

WHEREAS, the city engaged the consulting firm ECOnorthwest to support the development of an Economic Development Strategic Plan that included stakeholder engagement, an evaluation of Tigard's economic conditions, and assistance developing the strategic framework and implementation plan; and

WHEREAS, the plan includes a strategic framework consisting of a vision, mission, guiding values, and four strategic pillars that establish the city's priorities for economic development activities; and

WHEREAS, the four strategic pillars of the Economic Development Strategic Plan are:

1. Business Attraction, Support, and Growth: focusing on providing services, tools, and connections that help businesses start, expand, and thrive in Tigard;
2. Partnerships and Navigation: emphasizing coordination with regional partners and organizations to strengthen the economic development ecosystem and connect businesses and workers to resources;
3. Operations and Communication: improving internal coordination, communication, and customer service to support business and economic development initiatives; and
4. Development and Placemaking: supporting strategic development, infrastructure, and placemaking efforts that strengthen Tigard's commercial districts and quality of place; and

WHEREAS, the Economic Development Strategic Plan includes an implementation framework and performance indicators designed to guide annual work planning, track progress, and measure outcomes related to economic development efforts; and

WHEREAS, the Tigard City Council desires to formally adopt the Economic Development Strategic Plan to provide policy direction and a coordinated framework for economic development efforts across city departments and with community partners; and

WHEREAS, adoption of this plan reflects the city's commitment to advancing a vibrant, resilient, and inclusive local economy that supports thriving businesses, meaningful career pathways, and enduring opportunities for all members of the Tigard community.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The Tigard City Council hereby adopts the City of Tigard Economic Development Strategic Plan (FY2027–FY2030), attached hereto as *Exhibit A* and incorporated by this reference.

SECTION 2: The adopted Economic Development Strategic Plan establishes the city's vision, mission, guiding values, and strategic priorities for advancing economic development in Tigard over the next three years.

SECTION 3: The Economic Development Strategic Plan shall serve as policy guidance for city staff in developing annual work plans, programs, partnerships, and initiatives that support business vitality, workforce opportunity, and community prosperity.

SECTION 4: Implementation of the Economic Development Strategic Plan shall occur through annual work planning, coordination across city departments, and collaboration with regional partners and community stakeholders.

SECTION 5: Adoption of this Resolution does not appropriate funds, create contractual obligations, or commit the city to specific projects, but establishes a strategic framework to inform future policy decisions, budget development, and program implementation.

SECTION 6: This Resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2026.

_____

Mayor Hu - City of Tigard

ATTEST:

_____

City Recorder - City of Tigard

AIS-6077 **7.**

Business Meeting

Meeting Date: 03/24/2026

Length (in minutes): 75 Minutes

Agenda Title: River Terrace 2.0 Update: Transportation and Equitable Finance Strategy

Authored By: Brittany Gada

Presented By: Senior Planner Gada

Item Type: Update, Discussion, Direct Staff

Information

Explanation of Issue

Staff will provide an update to City Council about the recommended street designs for River Terrace 2.0 and will provide an overview of the Equitable Finance Strategy.

Action Requested

Staff requests feedback and policy direction from City Council on the recommended street designs and the Equitable Finance Strategy to inform the project moving forward. Policy direction will be requested regarding City Council's preferences and priorities for the design of the streets, given competing priorities among the community, development professionals, city operations and maintenance considerations. Policy direction and prioritization will also be requested for the Equitable Finance Strategy, given the potential implications it could have on city budget resources and the River Terrace 2.0 housing policy.

Background Information

The River Terrace 2.0 street designs and Equitable Finance Strategy are a part of the body of work for the Community Plan. Work on these elements began in mid-2025. The recommended street designs for River Terrace 2.0's future street network were developed iteratively through robust community engagement, feedback from agency partners, and interdepartmental coordination processes. As a result of this process, recommended street designs have been developed for all street functional classifications, including unique circumstances like stream crossings and commercial main streets, and aim to balance completing priorities related to efficient use of land, construction costs and affordability for developers and future residents, and city operations and maintenance considerations. Once street designs are finalized, they will be a part of the River Terrace 2.0 Transportation System Plan Amendment, and the associated right of way, construction, and maintenance costs associated with these facilities will be incorporated into the Equitable Finance Strategy to calculate System Development Charges and other potential fees. Due to the time-sensitive nature of finalizing the street designs to advance other work, staff request that City Council provide final direction on the recommended street designs during this update.

The Equitable Finance Strategy will identify how capital improvements for transportation, parks, and utilities will be funded and built. The finance strategy will also identify whether ongoing infrastructure operations and maintenance costs warrant special funding mechanisms compared to the rest of the city. The project team, in coordination with Finance and Public Works, has established preliminary assumptions for the funding sources available to finance needed infrastructure, potential options for

new funding sources, infrastructure delivery, and potential sources of credits for development. The project team continues to refine infrastructure construction and maintenance cost estimates, calculate the associated River Terrace 2.0 supplemental System Development Charges, identify the need for additional funding sources, and to develop the tiered System Development Charges approach to support the production of middle housing and smaller units in River Terrace 2.0. Once completed, the Equitable Finance Strategy will be implemented in a variety of ways, both through the Community Plan adoption process and through implementation following completion of the Community Plan. At the time of Community Plan adoption, a System Development Charges methodology and a fees and charges schedule will be adopted, along with updates to the Municipal Code to effectuate the approach in River Terrace 2.0.

Dates of Previous and Potential Future Considerations
A transportation update to City Council was provided in July 2025, during which City Council determined the preferred street network for River Terrace 2.0. Minor refinements have been made to the street network as a part of the ongoing Transportation System Plan work which will be shared as a part of this update. During the January 29, 2026, City Council policy workshop for River Terrace 2.0, the Council identified a priority to maximize on-street parking availability in the street designs. During the next City Council update on April 21, staff will share additional details on the Equitable Finance Strategy, including estimated System Development Charges, any supplemental fees, and the recommended SDC tiering approach. Staff will be seeking additional City Council direction on the Equitable Finance Strategy during the next update. The Equitable Finance Strategy is planned to be completed early this summer.

Public Involvement
The River Terrace 2.0 street designs have been developed through an iterative process with multiple community engagement touchpoints, review by our jurisdictional partners, and coordination with Public Works. Street designs were first shared with the Technical Advisory Committee and the Community Advisory Committee in the summer of 2025, and the public had an opportunity to provide comment on them during the Community Open House in September. In November, the project team began coordinating with Public Works on the designs. Recommended street designs were shared with the development community during a Developer Forum event on March 3, 2026. Preliminary assumptions from the Equitable Finance Strategy were also shared during the March 3, 2026, Developer Forum, and engagement on this work will continue with a subsequent Developer Forum scheduled on March 30, 2026.

Impacts (Community, Budget, Policies and Plans/Strategic Connection)
Feedback provided on the recommended street designs will be incorporated into final designs for inclusion in the River Terrace 2.0 Transportation System Plan Amendment. Transportation infrastructure construction and maintenance costs associated with the final street designs will also be used in the Equitable Finance Strategy to determine System Development Charges and any other relevant fees. Depending on City Council direction, the final street designs may also lead to changes to city operations and administration to carry out operations and maintenance of these facilities in the future. Feedback and direction provided on the preliminary assumptions of the finance strategy will inform ongoing work to prepare specific fee estimates and recommendations which will be presented to City Council during the April 21 meeting. The direction set during the April 21 meeting will have implications for the city budget and on affordability for development and future residents.

Alternatives & Recommendation

Staff recommend that City Council moves forward with the proposed street designs. Alternatively, City Council could direct staff to make changes based on Council priorities.

Additional Resources

N/A

Fiscal Impact

Cost:	Unknown at this time
Budgeted (yes or no):	Partially
Where Budgeted (department/program):	Finance, Public Works / Citywide SDCs, TUF, and PARF

Additional Fiscal Notes:

The River Terrace 2.0 Equitable Finance Strategy completes the analysis necessary to understand the upfront infrastructure construction costs and ongoing operations and maintenance costs associated with the facilities needed to serve future development in this area. It also develops the State-mandated methodology to identify System Development Charges and other fees that will apply to development and future residents as well as any fee credits that will be available to development. The Equitable Finance Strategy will develop a methodology and identify recommended supportive strategies using an equity-first lens to ensure that River Terrace 2.0 development moves forward with a sound funding strategy that supports City policy goals and priorities in this area. Due to the Equitable Finance Strategy's direct impact on City budgetary and operational resources, a core purpose of the Equitable Finance Strategy is to balance strategies that support policy goals while limiting potential impacts to City resources in a way that aligns with City Council direction. This work is ongoing, and additional information, including City budgetary considerations, will be provided during the next City Council update on April 21st.

Attachments

Presentation

RT2.0 Recommended Street Designs

RT2.0 Finance Strategy Overview

Developer Forum 2 Summary

RIVER TERRACE 2.0
COMMUNITY PLAN

Street Design & Finance Strategy Update

Tigard City Council Meeting
March 24, 2026

Street Design & Finance Strategy Update

Presentation Overview

Part 1 – Street Designs

- Policy goals
- Engagement feedback
- Recommended designs

Part 2 – Equitable Finance Strategy

- Infrastructure funding & delivery
- Engagement feedback
- Next steps

Requested Outcome: Council policy direction on priorities for RT2.0 infrastructure

RIVER TERRACE 2.0 COMMUNITY PLAN

Recommended Street Designs

Recommended Street Designs

Policy Goals

- Prioritize pedestrian and bike safety and comfort to support walkability for all users
- Maximize on-street parking
- Encourage slow vehicle speeds
- Use land efficiently to manage infrastructure costs
- Minimize impacts to natural areas
- Support future City operations and maintenance needs
- Create a vibrant and beautiful community

Recommended Street Designs

Engagement & Revision Process

Original Designs – Early Summer 2025

- Technical Advisory Committee
- Community Advisory Committee

First Revision – Late Summer 2025

- Public Open House

Second Revision – November 2025

- Interdepartmental Review
- Tualatin Valley Fire & Rescue
- Preliminary infrastructure cost estimates

Recommended Designs – March 2026

- Developer Forum
- Interdepartmental Review
- City Council

RIVER TERRACE 2.0 COMMUNITY PLAN

Recommended Street Designs

Engagement Feedback & Priorities

Community

- Separate modes of travel to promote safety, comfort, & walkability
- Slow cars down
- Provide shade for pedestrians and bikes
- Limit impacts to nature

Developers

- Reduce right-of-way width as much as possible to lower costs
- Maximize on-street parking where it's needed; eliminate it elsewhere

Recommended Street Designs

Engagement Feedback & Priorities

City Staff

- Changes in materials and tight spaces make operations and maintenance (O&M) challenging
- Include new equipment and staffing needs in funding strategy
- Determine City maintenance responsibilities for unique designs
- Develop new level of service standards

City Council

- Maximize on-street parking
- Encourage a walkable community
- Support future businesses and vibrancy of commercial areas

RIVER TERRACE 2.0 COMMUNITY PLAN

Competing Priorities

More Right-of-Way	Less Right-of-Way
Maximize safety & comfort	Reduce safety & comfort
Slow traffic	Minimize upfront infrastructure costs
Higher upfront & ongoing costs	Minimize ongoing maintenance costs
Maximize on-street parking	Reduce on-street parking

Recommended street designs aim to balance competing priorities.

River Terrace 2.0 Street Design Types

Collector Design Types

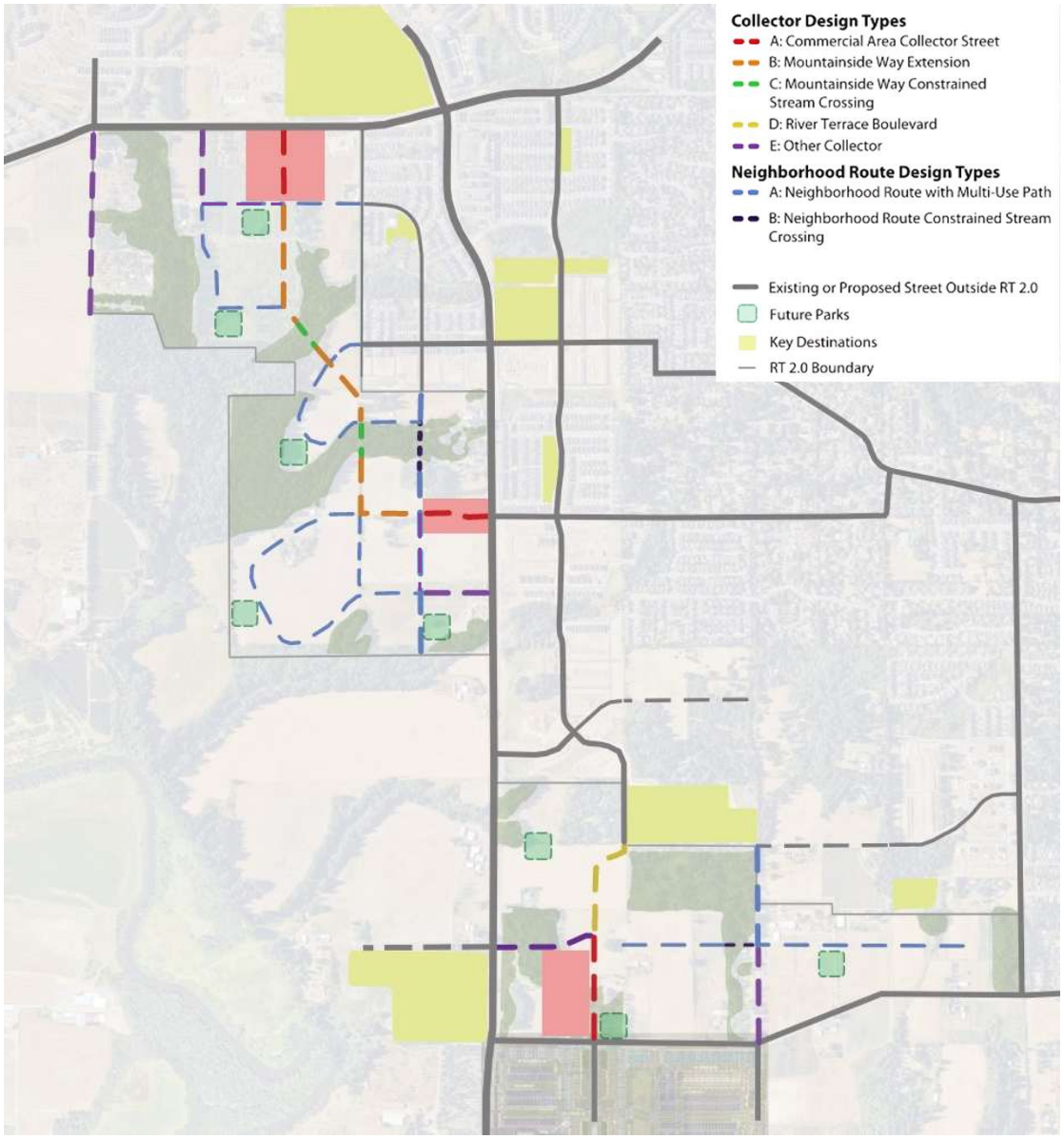
- A: Commercial Area Collector Street
- B: Mountainside Way Extension
- C: Mountainside Way Constrained Stream Crossing
- D: River Terrace Boulevard
- E: Other Collector

