

When Recorded Return to:

Kitsap County Block Grant Program
345 6th Street Suite 400
Bremerton WA 98337

**ASSIGNMENT, ASSUMPTION AND CONSENT
AGREEMENT
HOME (KC-319-18)**

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT (“Assumption Agreement”) is entered into as of this 9th day of Sept, 2026, by and among Preservation Portfolio I LLC, a Washington limited liability company with its principal offices at 2233 112th Avenue, Suite 102, Bellevue, Washington 98004 (hereinafter called “Assignor”), and SRI-Blueridge Pacific, LLC, a Delaware limited liability company whose address is 2223 112th Avenue, Suite 102, Bellevue, Washington 98004 (hereinafter called “Assignee”), and Kitsap County, a Washington municipal corporation, whose address is 619 Division St., Port Orchard WA 98366 (hereinafter called “Lender”).

WHEREAS, Assignor is the Administrative General Partner for SAG Preservation Portfolio 1 LLLP, a Washington limited liability limited Partnership (hereinafter called “SAG”).

WHEREAS, SAG and Lender are parties to that certain HOME Investment Partnership Program Agreement (Agreement No: KC-319-18) (together with all amendments thereto, the “HOME Agreement”), under which Lender advanced the sum of Two hundred eighty-three thousand six hundred thirty-three and 00/100 Dollars (\$283,633.00) (the “HOME Funds”) for reimbursements of certain eligible costs incurred by Assignor in connection with the preservation of the Conifer Ridge Apartments (“Project”), located at 1721 Fircrest Drive SE, Port Orchard, WA, legally described on Exhibit A (including all improvements thereon, the “Property”);

WHEREAS, pursuant to that certain HOME Loan Agreement (“Loan Agreement”) dated October 8, 2018, SAG and Lender agreed to convert the HOME Funds into a loan in the principal sum of Two hundred eighty-three thousand six hundred thirty-three and 00/100 Dollars (\$283,633.00) (“HOME Loan”), with all other terms and conditions of the original HOME Agreement dated October 8, 2018 remaining in full force and effect;

WHEREAS, to evidence the HOME Loan, SAG executed a promissory note (“Note”)

dated October 24, 2018, in favor of Lender under which Assignor agreed to pay Lender or the holder of the Note the principal sum of Two hundred eighty-three thousand six hundred thirty-three and 00/100 Dollars (\$283,633.00);

WHEREAS, to secure payment of the Note, Assignor executed a Deed of Trust dated October 24, 2018, and recorded on December 10, 2018 in the records of Kitsap County under Auditor's File No. 201812100168 ("Deed of Trust"), naming Lender as the Beneficiary;

WHEREAS, Assignor is transferring the Administrative General Partnership interest in SAG to Assignee, described in Exhibit B ("Transfer Documents") and now wishes to assign to Assignee and to have Assignee assume all of Assignor's rights, duties and obligations under the Loan Agreement, the Note, and the Deed of Trust (collectively, the "HOME Loan Documents"), as existing or as they may be amended, and Assignee is willing to assume all of said rights duties and obligations of Assignor thereunder ; and

WHEREAS, Assignor seeks the consent of Lender to the transfer of the Partnership Interest from Assignor to Assignee, and the assignment and assumption of the HOME Loan Documents as set forth herein, and Lender is willing to grant such consent on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby confirms its agreement to transfer all of its right, title, operational control and interest in the Property, and all rights as landlord under lease of the Property, to Assignee and hereby sells, transfers, assigns, grants, and conveys to Assignee all of its right, title, obligations, duties and beneficial interest existing as of this date of the Assignor in and under the HOME Loan Documents as now existing or as they may be amended.

2. Assumption. Assignee hereby expressly assumes and agrees to make punctual payment when due (whether on the stated dates, by acceleration or otherwise) of (i) the principal of and interest on the Note, and (ii) all other payment obligations of Assignor under the HOME Loan Documents, subject to the nonrecourse provisions therein. Assignee hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms, conditions, obligations, duties and liabilities of Assignor under the HOME Loan Documents, including the obligations set forth in HOME Agreement, and any document or instrument executed and delivered or furnished by Assignor in connection therewith.

