



Housing Department  
City of Bend  
(541)  
[housing@bendoregon.gov](mailto:housing@bendoregon.gov)  
710 NW Wall Street, Bend OR 97703

This submittal form is to be completed as part of your application with the City of Bend. *Download this form before completing fillable fields*, then upload with your application through the Online Permit Center at [www.bendoregon.gov/government/departments/economic-development/affordable-housing-program](http://www.bendoregon.gov/government/departments/economic-development/affordable-housing-program).

## **Qualified Rental Housing Tax Exemption Application**

### **Project Description Questionnaire and Submittal Checklist**

*See page 3 for instructions on how to submit this form for review.*

**Property Address:** 990 SW Yates Drive, Bend, OR 97702

**Project Valuation:** \$3,248,624 (SAV)

**A. Statement of Project Charitable Purpose and Property Proportion:**

**1. Describe the project charitable purpose:**

The purpose of this application is to request a 20-year extension of the property tax exemption for Mountain Laurel Lodge, to take effect upon the expiration of the current exemption in June 2027.

Mountain Laurel Lodge, which opened its doors in September 2006, was the City of Bend's FIRST RECIPIENT of property tax exemption through the City's Low-Income Housing Program. The exemption was granted to Mountain Laurel Lodge in 2006.

**2. Describe the proportion of the property, including number of units used for this charitable purpose:**

One hundred percent (100%) of the units in the Mountain Laurel Lodge project are rent- and income-restricted.



**Accommodation Information for People with Disabilities**

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact the Housing Department at [Housing@bendoregon.gov](mailto:Housing@bendoregon.gov) or (541) 323-8550; Relay Users Dial 7-1-1.

B. Project Benefits to Resident:

1. Describe how tax exemptions will benefit the project residents:

The population served by Mountain Laurel Lodge subsists primarily on fixed incomes, such as Social Security and disability payments, which provide cost-of-living adjustments based on national formulas rather than local economic conditions. Bend's cost of living is significantly higher than the national average, with housing costs nearly 200 percent above the national average (U.S. News & World Report, 2026). In addition, Bend ranks sixth nationally for the fastest-increasing cost of living (U.S. Bureau of Economic Analysis, 2022). These conditions leave low-income seniors in Bend, whose

C. Description of future development (if applicable):

1. If the Property is being held for future development, provide a description of the plans for development of the property and how the property is being held for low-income housing development.

N/A - the project is currently developed and in use as low-income multifamily housing.

D. Describe how the corporation and the property meet the criteria provided in Bend Municipal Code 12.030.015 (link to code).

The Mountain Laurel Lodge project meets the criteria for exemption as allowed under ORS 307.515 to 307.537, and as described in Bend Municipal Code 12.025.015, as follows:

A. The property is an eligible property under 307.515 to 307.537 because:

- (1) The project is located within the City of Bend.
- (2) The project is a multifamily project containing 54 units, exceeding the minimum of three units.



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## Submittal Items Checklist

- Funding Application**  
A copy of the completed funding application for at least one secured funding source.
- Proof of Funding**  
Proof of funding such as an award letter or grant contract.
- City of Bend Certification of income level** (this is a separate City document to upload)
- Title Report**  
A copy of the property's title report or a collection of Legal Description, Proof of Ownership, and Lien Documentation.
- Project Description Questionnaire and Submittal Checklist** (This form)
- Pro Forma Income Statements** (may be one or two separate documents for both pro-formas)  
Please show what the rent payments (per unit per month) would be required both with and without the tax exemption.

### Instructions for Submitting for Review in Portal:

1. Download and complete applicable sections of this document and have all applicable documentation from the checklist above compiled and ready to upload.
2. Open your CityView Portal account: <https://cityview.ci.bend.or.us/Portal/>
3. Click "Apply" under the "Engineering, Agreements & Affordable Housing" section
4. For the "Application Type" select "Tax Exemption"
5. Complete other applicable sections then choose "Next Step: Permit Type"
6. On next screen, check box "Non-Profit TaxExemption"
7. Click "Next Step: Work Items"
8. Complete next steps until you get to Step 7 "Upload Files"
9. Upload completed form into the "Project Description Questionnaire" section
10. Upload remaining items compiled from the checklist



#### Accommodation Information for People with Disabilities

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Mountain Laurel Lodge			
2026 Budget (draft)		No Tax Exemption	
Income	Total	Unit	%
Rental Income	\$423,874	\$7,850	65.2%
Voucher Income	\$219,056	\$4,057	33.7%
Other Income	\$7,468	\$138	1.1%
<b>Gross Income</b>	<b>\$650,398</b>	<b>\$12,044</b>	<b>100.0%</b>
Vacancy	(\$13,008)	(\$241)	-2.0%
<b>Effective Gross Income (EGI)</b>	<b>\$637,390</b>	<b>\$11,804</b>	<b>98.0%</b>
Expenses	Total	Unit	%
Administrative	\$22,065	\$409	3.4%
Payroll & Taxes	\$62,075	\$1,150	9.5%
Legal & Professional	\$10,000	\$185	1.5%
Utilities	\$48,602	\$900	7.5%
Maintenance & Operating Expenses	\$112,418	\$2,082	17.3%
Insurance	\$25,775	\$477	4.0%
Management Fee	\$41,413	\$767	6.4%
Property Tax	\$24,500	\$454	3.8%
<b>Total Operating Expenses</b>	<b>\$346,848</b>	<b>\$6,423</b>	<b>53.3%</b>
<b>Net Operating Income</b>	<b>\$290,542</b>	<b>\$5,380</b>	<b>44.7%</b>
Capital Reserves	\$15,623	\$289	2.4%
Partnership Management Fee	\$10,416	\$193	1.6%
Debt Service - Perm (NOAH)	\$117,882	\$2,183	18.1%
Debt Service - HOME	\$44,873	\$831	6.9%
Debt Service - Weatherization	\$1,206	\$22	0.2%
Interest - Other	\$4,181	\$77	0.6%
w/d from Replacement Reserves	(\$10,900)	(\$202)	-1.7%
<b>Cash Flow</b>	<b>\$107,261</b>	<b>\$1,986</b>	<b>16.5%</b>

Mountain Laurel Lodge			
2026 Budget (draft)		Full Tax Exemption	
Income	Total	Unit	%
Rental Income	\$399,374	\$7,396	63.8%
Voucher Income	\$219,056	\$4,057	35.0%
Other Income	\$7,468	\$138	1.2%
<b>Gross Income</b>	<b>\$625,898</b>	<b>\$11,591</b>	<b>100.0%</b>
Vacancy	(\$12,369)	(\$229)	-2.0%
<b>Effective Gross Income (EGI)</b>	<b>\$613,529</b>	<b>\$11,362</b>	<b>98.0%</b>
Expenses	Total	Unit	%
Administrative	\$22,065	\$409	3.5%
Payroll & Taxes	\$62,075	\$1,150	9.9%
Legal & Professional	\$10,000	\$185	1.6%
Utilities	\$48,602	\$900	7.8%
Maintenance & Operating Expenses	\$112,418	\$2,082	18.0%
Insurance	\$25,775	\$477	4.1%
Management Fee	\$41,413	\$767	6.6%
Property Tax	\$0	\$0	0.0%
<b>Total Operating Expenses</b>	<b>\$322,348</b>	<b>\$5,969</b>	<b>51.5%</b>
<b>Net Operating Income</b>	<b>\$291,181</b>	<b>\$5,392</b>	<b>46.5%</b>
Capital Reserves	\$15,623	\$289	2.5%
Partnership Management Fee	\$10,416	\$193	1.7%
Debt Service - Perm (NOAH)	\$117,882	\$2,183	18.8%
Debt Service - HOME	\$44,873	\$831	7.2%
Debt Service - Weatherization	\$1,206	\$22	0.2%
Interest - Other	\$4,181	\$77	0.7%
w/d from Replacement Reserves	(\$10,900)	(\$202)	-1.7%
<b>Cash Flow</b>	<b>\$107,900</b>	<b>\$1,998</b>	<b>17.2%</b>

Tax Exemption Pass Through Verification	Project	Per Unit	
	Annually	Annually	Monthly
Tax Savings	\$24,500	\$454	\$38
Rental Income Reduction	\$24,500	\$454	\$38
Difference	\$0	\$0	\$0

With full tax exemption, per unit per month rents range from \$482 to \$1207, depending on unit size and income level.