Neighborhood Route Design Types

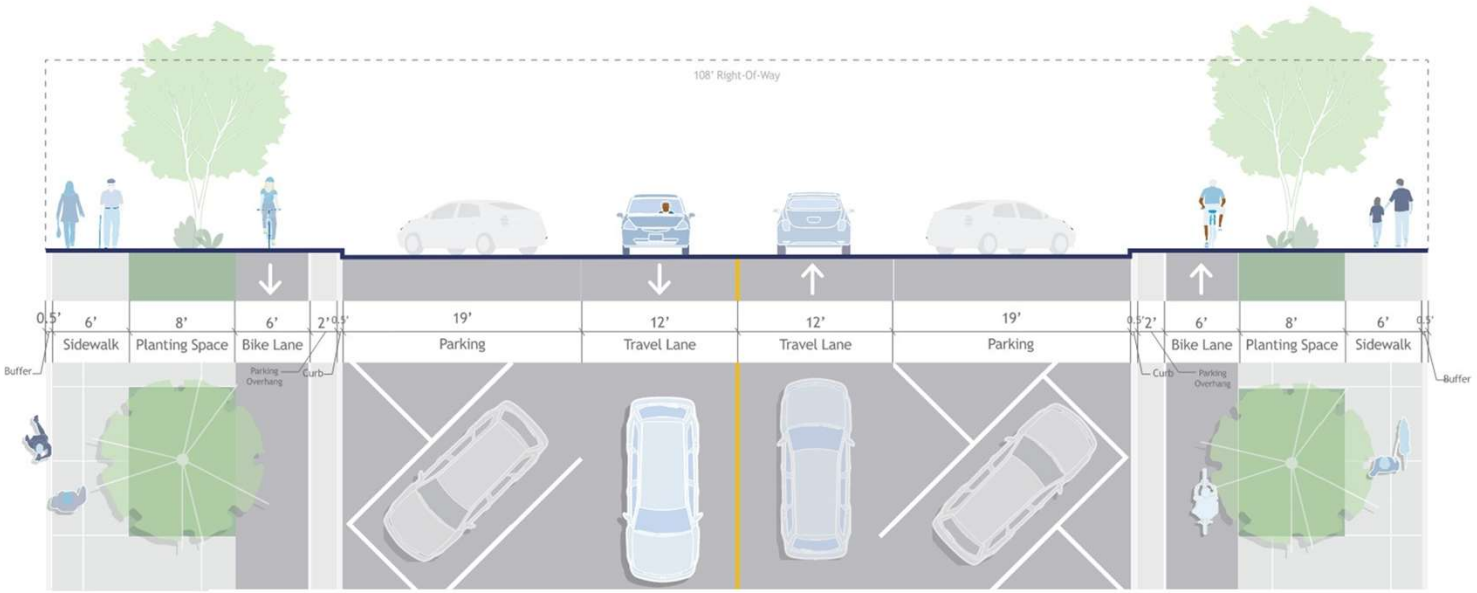
- A: Neighborhood Route with Multi-Use Path
- B: Neighborhood Route Constrained Stream Crossing

- Existing or Proposed Street Outside RT 2.0
- Potential Locations of Future Parks
- Key Destinations
- RT 2.0 Boundary

Note: Local streets are not mapped



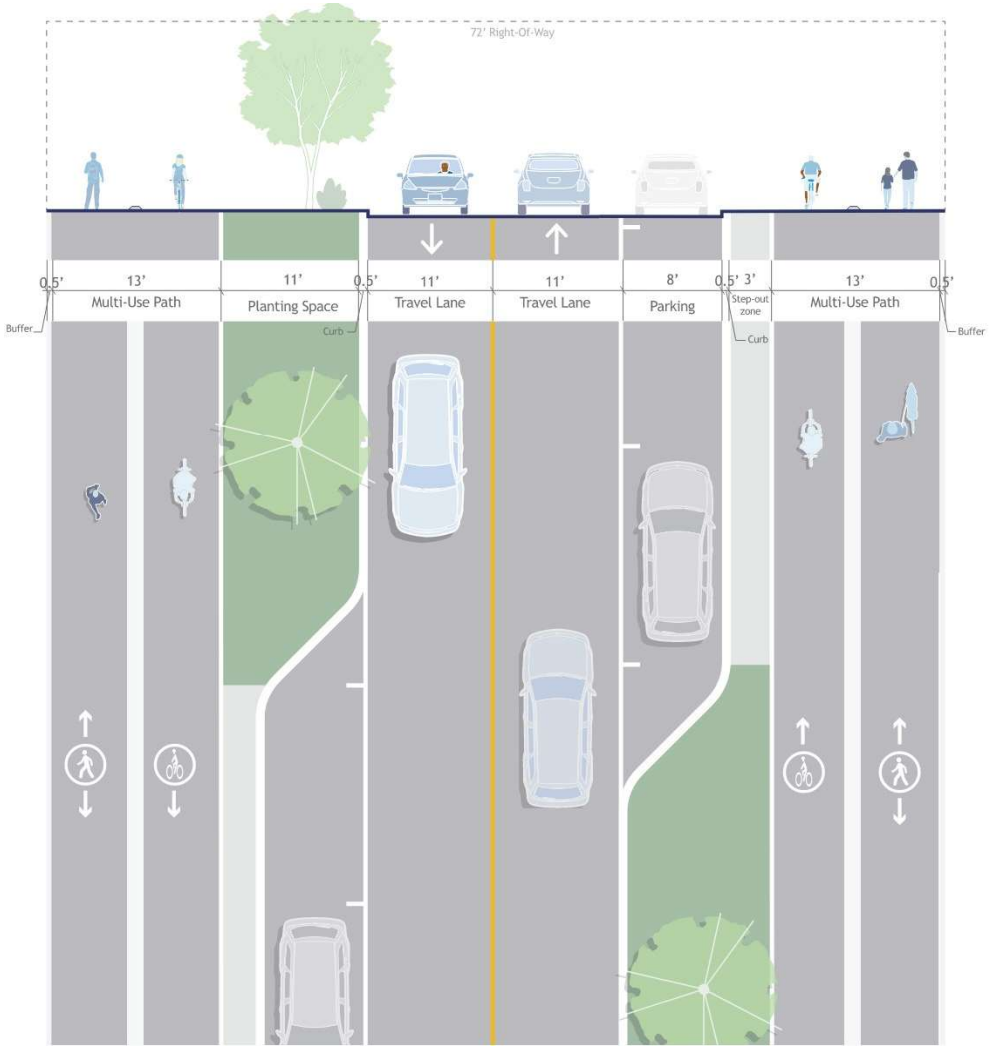
Collector A: Commercial Collector



Design Features:

- 108’ width maximizes:
  - Parking in front of businesses
  - Safety for pedestrians and bikes
- Supports vibrancy with a wide, versatile sidewalk and large street trees
- Similar in size to River Terrace Blvd (110’) but in limited areas

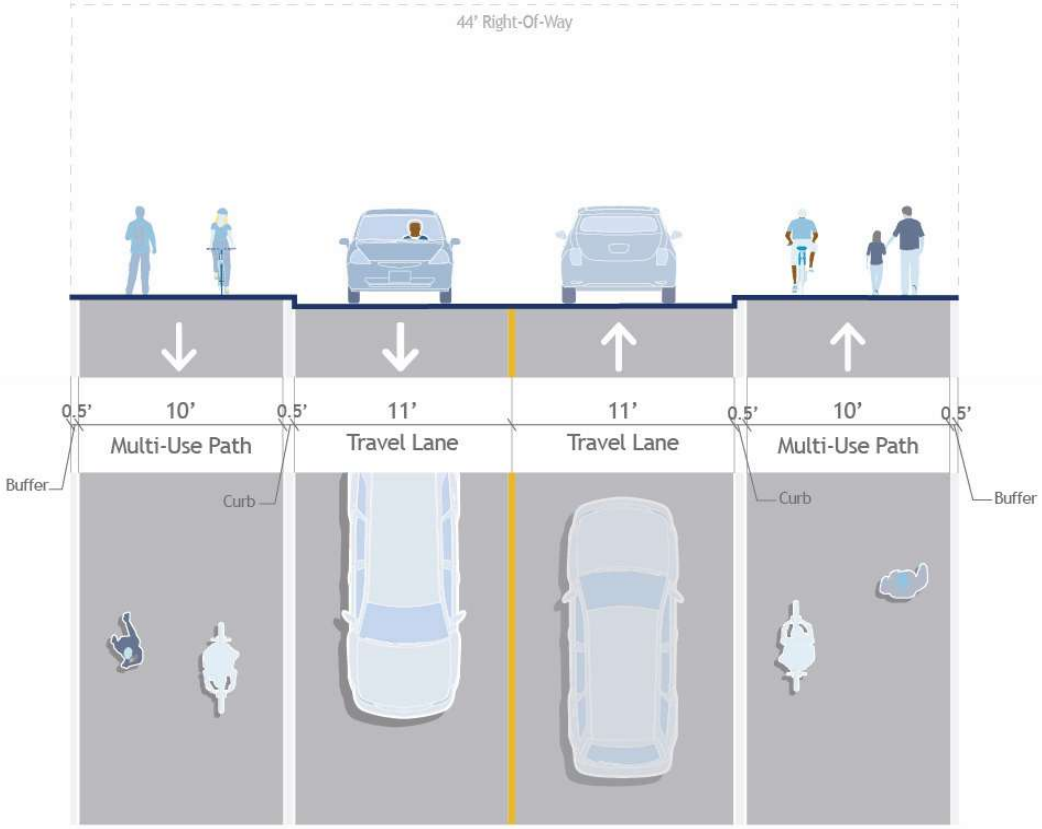
Collector B: Mountainside Way



Design Highlights:

- Serves as the main artery through RT2.0
- Enhanced Multi-Use Path improves safety and comfort while:
  - Reducing right-of-way width
  - Lowering costs
  - Easing maintenance challenges
- On-street parking alternates sides to:
  - Reduce right-of-way width
  - Limit under-utilized parking
- Large planting areas for large street trees

Collector C: Mountainside Way Constrained

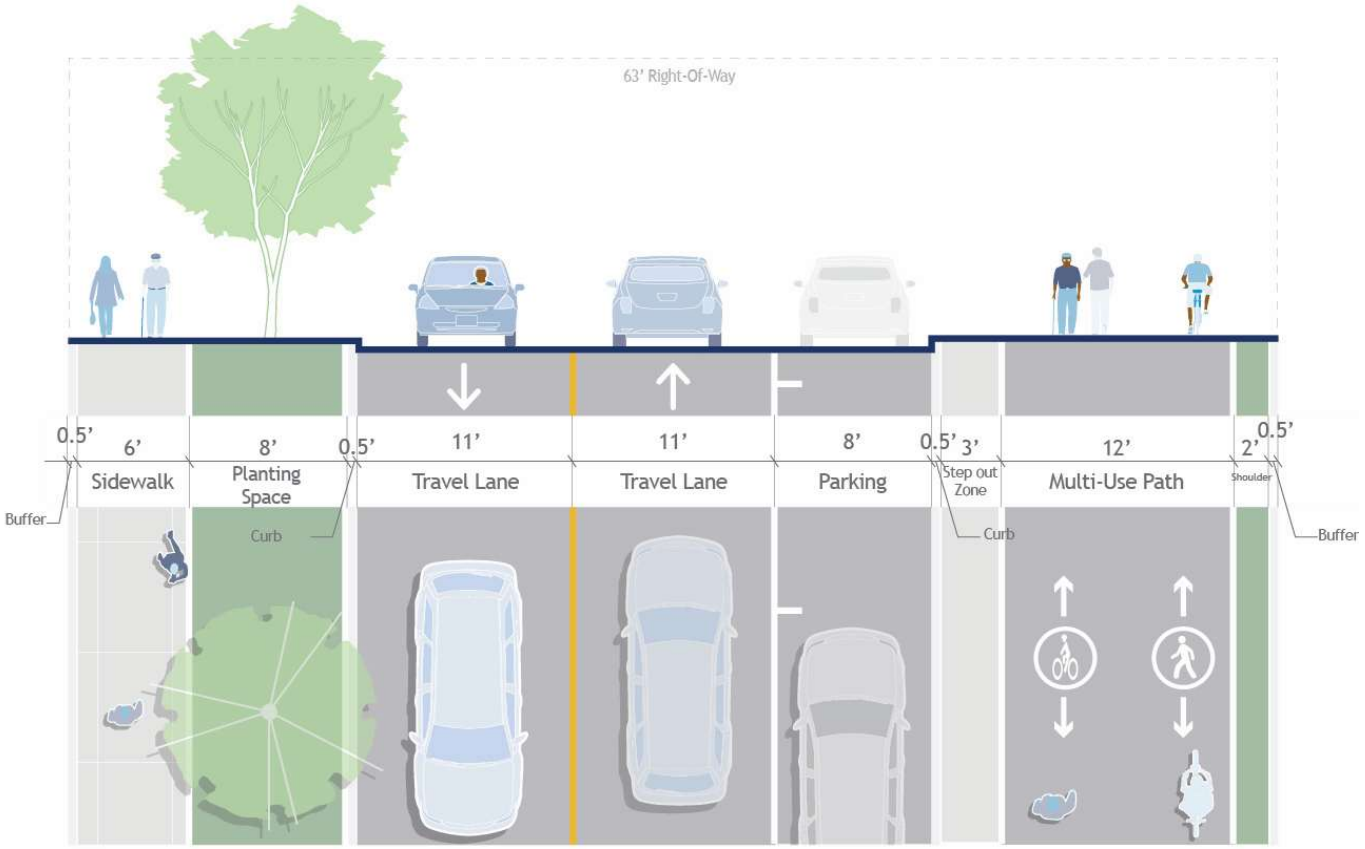


Design Highlights:

Narrowed Multi-Use Path maintains safety while:

- Reducing right-of-way width
- Lowering construction costs
- Minimizing impacts to nature