3. Consent. Lender hereby consents to the transfer of the Property to Assignee

and to the assignment and assumption of the HOME Loan Documents and HOME Agreement pursuant to the terms and conditions set forth herein. Subject to the representations and warranties herein, Lender hereby releases and forever discharges Assignor from all liabilities and obligations concerning said HOME Loan Documents arising subsequent to the date of this Assumption Agreement and agrees to look solely to Assignee for all such payments and liabilities under the HOME Loan Documents.

4. Representations and Warranties. In order to induce the Lender to continue the Loan and to consent to the assignment and assumption provided for herein, Assignee hereby represents to Lender that:

- (a) Assignee is a limited liability company validly existing under the laws of the State of Washington.
- (b) Assignee has the full right, power and authority to conduct all of the activities which are now conducted by it or proposed to be conducted by it in connection with the Project and as contemplated by the HOME Loan Documents, to execute, deliver and perform this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the HOME Loan Documents.
- (c) There is no action, suit or proceeding or any investigation pending or, to the best of Assignee's knowledge, threatened against or affecting Assignee or its general partner at law or in equity in any court or by any federal, state, municipal or other governmental instrumentality which is likely to have an adverse effect on Assignee's ability to undertake the Project or to assume the obligations and to fulfill the duties of Assignor under the HOME Loan Documents.
- (d) To the best of Assignee's knowledge, Assignee is not in default or alleged to be in default with respect to any judgment, order, writ, injunction or decree or in breach or alleged to be in breach or default under any material lease, contract, agreement, commitment, instrument or obligation to which it is a party or by which it or its property is bound; and to the best of Assignee's knowledge, there is no state of facts which is likely to create or cause a default or breach under any such material lease, contract, agreement, commitment, instrument or obligation.
- (e) To the best of Assignee's knowledge and belief, Assignee has complied in all material respects with all federal, state and local laws,

regulations and orders applicable to the ownership of its properties and the conduct of its operations.

- (f) To the best of Assignee's knowledge and belief, Assignee has taken all corporate and other action necessary to authorize the execution and delivery of this Assumption Agreement, and this Assumption Agreement is a valid and binding obligation of Assignee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other law and equity principles applied for the relief of debtors heretofore or hereafter enacted, to the extent that the same may be constitutionally applied. To the best of Assignee's knowledge and belief, neither the execution and delivery of this Assumption Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach of Assignee's bylaws and articles of incorporation, or any provision of any contract or other instrument to which Assignee is a party or by which the property of Assignee is bound, or any constitutional provision, statute or ordinance, or any order, writ injunction, decree, rule or regulation of any court or regulatory agency. To the best of Assignee's knowledge and belief, no consent, order, authorization or other approval of any governmental body or agency is required in order for Assignee to execute, deliver and perform its obligations under this Assumption Agreement.

5. Representations and Warranties of Assignor. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignor hereby represents to Lender that:

- (a) The representations and warranties of Assignor in this Assumption Agreement are true and correct in all material respects as of the date hereof.

6. Further Assurances. At any time and from time to time, upon Lender's request, Assignee will promptly and duly execute and deliver any and all further instruments and documents and take such further action as Lender may deem reasonable to effect the purposes of this Assumption Agreement, including (without limitation) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction in order to place on the public records notice of the effect of this Assumption Agreement.

7. Survival of Representation and Warranties. All representations and

warranties made in this Assumption Agreement and in any document, certificate or statement delivered by Assignee in connection herewith shall survive the execution and delivery of this Assumption Agreement.

8. Successors and Assigns. This Assumption Agreement shall be binding upon Assignee and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns; provided, however, that Assignee shall not have the right to assign any of its obligations or rights hereunder, except as expressly provided herein, without the prior written consent of Lender.