Without tax exemption, per unit per month rents would range from \$520 to \$1245, depending on unit size and income level.

**Please note:** all figures are based on the draft budget for Mountain Laurel Lodge for 2026. The 2026 budget has not yet been finalized.

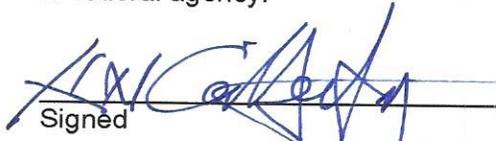
**City of Bend**

**Property Tax Exemption Program for  
Qualified Rental Housing**

***Certification of Income Levels***

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) The property for which tax exemption is requested is offered for rent, or is held for the purpose of developing low income rental housing.
- (2) If occupied, the income levels of all occupants of the property for which tax exemption is being requested, at the time of this application or within 30 days of the filing of this application, are at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
- (3) The required rent payments reflect the full value of the property tax exemption for the duration of the tax exemption period.
- (4) Each year for the duration of the tax exemption period, the undersigned shall supply the City of Bend with a copy of the Certificate of Compliance from each state and/or federal affordable housing funding source listed in this application. Certificates of Compliance must be received by the City within 45 days from the date they are issued by the state or federal agency.

  
Signed \_\_\_\_\_

MOUNTAIN LAUREL LODGE, LP.  
Organization/Company

ON BEHALF OF G.P.  
Title

1/14/26  
Date

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Parcel 1 of Partition Plat No. 2005-37, filed May 25, 2005, a portion of Lot 4 in Century Washington Center, Phase I, II, III and IV, and located in Section 6, Township 18 South, Range 12 East of the Willamette Meridian, City of Bend, Deschutes County, Oregon



15 Oregon Ave., Bend, OR 97703  
Phone (541) 389-7711 Fax (541) 389-0506

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## PRELIMINARY TITLE REPORT ATTACHED

**To:** WFG National Title Insurance Company  
700 NE Multnomah St., Ste. 190  
Portland, OR 97232  
Attn: Team Trevor

**Date:** October 1, 2025  
**Order No.** 1029023  
**Reference:** 990 SW Yates Dr.  
Bend, OR 97702

Your File No.: 25-203982

We have enclosed our Preliminary Title Report pertaining to order number 1029023.

***Thank you for the opportunity to serve you. Your business is appreciated!***

If you have any questions or need further assistance, please do not hesitate to contact your Title Officer listed below.

Sincerely,

*Tonya Vejar*

tonya.vejar@amerititle.com

**NOTICE: Please be aware that, due to the conflict between federal and state laws concerning the legality of the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving land that is associated with these activities.**



15 Oregon Ave., Bend, OR 97703  
Phone (541) 389-7711, Fax (541) 389-0506

**October 1, 2025**

**File Number:** 1029023

Client's File Number : 25-203982

**Report No.:** 1

**Title Officer:** Tonya Vejar tonya.vejar@amerititle.com

**PRELIMINARY TITLE REPORT**

**Property**

**Address:** 990 SW Yates Dr., Bend, OR 97702

**Policy or Policies to be issued:**

**Liability**

**Premium**

**Proposed Insured:** Catalina Housing, LLC

**2021 ALTA Standard Owner's Policy** COMMERCIAL

\$4,700,000.00

\$7,650.00

**Endorsements:** TBD

**Proposed Insured:** TBD

**2021 ALTA Lender's Policy**

( X ) EXTENDED ( ) STANDARD (Simultaneous)

TBD

TBD

**Endorsements:** TBD

**Local Government Lien Search**

\$30.00

We are prepared to issue ALTA (07/01/21) title insurance policy(ies) of Stewart Title Guaranty Company, in the usual form insuring the title to the land described as follows:

**Legal description attached hereto and made a part hereof marked Exhibit "A"**

and dated as of 17th day of September, 2025 at 7:30 a.m., title is vested in:

**[Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership](#)**

The estate or interest in the land described or referred to in this Preliminary Title Report and covered herein is:

FEE SIMPLE

**Except for the items properly cleared through closing, Schedule B of the proposed policy or policies will not insure against loss or damage which may arise by reason of the following:**

**GENERAL EXCEPTIONS:**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCEPTIONS 1 THROUGH 5 ABOVE APPLY TO STANDARD COVERAGE POLICIES AND MAY BE MODIFIED OR ELIMINATED ON AN EXTENDED COVERAGE POLICY.

**SPECIAL EXCEPTIONS:**

6. The 2025-2026 Taxes: A lien not yet due or payable.
7. Taxes assessed under Code No. 1001 [Account](#) No. 198543 [Map](#) No. 181206C000900, including the current fiscal year, not assessed because of Municipal or Other Exempt Exemption. If the exempt status is terminated an additional tax may be levied.
8. City liens, if any, of the City of Bend.  
  
None as of the effective date herein.
9. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Central Oregon Irrigation District.  
(No inquiry has been made. If a search is requested, a charge of \$30.00 per account will be added)
10. Excavation and removal of vegetation shall be prohibited on natural slopes in excess of 12% until the applicable lot development has been approved by the City of Bend, as shown on the official [plat](#) of said land.
11. No vehicle access strip abutting Mt. Washington Drive as shown on the official [plat](#) of said land.
12. All lots are subject to the City of Bend Solar Ordinance as shown on the official [plat](#) of said land.

13. Covenants, conditions and restrictions, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, disability, handicap, familial status, marital status, ancestry, national origin or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: December 27, 1999

Instrument No.: [1999-61163](#)

Said Covenants, Conditions and Restrictions set forth above contain, among other things, levies and assessments of Century Washington Center Owners' Association.

Amended by instrument,

Recorded: September 23, 2022

Instrument No.: [2022-35440](#)

14. Easement (Reservation for Cross Access and Drainage), including the terms and provisions thereof,

Recorded: May 5, 2005

Instrument No.: [2005-27752](#)

Easement Amendment, including the terms and provisions thereof,

Recorded: March 14, 2007

Instrument No.: [2007-15348](#)

15. Reciprocal Access Easement and Public Sidewalk Easement as shown on the [Partition Plat No. 2005-37](#).

16. A Deed of Trust (Housing Trust Fund Program), including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:

Amount: \$100,000.00

Trustor/Grantor: Mountain Laurel Lodge Limited Partnership

Trustee: First American Title

Beneficiary: State of Oregon, by and through its Housing and Community Services Department

Dated: February 17, 2005

Recorded: June 9, 2005

Instrument No.: [2005-36154](#)

17. A Deed of Trust, Line of Credit Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:

Amount: \$500,000.00

Trustor/Grantor: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership

Trustee: First American Title Insurance Company

Beneficiary: State of Oregon, by and through its Housing and Community Services Department

Dated: May 31, 2005

Recorded: June 9, 2005

Instrument No.: [2005-36155](#)

**This Deed of Trust secures an equity line of credit and/or revolving loan. The Company requires satisfactory written statement from the existing lender confirming;** (a) the payoff amount, (b) that the line of credit has been closed, and no further draws/advances will be permitted and/or the right to future advances has been terminated, and (c) agreeing to deliver a full satisfaction/release upon payment of the outstanding balance, (d) satisfactory documentation from the borrower to close the account.

