

**MULTI-FAMILY HOUSING
8-YEAR LIMITED PROPERTY TAX EXEMPTION AGREEMENT**

THIS AGREEMENT is effective as of the date of the last authorizing signature below. The parties to this Agreement are Fourth Street’s Cottages, LLC, a Washington limited liability company, (the “Applicant”) and the City of Olympia, Washington, a municipal corporation (the “City”).

RECITALS

WHEREAS, the City has, pursuant to the authority granted to it by Chapter 84.14 RCW, designated various Residential Target Areas for the provision of a limited property tax exemption for new multi-family residential housing; and

WHEREAS, the City has, through Olympia Municipal Code Chapter 3.57, enacted a program whereby property owners may qualify for a Final Certificate of Tax Exemption, which certifies to the Thurston County Assessor-Treasurer that the owner is eligible to receive a limited property tax exemption; and

WHEREAS, the City has an interest in encouraging new construction or rehabilitation of multi-family housing in Residential Target Areas in order to increase and improve housing opportunities, and to encourage development densities supportive of transit use; and

WHEREAS, the Applicant is interested in receiving a limited property tax exemption for constructing 37 units of new multi-family residential housing in the Eastside Residential Target Area; and

WHEREAS, the Applicant has submitted to the City preliminary site plans and floor plans for new multi-family residential housing to be constructed on property situated approximately at 422 Franz Anderson Rd. SE, Olympia, WA and described more specifically as follows:

Assessor’s Parcel #: 41700700000

Legal Description: TRACT 7 OF COLLEGE CITY BERRY TRACTS, AS
RECORDED IN VOLUME 9 OF PLATS, PAGE 7:
EXCEPTING THEREFROM THE SOUTH 100 FEET OF
THE WEST 215 FEET; ALSO EXCEPT THE EAST
216.346 FEET THEREOF;
IN THURSTON COUNTY, WASHINGTON.

Street Address: 422 Franz Anderson Rd. SE,
Olympia, WA

Referred to in this Agreement as the “Site”; and

WHEREAS, the Director of the Department of Community, Planning and Economic Development has determined that the improvements will, if completed and operated as proposed, satisfy the requirements for a Final Certificate of Tax Exemption; and

WHEREAS, the Olympia Municipal Code requires an applicant for a limited property tax exemption to enter into a contract with the City, in which the applicant agrees to implement the proposed project on terms satisfactory to the Olympia City Council so as to maintain the improvements’ eligibility for the limited property tax exemption; and

WHEREAS, the Olympia City Council amended provisions of the Olympia Municipal Code governing the City’s Multi-Family Tax Exemption program in Ordinance No. 7386, passed December 19, 2023, and effective January 22, 2024; and

WHEREAS, amended provisions found at OMC 3.57.040.A.1.a for a property in Area 1-Eastside Residential Target Area require the applicant to pay five percent of the full ad valorem tax exemption to the City to serve as a fee in lieu of developing affordable housing units.

NOW, THEREFORE, in exchange for the City’s consideration of the applicant’s request for a Final Certificate of Tax Exemption, the Applicant and the City mutually agree as follows:

1. The City shall issue the Applicant a Conditional Certificate of Acceptance of Tax Exemption.
2. The Applicant shall construct on the Site multi-family residential housing substantially as described in the most recent site plans, floor plans, and elevations on file with the City as of the date of City approval of this Agreement. In no event may the Applicant construct fewer than 37 new multi-family permanent residential units nor may the Applicant provide fewer than half of the total residential units on the Site as permanent (i.e. not short-term) housing.
3. The Applicant shall complete construction of the agreed upon improvements within three years from the date the City issues the Conditional Certificate of Acceptance of Tax Exemption or within any extension thereof granted by the City.
4. The Applicant shall, upon completion of the improvements and upon issuance by the City of a temporary or permanent Certificate of Occupancy, file with the City’s Community, Planning and Economic Development Department the following:
 - A. A statement of expenditures made with respect to each multi-family housing unit and the total expenditures made with respect to the entire property;

