

**LIMITED LIABILITY COMPANY AGREEMENT
OF
LOFTS AT WILLOW MANAGEMENT LLC**

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This Limited Liability Company Agreement ("Agreement") of Lofts at Willow QOZB LLC, an Oregon limited liability company (the "Company"), is entered into by Lofts at Willow Management LLC, an Oregon limited liability company, and Lofts at Willow OZ Investor LLC, an Oregon limited liability company, and any other Persons that may hereafter become Members or successors to interests in the Company, effective December 6, 2024. Capitalized terms used in this Agreement shall have the meanings ascribed thereto in Schedule A.

ARTICLE 1 ORGANIZATION AND PURPOSES OF COMPANY

1.1 **Organization.** The Company was created by the execution and filing of the Articles under the Act on December 6, 2024. On and after the date hereof, the conduct of the Company's business and affairs shall be governed by this Agreement, the Act and the Articles.

1.2 **Name of the Company.** The name of the Company shall be "Lofts at Willow QOZB LLC". The Company may conduct its business under any other name or names which the Members select. If the Company does business under a name other than that set forth in its Articles, then the Company shall file an assumed business name as required by law.

1.3 **Purposes and Powers.** The Company is organized to engage in any business permitted under the Act. The Company shall have all powers provided for in the Act.

1.4 **Term.** The term of the Company shall be perpetual, unless its existence is sooner terminated pursuant hereto or the mandatory provisions of the Act.

1.5 **Principal Office.** The principal office of the Company in the State of Oregon shall be located at 604 Timber View St NW, Salem, OR 97304, or at any other place that the Members select. The Company will keep the records required by the Act at its principal office.

1.6 **Registered Agent.** The name and address of the Company's registered agent in the State of Oregon shall be as follows:

Landon Hattan
604 Timber View St NW
Salem, OR 97304

1.7 **Members.** The names, and present mailing addresses of the Members are as follows:

Lofts at Willow Management LLC, 604 Timber View St NW, Salem, OR 97304

Lofts at Willow OZ Investor LLC, 604 Timber View St NW, Salem, OR 97304

Each Member's Percentage interest in the Company shall be an amount equal to the pro rata amount of such Member's Capital Account relative to the other Member(s).

ARTICLE 2

MANAGEMENT

2.1 Management by Manager. The Company shall be managed by its Manager. Subject to the provisions of Section 2.2, the Manager shall have the sole and exclusive right to manage the business and affairs of the Company and shall have all of the rights and powers that may be possessed by a manager under the Act, the Articles and this Agreement, including, without limitation, the power to cause the Company to exercise any or all of its powers under the Act. The initial Manager shall be Lofts at Willow Management LLC, an Oregon limited liability company. Additional or replacement Managers may be appointed by the Members.

2.2 Restrictions. The consent of the Members shall be necessary to authorize the Manager to take any of the following actions:

- (a) Sell, lease, exchange, or otherwise dispose of all or substantially all of the property of the Company;
- (b) Effect any merger or consolidation of the Company with any other Person;
- (c) Take any steps to dissolve the Company;
- (d) Issue an additional interest to any Person;
- (e) Take any action in contravention of this Agreement.

2.3 Officers, Consultants and Agents. The Manager may appoint any officers, consultants and agents and delegate to them such duties as the Manager deems to be appropriate. Any two or more offices may be held by the same Person. The term of office of all officers shall commence upon their appointment and continue until their successors are appointed or until their resignation or removal. Subject to the terms of any separate agreement between the Company and any officer, consultant or agent appointed pursuant to this Section 2.3, any officer, consultant or agent appointed by the Manager may be removed by the Manager at any time with or without cause. The Company may pay its officers and agents reasonable compensation for their services as fixed from time to time by the Manager and approved by the Members.

2.4 Limitation on Liability. No Manager or Member shall be personally liable to the Company or its Members for monetary damages for any act or omission as a Manager or Member performed in a manner reasonably believed by such Manager or Member to be within the scope of the authority granted to such Manager or Member and in the best interest of the Company, provided that such act or omission did not constitute fraud, intentional misconduct, bad faith, gross negligence, a knowing violation of law, a violation of RCW 25.15.236, or an act from which such Manager or Member personally received a benefit in money, property, or services to which such Manager or Member is not legally entitled. Any amendment to or repeal of this Section 2.4 shall not adversely affect any right or protection of a Manager or Member of the

Company for or with respect to any acts or omissions of such Manager or Member occurring prior to such amendment or repeal.