18. Regulatory Agreement, Declaration of Restrictive Covenants and Equitable Servitudes, including the terms and provisions thereof,  
Recorded: June 9, 2005  
Instrument No.: [2005-36156](#)  
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership  
And: State of Oregon, by and through its Housing and Community Services Department
19. A Deed of Trust, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:  
Amount: \$500,000.00  
Trustor/Grantor: Mountain Laurel Lodge Limited Partnership  
Trustee: First American Title Insurance Company of Oregon  
Beneficiary: Pacific Crest Affordable Housing LLC  
Dated: May 30, 2005  
Recorded: June 9, 2005  
Instrument No.: [2005-36160](#)
20. License, including the terms and provisions thereof,  
Recorded: July 19, 2005  
Instrument No.: [2005-46093](#)
21. Water Easement, including the terms and provisions thereof,  
Recorded: July 19, 2005  
Instrument No.: [2005-46094](#)
22. Easement (Signage for Parcel 1 on Parcel 2), including the terms and provisions thereof,  
Recorded: March 14, 2007  
Instrument No.: [2007-15347](#)  
Between: Yates Drive Partners, LLC, an Oregon limited liability company  
And: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership
23. 9% Low-Income Housing Tax Credit Declaration of Land Use Restrictive Covenants, including the terms and provisions thereof,  
Recorded: June 18, 2007  
Instrument No.: [2007-34256](#)  
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership  
And: Oregon Housing and Community Services, a governmental agency of the State of Oregon
24. A Deed of Trust (Low Income Weatherization Program), including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:  
Amount: \$44,365.00  
Trustor/Grantor: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership  
Trustee: First American Title Insurance Company of Oregon  
Beneficiary: State of Oregon, by and through its Housing and Community Services Department  
Dated: May 23, 2007  
Recorded: June 27, 2007  
Instrument No.: [2007-36080](#)

25. Loan and Project Use Agreement, Declaration of Restrictive Covenants and Equitable Servitude- Low Income Weatherization Grant Program, including the terms and provisions thereof,  
Recorded: June 27, 2007  
Instrument No.: [2007-36081](#)  
Between: Pacific Crest Affordable Housing LLC  
And: Mountain Laurel Lodge Limited Partnership, and State of Oregon, by and through its Housing and Community Services Department
26. Oregon Affordable Housing Tax Credit Program Declaration of Land Use Restrictive Covenants, including the terms and provisions thereof,  
Recorded: September 27, 2007  
Instrument No.: [2007-52340](#)  
Between: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership  
And: Oregon Housing and Community Services Department, a governmental agency of the State of Oregon
27. Housing Development Grant Program-Project Use Loan Agreement, including the terms and provisions thereof,  
Recorded: December 19, 2007  
Instrument No.: [2007-64845](#)  
Between: Mountain Laurel Lodge Limited Partnership  
And: Oregon Housing and Community Services
28. Rights of tenants, as tenants only, under unrecorded leases or tenancies.
29. Personal property taxes, if any.
30. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts, which a correct survey would disclose.
31. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

IF THE ABOVE EXCEPTION IS TO BE REMOVED FROM A FORTHCOMING POLICY PRIOR TO THE EXPIRATION OF THE STATUTORY LIEN PERIOD, THE COMPANY MUST BE CONTACTED REGARDING ITS UNDERWRITING REQUIREMENTS FOR EARLY ISSUE.

32. Persons in possession or claiming the right of possession.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

33. The Company will require a copy of the Operating Agreement (including any approvals of withdrawal of member(s) or acceptance of new member(s)) and the Articles of Organization of Catalina Housing, LLC for its examination prior to closing. Any conveyance or encumbrance of the Limited Liability Company's property must be executed by all of the members unless otherwise provided for in the Operating Agreement.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

34. The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance from the limited partnership named below:

Name: Mountain Laurel Lodge Limited Partnership, an Oregon limited partnership

- (a) A complete copy of the limited partnership agreement and any amendments or restatements thereto
- (b) Evidence that the partnership was validly formed and in good standing
- (c) If less than all general partners are executing documents, furnish evidence of the signing partner(s) authority, unless authorized in the above-referenced documents.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

### **INFORMATIONAL NOTES:**

- A. This report does not include a search for financing statements filed in the office of the Secretary of State in this or any other State, or in a county other than the county wherein the Land is situated, and no liability is assumed if a financing statement is filed in the office of the County Clerk (Recorder) covering fixtures on the Land wherein the Land is described other than by metes and bounds or under the rectangular survey system by recorded lot and block.
- B. This transaction and the policy or policies and the endorsements contemplated in connection with this Commitment are subject to review and approval of the Company's Insuring Underwriter. The Company reserves the right to add additional exceptions or notes and to make further requirements after such review.
- C. Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.
- D. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the parties to the transaction must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- E. Due to current conflicts or potential conflicts between state and federal law, which conflicts may extend to local law, regarding marijuana, if the transaction to be insured involves property which is currently used or is to be used in connection with a marijuana enterprise, including but not limited to the cultivation, storage, distribution, transport, manufacture, or sale of marijuana and/or products containing marijuana, the Company declines to close or insure the transaction, and this Preliminary Title Report shall automatically be considered null and void and of no force and effect.
- F. In the event that the contemplated transaction for which a Real Estate Report is required to be submitted to the US Department of Treasury Financial Crimes Enforcement Network ("FinCEN Report"), then the parties to transaction (Seller(s) and Buyer(s)) shall no later than the closing, provide to the Company the information and documentation necessary to enable the Company to complete the FinCEN Report. Such information and documentation include full legal name, date of birth, residential address, and the IRS taxpayer identification number of the beneficial owners of the Buyer(s), as further defined and described in Section 1031.320 of Chapter 31 of the Code of Federal Regulations ("Code")

**NOTE:** The FinCEN Report requires certain residential real estate transaction purchased with all cash or without institutional lender financing, where at least one buyer/transferee is a legal entity to be reported to the United States Treasury Department's Financial Crimes Enforcement Network. If the required information is not timely provided to the Company, the Company may elect to withdraw as the settlement company or otherwise be involved in the transaction.

If **AmeriTitle, LLC** is not acting as a "Reporting Person" under the FinCEN rule for this transaction, where said company is not performing any escrow or settlement functions, responsibility for compliance with FinCEN reporting requirements lies with the party designated as the Reporting Person under the rule, which may include the settlement agent, escrow agent, or other party facilitating the closing.