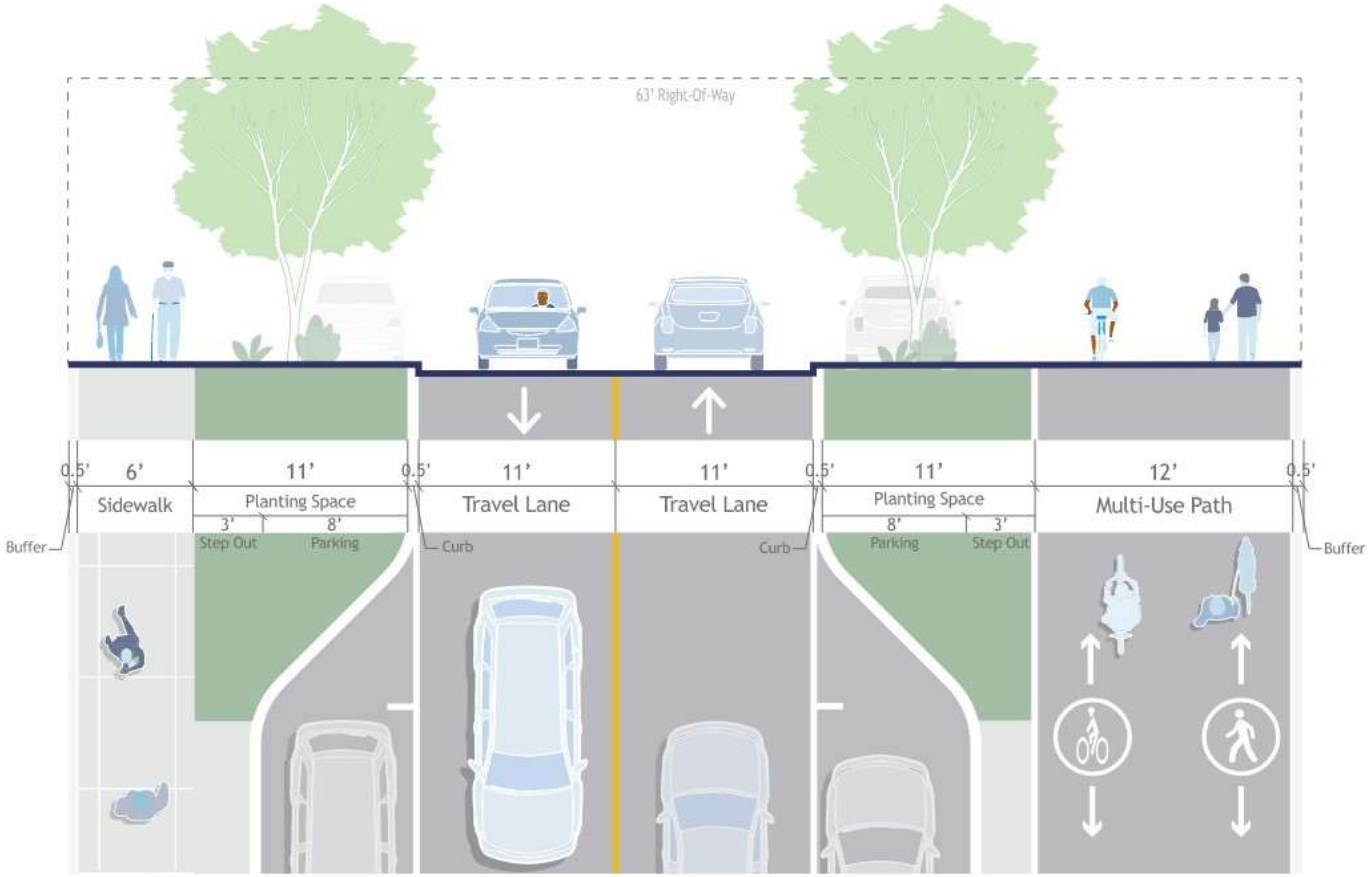
Collector D: River Terrace Boulevard Extension



Design Highlights:

- Continues key elements of existing street while:
  - Reducing width by 47’
  - Minimizing under-utilized parking
  - Enhancing safety on the Multi-Use Path
- Alternates on-street parking
- Supports City operations & maintenance

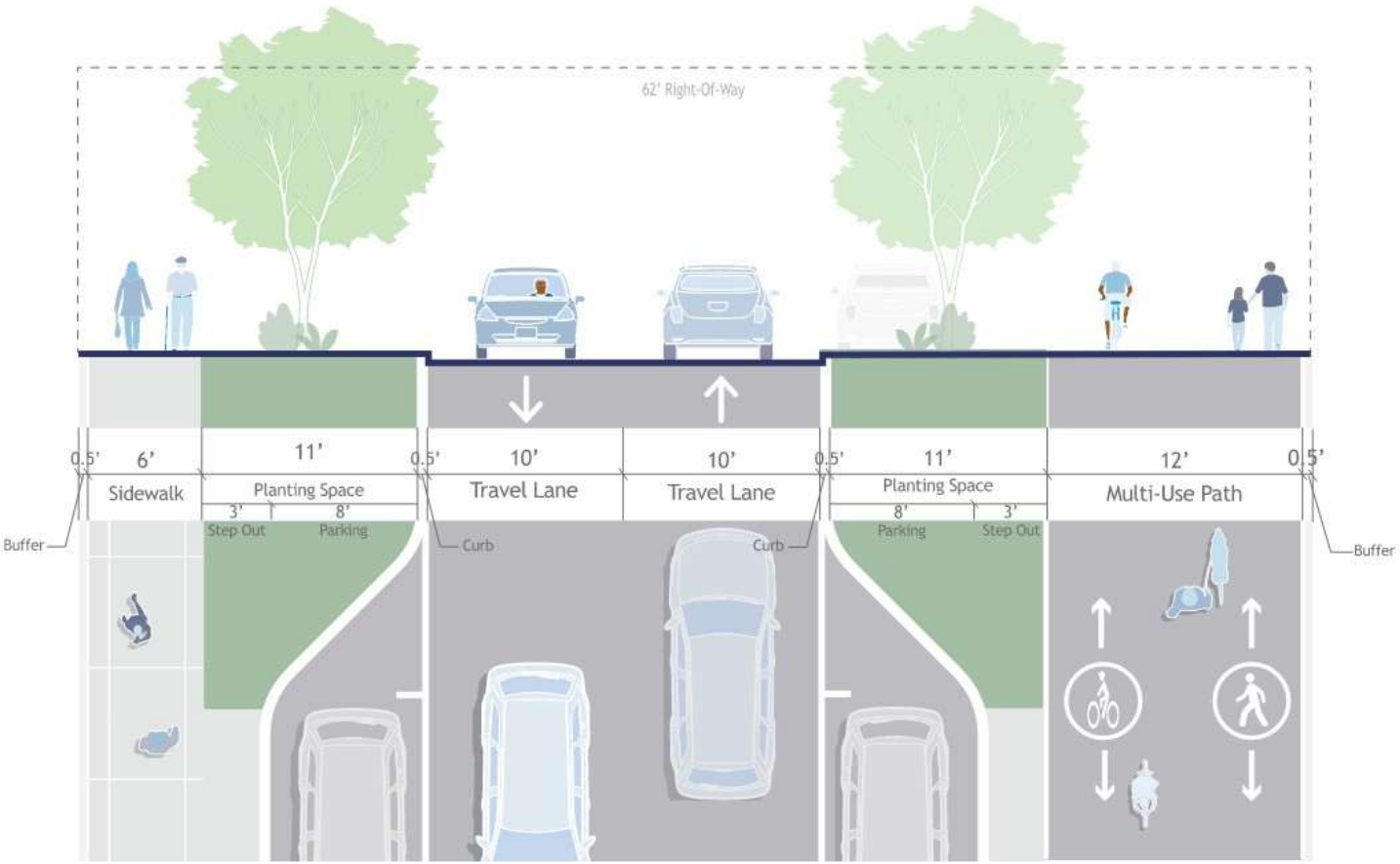
Collector E: Other Collectors



Design Highlights:

- Provides parking pockets on both sides of the street
- Large landscaping bulb-outs form parking areas and allow large street trees
- Enhanced Multi-Use Path for safety and comfort
- Reduces width by eliminating continuous planting strip

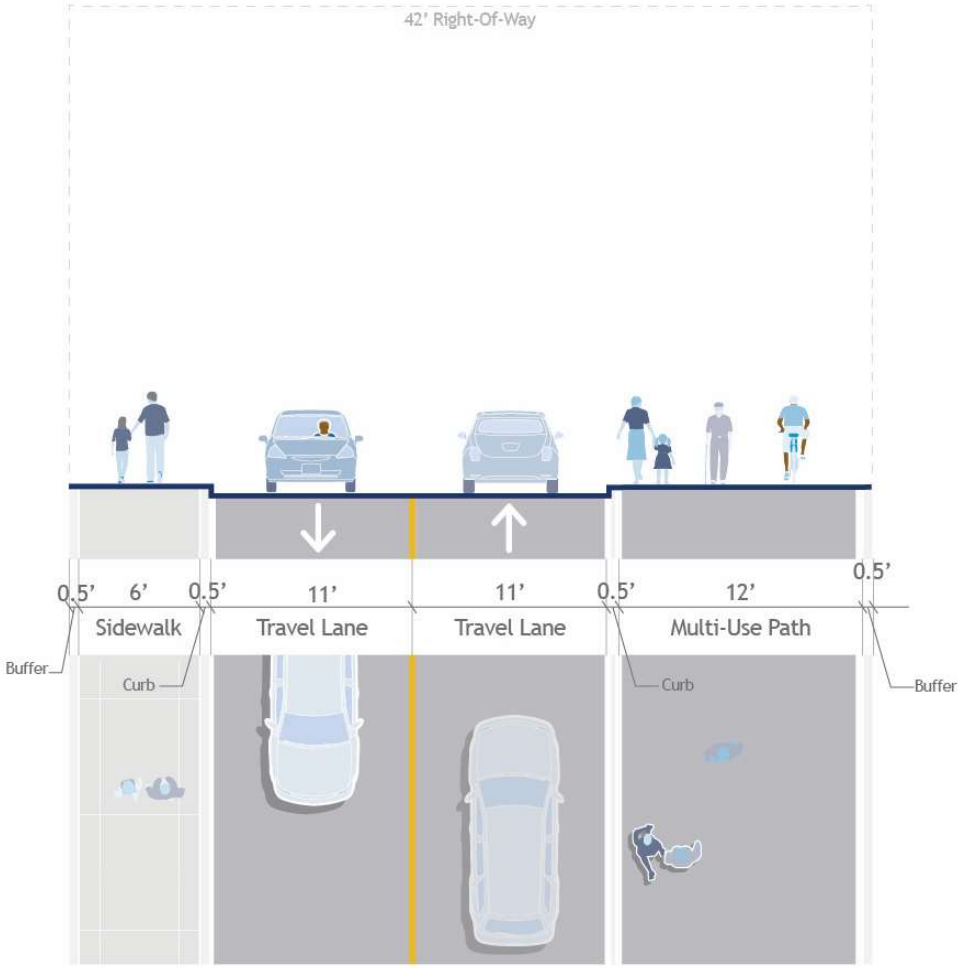
Neighborhood Route A



Design Highlights:

- Narrower lanes with no striping encourage slow speeds
- Provides parking pockets on both sides of the street
- Large landscaping bulb-outs
- Enhanced Multi-Use Path
- Reduces width by eliminating continuous planting strip

Neighborhood Route B: Constrained

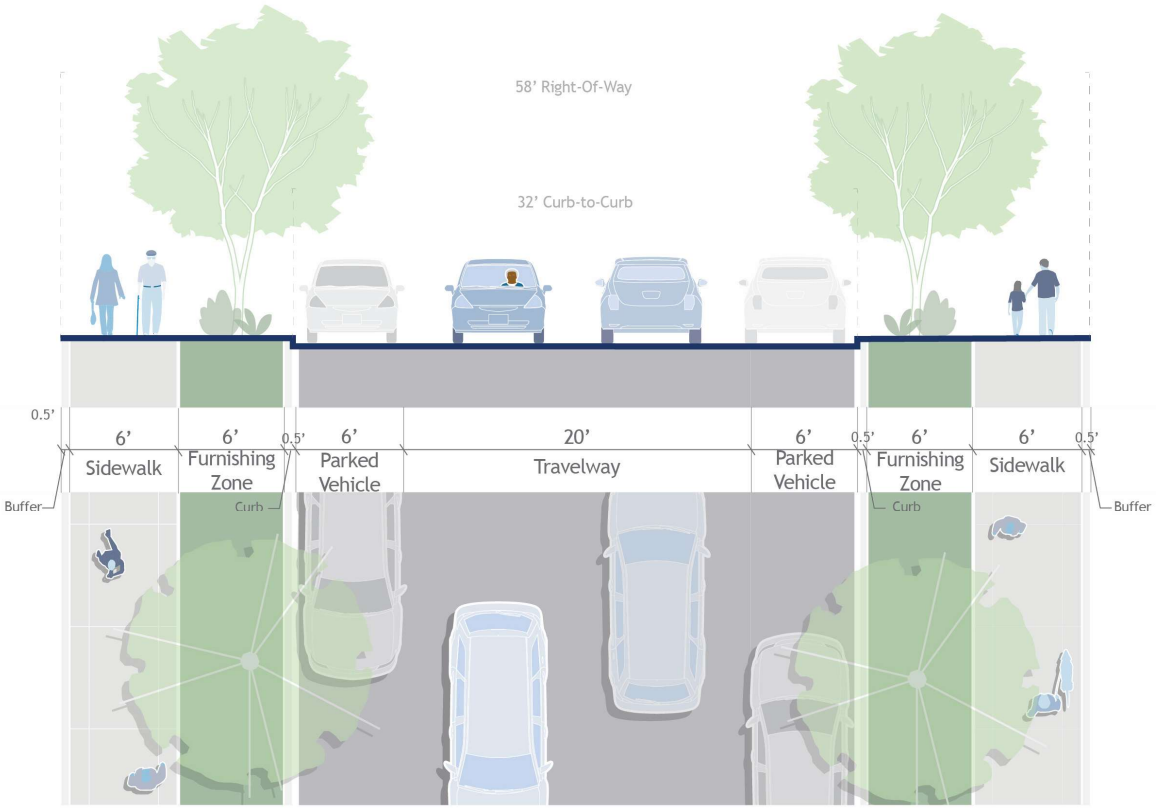


Design Highlights:

Single-sided Multi-Use Path maintains safety while:

- Reducing right-of-way width
- Lowering construction costs
- Minimizing impacts to nature