- B. A description of the completed work and a statement of qualification for the exemption; and
 - C. A statement that the work was completed within the required three-year period or any authorized extension.
5. As required by OMC 3.57.040 A 1 a, the Applicant shall pay five percent of the full ad valorem tax exemption to the City to serve as a fee in lieu of affordable housing units. The Applicant shall pay such fee to the City in two installments, as follows: Prior to execution of this Agreement, the Applicant shall pay 50 percent of the estimated fee; prior to issuance of the certificate of occupancy, the Applicant shall pay the remaining amount of the fee.
6. Upon the Applicant's successful completion of the improvements in accordance with the terms of this Agreement and on the Applicant's filing of the materials described in Paragraph 4 above, and upon the City's approval of a Final Certificate of Tax Exemption, the City shall file the Final Certificate with the Thurston County Assessor-Treasurer.
7. The Applicant shall, within 30 days following the first anniversary of the City's filing of the Final Certificate of Tax Exemption, and each year thereafter for a period of eight years, file a notarized declaration with the City's Community, Planning and Economic Development Department indicating the following:
- A. An emailed or electronically submitted statement of occupancy and vacancy of the multi-family units during the previous year in Excel spreadsheet format that includes monthly rent by unit and the income of each household at the time of initial occupancy;
 - B. A notarized certification that the property continues to be in compliance with this Agreement and RCW 84.14; and
 - C. A description of any subsequent improvements or changes to the Site;
 - D. The total monthly rent by unit; and
 - E. The income of each renter household at the time of initial occupancy.
8. If, during the term of any Final Certificate of Tax Exemption, the Applicant converts to another use any of the new multi-family residential housing units constructed under this Agreement, the Applicant shall notify the Thurston County Assessor-Treasurer and the City's Department of Community, Planning and Economic Development within 60 days of such change in use. The City may, in its sole discretion, revoke and cancel the Final Certificate of Tax Exemption effective on the date of the Applicant's conversion of any of the multi-family residential housing units to another use.
9. Applicant shall notify the City promptly of any transfer of the Applicant's ownership interest in the Site or in the improvements made to the Site under this Agreement.

10. No rental occupancy is permitted on a transient basis. This includes rental accommodation that is leased/rented for a period of less than one month.
11. In addition to any other powers reserved to the City by law the City may, in its sole discretion, cancel the Final Certificate of Tax Exemption should the Applicant, or its successors or assigns, fail to comply with any of the terms and conditions of this Agreement.
12. No modification of the Agreement is effective unless mutually agreed upon by the Parties in writing.
13. Any lawsuit related to or arising out of this Agreement must be filed and maintained only in Thurston County Superior Court for the State of Washington.
14. In the event that any term or clause of this Agreement conflicts with applicable law, such conflict does not affect other terms of this Agreement which can be given effect without the conflicting terms or clause, and to this end, the terms of the Agreement are declared to be severable.

SIGNATURES ON FOLLOWING PAGES

PROPERTY OWNER(S):

FOURTH STREET'S COTTAGES, LLC

By: FOURTH STREET'S COTTAGES HOLDINGS, LLC (Governor of FOURTH STREET COTTAGES, LLC) through SCOTT WAMMACK, Governor of FOURTH STREET'S COTTAGES HOLDINGS, LLC

By: _____
Scott Wammack, Governor,
Date: 10/25/2025

STATE OF WASHINGTON)
) SS.
COUNTY OF THURSTON)

On this ____ day of _____, 2025, before me, the undersigned a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Scott Wammack, to me known to be the Governor of Fourth Street's Cottages, LLC, a Washington Limited Liability Company, who executed the foregoing instrument and acknowledged the said instrument to be his/her/their free and voluntary act and deed of said limited liability corporation, for the uses and purposes therein mentioned and on oath stated that he/she/they is/are authorized to execute the said instrument on behalf of Fourth Street's Cottages, LLC.

WITNESS my hand and official seal the day and year first above written.



Signature _____
 Print Name: Sarah Green
 NOTARY PUBLIC in and for the State of
 Washington, residing at Tulalip WA
 My Commission expires: 2/14/2027