**AmeriTitle, LLC** expressly disclaims any and all liability for FinCEN reporting obligations where said company is not performing any escrow or settlement functions

THIS PRELIMINARY TITLE REPORT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

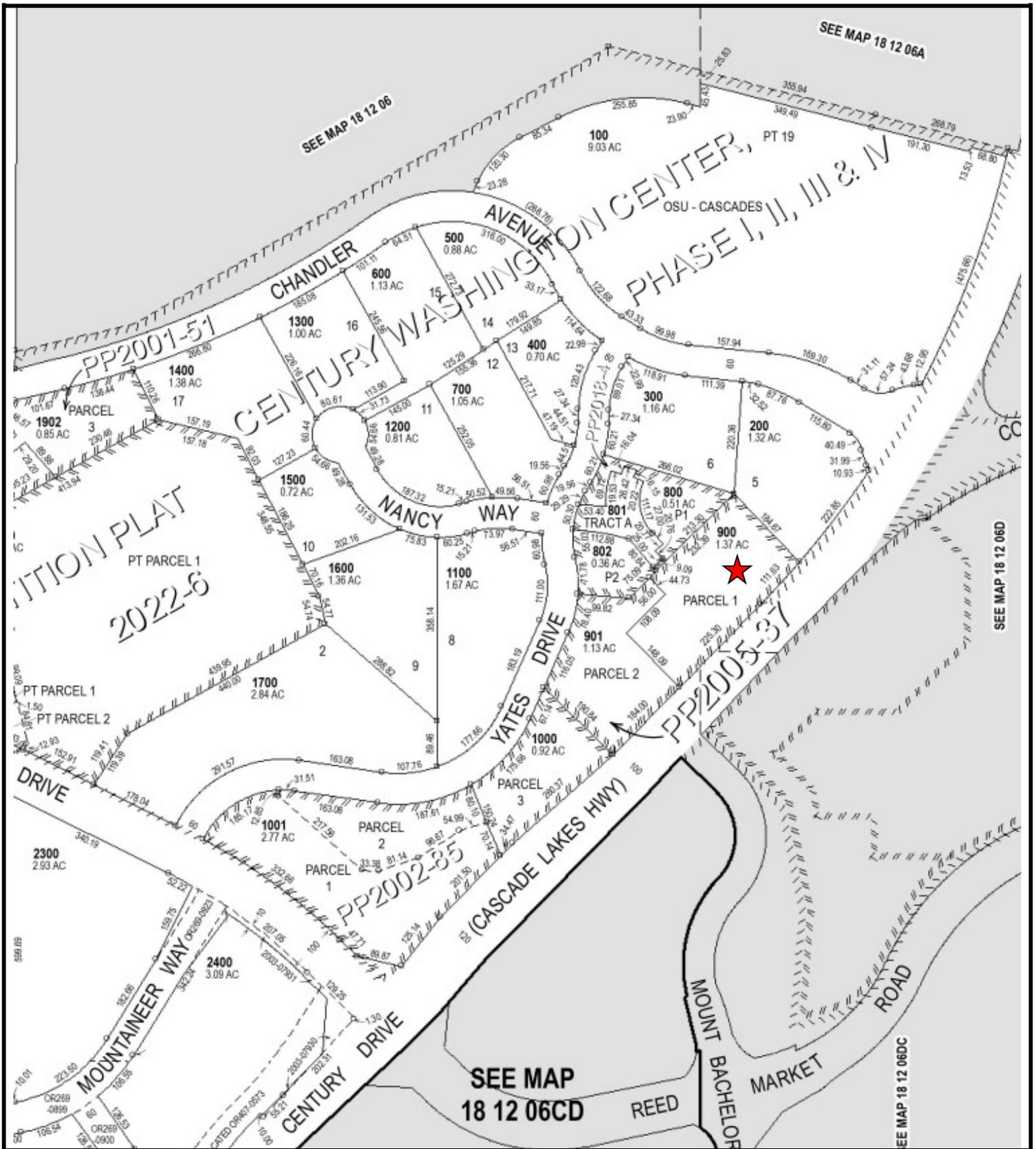
This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

**End of Report**

***"Superior Service with Commitment and Respect for Customers and Employees"***

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Parcel 1 of Partition Plat No. 2005-37, filed May 25, 2005, a portion of Lot 4 in Century Washington Center, Phase I, II, III and IV, and located in Section 6, Township 18 South, Range 12 East of the Willamette Meridian, City of Bend, Deschutes County, Oregon



181206C000900  
Bend, OR 97702

THIS MAP IS FURNISHED AS AN ACCOMMODATION STRICTLY FOR THE PURPOSES OF GENERALLY LOCATING THE LAND. IT DOES NOT REPRESENT A SURVEY OF THE LAND OR IMPLY ANY REPRESENTATIONS AS TO THE SIZE, AREA OR ANY OTHER FACTS RELATED TO THE LAND SHOWN THEREOF

# **Section 02**

## **DATA SUMMARY**



### DATA SUMMARY

#### APPLICANT INFORMATION

Project Name: Mountain Laurel Lodge

Project Address: 990 SW Yates Drive Bend 97701 Deschutes  
Street City Zip Code County

Legislative Districts: 2 U.S. House 27 State Senate 54 State House

\* To find the project's district numbers (some have changed recently) visit <http://www.leg.state.or.us/findlegsltr/findset.htm>

#### APPLICANT

#### CO-APPLICANT

Name: Acadia Properties, LLC  
Contact: John Gilbert & Rob Roy  
Street: 543 NW Broadway Street  
City/St/Zip: Bend, Oregon 97701  
Phone: 541-383-2505  
Fax: 541-383-3618  
E-Mail: jgilbert@acadia-properties.com  
Tax I.D. #: 089-50-1403

Name: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Street: \_\_\_\_\_  
City/St/Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_  
Tax I.D. #: \_\_\_\_\_

#### Applicant Type ("X"box)

#### Co-Applicant Type ("X"box)

For Profit  Housing Authority   
Not-for-Profit  CHDO   
Local Government

For Profit  Housing Authority   
Not-for-Profit  CHDO   
Local Government

#### OWNERSHIP ENTITY (LP, LLC, etc.)

#### CONSULTANT (if applicable)

Name: Mountain Laurel Lodge LP (to-be-formed)  
Contact: John Gilbert & Rob Roy  
Street: 543 NW Broadway Street  
City/St/Zip: Bend, Oregon 97701  
Phone: 541-383-2505  
Fax: 541-383-3618  
E-Mail: jgilbert@acadia-properties.com  
Ownership Tax ID #: Not yet assigned

Name: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Street: \_\_\_\_\_  
City/St/Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

**All Correspondence Should Be Directed to:**

Contact: John N. Gilbert, III Title: Principal  
 Name: Acadia Properties, LLC Phone: 541-383-2505  
 Address: 1293 NW Wall Street #107 Fax: 541-383-3618  
 City/St/Zip: Bend, Oregon 97701 E-Mail: jgilbert@acadia-properties.com

Indicate to which entity funds should be disbursed: To be formed.

**NONPROFIT INFORMATION**

(If Applicable)

**Source of your exemption ("X" box)**

IRC Section 501(a)  IRC Section 501(c)(3)  
 IRC Section 501(c)(4)  ORS 456

Date incorporated: \_\_\_\_\_ Date IRS 501(c)(3) received: \_\_\_\_\_  
 Date Articles of Incorporation & By-laws filed: \_\_\_\_\_ Date Articles or By-laws amended: \_\_\_\_\_  
 Date Purpose/Mission statement: \_\_\_\_\_ Date Purpose/Mission statement amended: \_\_\_\_\_

Do the By-laws set forth the development of affordable housing as a purpose? . . . . . 

Yes (X)	No (X)
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 Is the project a for-profit / not-for-profit joint venture? . . . . . 