2.5 Indemnification. The Company shall indemnify and hold harmless any Person acting as a Manager or an agent of the Company, the Members, and any other Persons acting on behalf of the Company, including, without limitation, members, employees and agents of a Manager (all of the foregoing being the "Indemnified Persons"), from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which an individual is a party because he or she is or was a Manager, an agent of the Company, a Member, or such other person acting on behalf of the Company, to the fullest extent allowed by the Act, including, without limitation, all expenses (including attorneys' fees), costs, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Persons; provided, that the Company shall not indemnify any Person in connection with a proceeding (or part thereof) initiated by such Person, except where such proceeding (or part thereof) was authorized by the Manager or, if the Indemnified Person is a Manager with the consent of the Members. All expenses (including attorneys' fees), costs, judgments, penalties, fines and amounts paid in settlement of any such proceeding shall be paid by the Company as they are incurred by any Indemnified Person in advance of the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Indemnified Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such Person is not entitled to be indemnified by the Company. The provisions of this Section 2.5 do not affect any rights to indemnity or to advancement of expenses to which any Person may be entitled under any contract or otherwise.

2.6 Term; Resignation; Removal; Replacement.

2.6.1 Term. A Manager shall hold office until the Manager resigns or is removed in accordance with this Section 2.6.

2.6.2 Resignation. A Manager may voluntarily resign as Manager upon 60 days written notice to all the Members and such resignation shall not constitute a breach of this Agreement. The resignation of a Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice. Unless otherwise specified in any notice or resignation, the acceptance of such resignation shall not be necessary to make it effective.

2.6.3 Removal. The Manager may be removed at any time by the Members.

2.6.4 Rights as a Member Unaffected. The resignation or removal of a Manager who is also the Member shall not affect the Manager's rights as a Member nor constitute a withdrawal of the Manager in any capacity as a Member.

2.6.5 Vacancies. Any vacancy occurring for any reason in the position of Manager shall be filled by such Person as is appointed by the Members.

2.7 Right to Rely on the Manager. The signature of a Manager shall be necessary and sufficient to acquire and convey title to any Company property or to execute any promissory

notes, security agreements, trust deeds, mortgages or other instruments of hypothecation or any other agreements or documents necessary to effectuate any provision of this Agreement or carry out the purposes of the Company, and a copy of this Agreement may be shown to the appropriate parties in order to confirm the same. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by a Manager as to:

- (a) The identity of any Member or Manager;
- (b) The existence or nonexistence of any fact or facts that constitute a condition precedent to acts by a Manager or a Member or that are in any other manner germane to the business or affairs of the Company;
- (c) The Persons that are authorized to execute and deliver any instrument or document of the Company; and
- (d) Any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member that involves the apparent carrying on in the usual way the business or affairs of the Company.

2.8 Time Devoted to Company. The Manager shall devote to the Company and apply to the accomplishment of Company purposes so much of his time and attention as in his reasonable judgment is necessary to manage and operate properly and prudently the affairs of the Company.

2.9 Discharge of Management Duties. The Manager shall discharge the duties of manager in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Manager reasonably believes to be in the best interests of the Company. In addition to such other duties and obligations as the Manager may have under the Act, the Articles or this Agreement, the Manager shall cause the Company to conduct its business, operations and affairs separate and apart from that of the Members, the Manager or any Affiliate of the Members or the Manager and shall possess Company property and assign rights in specific Company property solely for Company purposes. The Manager shall take all actions that may be necessary or appropriate for (a) continuation of the Company's valid existence as a limited liability company under the laws of the State of Oregon and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Company to conduct the business in which it is engaged and (b) accomplishment of the Company's purposes.

2.10 Compensation and Reimbursement. Unless otherwise agreed to between the Manager and the Members, the Manager shall not receive compensation for his services as Manager. The Company shall reimburse the Manager for all reasonable out-of-pocket expenses incurred by the Manager on behalf of the Company in the management and administration of the Company. The Company may pay any Person, including a Member acting in a capacity other than as a Member, to perform services on behalf of the Company, as well as other expenses incurred by the Manager necessary or appropriate to the conduct of the business of the Company.