9. The parties hereto agree that any and all notices under the Note or the HOME Loan Documents to be provided to Assignor, shall hereafter be provided to Assignee at the following address or such other address as may be provided in writing to Lender:

SRI-Blueridge Pacific, LLC
dba Blue Ridge Cascade
2223 112th Avenue, Suite
Bellevue, Washington 98004

10. Governing Law. This Assumption Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Washington and applicable federal law.

(signature page follows)

IN WITNESS WHEREOF, the undersigned have caused this Assumption Agreement to be duly executed and delivered by their duly authorized representative on the day and year first above written.

ASSIGNOR:

Preservation Portfolio 1 Associates LLC, a
Washington limited liability company

By: Shelter Resources, Inc., a Washington
Corporation

Its: Managing Member

By: 
Len Brannen, President

ASSIGNEE:

SRI-Blueridge Pacific, LLC dba Blue Ridge
Cascade, a Delaware limited liability company

By: Portsmouth I, LLC, a North Carolina
limited liability company

Its: Managing Member

By: _____
Chris Eisenzimmer, Manager

LENDER:

KITSAP COUNTY, a Washington
municipal corporation

By: 

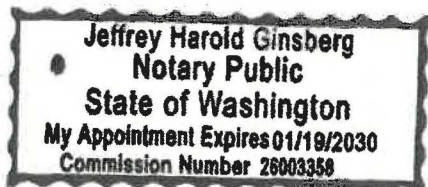
Print Name: Victoria Brazitis

Title: Chair, Kitsap County Administrator

ASSIGNOR ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 31 day of AUGUST, 2026, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Len Brannen, to me personally known (or proved on the basis of satisfactory evidence) to be the President of Shelter Resources, Inc., a Washington corporation, that executed the foregoing instrument as managing member of Preservation Portfolio I Associates LLC, a Washington limited liability company, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of such partnership for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the said instrument.



Jeffrey Harold Ginsberg
Notary Public in and for the State of Washington,
residing at BELLEVUE, WASHINGTON
Print Name: JEFFREY HAROLD GINSBERG

My commission expires 01/19/2030

IN WITNESS WHEREOF, the undersigned have caused this Assumption Agreement to be duly executed and delivered by their duly authorized representative on the day and year first above written.

ASSIGNOR:

Preservation Portfolio 1 Associates LLC, a
Washington limited liability company

By: Shelter Resources, Inc., a Washington
Corporation

Its: Managing Member

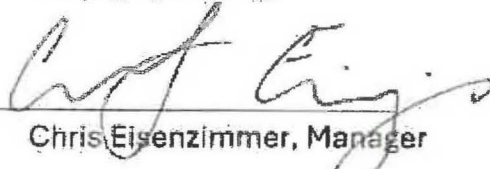
By: _____
Len Brannen, President

ASSIGNEE:

SRI-Blueridge Pacific, LLC dba Blue Ridge
Cascade, a Delaware limited liability company

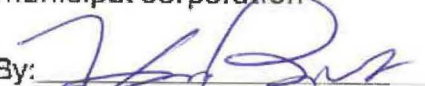
By: Portsmouth I, LLC, a North Carolina
limited liability company

Its: Managing Member

By: 
Chris Eisenzimmer, Manager

LENDER:

KITSAP COUNTY, a Washington
municipal corporation

By: 

Print Name: Victoria Brazitis

Title: Chair, Kitsap County Administrator

[illegible]