Yes (X)	No (X)
---------	--------

**DEVELOPMENT TEAM INFORMATION**

(Provide the following information, as it applies to the project.)

Contractor: R&H Construction (not finalized) Ph: 541-312-2961 Email: jmontgomery@rhconst.com  
 Architect: Steele & Associates Ph: 541-382-9867 Email: ssteele@steele-arch.com  
 Tax Atty: Holland & Knight, LLP Ph: 503-243-5866 Email: Paul.dagle@hklaw.com  
 Tax Acct: Blume Loveridge Ph: 425-453-2088 Email: jfleming@blcpa.com  
 Syndicator: Homestead Capital Ph: 503-276-1555 Email: sa@homesteadcap.com  
 Property Mgr: Cascade Management Ph: 503-684-7888 Email: dave@cascade-management.com

**OHCS-BASED FUNDING REQUESTS**

<u>Source of Funds</u>	<u>\$ Amount</u>	<u>Source of Funds</u>	<u>\$ Amount</u>
Trust Fund	<u>100,000</u>	Elderly/Disabled	_____
HOME	<u>500,000</u>	Risk Sharing	_____
LIHTC (annual allocation)	<u>689,500</u>	Loan Guarantee	_____
HELP	_____	Lease Guarantee	_____
OAHTC (32% of loan amt)	<u>540,000</u>	Seed Money	_____
Weatherization (Wx)	<u>44,365</u>	Predevelopment	_____
ADF	_____	Oregon Rural Rehab	_____
Other?	_____	Conduit	_____
	_____	MAP	_____

**PROJECT INFORMATION**

Target Population: Elderly (55+)

Number of Years of Affordability: 60

**PROJECT TYPE ("X" all boxes which apply)**

<input checked="" type="checkbox"/>	New Construction	<input checked="" type="checkbox"/>	Multi-Family Rental Housing	<input checked="" type="checkbox"/>	Elderly/Disabled
<input type="checkbox"/>	Acquisition	<input type="checkbox"/>	Single-Family Housing	<input checked="" type="checkbox"/>	Independent Living
<input type="checkbox"/>	Rehabilitation	<input type="checkbox"/>	Homeless Shelter	<input type="checkbox"/>	Congregate Care
<input type="checkbox"/>	Vacant	<input type="checkbox"/>	Transitional Housing	<input type="checkbox"/>	Assisted Living Facility
<input type="checkbox"/>	Occupied	<input type="checkbox"/>	Group Home	<input type="checkbox"/>	SRO

\_\_\_\_\_ If rehabilitation, year built

**UNIT TYPE**

In the table below, list the unit type (SRO, studio, one bedroom, ...), the total number of each unit type, number of the units designated as HOME, LIHTC, Trust Fund, HELP, etc., units, square footage of units *and total square footage for each unit type*. The number of various Program units may exceed the Total Number of Units. For the unit square footage, the inside wall measurement should be used.

<b>Residential only</b>										
Unit Type (SRO, 1 bdr, 2 bdr, 3 bdr, etc.)	Total No. of Units	NUMBER OF UNITS DESIGNATED AS						Actual Square Footage of Unit	Total Square Footage	
		OHCS HOME	LIHTC	Trust Fund	HELP	ADF	WX			
<i>* Note: Manager unit(s) must be included in this table.</i>										
1 bdr	42	7	42	1			42	692	29,081	
2 bdr	12	2	12	1			12	970	11,641	
Total (by column) ▶	54	9 (Includes 5-Home + 4 Home-Like)	54	2			54		40,722	
Common Areas ▶									15,654	
Comm'l Areas ▶									0	
Tuck-Under Parking ▶									18,765	
							<b>TOTAL FLOOR AREA</b> ▶		75,141	

If there is a Manager unit, what is its size? (1 bdrm, 2 bdrm, etc.) 2 bed  
 If the manager unit is income-qualified, what is the AMI %? <=60



Common property management? ..... 

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**PROJECT RENTS AND INCOME LEVELS**

Legislation requires that when OHCS resources are utilized, OHCS will give substantial preference to applicants who rent to tenants whose net income is at 2 times or greater, the rent. (e.g. if rent is \$300 per month, a tenant who earns a net of \$600 should be considered income eligible.) Will the project accept this as its policy?

<b>Yes (X)</b>	<b>No (X)</b>
X	

Upon completion of the project, how many units will be receiving project based assistance? 0

Number of RD units receiving project-based assistance? \_\_\_\_\_

Number of Section 8 units project-based assistance? \_\_\_\_\_

Number of units receiving other type of project-based assistance? \_\_\_\_\_

Explain other type assistance \_\_\_\_\_

In the table below, indicate the income and rental limitations of the proposed units. Assume all funding source restrictions when completing. Round up to the nearest 10%, i.e., a 47% rental charge would be listed as 50%.

Unit Type by bedroom size:	Number of units by bedroom size:	Percent of Median Income as adjusted for family size will not exceed:	Rents not to exceed the following percent of median income:
<i>Example:</i>	<i>Example:</i>	<i>Example:</i>	<i>Example:</i>
2 bedroom	8	50%	50%
3 bedroom	12	60%	60%
1 Bedroom	7	50%	50%
1 Bedroom	35	60%	60%
2 Bedroom	1	50%	50%
2 Bedroom	11	60%	60%

**If the income limitation percentage of the household residing in the unit is not equal to the proposed rental percentage charge, then provide an explanation why.** (For instance, if the rent limitation is 40% of area median income and the household income will be 30% or less of area median income (indicate the reasoning behind the choices).

X \_\_\_\_\_

Name, title and address of the Chief Executive Officer (i.e., Mayor, City Manager) of the project's locality:

**Name:** Ron Garzini **Title:** Interim City Manager  
**Address:** 710 NW Wall St. PO Box 431 **City:** Bend, Oregon **Zip:** 97709

**PROPOSED PROJECT SCHEDULE**Project Name: Mountain Laurel Lodge Schedule date: 8/5/04

ACTIVITY	PROPOSED DATE (month/year) *	REVISED DATE (month/year) *	COMPLETED DATE (month/year) *
<b>SITE</b>			
Option/Contract executed			January 2004
Site Acquisition	March 2005		
Zoning Approval			October 2003
Site Analysis	December 2004		
Building Permits & Fees	May 2005		
Off-Site Improvements	June 2005		
<b>PRE-DEVELOPMENT</b>			
Plans Completed	February 2005		
Final Bids	March 2005		
Contractor Selected	December 2004		
<b>FINANCING</b>			
<b>CONSTRUCTION LOAN:</b>			
Proposal	January 2005		
Firm Commitment	March 2005		
<b>PERMANENT LOAN:</b>			
Proposal	November 2004		
Firm Commitment	November 2004		
SYNDICATION AGREEMENT (LIHTC)	March 2005		
CONSTRUCTION BEGINS	June 2005		
CONSTRUCTION COMPLETED	June 2006		
CERTIFICATE OF OCCUPANCY	July 2006		
LEASE UP COMPLETED	December 2006		

\* Indicates completion by end of month



# Oregon

Theodore R. Kulongoski, Governor

## Housing and Community Services

Street Address: 725 Summer Street NE, Suite B

Mailing Address: PO Box 14508

Salem, OR 97301-1271

(503) 986-2000

FAX (503) 986-2020

TTY (503) 986-2100

www.hcs.state.or.us



Setting the Standard...