2.11 **Fiduciary Duties.** The Manager owes no fiduciary duties to the Company and the other Members except for (a) the duty to refrain from engaging in intentional misconduct or knowing violations of law; (b) the duty to not make a distribution in violation of this Agreement that would leave the Company unable to pay its debts; and (c) the implied duty of good faith and fair dealing.

ARTICLE 3

RIGHTS AND OBLIGATIONS OF MEMBERS

3.1 **Limitation of Liability.** The Company is an Oregon limited liability company and not a general or limited partnership. No Member shall have personal liability for any Company operations, debts, obligations or liability merely as a result of being a Member.

3.2 Capital.

3.2.1 **Capital Account.** Capital accounts shall be maintained for the Members. The Members' capital accounts shall consist of its contributions to the capital of the Company, increased by such Member's share of Company profits, and decreased by Company distributions to such Member and such Member's share of Company losses. The capital accounts of the Members shall be maintained and adjusted in accordance with Internal Revenue Code Section 704 and Treasury Regulations thereunder.

3.2.2 **Additional Capital.** No additional capital contribution shall be required of the Members.

3.2.3 **No Interest on Capital.** No Member shall be entitled to receive interest on its capital contribution or account, except as specifically provided herein.

3.2.4 **Withdrawal of Member.** No Member may withdraw from the Company, or demand the balance of his capital account, except as otherwise provided in this Agreement.

3.3 **Inspection of Records.** The Members shall have the right to inspect and copy the books and records of the Company.

3.4 **Other Business Opportunities.** The Members may engage in other business activities and may pursue business opportunities competitive with the business and operations of the Company without presenting any such opportunity to the Company or the Manager, and the Company and the Manager hereby waives any right or claim to participate therein.

3.5 **Loans and Other Transactions with Company.** The Company may borrow money or transact other business with a Member or Manager on terms that are commercially reasonable. The rights and obligations of a Member or Manager that lends money to or transacts business with the Company shall be the same as those of a Person that is not a Member or Manager, subject to other applicable law. No transaction with the Company shall be voidable solely because a Member or Manager has a direct or indirect interest in the transaction if the transaction is expressly permitted by this Agreement or is approved or ratified as provided in this Agreement or in the Act.

3.6 **Voting by Members.** Except as otherwise provided in this Agreement, the affirmative vote of in excess of fifty percent (50%) or more of the Percentages then held by the Member or Members shall be required to approve any matter coming before the Member or Members.

ARTICLE 4 **DISTRIBUTIONS**

Distributions shall be made to the Members at such times and in such amounts as the Manager may determine; provided, however, that no distribution shall be made if it would cause the Company to violate the Act.

ARTICLE 5 **BOOKS, RECORDS AND ACCOUNTINGS**

5.1 **Books and Records; Inspection.** At the expense of the Company, the Manager shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

5.1.1 A copy of the Company's Articles and all amendments thereto;

5.1.2 A copy of any written limited liability company agreement and any written amendments;

5.1.3 Unless contained in the Company's Articles, a written statement of: (a) the amount of cash and agreed value of benefits contributed and to be contributed by the Members; (b) the times or events that trigger additional contributions by the Members; and (c) any right the Members to receive distributions that includes a return of all or any part of the Member's contribution; and any events that will trigger the LLC's dissolution;

5.1.4 The Company's five most recent federal, state, and local tax returns;

5.1.5 The Company's five most recent years' financial statements;

5.1.6 Copies of any consents or votes of the Members for the past five years;

5.1.7 The Company's five most recently filed annual reports;

5.1.8 Any filed articles of conversion or merger; and

5.1.9 Any articles of dissolution or articles of revocation of dissolution.

5.2 **Member Inspection.** The Members shall have the right to inspect the Company records, including those listed in Section 5.1., upon written notice to the Company. The Company shall respond to such request in writing within ten (10) days of receipt of a Member's inspection request, and such response shall (a) identify what records the Company will allow the Member to inspect; (b) when and where the records will be provided for inspection (such date

shall not be longer than thirty (30) days from the date of the Company's response to the Member); and (c) provide a reason if the Company declines to provide any records for inspection.

5.3 Reports. Within 90 days after the end of each fiscal year of the Company, the Company shall furnish to the Members an annual report consisting of at least the following to the extent applicable:

5.3.1 A copy of the Company's federal income tax return for that fiscal year;

5.3.2 Profit and loss statements;

5.3.3 A balance sheet showing the Company's financial position as of the end of that fiscal year; and

5.3.4 Any additional information that the Members may require for the preparation of their individual federal and state income tax returns.