My commission expires 11/12/2029

EXHIBIT A

FULL LEGAL DESCRIPTION OF PROPERTY

For APN/Parcel ID(s): 312402-1-051-2005

PARCEL A: BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 24 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; THENCE SOUTH 89°47'00 EAST 693 FEET ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE SOUTH 0°11'43 EAST 23.06 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY MARGIN OF STATE HIGHWAY 160; THENCE SOUTH 0°11'43 EAST 502.06 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 0°11'43 EAST 137.51 FEET TO A POINT ON THE NORTH LINE OF TRACT 4 OF THE PLAT OF ORCHARD HEIGHTS ; THENCE NORTH 89°47'55 WEST ALONG SAID NORTH LINE AND AN EXTENSION OF SAID NORTH LINE A DISTANCE OF 198 FEET; THENCE NORTH 0°11'43 WEST 37.56 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN INSTRUMENT RECORDED UNDER AUDITOR'S FILE NO. 1072387; THENCE CONTINUING NORTH 0°11'43 WEST ALONG THE EAST LINE OF SAID TRACT 100 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 87°47'00 EAST 198 FEET TO THE TRUE POINT OF BEGINNING, EXCEPT THAT PORTION LYING EASTERLY OF A LINE DEFINED IN JUDGMENT ENTERED IN SUPERIOR COURT CAUSE NO. 18128.

PARCEL B: THAT PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 24 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89°47'00 EAST 693 FEET ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE SOUTH 0°11'43 EAST 23.06 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY MARGIN OF STATE HIGHWAY 160; THENCE SOUTH 0°11'43 EAST 639.56 FEET TO A POINT ON THE NORTH LINE OF TRACT 4 OF THE PLAT OF ORCHARD HEIGHTS ; THENCE NORTH 89°47'55 WEST ALONG SAID NORTH LINE AND AN EXTENSION OF SAID NORTH LINE A DISTANCE OF 198 FEET; THENCE NORTH 0°11'43 WEST 37.56 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 0°11'43 WEST 100 FEET; THENCE NORTH 89°47'00 WEST 225 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY RIGHT-OF-WAY MARGIN OF FIRCREST DRIVE; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY MARGIN TO A POINT WHICH BEARS NORTH 89°47'00 WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 89°47'00 EAST 225 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

PARCEL C: THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 24 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY,

WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH IS SOUTH 89°56'30 EAST 270 FEET, AND SOUTH 0°45' WEST 725 FEET FROM THE NORTH QUARTER CORNER OF SECTION 31; THENCE SOUTH 89°56'30 EAST 225 FEET; THENCE SOUTH 0°45' WEST 100 FEET; THENCE NORTH 89°56'30 WEST 225 FEET; THENCE NORTH 0°45' EAST 100 FEET TO THE PLACE OF BEGINNING.

PARCEL D: THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 24 NORTH, RANGE 2 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 89°56'30 EAST 270 FEET AND SOUTH 0°45' WEST 625 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION; THENCE SOUTH 89°56'30 EAST 225 FEET; THENCE SOUTH 0°45' WEST 100 FEET; THENCE NORTH 89°56'30 WEST 225 FEET; THENCE NORTH 0°45' EAST 100 FEET TO POINT OF BEGINNING.

EXHIBIT B

TRANSFER DOCUMENTS

List of documents included in Exhibit B

1. Cover Letter dated June 26, 2026, from Blue Ridge Cascade signed by Len Brannen, President, Shelter Resources, Inc.
2. Organizational Structure Charts – Present and Post-Succession
3. Formation documents
 - a. SRI-Blueridge Pacific, LLC
 - b. Portsmouth I, LLC
4. Operating agreement and evidence of signatory authority
 - a. SRI-Blueridge Pacific, LLC Operating Agreement
 - b. SRI-Blueridge Pacific, LLC First Amended and Restated Operating Agreement
 - c. Portsmouth I, LLC Operating Agreement



6/26/2026

Bonnie Tufts
Housing & Community Development
Kitsap County
614 Division Street MS-23
Port Orchard, WA 98366

RE: Request for Approval of Interest Transfer in SAG Preservation Portfolio I LLLP

Ms. Tufts,

The purpose of this letter is to request Kitsap County's approval regarding a transfer of partnership interest in SAG Preservation Portfolio I LLLP. The transfer includes a change in the management of the Administrative General Partner interest held by Preservation Portfolio 1 Associates LLC ("Administrative GP"). Shelter Resources, Inc. ("SRI"), owned by Len Brannen, is the current 79% managing member of the Administrative GP and is transferring this position of interest to SRI-Blueridge Pacific, LLC, a limited liability company whose sole member is Portsmouth I, LLC. Please note that there is no change of the current guarantor(s) at this time.