November 8, 2004

Mr. John Gilbert  
Acadia Properties, LLC  
543 NW Broadway Street  
Bend, Oregon 97701

RE: **CONSOLIDATED FUNDING RESERVATIONS**  
**MOUNTAIN LAUREL LODGE, Project Number 00000489**

Dear Mr. Gilbert:

Oregon Housing and Community Services ("OHCS," "Department") has reserved the following funding for Acadia Properties LLC for the development of the Mountain Laurel Lodge project.

- \$ 100,000 Housing Development Grant (Trust Fund);
- \$ 689,500 annual allocation of 2005 Low Income Housing Tax Credits;
- \$ 540,000 of Oregon Affordable Housing Tax Credits;
- \$ 500,000 HOME Investment Partnerships Program Grant (HOME);
- \$ 44,365 Low-Income Weatherization Program.

Please be advised that readiness to proceed is an important criterion. In order to retain these reservations, you must meet the following conditions, subject to Department approval, by **February 10, 2005**. Failure to meet all conditions to OHCS satisfaction may result in the revocation of the reservations.

No funds will be released until the general conditions are met unless pre-approved by OHCS and only for predevelopment activities as indicated under the Housing Development Grant Program.

**Note:** As an applicant for state resources through the Consolidated Funding Cycle, you are subject to applicable state laws and rules. Please be informed that the Bureau of Labor and Industry BOLI is in the process of revising, or has revised, OAR 839-016-0100 which interprets the Prevailing Wage Law. The Prevailing Wage Law essentially requires that the prevailing wage rate be paid to workers on public works if public funds are used. Please make sure you stay current on the status of this and other rules as they may have a financial impact on your project, including the receipt of funding conditionally reserved for your project through the Consolidated Funding Cycle. For more information on OAR 839-016-0100 you may contact BOLI at (503) 731-4200.

**Note:** Many of our programs require specific documents to be completed either now or at a later time during project development. Documents necessary for satisfaction of Conditions of Reservation can be found on our website at:  
[http://www.ohcs.oregon.gov/OHCS/HRS\\_Reservation\\_Letter\\_Attach.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml) under the link entitled "Reservation Letter Attachments." If you do not have internet access, please contact me and I will be glad to send them in hard copy form.

General Conditions (all must be completed no later than February 10, 2005):

1. A Monthly Progress Report must be submitted beginning December 10, 2004 for November 2004, and thereafter on a monthly basis until project completion. The report should indicate all activities undertaken during the previous month. The reports submitted for November and December will be used to ascertain progress in meeting the conditions of this award letter and retention of the funding reservations. A blank Report form is provided at the web address above.
2. The HOME Program requires a firm commitment for each non-Department funding source. Supply evidence of firm commitment from the representative of each of the following sources of funding:
  - Low Income Housing Tax Credit Equity
  - City of Bend CDBG
  - Permanent Loan financing
3. Complete and submit a copy (form included in the Fall 2004 CFC Application) of the Management Plan and Management Agent's Qualifications for review. Include a sample lease or rental agreement. If during project development the management agent or plan should change, a revised plan must be submitted.
4. A preliminary review of the architectural materials submitted with your application has been completed. Comments and requirements will be sent to you under separate cover. All concerns that do not meet OHCS's minimum architectural requirements must be addressed before the project can proceed. When developing your project schedule, allow adequate time in your project schedule to permit the detailed architectural review, possible plan revisions, and a follow up review (if necessary) before bids are solicited or construction begins.

If your architect has any questions regarding design standards or the specific comments outlined above, please contact OHCS's architect, John Czarnecki. He can be reached by phone at 503-986-0972.

5. When your General Contractor has been identified, tell us what steps he/she will take to assure affirmative outreach efforts in the solicitation and use of subcontractors.
6. Resident services appropriate and specific to the identified needs of the targeted population are required by OHCS. Complete and submit, for Department approval, a Resident Services Plan (required format in the Fall 2004 CFC Application). Provide commitment letters or executed agreements with all the agencies providing services to the project.

Due to the fact that you intend to have the project's site manager coordinate the Resident Services plan, the following must be submitted with the Plan in order to receive Department approval:

- a copy of the job description for the site manager position which includes Resident Services coordination;
  - a list of minimum qualifications and experience for the site manager position;
  - a statement describing how the duties of site management and resident services coordination will be compatible.
7. Beginning with the 2004 Spring CFC awards, new construction projects and those undergoing substantial rehabilitation will be required to provide high-speed, shared data internet access to the

living area of each housing unit. Your application indicated that internet access would be provided to each unit, however your application does not provide any additional information. Please indicate where the cost of installation is included in your total project cost and provide a narrative describing what type of connection you will be using, if a consultant will be assisting, and other details of your internet plan. Please remember that the cost of internet installation is to include only the costs incurred over and above the cost of laying regular phone and/or cable t.v. lines to the units.

8. You must complete one of the following within **15 days of the date of this letter**:
- a) Initial each page, sign this letter and **return the original** indicating your acceptance of the reservations and all the terms and conditions of the reservations; or,
  - b) If you have concerns about any of the conditions or timelines contained in this letter, contact me. I will discuss your concerns with your Regional Advisor to the Director (RAD) and if necessary we may schedule a conference with you to discuss your specific concerns.

Housing Development Grant Program (Trust Fund) Conditions:

1. Oregon Administrative Rules require grant terms and conditions be established in a Project Use Agreement. Please provide the name of the entity that will receive the grant funds. The Project Use Agreement will be sent to under separate cover. It will be your responsibility to see that the Project Use Agreement is recorded as an encumbrance against the project property.
2. OHCS may consider releasing Trust Fund program funds prior to meeting all of the General and Trust Fund Conditions only in the following instances and upon completion of the following:
  - a) Trust Fund program funds used for predevelopment expenses can only be used to assist in meeting the General and Trust Fund conditions (architectural, appraisals, etc); and,
  - b) Provide for Department approval an expenditure plan indicating the amount of Trust Fund Program funds required and the use of the funds; and,
  - c) If you do not own the property at the time of fund disbursement, then you will be required to open an escrow account and have the Project Use Agreement placed in escrow and recorded immediately upon obtaining title to the property.

Low-Income Weatherization Program Conditions (Wx)

1. Eligible activities for the Low-Income Weatherization Program funds must demonstrate measurable cost effective energy conservation. For each dollar of the funds requested, you will be required to demonstrate, at a minimum, an equal number of kilowatt savings in electricity for the first year of operation. The reservation amount will be adjusted if the kilowatt savings per hour (kWh) are not demonstrated.
2. To meet program requirements, at least 50% of the units in the project must be rented to households whose income is at or below 60% of the area median income, adjusted by family size, as defined by the U. S. Department of Housing and Urban Development. The recipient's

commitment will remain in place for a minimum of ten (10) years from the date of completion of the project. This commitment will be included in the Project Use Agreement

If you do not own the property at the time of fund disbursement, you will be required to open an escrow account and have the Weatherization Program Project Use Agreement placed in escrow and recorded immediately upon obtaining title to the property.