In addition, if the Company indemnifies or advances expenses to the Manager in connection with a proceeding by or in the right of the Company, the Company shall report the indemnification or advance in writing to the Members.

ARTICLE 6 **DISSOLUTION**

6.1 Dissolution. Upon dissolution of the Company, the Manager shall immediately proceed to wind up the affairs of the Company. The Manager shall sell or otherwise liquidate all of the property of the Company as promptly as practicable and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority:

6.1.1 First, to the payment of creditors, including the Members to the extent a Member is a creditor and to the extent otherwise permitted by law, in satisfaction of liabilities of the Company;

6.1.2 Second, to establish any reserves that the Manager deems necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as the Manager deems advisable;

6.1.3 Third, to the Members pro rata in accordance with their Capital Account balances; and

6.1.4 Thereafter, to the Members in accordance with their Percentages.

6.2 Distributions in Kind. If the Manager so determines, the assets of the Company shall be distributed to the Members in kind.

6.3 Termination. The Company and the Manager shall comply with any applicable requirements of law pertaining to the winding up of the affairs of the Company and the final

distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

6.4 Articles of Dissolution. When all debts, liabilities and obligations have been paid and discharged or adequate provision has been made therefor and all of the remaining property and assets have been distributed to the Members, the Manager shall file articles of dissolution as required by the Act. Upon filing the articles of dissolution, the existence of the Company shall cease, except as otherwise provided in the Act.

ARTICLE 7

ADOPTION AND AMENDMENT

This Agreement shall be adopted and be effective only upon execution by all of the Members. Except as expressly provided otherwise herein, neither this Agreement nor the Company's Articles may be amended without the written consent of the Members holding a majority of the Percentages.

ARTICLE 8

TRANSFERS

No Member shall transfer, sell, gift, pledge, encumber or otherwise dispose of any or all of his or her interest herein, in any manner whatsoever. Any attempt to transfer, pledge or otherwise dispose of an interest herein in violation of this Agreement shall be null and void and shall not operate to transfer any interest or title to the purported transferee.

ARTICLE 9

MISCELLANEOUS

9.1 Application of Oregon Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of Oregon and specifically the Act, without regard to choice of law rules.

9.2 Construction. Whenever required by the context in this Agreement, the singular number shall include the plural and vice versa, and any gender shall include the masculine, feminine and neuter genders.

9.3 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

9.4 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the parties and, to the extent permitted by this Agreement, their respective heirs, legal representatives and permitted successors and assigns.

9.5 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of

this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

9.6 Entire Agreement. The Articles, this Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Members have executed this Agreement effective as of the date first set forth above.

Members:

Lofts at Willow Management LLC, an Oregon limited liability company

DocuSigned by:

C366D1B4261C44D...
By: Landon Hattan
Its: Manager

Lofts at Willow OZ Investor LLC, an Oregon limited liability company

By: Lofts at Willow Management, LLC, an Oregon limited liability company
Its: Manager

DocuSigned by:

C366D1B4261C44D...
By: Landon Hattan
Its: Manager

**Acknowledged and Appointment Accepted:
Manager:**

Lofts at Willow Management LLC, an Oregon limited liability company

DocuSigned by:

C366D1B4261C44D...
By: Landon Hattan
Its: Manager

SCHEDULE A **DEFINITIONS**

The following terms used in the foregoing Limited Liability Company Agreement shall have the following meanings (unless otherwise expressly provided therein):

"Act" shall mean the Oregon Limited Liability Company Act, including any amendments thereto that become effective after the date of this Agreement.

"Agreement" shall mean this Limited Liability Company Agreement, as amended from time to time.

"Articles" shall mean the Articles of Organization of the Company filed with the State of Oregon as amended or restated from time to time.

"Company" shall mean the limited liability company governed by this Agreement.

"Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association or any foreign trust or foreign business organization.

"Manager" shall mean the Manager provided for in Section 2.1.

"Members" shall mean the Members named herein and any Person that may hereafter become an additional or substitute Member with the consent of the existing Member or Members, but only for so long as such Member is a Member under the terms of this Agreement.

"Percentage" means the percentage interest set forth after the Member's name in Section 1.7, as amended from time to time.

"Person" shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of each such Person where the context so permits.