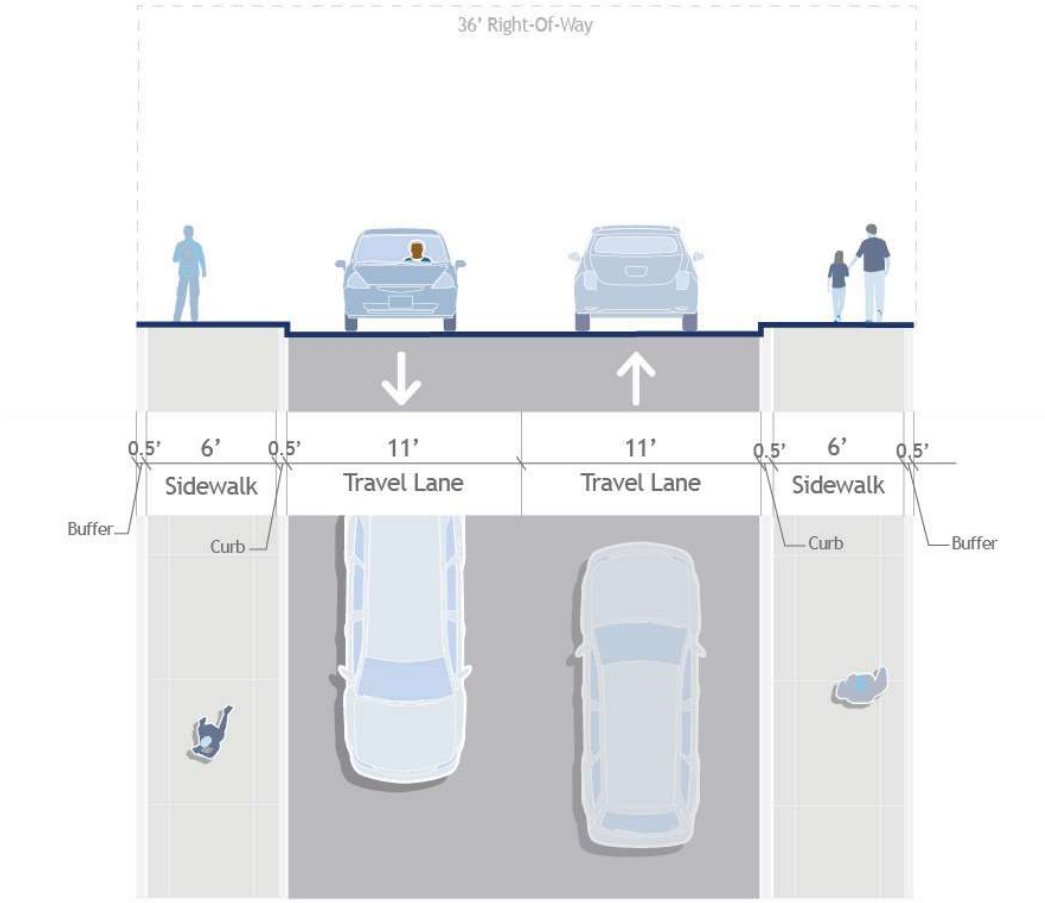
Local Street



Design Highlights:

- Similar to typical local street design
- Maximizes on-street parking in front of homes
- 20’ travelway with no striping encourages slow speeds, shared with bikes
- 32’ curb-to-curb width supports emergency vehicles and City maintenance operations

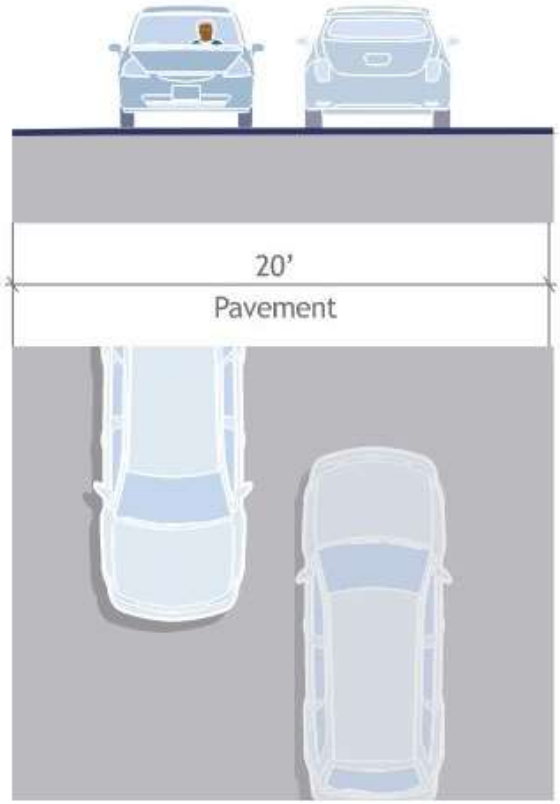
Local Street Constrained



Design Highlights:

- Minimizes right-of-way width to:
  - Limit impacts to nature
  - Lower construction costs
- Bikes share the road with slow moving vehicles.

Alley



Design Highlights:

- Standardizes private alleys
- Shared space for bikes, cars, and pedestrians

Recommended Street Designs

Council Direction

1. What are City Council's priorities for the River Terrace 2.0 street network design?
2. Do the recommended street designs align with Council priorities?

RIVER TERRACE 2.0 COMMUNITY PLAN

Finance Strategy Overview

Finance Strategy Overview

What does the Equitable Finance Strategy do?

1. Identify how capital improvements will be funded and built.
2. If on-going operations and maintenance costs warrant special funding mechanisms.

What do we know now?

- Available funding sources
- Initial revenue estimates from existing sources
- Preliminary funding and delivery assumptions
- Initial cost estimates for transportation, water, and sewer
- River Terrace 1.0 methodology results and implementation

Finance Strategy Overview

Anticipated Funding Sources

Known Sources

- Washington County Transportation Development Tax (TDT)
- Tigard System Development Charges (SDCs)
- Clean Water Services SDCs
- River Terrace 2.0 supplemental Transportation SDC
- River Terrace 2.0 supplemental Parks SDC
- Developer contributions

Potential Additional Sources

- Local Improvement District or Tax Increment Financing (TIF) District
- Supplemental RT2.0 Transportation Use Fee (TUF)
- Supplemental RT2.0 Park and Recreation Fee (PARF)

Infrastructure Delivery Assumptions

INFRASTRUCTURE	DELIVERED BY	FUNDED BY
Transportation	Developers, except for off-site improvements	Developer contributions County TDT credits Transportation SDC credits (citywide and RT2.0)
Parks	Developers	RT2.0 supplemental Parks SDC credits Citywide Parks SDCs and credits (Community Park) Some developer contributions
Utilities *Water, Sewer, Stormwater*	Developers & Public Sector	Developer contributions Some credits available

Finance Strategy Overview

RT2.0 Tiered System Development Charges

Policy Goals

- Support the construction of middle housing and smaller units
- Lower costs for developers

Preliminary Approach

- Fees scale with unit size (smaller units have lower fees)
- Only applies to RT2.0-specific residential System Development Charges for transportation and parks
- Tier the fees using 3 - 4 unit size categories
- Supplements City's existing exemptions and programs

RIVER TERRACE 2.0 COMMUNITY PLAN

Finance Strategy Overview

What have we heard from developers?

- Balance infrastructure costs and fees with affordability, feasibility, and design.
- System Development Charges are one of the most important determinants of feasibility.
- Discounts and delayed collection of System Development Charges help alleviate the cost burden.
- Support for unique approaches like tiered fees and cost-sharing to lower costs.

RIVER TERRACE 2.0 COMMUNITY PLAN

Finance Strategy Overview

Finance Strategy Next Steps

- CWS and King City coordination on the RT2.0 “super regional” stormwater strategy
- Finalize infrastructure costs and estimate fees
- Develop tiered System Development Charges recommendations
- Determine System Development Charges credit policy recommendations
- Seek additional direction from City Council

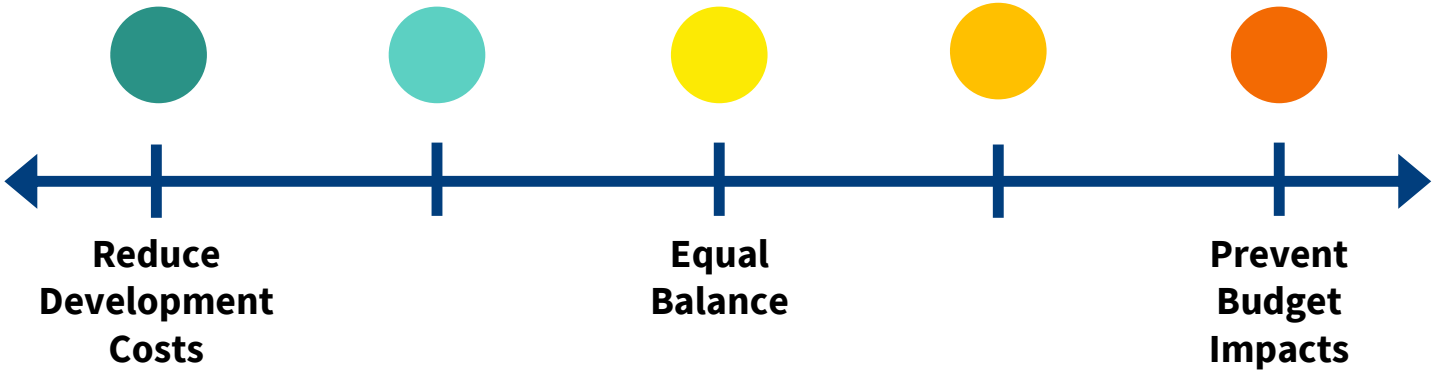
RIVER TERRACE 2.0 COMMUNITY PLAN

Finance Strategy Overview

Council Direction

In most greenfield development areas, there is a tension between the cost of development and the cost to city budgets that has to be balanced to ensure feasibility.

Is City Council's priority to reduce development costs or to prevent City budgetary impacts?



RIVER TERRACE 2.0 COMMUNITY PLAN

Finance Strategy Overview

Council Direction

Is City Council interested in applying supplemental fees in River Terrace 2.0?

Examples of supplemental fees:

- Transportation Use Fee (applied in River Terrace 1)
- Park and Recreation Fee (in addition to citywide fee)

RIVER TERRACE 2.0 COMMUNITY PLAN

Next Steps

Next Steps

Upcoming work:

- Finalize street designs
- Advance finance strategy
- Continue developer engagement
- Complete Parks System Plan draft
- Continue Development Code amendments



Important Dates:

- March 30th Developer Forum
- April 3rd Metro grant deadlines – *Transportation System Plan Amendment, Park System Plan*
- April 20th Planning Commission
- April 21st City Council

RIVER TERRACE 2.0 COMMUNITY PLAN

Thank you

RIVER TERRACE 2.0
COMMUNITY PLAN

Recommended Street Designs

March 2026

River Terrace 2.0 Street Design Types

Collector Design Types

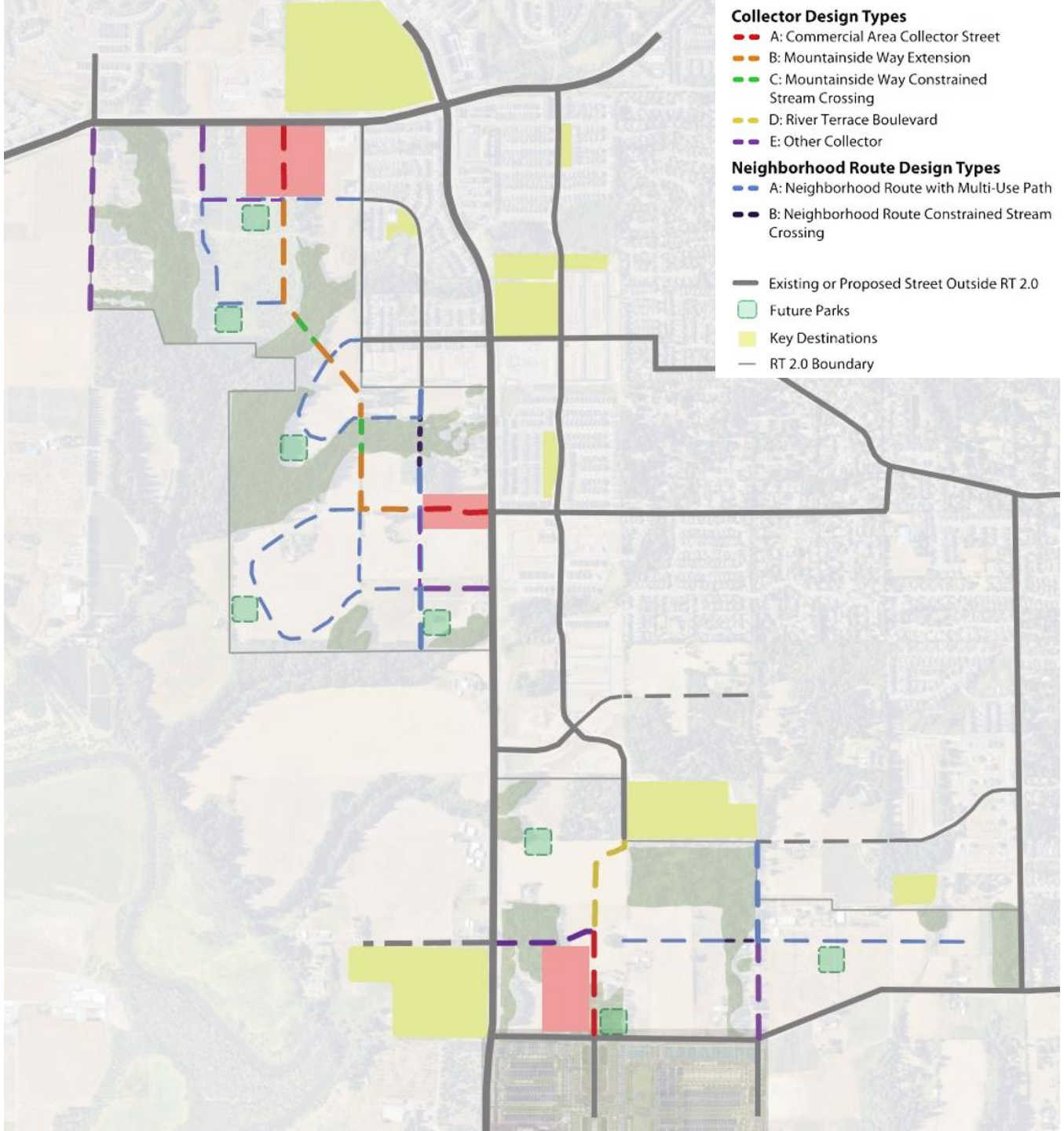
- A: Commercial Area Collector Street
- B: Mountainside Way Extension
- C: Mountainside Way Constrained Stream Crossing
- D: River Terrace Boulevard
- E: Other Collector