3. Weatherization funds will be disbursed to reimburse weatherization eligible items when they are purchased and installed.
4. A post construction inspection needs to be completed to verify the proposed energy measures have been satisfactorily completed. An independent third party such as an architect, energy consultant, or local community action agency energy weatherization representative is acceptable to complete the inspection. The inspection must be completed and the results provided to the Department.
6. Eligible baseload measures (lighting, refrigerators, dishwashers, clothes washers, dryers and freezers) should be included which meet Energy Star Criteria and/or units comply with UL-250 with energy-efficiency standards established in the National Appliance Energy Conservation Act of 1987. Refrigerators may not have through-the-door ice or water services, since this feature increases energy use. Documentation of energy savings and costs for appliances and lighting must be supplied to OHCS to meet program requirements. Do not include delivery and installation costs. Include methods of calculations and base measurement for each appliance installed.
7. Reference for effective baseload appliances can be found at <http://www.energy.state.or.us/res/tax/appliance.htm>

#### Low Income Housing Tax Credits:

1. After this CFC Reservation letter has been returned to us signed and initialed, OHCS will mail a formal LIHTC Offer of Reservation and a LIHTC Reservation and Extended Use Agreement ("Agreement") to you. The Agreement will contain rent restriction language based on information you provided in the Fall 2004 Consolidated funding Cycle Application. It must be signed, notarized and returned to this office within 60 days of the date of the Offer of Reservation Letter. A reservation fee (5% of the annual amount of tax credit offered) is due and payable to the Oregon Housing and Community Services Department at the time you execute the Agreement.
2. OHCS must sign and notarize the Agreement in the same month OHCS receives your signed Agreement and the reservation fee. If you have chosen to lock the percentage rate, it will be applied at the published rate in the month in which the Agreement is executed by all parties and the reservation fee received. You have 60 days from the date of the Offer of Tax Credit Reservation letter to return the signed Agreement and the appropriate reservation fee. Fall CFC applicants may therefore lock in December, January or February; Spring CFC applicants may lock in July, August or September.

If the Reservation and Extended Use Agreement and appropriate reservation fee are NOT returned to OHCS within 60 days of the date of the Offer of Tax Credit Reservation letter, you will forfeit the option of locking the rate and must wait until the Placed in Service date to rate lock.

Please return this CFC Reservation letter in a timely fashion as a delay will not extend the time period you have in which to make your rate lock decision - you will still be held to the December, January, February or July, August, September lock rates.

3. OHCS's "Hold Harmless Agreement" should be signed when you enter into the Reservation and Extended Use Agreement.
4. All LIHTC projects require a comprehensive market study of the housing needs of the individuals served by each project. A disinterested third party approved by OHCS must prepare the study. A third party market study must be submitted and approved by the department prior to obtaining a carryover allocation. Make certain that the market study addresses the issues outlined in the department's format for the study. The latest format is included in the department's Fall 2004 Consolidated Funding Cycle application.
5. If the project will not be completed in 2005 you will need to apply for a carryover allocation to show the "10% test" will be met by June 30, 2006. The application for a carryover allocation must be submitted by December 1, 2005 and include an updated data summary form to include limited partnership name and taxpayer identification number, updated housing operating budget, and updated LIHTC forms from the CFC application packet if there are any changes. An application for carryover is available from OHCS. Be sure to re-date any pro forma sheets that are updated.

Certification of the 10% test must be provided by a third party tax professional, such as a Certified Public Accountant or a Tax Attorney, before June 30, 2006. If you would like to complete your carryover allocation, i.e., complete the 10% test, at the time of submission of your carryover application it will be necessary to provide certified costs.

7. **Managers Unit:** Please clearly indicate the number of manager units to be included at the property. It is important to note this in all LIHTC documentation because a unit used for a full time manager is considered common space and will not require the resident to be income qualified while still allowing the unit to be included in the project basis. Not designating a manager's unit requires that units, in order to remain in basis, must house an income-qualified tenant.

Please state the unit mix as follows:

53 # Units affordable (LIHTC income qualified units)

1 # Units considered common space (manager's unit)

9. Please describe how your partnership fulfills these expectations:

You are requesting the 9 % credit.

You are requesting the 130% bonus in a difficult to develop area or a qualified census tract.

If yes to both of the above, HOME funds must be loaned to the partnership at or above the Applicable Federal Rate (AFR) or must be deducted from the basis calculation.

If yes to both of the above, HOME funds may be loaned below the AFR if at least 40% of the LIHTC units are targeted and affordable to households at or below 50%

of median family income and not impact basis.

\_\_\_\_\_ If yes to both of the above, HOME funds may not be traced to basis or non-basis items such as land acquisition unless a written, legal opinion (acceptable to OHCS) is acquired. Otherwise the HOME funds must be removed from basis.

10. If you are requesting other than State HOME funds, or any other funds that will be loaned to the project, please submit a discussion on the terms of those funds. Describe if it is a grant or a loan, and if the funds are loaned to a partnership. If a HOME loan or partnership loan, discuss the terms of payoff and include the payment data for that loan on your pro forma expense page.
11. If your project is in a hard to develop area, provide map with census tract identified to qualify for the 130% bonus or recalculate your annual tax credits at 100% of costs.

Oregon Affordable Housing Tax Credit Program:

1. Enclosed is a copy (original mailed to NOAH) of the "Reservation Letter" reserving Oregon Affordable Housing Tax Credits for 180 days or until 180 days from date of letter. In order to receive a "Certification" qualifying your lender to claim the tax credits, the following must be provided:

Evidence you have received a firm commitment of financing for \$1,688,213 from NOAH by May 8, 2005 which indicates the amount of OAHTC to be used.

Included under the Development Forms link on the CFC website is a sample copy of the "Declaration of Land Use Restrictive Covenants". We will complete this document and require it be recorded against the project property at the time your permanent loan with NOAH is closed.

HOME Conditions of Reservation

1. The HOME reservation will be subject to a satisfactory environmental review. The environmental review process must be completed and a release of funds obtained from HUD prior to you taking any "choice limiting" actions on the project site. In other words, you cannot undertake any action or activity that could limit the project to the specific site or perform any physical development activities on the site until a release of funds is obtained from HUD. This includes, but is not limited to, property acquisition, demolition, or construction work. It doesn't matter whether these activities are to be paid with HOME funds or some other source of funds including your own resources. No activities can be done until OHCS receives a release of funds from HUD. Doing so could jeopardize an award of HOME funds.

A HOME Program staff person has initiated the environmental review process and you may already have been or soon will be contacted about the results of the review and whether it is necessary for you to publish a public notice. Publication of a public notice provides a 30-day period for citizens to comment on your project. At the end of the comment period, if no issues are raised through public comment, HUD will release the HOME funds. You can estimate a minimum of 45 days from time of publication before HUD will provide a Release of Funds. The time period will be longer if public concerns on the project are raised.

2. A HOME grant reservation becomes an award when all of the General and HOME conditions are met. At that time a HOME Grant Agreement will be executed. Costs incurred prior to execution

of a grant agreement can not be paid with HOME funds. Currently the understanding of costs incurred includes any obligations incurred due to contractual agreements to perform work. Therefore, you should not enter into any agreement or contracts that will be paid with HOME funds until a grant agreement is executed.

