

Memorandum of Understanding
Housing Authority of the City of Salem and CDP Oregon, LLC
ODOT park-and-ride lot at NW corner of Market Street NE and Hawthorne Avenue NE,
Salem, Oregon - Redevelopment Opportunity

This Memorandum of Understanding (“MOU”) made and entered into as of the date set forth below, by and between CDP Oregon, LLC (“CDP”) and the Housing Authority of the City of Salem (“SHA”) together (“Party” or “Parties”). The purpose of this MOU is to memorialize the Parties’ intent and understanding of terms of a future development agreement identified herein and understanding of each of their rights and obligations under the future agreement. This MOU is not binding on either Party.

WITNESSETH:

WHEREAS, the Oregon Department of Transportation (“ODOT”) has published a notice that real property has been determined to be surplus and is available for acquisition by a housing authority, a political subdivision, nonprofit organizations and Indian tribes on the condition that they develop the property for affordable housing. SHA as a qualified entity submitted a written notice to ODOT of their intent to purchase the property and has the authority to conduct pre-development work on the site. SHA has first priority to purchase the property for the purpose of development of affordable housing as the property is within SHA’s jurisdictional boundary; and

WHEREAS, the Parties are desirous of development of affordable housing on the property known as ODOT park-and-ride lot at NW corner of Market Street NE and Hawthorne Avenue NE, Salem (“ODOT Park and Ride”); and

WHEREAS, CDP has experience in developing public/private sector projects that support multi-family housing, local business, community focus success; and

WHEREAS, SHA and CDP intend to enter into a co-development and co-ownership partnership agreement for the development, financing, ownership and operation of an affordable housing project on the ODOT Park and Ride lot; and

NOW, THEREFORE, in consideration of the following, the Parties understanding is as follows:

- 1) Partnership Structure. SHA and CDP will work to negotiate a Limited Partnership Agreement that will memorialize the details of the affordable housing project. The project is anticipated to be a multifamily building with more than 100 affordable housing units with onsite support services. The Parties intend to designate CDP as the lead for project development. SHA will act as the special limited partner and CDP will act as the managing general partner. An unrelated investment limited partner will be admitted to the partnership as tax credit investors.
- 2) Financial participation. The Partnership will pay CDP and SHA, as co-developers, a fee for services in the form of a developer fee, paid 80% to CDP and 20% to SHA.
- 3) Secondary Loans. The Parties intend to apply for and obtain financial sources structured as grants to SHA, the proceeds of which are then loaned by SHA to the Partnership (Secondary Loans), then the Partnership's repayment of any such Secondary Loans shall be made from the annual cash flow after the repayment of deferred developer fee.
- 4) Guaranties. CDP Oregon LLC shall provide all guaranties required in connection with the Project. Such guaranties include, but are not limited to, development deficits, permanent loan shortfalls, tax credit shortfalls resulting from adjusters or recapture, operational expenses or operating deficits.
- 5) Limited Liability. SHA and its partners, directors, officers, agents and employees shall have no personal liability with regard to any debt or obligation of the Partnership.
- 6) Due Diligence. CDP warrants that CDP has performed suitable and adequate due diligence as it believes is customary in the affordable housing industry and that no condition materially adverse to the development and operation of the Project has been discovered that has not been disclosed. CDP will provide representations and warranties to SHA in respect of any representation and warranty that SHA makes, or is deemed to have made, on its own behalf and on behalf of the Partnership, with respect to the condition of the property on which the Project is located, under any loan documents, any credit enhancement document, any partnership document, and any offering document in connection with tax exempt bonds, as applicable.
- 7) Reimbursements. CDP and SHA will share responsibility for payment of all pre-development expenses as defined in the Partnership Agreement. All pre-development expenses incurred by CDP and SHA shall be reimbursed by the Partnership at the construction loan/tax credit closing. SHA and CDP will each dedicate \$50,000 for feasibility that the property can be established as legal lot and be transferred to the new development Partnership and for pre-development costs including, but not limited to, environmental testing, geotechnical inspections, and appraisal. If both Parties deem the project feasible and agree to move forward, SHA

will dedicate \$500,000 of predevelopment funds to be used for the first \$500,000 of architectural fees to Scott Edwards Architecture. CDP will cover the rest of the predevelopment expenses to achieve a LIHTC closing. CDP will charge 10% interest to cover our internal cost of capital which will be paid by the Partnership at commencement of construction. SHA will charge 10% interest to cover internal cost of capital which will be paid by the Partnership at commencement of construction.