Please see the pre- and post-transfer Organizational Charts illustrating the entity structure of SAG Preservation Portfolio I LLLP.

This transfer is being undertaken as part of a succession plan that has been in development over the course of several years. SRI-Blueridge Pacific, LLC dba Blue Ridge Cascade ("BRC") is assuming ownership and operational control of the affordable housing portfolio previously managed by Shelter Resources, Inc. This transition represents a planned, orderly succession of the business enterprise, including its staff, systems, contracts, and institutional knowledge, from SRI's founding principal, Len Brannen, to Chris Eisenzimmer through a seller-financed transaction structured to protect the long-term stability of the portfolio and the residents it serves.

The transaction has been designed with deliberate continuity as its governing principle. Rather than a disruptive change in management, BRC's succession is better understood as an evolution of the same organization under new ownership: the same experienced team, the same operational platforms, and the same commitment to compliance, affordability, and property performance.

BRC welcomes the opportunity to discuss the details of this succession with any investor partner, lender, or regulatory agency and stands ready to provide additional information or documentation as requested.

Sincerely,

Preservation Portfolio 1 Associates LLC,
a Washington Limited Liability Company

By: Shelter Resources, Inc.
a Washington Corporation
Its Managing Member

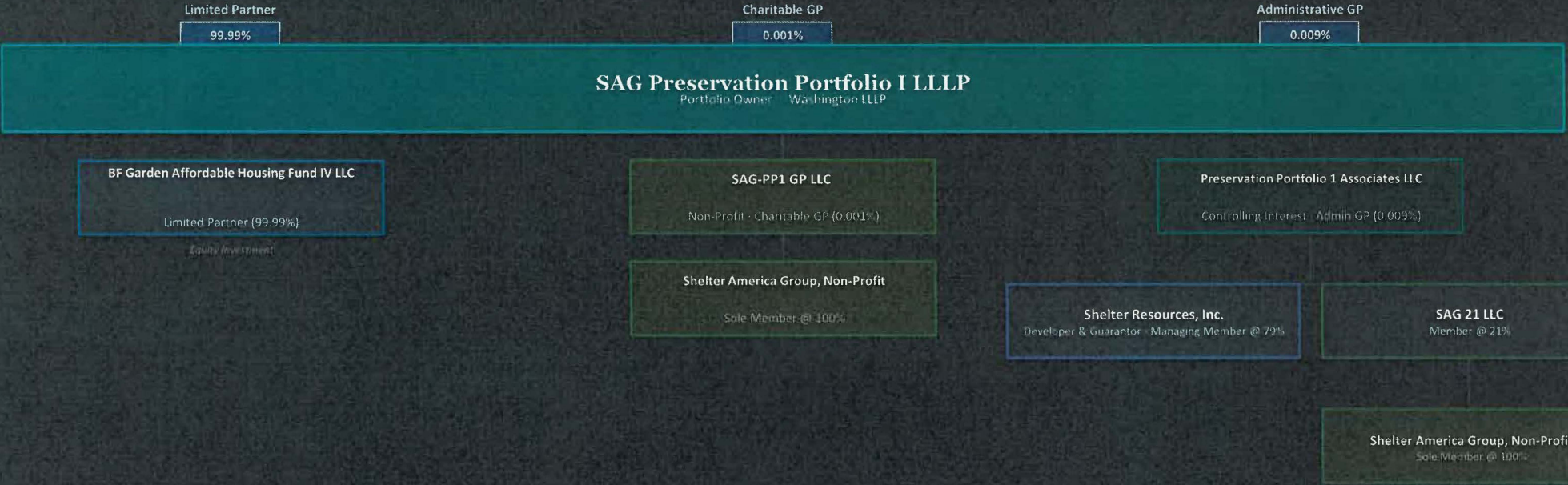
By: 

Name: Len Brannen
Title: President

SAG Preservation Portfolio I — Current Organizational Structure

Exhibit B - 2.