Neighborhood Route Design Types

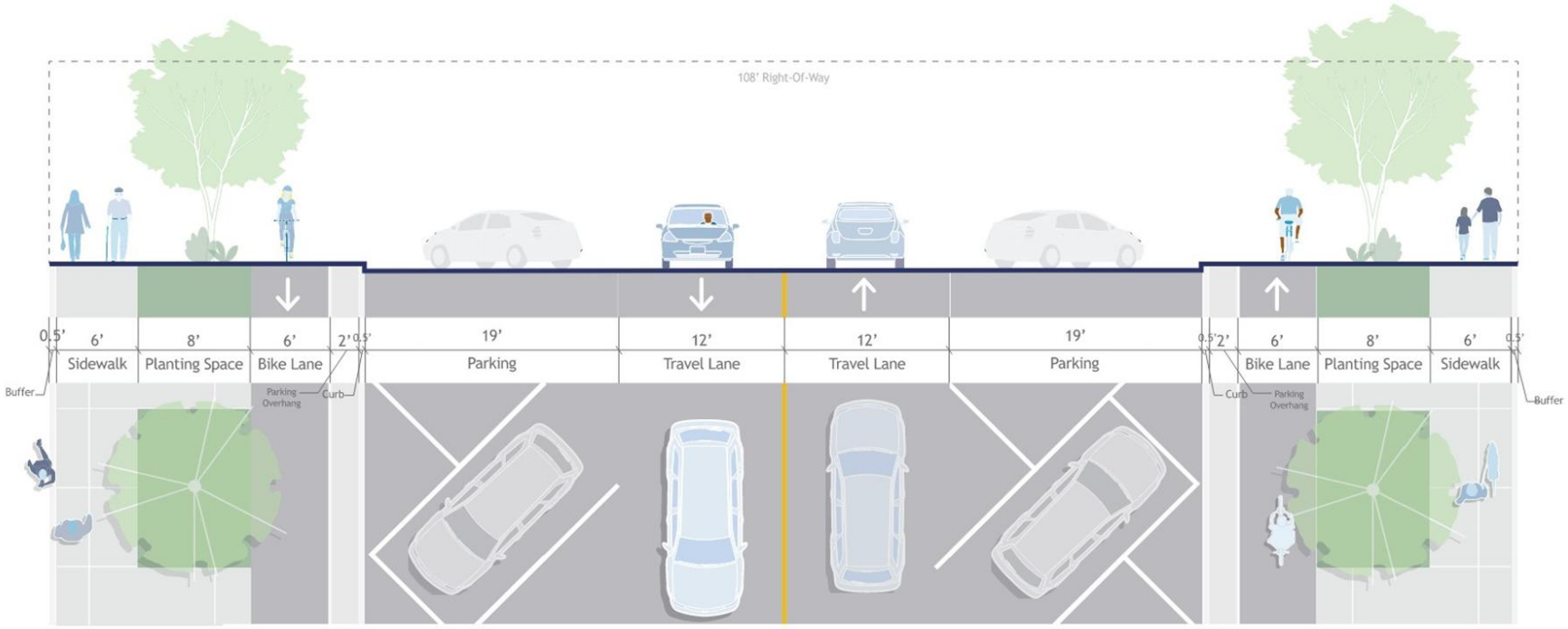
- A: Neighborhood Route with Multi-Use Path
- B: Neighborhood Route Constrained Stream Crossing

- Existing or Proposed Street Outside RT 2.0
- Potential Locations of Future Parks
- Key Destinations
- RT 2.0 Boundary

Note: Local streets are not mapped



Collector A: Commercial Collector



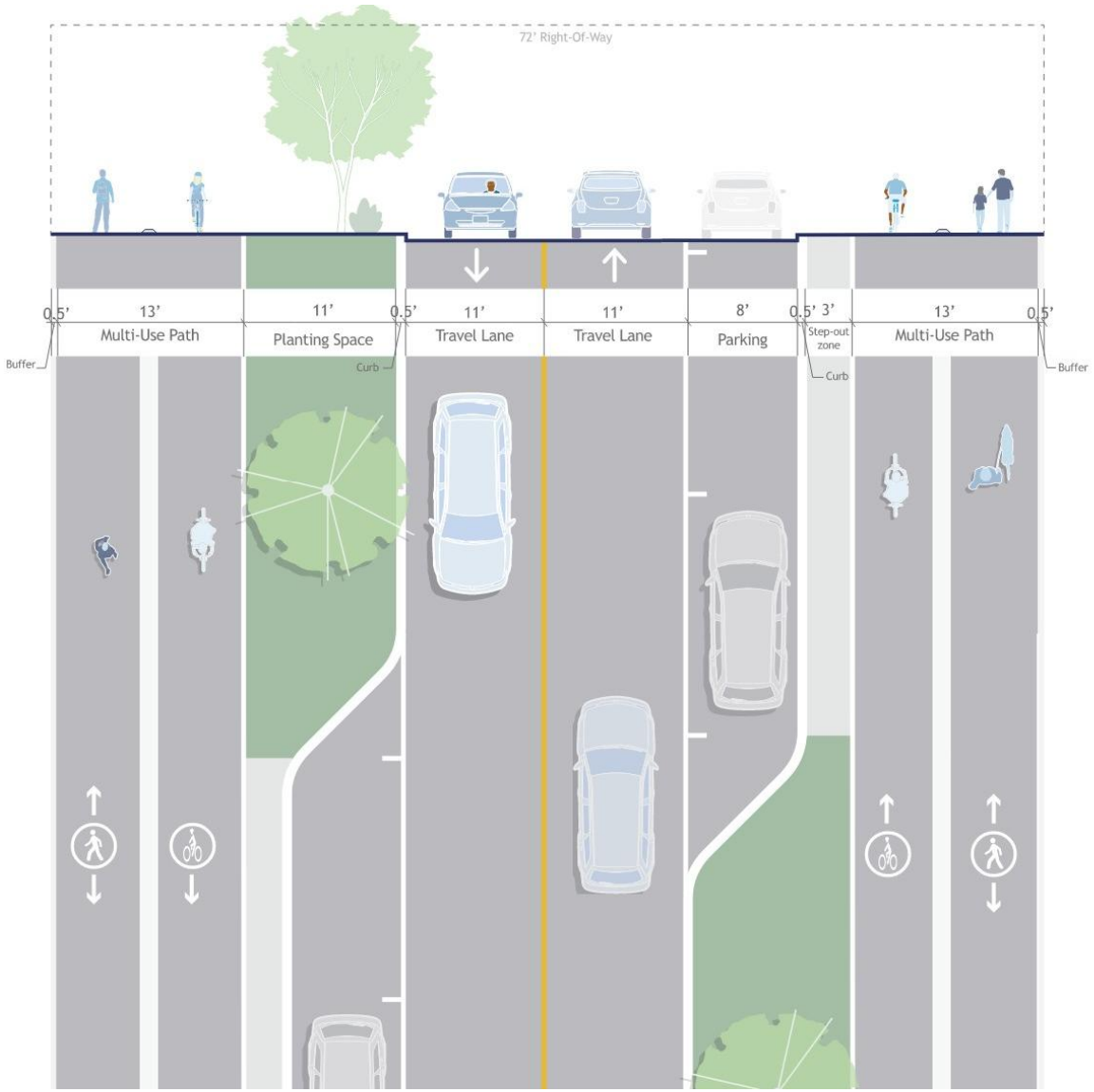
Design Highlights:

- Angled parking maximizes parking in front of businesses
- Off-street bike lanes maximize safety
- Wide, versatile sidewalk area in front of businesses
- Large street trees offer shade and beautify the area

Major changes from the original design:

- Increased right of way (ROW) width from 105’ to 108’
- Reduced frontage zone width and eliminated the median to reduce ROW and support future City maintenance needs

Collector B: Mountainside Way



NOTE:
1. Parking will be provided on one side of the street and alternate with the planting space. Parking bays should be 5-7 spaces long.
2. A 3' step out zone will be provided when parking is next to the MUP.
3. An adhesive tactile warning delineator such as this StrongGo product is provided in the MUP to separate modes of travel.

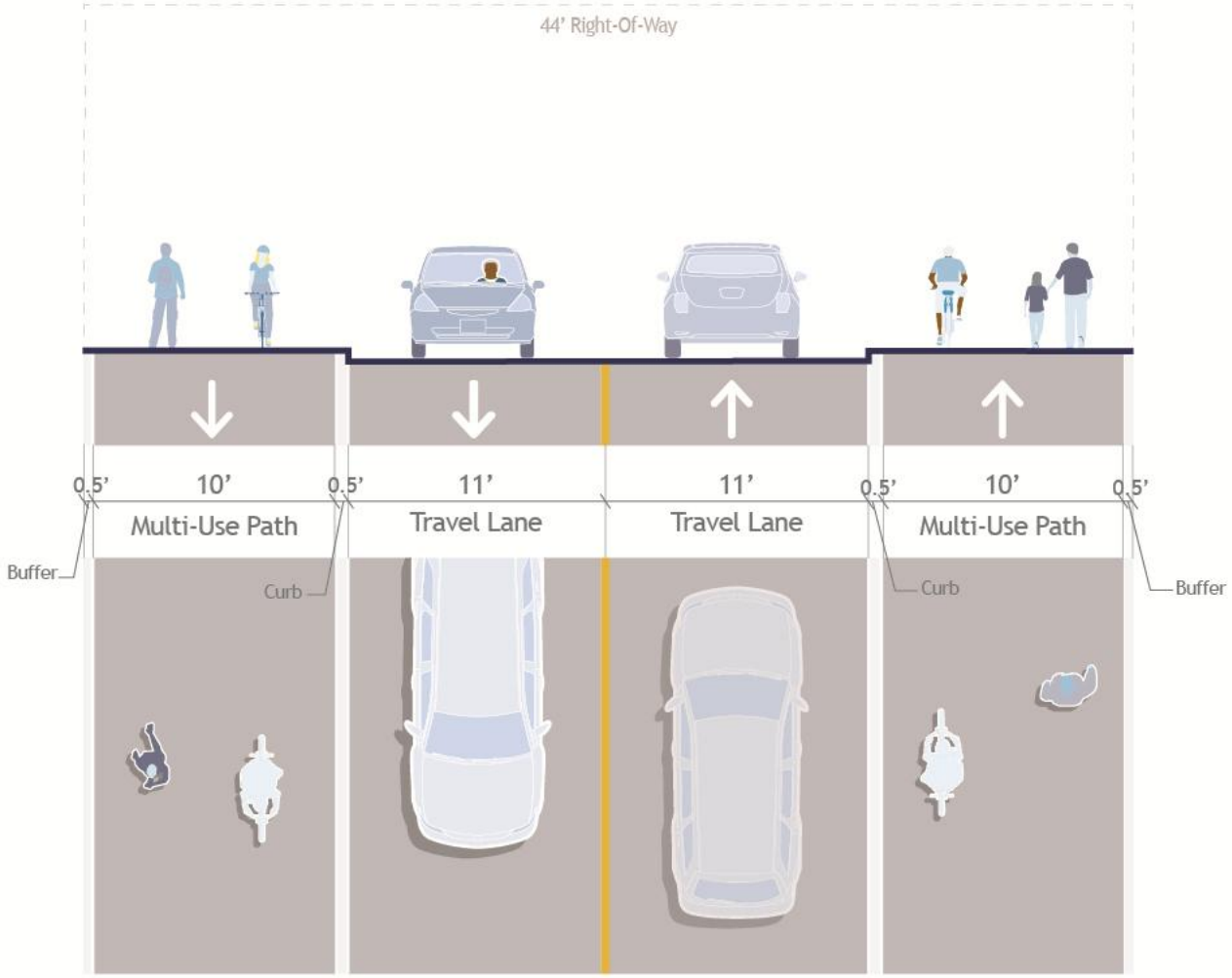
Design Highlights:

- Enhanced Multi-Use Path (MUP) design on both sides of the street for improved safety and comfort
  - One foot wider than standard MUP design
  - Uses a tactile material and stencils to encourage separation of bikes and pedestrians
  - Bikes only travel in one direction
  - Step-out zones for safety crossing the path
- On-street parking alternates sides to limit under-utilized parking and help to slow cars down
- Large street trees offer shade and beautify the area

Major changes from the original design:

- Decreased ROW width from 90' to 72'
- Added on-street parking
- Eliminated the median to reduce ROW and support future City maintenance needs
- Uses enhanced MUP design instead of fully separated pedestrian and bike facilities to reduce ROW

Collector C: Mountainside Way Constrained



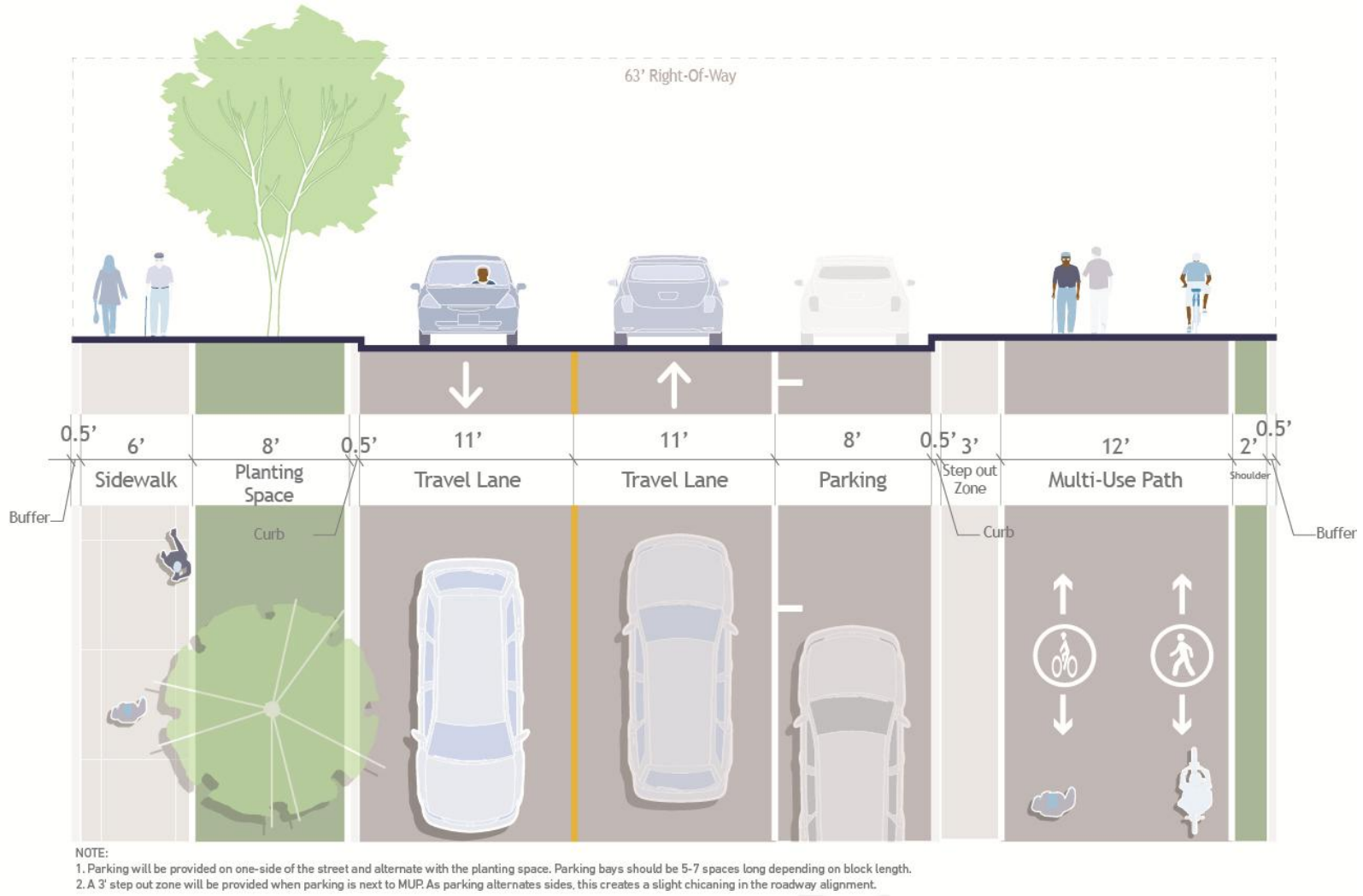
Design Highlights:

- ROW minimized to limit impacts to natural areas like stream crossings as much as possible
- Narrowed MUP design on both sides of the street reduces impact to nature while maintaining safety

Major changes from the original design:

- Decreased ROW width from 50' to 44'
- Uses MUP instead of separated bike and pedestrian areas

Collector D: River Terrace Boulevard Extension



NOTE:
1. Parking will be provided on one-side of the street and alternate with the planting space. Parking bays should be 5-7 spaces long depending on block length.
2. A 3' step out zone will be provided when parking is next to MUP. As parking alternates sides, this creates a slight chicaning in the roadway alignment.

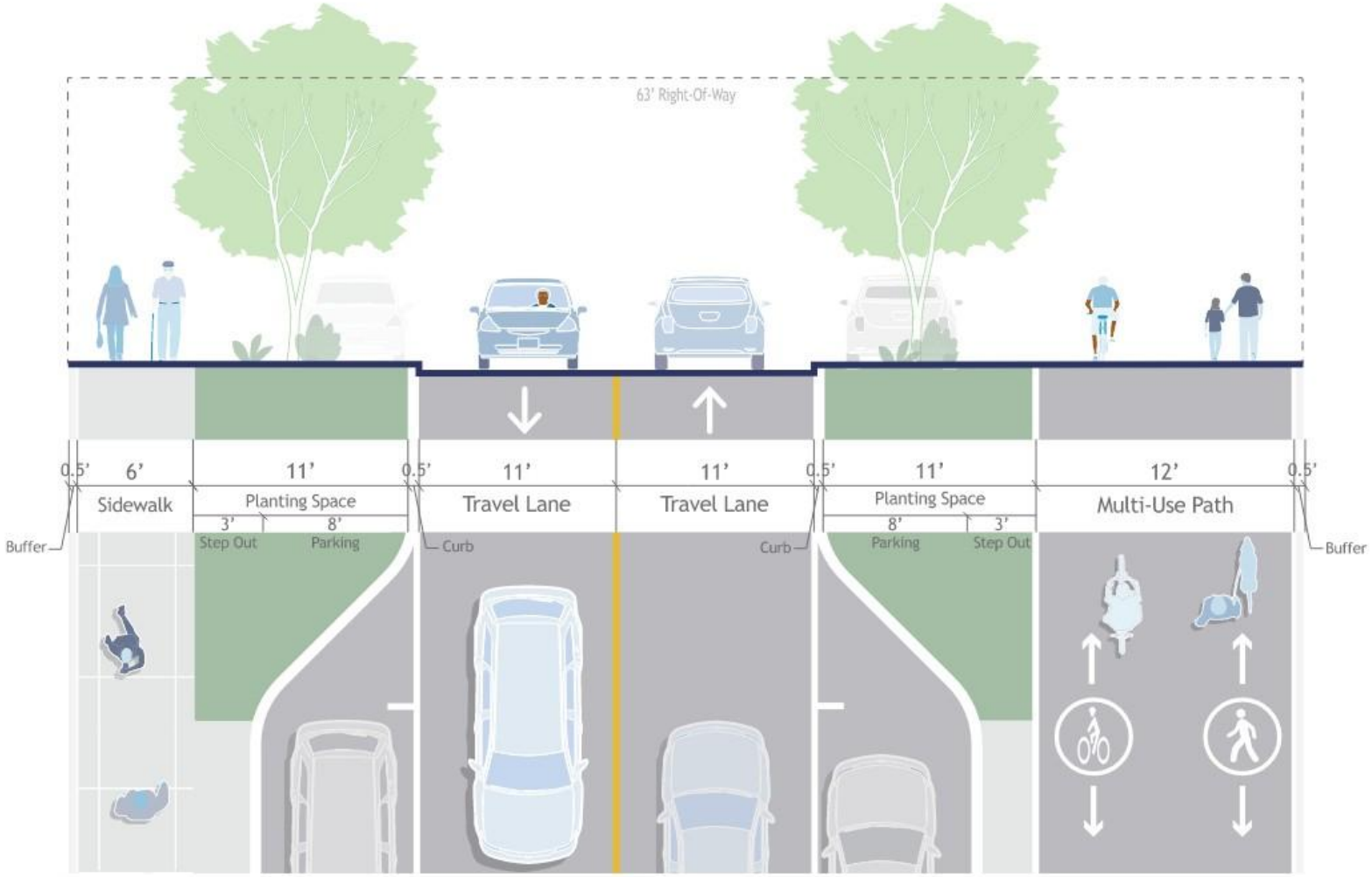
Design Highlights:

- Similar design as Mountainside Way, on-street parking alternates sides
- Continues single-sided 12' MUP from existing River Terrace Blvd, adds stencils to encourage separation of bikes and pedestrians for safety and comfort

Major changes from the original design:

- Decreased ROW width from 88' to 63'
- Added on-street parking
- Eliminated the median to reduce ROW and support future maintenance needs
- Uses enhanced MUP design instead of a separate sidewalk and MUP to reduce ROW.

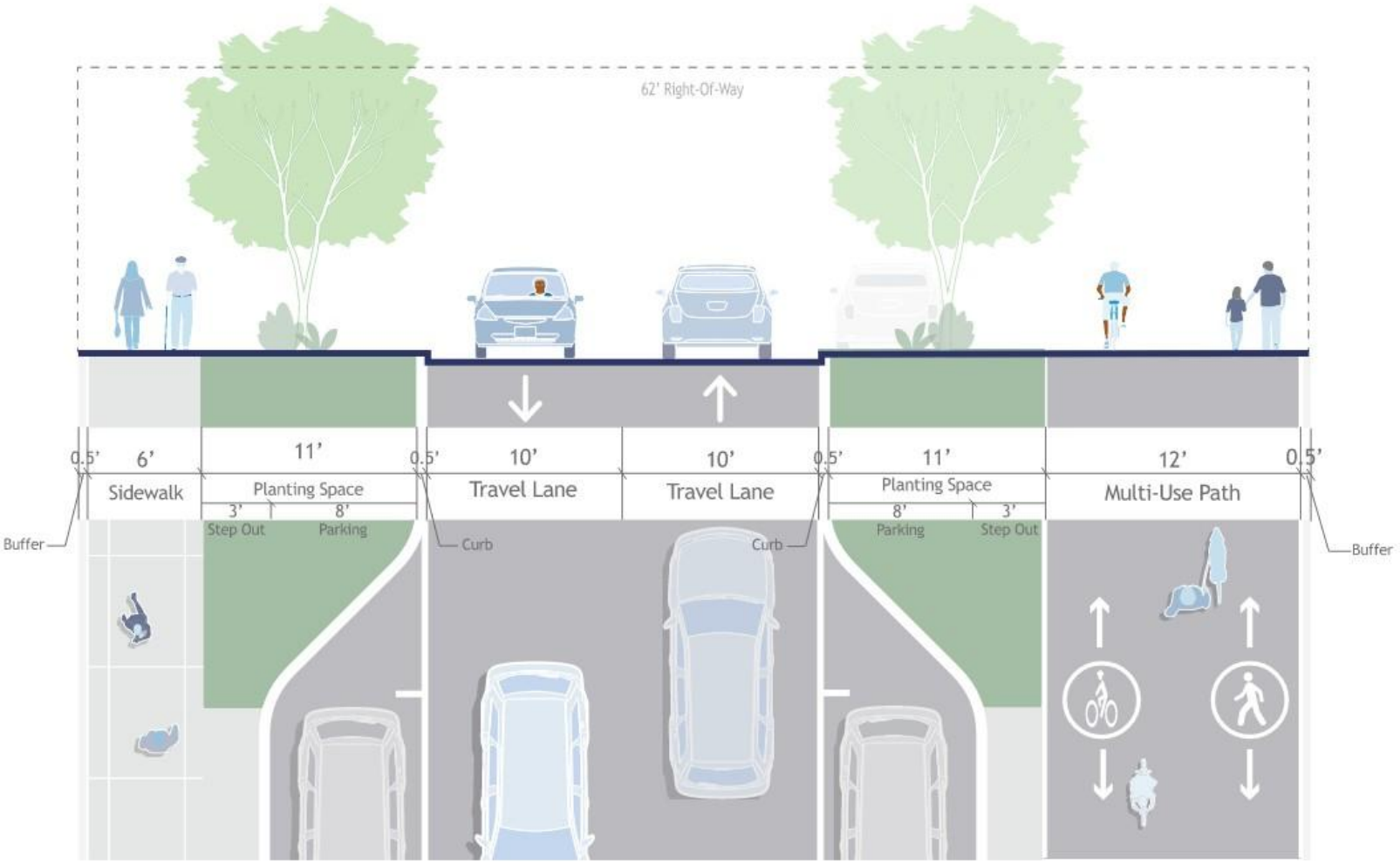
Collector E: Other Collectors



Design Highlights:

- New street design for other major streets
- Provides parking pockets on both sides of the street
- Large landscaping bulb-outs form parking pockets and allow large street trees
- Enhanced MUP on one side of the street with stencils for safety and comfort

Neighborhood Route A



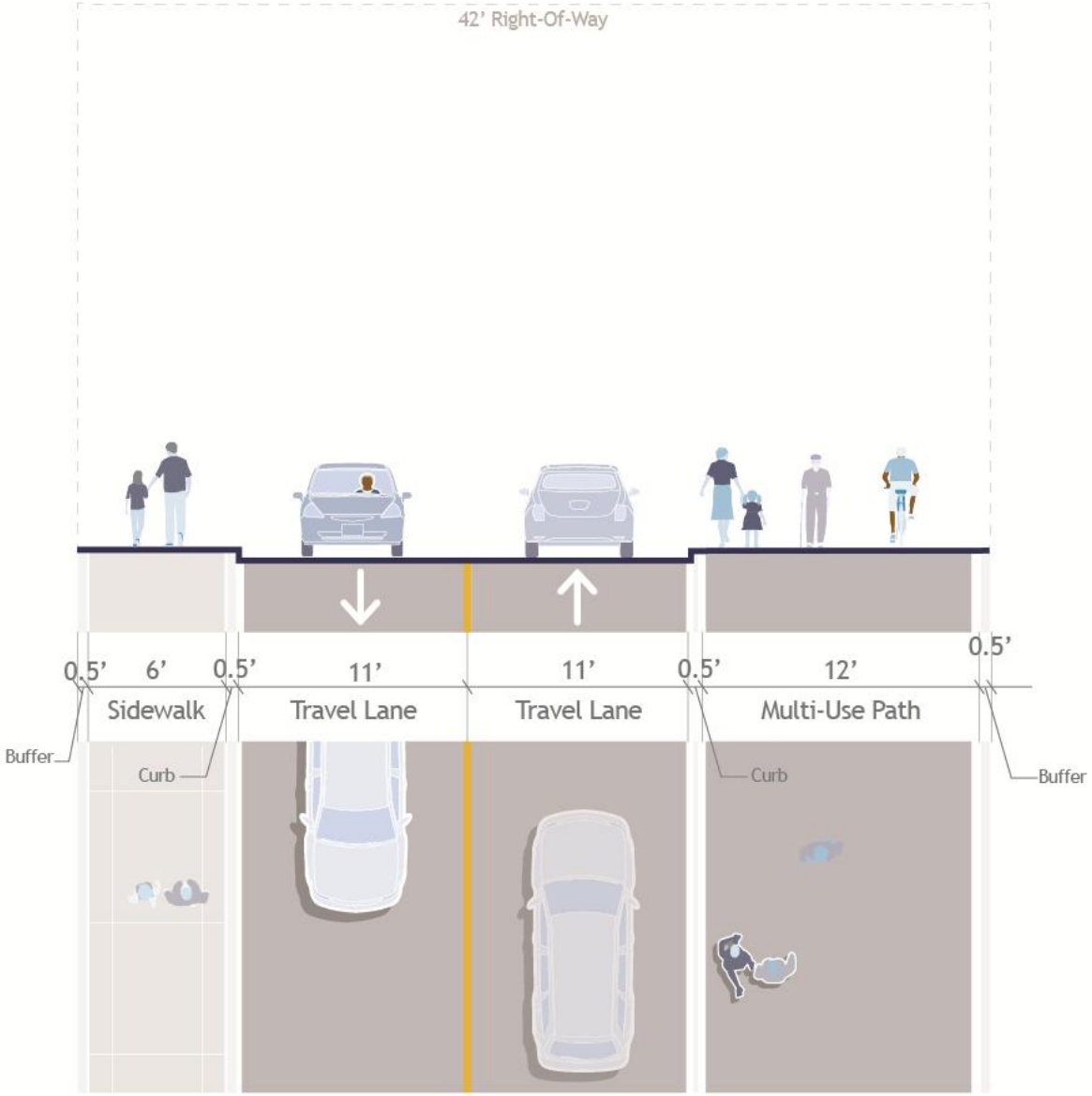
Design Highlights:

- Provides parking pockets on both sides of the street with step-out zones
- Large landscaping bulb-outs form parking pockets and allow large street trees
- Enhanced MUP on one side of the street with stencils for safety and comfort
- Narrower lanes with no striping encourage slow speeds

Major changes from the original design:

- Decreased ROW width from 91’ to 62’
- Added on-street parking
- Eliminated the median to reduce ROW and support future City maintenance needs
- Uses enhanced MUP design instead of a separate sidewalk and buffered on-street bike lane to reduce ROW.