- 8) Property Management. The Partnership will retain property management services for the Project, which will be selected by CDP
- 9) Roles and Responsibilities. CDP will be primarily responsible for management of the development and construction of the Project. Although CDP may consult with SHA, CDP will have the sole authority to select the lender, grant providers, Investment Limited Partners, consultants, and general contractors for construction of the Project. Both Parties have agreed to hire Scott Edwards Architecture. SHA shall be responsible for the Project's resident services and community engagement operations. SHA agrees to perform other tasks and duties as may be required to maintain property tax abatement if property tax abatement is available based on SHA's public status and the affordable nature of the Project. If available, SHA will apply for and maintain the property tax abatement each year and CDP agrees to cooperate with SHA in connection with all filings made by SHA to apply for and maintain the property tax abatement.
- 10) Document Review. CDP agrees to furnish SHA and its legal counsel, Kantor Taylor, for review and comment of all drafts of Partnership documents, loan documents and any other material documents that pertain to the organization of the Partnership and the financing of the Project. SHA will be allowed reasonable time for its legal counsel to review and comment on all material documentation to be executed on behalf of the Partnership. The Parties acknowledge that time is of the essence in review and approval of Partnership, financing, and other documents related to the Project and will work collaboratively to meet Project timelines.
- 11) Communication. CDP and SHA shall each send copies of all material communications to and from lenders, equity partners, government agencies, OHCS and any other relevant agencies relating to the Partnership or the Project to each other.
- 12) Legal. The Parties anticipate the Partnership will retain Kantor Taylor for all Partnership and tax matters. CDP will retain Cox Castle Nicholson in connection with the review, negotiation and execution of the Partnership Agreement and all other transaction documents with respect to CDP's partner status and the Partnership shall pay such counsel's reasonable fees and costs.

- 13) Resident Services. The Partnership intends to contract with local service providers to provide resident services after completion of the project. Resident services shall be pursuant to separate resident services agreements in form and substance satisfactory to CDP. All direct onsite costs therefore shall be borne by the Partnership. The cost for these services shall be in an amount determined by both Parties.
- 14) Accountants. The Parties intend that the Partnership will engage Novogradac accounting firm for initial accounting services such as cost certification, first- and second-year financial statements and first- and second-year tax returns.
- 15) Legal Fees and Initial Set-up Costs. The Parties agree that once the Partnership is formed, the Partnership will pay all reasonable legal expenses incurred by SHA in finalizing the documents relating to the Partnership, including the closing of all loans and renderings of all required legal opinions applicable to SHA, in an approximate amount of \$20,000 plus costs and expenses (but not to exceed \$35,000 in the aggregate for all such fees and expenses); provided however, such fees shall be subject to increase in the event of changes to the Project debt financing participants or equity financing participants from that as originally contemplated if such changes result in the use of different documentation to evidence such debt or equity financing. These legal expenses shall be paid upon closing of the Partnership. SHA will be responsible for out-of-pocket expenses incurred by itself or its employees or agents in the process of finalizing the documents. These expenses include telephone, facsimile, photocopy, secretarial, delivery, and administrative expenses.
- 16) Representations and Warranties of SHA.
- (a) SHA currently possesses the experience and credentials necessary to the requirements of Executive Order EO-87-06 of the OHCS in accordance with the Oregon Administrative Rule Chapter 813, Division 90 (the "OHCS Regulations").
 - (b) SHA currently possesses the experience and knowledge to seek property tax abatement.
- 17) Recognition. CDP agrees to include SHA's name on all public announcements, signage, advertising and marketing materials, awards given, and the like, as the nonprofit partner and co-developer of the Partnership when CDP is included.
- 18) Termination. Either Party may terminate this MOU upon thirty (30) days written notice to the other Party.
- 19) Miscellaneous. This Memorandum shall be governed by Oregon law. The exclusive venue for any dispute hereunder shall be a court of competent jurisdiction in Marion County, Oregon. The terms of this Memorandum are intended to summarize the key

Partnership terms. Signatures of the parties transmitted electronically by email or by facsimile shall be deemed binding.

AGREED AND ACCEPTED this _____ day of _____ 2026

Housing Authority of the City of Salem, a public body corporate and politic of the State of Oregon

Krishna Namburi, Executive Director
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CDP OREGON LLC, an Oregon limited liability company
By: CDP Manager LLC,
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its Manager

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