There is one exception. Some predevelopment costs incurred prior to execution of the HOME Grant Agreement (and no earlier than 6 months before application) may be eligible for reimbursement with HOME funds. Reimbursement of HOME funds will be limited to the following costs: legal, consulting, environmental and other studies, engineering and design costs, zoning approvals, inspections and testing for hazards, costs related to obtaining site options, project financing and fees for loan commitments. These activities must not have a physical impact on the site. Reimbursement will occur after execution of the HOME Grant Agreement. Prior Department approval must be received before HOME funds can be used to reimburse predevelopment costs. Therefore you must:

- a) Provide OHCS an expenditure plan indicating the amount of HOME funds required and the use of the funds.
3. Prior to acquiring the property, obtain an appraisal indicating the fair market value of the property (appraisals are acceptable only when completed by a licensed appraiser or real estate broker). You must notify the seller of the fair market value (refer to URA sample letter 5C included in the CFC Application) and the seller must sign the notice agreeing to sell the property for the lesser of the negotiated sales price or the fair market value of the property. The appraisal and seller signed notification must be submitted to this office before the property is acquired even if non-HOME funds are to be used for the acquisition.
  4. Property tax exemption has been identified as a potential match contribution on this project. In order to determine the amount of property tax exemption that can be credited as match, you must provide verification from the taxing jurisdiction indicating the number of years the exemption will be granted. If the exemption will be on-going and will continue as long as the ownership and use of the property remains the same, then this must be indicated in the letter verifying tax exemption eligibility. If you must apply annually for the tax exemption then we can only credit one year towards your match obligation. If this occurs, then you must identify additional eligible match or the HOME reservation will be reduced.
  5. Sponsors with projects containing 5 or more units must affirmatively market the units before renting them. Therefore, it is necessary to take steps to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing.
    - a) Execute the Affirmative Marketing Policy found at:  
[http://www.ohcs.oregon.gov/OHCS/HRS\\_Reservation\\_Letter\\_Attach.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml) under the "Reservation Letter Attachments".
    - b) Describe the affirmative marketing efforts to be taken in renting the units.
  6. Please submit in narrative form the efforts that you will take to meet section 3 criteria by providing economic opportunities to low and very low income persons residing in the targeted geographical area. Section 3 of the Housing and Urban Development Act of 1968 requires HOME recipients to direct jobs, training and contracting opportunities to businesses owned by or employing low and

very low income residents. HOME recipients are required to keep records and provide reports on their section 3 efforts. Section 3 requirements, details and recordkeeping forms are included at [http://www.ohcs.oregon.gov/OHCS/HRS\\_Reservation\\_Letter\\_Attach.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml) under the Reservation Letter Attachments".

7. All HOME projects with construction costs in excess of \$50,000 must have a project sign located prominently at the site. In addition to the contributors listed on the sign, sponsors must include any contribution of HOME funds under HUD in lettering no smaller than that used to acknowledge other contributors to the project. Use the "HUD" name rather than "HOME" name when listing the project's contributors. The sign is to be installed prior to construction and is to be maintained for the duration of the construction contract. Project sign costs can be reimbursed from HOME funds. Once construction/rehab begins, provide OHCS with photos of the approved Project Sign, plus Fair Housing and EEO posters on display at the construction site. Contact OHCS if you need copies of these posters. Photos may be submitted as prints, color photocopies or digital images.
8. HOME-assisted units must be designated as fixed or floating. "Fixed" units remain the same throughout the period of affordability. "Floating" units change but each substituted unit must be comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

Designate here that the HOME-assisted units in this project shall be:

\_\_\_\_\_ Fixed       Floating

9. As part of the subsidy layering review, OHCS must be immediately notified if additional governmental assistance besides that listed in the current Sources of Funding is obtained in for this project.
10. Submit the Fair Housing Resolution, found at: [http://www.ohcs.oregon.gov/OHCS/HRS\\_Reservation\\_Letter\\_Attach.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml) under the "Reservation Letter Attachments". It is to be typed on Board of Directors letterhead and signed by members of your Board.

#### Participatory Requirements

As a recipient of Housing and Community Services funds, OHCS requires compliance with the following. Meeting these requirements will be a measure of determining sponsor capacity in future Department applications.

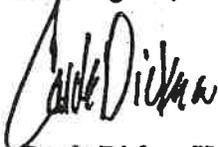
1. Review the timelines you indicated in the Project Schedule enclosed with the CFC Application and revise from time to time as applicable. Submit a revised Project Schedule when changes are necessary. Your ability to meet these timelines will be a measurement for retaining the funding reservations.
2. As changes occur to the project's development and operating costs, a revised Sources of Funding, Uses of Funding, and/or Operating Budget reflecting the current project status must be submitted.
3. OHCS has standard grant, loan and tax credit documents that generally are not open to modification. Copies of sample documents will be forwarded to you and should be reviewed by

you and your legal counsel to acquaint yourselves with the program obligations. Should requests be made by you or your legal counsel to modify any language in the documents, you will be obligated for reasonable legal costs incurred by OHCS in considering such modifications. Such OHCS legal costs will be billed to you and must be paid by you to OHCS prior to execution of the documents. Any requests for modifications to the standard documents should be discussed with the Housing Development Representative.

4. Submit a revised Uses of Funding once construction bids are received and project costs are finalized. Upon receipt, OHCS shall re-examine the amount of resources reserved for the project and may elect to adjust according to need.
5. Compliance with the Fair Housing Act as amended: You will need to research the Fair Housing Act to make sure the project is in compliance. A copy which summarizes some of the requirements of the Act may be obtained by contacting OHCS.
6. To ensure that minority-owned, women-owned and emerging small business enterprises will be used to the greatest extent possible, undertake the affirmative outreach efforts as outlined in your CFC application. As requested, provide reports showing the efforts undertaken and the results of such efforts.
7. Adherence to all federal, state and program regulations applicable to your organization and your proposed project is a basic requirement.
8. Grant disbursements must be requested on OHCS's Drawdown Request form with back-up documentation such as invoices, billings, and paid receipts. An Electronic Funds Transfer set-up form must be completed prior to any drawdowns for project expenses. Examples of these forms can be found at: [http://www.ohcs.oregon.gov/OHCS/HRS\\_Reservation\\_Letter\\_Attach.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Reservation_Letter_Attach.shtml) under the "Reservation Letter Attachments".
9. Display of the Fair Housing name and/or logo when project units are marketed/promoted is required.
10. Oregon Housing and Community Services shall be listed by name on all materials where the project contributors are listed by name.
11. Upon receipt of the grant and/or tax credit resources, you agree to provide, from time to time as requested, annual income and operating expense reports for the completed development for the agreed upon period of affordability.
12. It is expected that grant funds will be expended for eligible project-related expenses by June 1, 2005.
13. Develop an administrative notebook that will be available on site for management use which contains copies of:
  - Current year rent and income limits and utility allowances (adding subsequent limits as they are issued)
  - The executed project use agreements and restrictive covenants for each OHCS grant, loan or tax credit resource provided to the project.
  - 8609s (if project received LIHTC)
  - current resident services plan

OHCS congratulates you on your funding reservation(s) and looks forward to a successful completion of your project. Please contact me at 503-986-2137 or [carole.dicksa@hcs.state.or.us](mailto:carole.dicksa@hcs.state.or.us), if you have any questions concerning your Grant and Tax Credit reservations.

Best Regards,



Carole Dickson, HOME Program Manager  
Housing Resources Section

Enclosures

c: Darcy Strahan, Regional Advisor to the Director

**AGREED TO AND ACCEPTED ON THE TERMS AND CONDITIONS SET FORTH ABOVE  
FOR THE FOLLOWING GRANT AND/OR TAX CREDIT RESERVATIONS:**

**\$ 100,000 Housing Development Grant (Trust Fund);**

**\$ 689,500 annual allocation of 2005 Low Income Housing Tax Credits;**

**\$ 540,000 of Oregon Affordable Housing Tax Credits;**

**\$ 500,000 HOME Investment Partnerships Program Grant (HOME);**

**\$ 44,365 Low-Income Weatherization Program.**

By: John N. Gilbert III

  
Principal, Acadia Properties, LLC

11/23/04  
Date