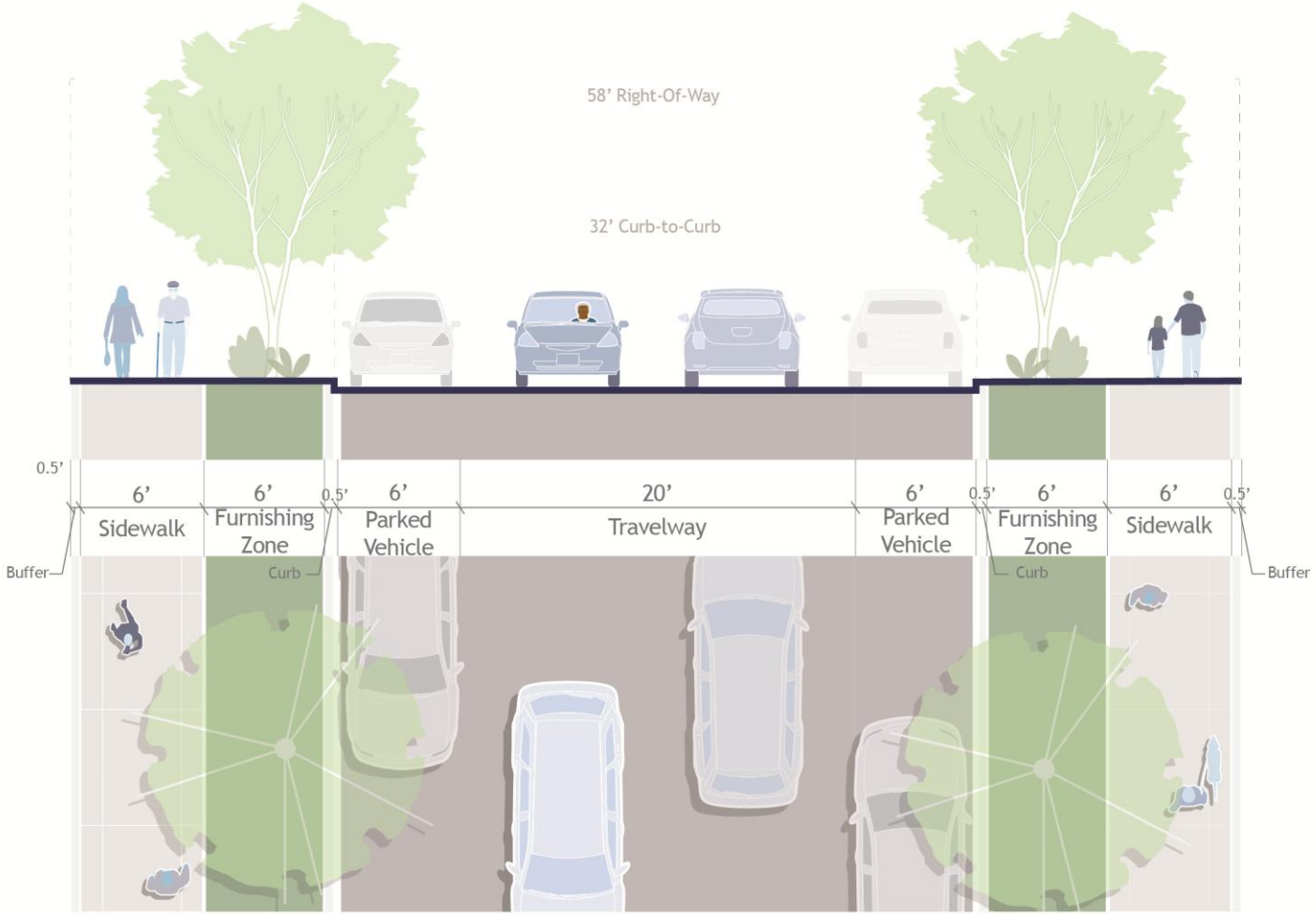
Neighborhood Route B: Constrained



Design Highlights:

- New street design for constrained areas like stream crossings
- ROW minimized to limit impacts to natural areas
- Maintains single-sided 12' MUP to separate bikes and pedestrians from cars
- Reduces ROW by 2' compared to Mountainside Way constrained design

Local Street



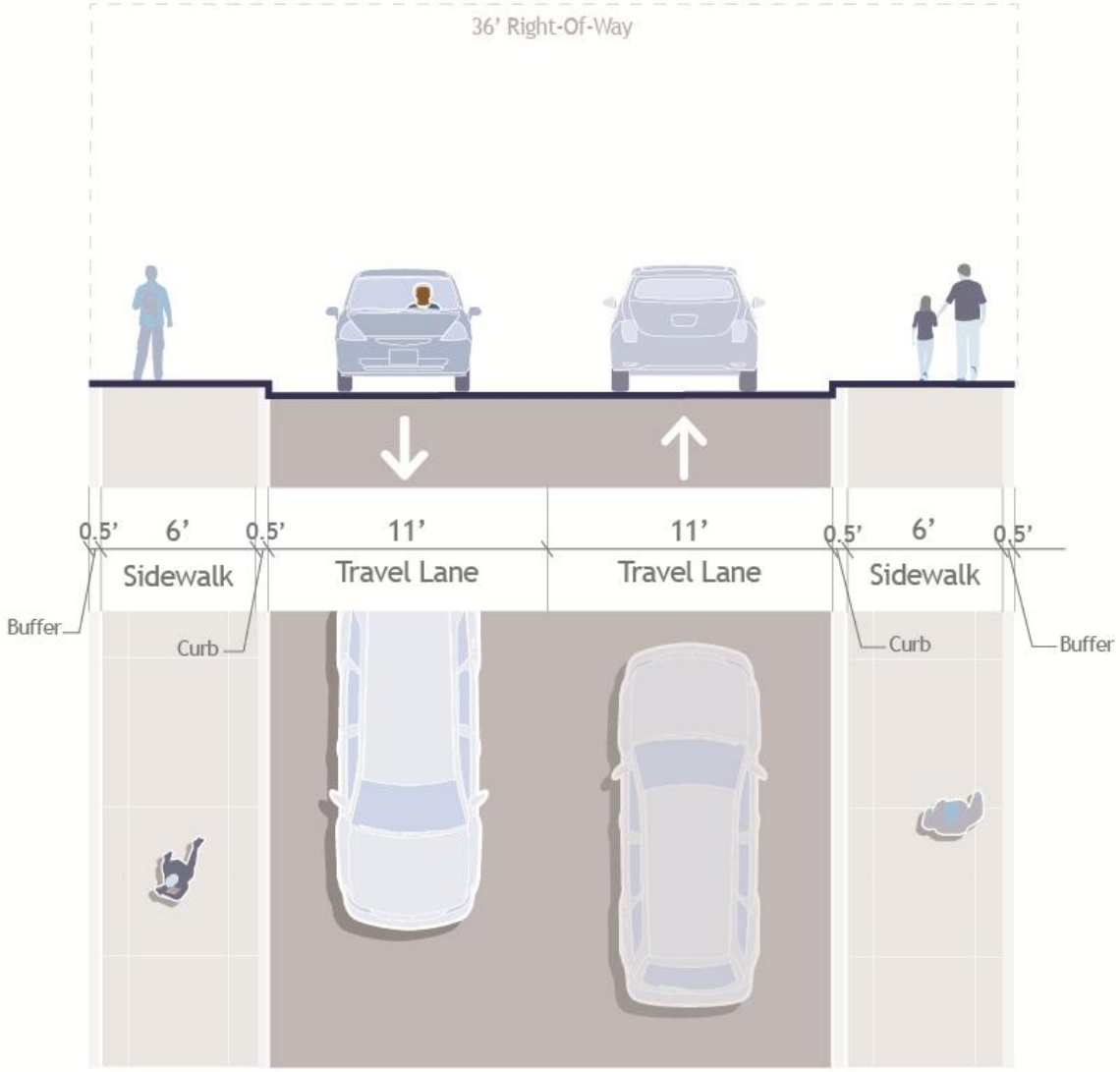
Design Highlights:

- Similar to typical local street design in Tigard
- Maximizes on-street parking in front of homes
- 20' travelway with no striping encourages slow speeds, shared with bikes
- 32' curb-to-curb width supports emergency vehicles and City maintenance operations

Major changes from the original design:

- Increases ROW width by 6' to add on-street parking on both sides of the street

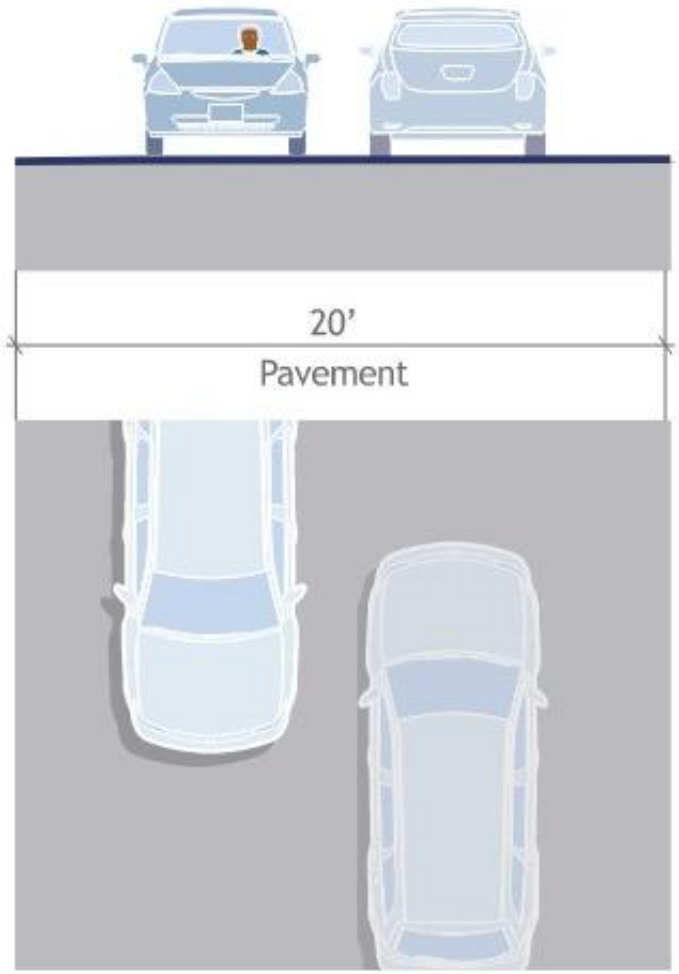
Local Street Constrained



Design Highlights:

- New street design for constrained areas like stream crossings
- ROW minimized to limit impacts to natural areas
- Bikes share the road.

Alley



Design Highlights:

- New design for private alleys
- Not intended for pedestrian access
- Width may support trash service in alley, subject to Pride Disposal operations

DATE:	March 2, 2026
TO:	Brittany Gada, City of Tigard
FROM:	Becky Hewitt, Kaitlin La Bonte (ECO)
SUBJECT:	River Terrace 2.0 Preliminary Equitable Funding Strategy Overview

Overview and Purpose

As part of the implementation planning for River Terrace 2.0 (RT2.0), ECOnorthwest and Galardi Rothstein Group (GRG) are supporting the City of Tigard in developing an Equitable Infrastructure Funding Strategy that identifies how capital improvements to serve the area will be funded and built. The strategy will also consider whether on-going operations and maintenance costs associated with infrastructure in RT2.0 warrant special funding mechanisms compared to other areas of the city.

This memorandum is focused on the capital funding strategy. For each infrastructure system (transportation, parks, water, sanitary sewer, and surface water management), this memorandum summarizes:

- Relevant capital funding sources currently available to the City.
- Initial estimates of revenue generated by development in RT2.0 (at buildout) from existing sources.
- Preliminary capital project funding and delivery assumptions, including who is expected to build the facilities and initial assumptions about which funding sources are potentially applicable to each category of projects. These assumptions reflect input from City staff and other service providers (including Washington County and Clean Water Services) but are still subject to change.
- Initial cost estimates prepared by the project team (where available). Some project cost estimates are still in progress.
- Key differences in the initial funding strategy compared to RT1.0.

The memo also describes the initial strategy for adjusting SDCs for RT2.0 to reduce cost burden on smaller and more affordable housing units.

The next steps are to establish the maximum additional supplemental parks and transportation System Development Charges (SDCs), consider options and implications for policy-based reductions from those rates, and establish specific adjustments based on unit size.

Preliminary Funding Strategy by Infrastructure System

Transportation

Relevant existing sources:

- Washington County Transportation Development Tax (TDT)
- Tigard Transportation System Development Charges (TSDCs),[1] which include a citywide component and a River Terrace 1.0 overlay
- Developer contributions

Estimated revenue from existing sources (before accounting for credits):

- TDT: approximately $47.4 million
- Tigard TSDC (citywide component): approximately $29.8 million

Potential new sources:

- River Terrace 2.0 area-specific TSDC overlay
- Local Improvement District (LID), Tax Increment Financing (TIF), or other additional sources may need to be considered if costs cannot be covered fully by other sources

Exhibit 1. RT2.0 Transportation Funding Assumptions

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	EST. TOTAL COSTS (2026$)	PRELIMINARY FUNDING ASSUMPTIONS
Arterial Improvements[2]	Private	$35.6m	Developer (sidewalks & planters) + TDT credit (bike lanes & intersections)[3]

[1] Note that projects in River Terrace 2.0 are not currently eligible for TSDC funding from either citywide or RT1.0 overlay but the City can update project lists to include RT2.0 projects if desired without updating the existing methodology or rates.
[2] Improvements include urban upgrades (sidewalks, bike lanes, planters) and intersection improvements.
[3] County TDT credit policies state that "Sidewalk / Planter is not eligible for credit if it has the same dimensions as local street standard. It is assumed that landscaping is not required to be built larger or with greater capacity for the arterial." However, "bike lanes, and other features specific to an arterial and not features of local streets would be eligible for credit." Assumes that the bike lane-specific costs would be TDT-credit eligible while other costs would be developer responsibility.

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	EST. TOTAL COSTS (2026$)	PRELIMINARY FUNDING ASSUMPTIONS
Key Collector Roads *(Mountainside Way, Bull Mountain Rd, River Terrace Blvd extensions)*	Private	$63.6m	Developer (local road equivalent cost) + TDT credit + RT2.0 SDC credits[4]
Other Collector Roads	Private	$20.6m	Developer (local road equivalent cost) + TDT credit[5] + TSDC/RT2.0 SDC credits[6]
RT2.0 Neighborhood Routes	Private	$69.3m	Developer (local road equivalent cost) + RT2 TSDC credits for oversizing[7] and stream crossings[8]
RT2.0 Multi Use Paths	Private	*Included in other costs*	Developer (sidewalk equivalent cost) + TSDC/RT2 TSDC credits[9]
RT2.0 Local Roads	Private	*Not estimated*	Developer
Offsite Intersection Improvements	TBD	$3.3m	Developer (proportionate share) + other County sources

Differences compared to RT1.0:

- TSDC credit policies that determine what share of oversizing costs are available for citywide TSDC credit vs. RT2.0 TSDC overlay credit may be different from the credit policies applied in RT1.0.
- Residential RT2.0 TSDCs are likely to be scaled by unit size (see fee scaling section at the end of this memo).

[4] Assumes the collector roads would be added to the TDT list, which would make 100% of the cost for elements that exceed a local road standard eligible for TDT credit. However, special design treatments on these roads may exceed what is credit-eligible under TDT; the cost of these additional features may be covered through RT2.0 supplemental TSDC credits.
[5] Assumes the collector roads would not be added to the TDT list, which would make 50% of the cost for elements that exceed a local road standard eligible for TDT credit.
[6] The City is still determining how much of the oversizing cost would be eligible for citywide and RT2.0 supplemental TSDC credits.
[7] Whether this is necessary depends on the final cross-section design and whether it's wider and more expensive than a local road. If so, the oversizing costs may be appropriate to include in the RT2 TSDC overlay for cost-sharing purposes.
[8] Stream crossings tend to be expensive and are typically only necessary for roads that connect neighborhoods or larger areas. Including 100% of these costs as eligible for RT2 TSDC credits could help distribute the costs more equitably. However, they may still be burdensome for smaller developers to construct. This may warrant further discussion.
[9] Most planned multi use paths in RT2.0 are within a street right of way and are replacing a sidewalk and bike lanes. In this situation, a developer would generally be responsible for the cost equivalent to a standard sidewalk, with the additional costs eligible for credits from citywide and/or RT2.0 TSDCs.

Parks

Relevant existing sources:

- Tigard Parks System Development Charges,[10] which currently include:
  - a citywide reimbursement component that covers available capacity from previously built community parks and open space;
  - a citywide improvement fee component that covers new community parks, open space, linear parks and trails; and
  - separate area-specific improvement fee components to cover costs for new neighborhood parks inside and outside of River Terrace 1.0.

Estimated revenue from existing sources:

- Tigard Parks SDC Citywide improvement fee: approximately $29.4 million
- Tigard Parks SDC Citywide reimbursement fee: approximately $6.9 million

Potential new sources:

- River Terrace 2.0 area-specific Parks SDC overlay

Exhibit 2. RT2.0 Parks Funding Assumptions

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	FUNDING SOURCE ASSUMPTION
Neighborhood Parks	Private	RT2 Parks SDC credits
Community Parks	Public/Private[11]	Citywide Parks SDCs and Credits
Linear Greenway Parks[12]	Private	Citywide Parks SDC credits and/or RT2 Parks SDC credits[13]
Urban Plazas[14]	Private	RT2 Parks SDC credits or developer

Note: Cost estimates for parks are still in progress.

Differences compared to RT1.0:

[10] Note that projects in River Terrace 2.0 are not currently eligible for Parks SDC funding from either citywide or RT1.0 overlay but the City could update project lists to include RT2.0 projects if desired without updating the existing methodology or rates.
[11] Similar to River Terrace 1.0, a community park may be delivered through a partial developer dedication (compensated through SDC credits) and a partial supplemental purchase. The City may need to make the improvements using SDCs if the cost will exceed the SDCs owed by the development.
[12] Linear greenway parks would encompass recreational trail corridors (outside street rights of way) and small pocket park areas with benches, viewing areas, etc. along the trail. Many would be adjacent to natural areas.
[13] The share of these costs eligible for citywide vs. RT2.0 Parks SDC credits has not yet been determined.
[14] Note that staff has not yet determined whether urban plazas in planned commercial nodes will be public facilities managed as parks or whether the goal of providing gathering spaces in the future commercial nodes will be accomplished through development standards requiring or encouraging privately-owned outdoor amenity areas with public access easements within the commercial nodes.

- Residential RT2.0 Parks SDCs are likely to be scaled by unit size (see fee scaling section at the end of this memo).
- The City is exploring public vs. private ownership of urban plazas and options for funding and delivery of these spaces.

Stormwater

Relevant existing sources:

- Clean Water Services (CWS) Surface Water Management SDCs (for water quantity and water quality)
- Developer contributions

Potential new sources:

- Potential additional funding structure to be determined for facilities in RT2.0 South

The stormwater plan for RT2.0 indicates that developers in RT2.0 West will typically provide on-site stormwater management facilities, including ponds, at the neighborhood or project site scale. These on-site facilities are typically built and paid for by developers. However, in RT2.0 South, the City is working with CWS and King City in Kingston Terrace to establish "super-regional" systems and agree on funding and maintenance plans for these facilities.

Development that constructs on-site facilities is generally not required to pay Surface Water Management SDCs. If a development is required to pay CWS stormwater SDCs and builds qualifying stormwater quantity or quality, then the developer may be eligible for SDC credits.

Exhibit 3. Funding Sources and Amount by Project Type

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	FUNDING SOURCE ASSUMPTION
On-Site Surface Water Management Facilities	Private	Developer
Inter-jurisdictional Surface Water Management Facilities	TBD	TBD

Differences compared to RT1.0:

- Development in River Terrace 2.0 South may be subject to different funding arrangements for the planned inter-jurisdictional facilities.

Water

Relevant existing sources:

- Tigard Water SDCs

Estimated revenue from existing sources:

- Tigard Water SDCs: approximately $24.7 million

Potential new sources:

- None

Exhibit 4. RT2.0 Water Funding Assumptions

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	EST. COST (2026$)	FUNDING SOURCE ASSUMPTION
Distribution lines (12" or smaller)	Private	$14.9m	Developer
Distribution lines (>12")	Private	$4.3m	Developer + SDC credits
Storage & Supply Improvements	Public	$20.1m[15]	Citywide Water SDC

Differences compared to RT1.0:

- None identified to date.

Sanitary Sewer

Relevant existing sources:

- CWS Sanitary Sewer SDCs

Estimated revenue from existing sources:

- CWS Sanitary Sewer SDCs: approximately $27.7 million

Potential new sources:

- None

[15] This represents the estimated cost attributed to RT2.0 demand.

Exhibit 5. RT2.0 Sanitary Sewer Funding Assumptions

CATEGORY OF IMPROVEMENTS	EXPECTED DELIVERY	EST. COST (2026$)	FUNDING SOURCE ASSUMPTION
Gravity Conveyance lines	Private	$24.0m[16]	Developer[17]
Pump Station & Force Mains	Public[18]	$3.3m	CWS SDCs

Differences compared to RT1.0:

- None identified to date.

Scaling Residential Fees

Scaling SDCs by unit size is one strategy to reduce the impact of these fees on smaller units, which tend to be more affordable and have lower system impacts than larger units. The project team is exploring options for scaling residential SDCs in RT2.0 for transportation and parks based on unit size, assuming that new supplemental SDCs are established for RT2.0. The scaling would only apply to the RT2.0 overlay portions of these fees. The City is exploring alternative approaches and data sources but anticipates using a tiered system with three to four size categories. The City intends to align size categories with size-related thresholds in the RT2.0 development code (which is still being drafted). The fee structure may or may not retain differences based on housing type. Scaling may not apply to water SDCs given that these are citywide and no overlay for RT2.0 is anticipated.

Examples of other Oregon jurisdictions with tiered SDCs by unit size include Bend, Bend Parks and Recreation District, Portland (for parks), Tualatin Hills Park and Recreation District, Newport, McMinnville, and Eugene. King City uses parks and transportation SDCs that scale linearly with unit size.

Note that Tigard has existing SDC exemptions for qualifying affordable housing and ADUs. These exemptions are anticipated to remain in effect and apply within RT2.0 in addition to any fee scaling applied within RT2.0.

[16] Costs include only main trunk lines; costs for lines in local streets are not included but would be paid by developers.
[17] Conveyance lines over 12" are eligible for SDC credits, but all gravity lines planned for RT2.0 are identified as 8-10" and would not be eligible for credits.
[18] CWS will most likely build the pump station and force main using SDCs. Alternatively, developers may build the pump station and force mains with 100 percent SDC credit eligibility.

RIVER TERRACE 2.0 COMMUNITY PLAN
DEVELOPER FORUM – MEETING 2

MEETING SUMMARY

Date and Time: Tuesday, March 3, 2026; 1:00 – 3:00 p.m.

Location: Virtual, Zoom Meeting

Topics: Recommended Street Designs and Finance Strategy Overview

Attendance

Attendees:

- Aubré Dickson, Community Housing Fund
- Ben Hemson, Homebuilding Association of Greater Portland
- Bryan Thomson, Standridge Inc
- Elin Michel-Midelfort, Metropolitan Land Group
- Jeanette Shaw, Tigard City Councilor
- Laura Standridge, Standridge, Inc
- Levi Levasa, Venture Properties
- Marc Farrar, Metropolitan Land Group
- Nick Peets, Metropolitan Land Group
- Niki Munson, Riverside Homes
- Pam Verdadero, Risewell Homes
- Peyton James, Pacific Community Design
- Scott Nelson, Taylor Morrison

Staff:

- Brittany Gada, City of Tigard
- Schuyler Warren, City of Tigard
- Brandy Steffen, JLA Public Involvement
- Valentina Peng, JLA Public Involvement

Welcome

Brittany Gada welcomed the group and introduced herself as the project manager. Brandy Steffen introduced herself as the facilitator and invited the attendees to share their names and organizations in the chat. She reviewed the agenda. The meeting objectives were to:

- Share project updates and information, including the recommended street designs and financial strategy.
- Gather feedback on various topics related to the updated street designs and strategy, including how to best support the development of middle housing and smaller units, as well as other needs or considerations.

Brittany noted that the third Developer's Forum is scheduled for March 30 and the project team will be able to share more information about the System Development Charges (SCDs) then. Additional comments would be collected by email through March 10 for inclusion into the meeting summary appendix, as well as being shared with City Council. A recording of the meeting will be shared with attendees.

Recommended Street Designs and Discussion

After Brittany presented the recommended street designs, which were modified based on feedback from the public, developers, City Public Works staff, and the Technical and Community advisory committees after engagement occurred between summer 2025 and winter 2026, the group discussed the street designs.

Questions included:

- Where would utility trenches be placed?
- How were the constrained versus unconstrained collector streets determined?

The discussion comments and primary themes included:

- Interest in learning how the current designs are different from River Terrace 1.0.
- Interest in learning how the standards (such as street width, right-of-way needs, and parking designs) were set.
- The widths of collector and neighborhood route streets are wider than anticipated.
    - Several were concerned that the right-of-way widths and street standards shown reduce buildable land, thereby reducing developer profit and potentially affordability for future residents.
    - Desire to use the skinny-street standards used in River Terrace 1.0.
    - Some noted that the multi-use trail along River Terrace Blvd is well used despite safety concerns and discomfort expressed by the community. Additional width and features may not be needed.
    - One developer said that on-street parking on River Terrace 1.0 collector streets was never used and asked the team to reconsider parking on these streets given the right-of-way needed for it.
- The high cost of right-of-way to accommodate the wider sidewalks, angled parking, and pedestrian step-out zone along the commercial collector.
    - One attendee preferred reducing right-of-way width over maximizing on-street parking spaces in front of businesses.
    - Others were generally supportive of angled parking in this area but suggested that opportunities be taken to reduce the overall road width where possible.
    - Several questioned community feedback that pointed the City to focus on safety improvements that widened the street designs to accomplish separation of bikes from cars and pedestrians.

Finance Strategy Overview and Discussion

After Brittany provided an overview of the finance strategy, the group asked questions and provided feedback. She noted that the team is revising the finance strategy using lessons learned from River Terrace 1.0 and that more details would be presented at the next Developer's Forum. Brittany explained that the System Development Charges (SDCs) tiering policy would support middle housing and smaller units, which is a key goal for the community and City Council to increase housing affordability and the supply of middle housing.

Questions included:

- Were third party consultants involved in this plan?
- How were the construction cost estimates created? Do they include right-of-way acquisition costs and BOLI wages?

The discussion comments and primary themes included:

- The group shared a concern about developers' cash flowing the development, noting that reducing delays in SDC credits would help alleviate the burden of carrying significant costs upfront. Specifically:
  - Several noted a desire to delay SDC collection until Certificate of Occupancy issuance for building permits
  - One recommended revisiting the history of the Parks SDC in River Terrace 1.0 as it was a hot topic with developers.
  - There is a need to clarify current policies and qualifications for discounts and credits. Multiple developers noted that waterline upsizing was required in River Terrace 1.0 after land use approval which led to additional infrastructure costs when SDC credits were no longer available.
- Several asked for balance when addressing community feedback for housing affordability with development feasibility.
  - One developer said that the community wants road safety, but they may not consider the cost of development and how that impacts housing affordability, noting that the public may feel differently if they had to pay for safety improvements.
  - One recommended an SDC credit approach used in Bend which allows the additional stormwater capacity needed to accommodate oversized streets to be eligible for Transportation SDC credits.
- The group shared their appreciation to the City for hosting these forums and requested advanced sharing of meeting materials to adequately prepare for the discussions. Brandy noted questions requesting more technical details for follow-ups.

Most of the conversation was not focused on the pre-developed discussion questions, but the answers that were specific to those questions are listed below.

- What feedback do you have on implementing a cost-sharing mechanism for high-cost infrastructure that benefits multiple developments such as stream crossings?
  - Attendees were supportive of handling these through a cost-sharing approach so they're eligible for credits.
- What should the City consider in developing a tiering structure for residential fees to best support production of middle housing and smaller units? Could this result in cost savings for future buyers?
  - Square footage matters, noting fees have nearly doubled in some jurisdictions over the last 10 years for smaller rowhomes, making it more difficult for those units to pencil out for developers.
  - While separate from the funding strategy, one developer noted that HOA fees are typically much higher for rowhomes than detached homes, making them less affordable for future buyers.

APPENDIX

A full set of questions and answers from the meeting will be provided after the comment period ends on March 10, 2026.

The recording of the Developer Forum meeting is available online at this link: https://vimeo.com/1170656558?share=copy&fl=cl&fe=ci