Scattered Site: Oak Harbor, Kitsap County, Arlington, WA



SAG Preservation Portfolio I — Post-Succession Proposed Organizational Structure

Scattered Site: 29% Harbor, Kitsap County, Arlington, WA - BRL standard succession - Chris Eisenzimmer



Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF FORMATION OF "SRI-BLUE RIDGE PACIFIC,
LLC", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF OCTOBER,
A.D. 2022, AT 4:10 O`CLOCK P.M.*



Jeffrey W. Bullock, Secretary of State

7082562 8100
SR# 20223767299

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 204623008
Date: 10-14-22

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:10 PM 10/13/2022
FILED 04:10 PM 10/13/2022
SR 20223767299 - File Number 7082562

CERTIFICATE OF FORMATION

OF

SRI-BLUE RIDGE PACIFIC, LLC

The undersigned, an authorized person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company (hereinafter called the "limited liability company") is:

SRI-Blueridge Pacific, LLC

SECOND: The address of the registered office and the name and address of the registered agent of the limited liability company in the State of Delaware required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are:

Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808
New Castle County

Executed on October 13, 2022.

/s/ Cheryl Gillispie
Cheryl Gillispie
Authorized Person



NORTH CAROLINA

Department of the Secretary of State

Exhibit B - 3b.

To all whom these presents shall come, Greetings:

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF ORGANIZATION

OF

PORTSMOUTH I, LLC

the original of which was filed in this office on the 26th day of February, 2019.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 26th day of February, 2019.

Elaine F. Marshall

Secretary of State

Limited Liability Company
ARTICLES OF ORGANIZATION

SOSID: 1811108
Date Filed: 2/26/2019 2:55:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2019 057 01469

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: Portsmouth I, LLC
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both by checking all applicable boxes.) Note: This document must be signed by all persons listed.
- | Name | Business Address | Capacity |
|---|---|---|
| <u>Christopher Eisenzimmer</u> | <u>227 W Drewry Lane, Raleigh, NC 27609</u> | ☒ Member ☐ Organizer |
| <u> </u> | <u> </u> | ☐ Member ☐ Organizer |
| <u> </u> | <u> </u> | ☐ Member ☐ Organizer |
3. The name of the initial registered agent is: C T Corporation System
4. The street address and county of the initial registered agent office of the limited liability company is:
- Number and Street 160 Mine Lake Ct., Ste. 200
- City Raleigh State: NC Zip Code: 27615-6417 County: Wake
5. The mailing address, if different from the street address, of the initial registered agent office is:
- Number and Street _____
- City _____ State: NC Zip Code: _____ County: _____
6. Principal office information: (Select either a or b.)
- a. ☒ The limited liability company has a principal office.
- The principal office telephone number: (252)515-7331
- The street address and county of the principal office of the limited liability company is:
- Number and Street: 227 W Drewry Lane
- City: Raleigh State: NC Zip Code: 27609 County: Wake

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

b. ☐ The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. **(Optional):** Listing of Company Officials (See instructions on the importance of listing the company officials in the creation document.

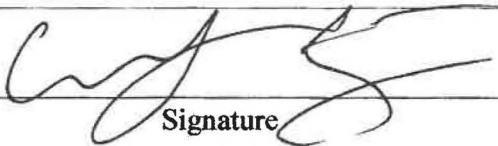
Name	Title	Business Address
Christopher Eisenzimmer	Member	227 W Drewry Lane, Raleigh, NC 27609

9. **(Optional):** Please provide a business e-mail address: chris.e@blueridgeatlantic.com

The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

10. These articles will be effective upon filing, unless a future date is specified:

This is the 22 day of February, 20 19.


Signature

Christopher Eisenzimmer, Member
Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Signature

Type and Print Name and Title

Type and Print Name and Title

NOTE:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

**OPERATING AGREEMENT OF
SRI-BLUEBRIDGE PACIFIC, LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

This Operating Agreement (this “**Agreement**”) of SRI-Blueridge Pacific, LLC, a Delaware limited liability company (the “**Company**”), by Shelter Resources, Inc., a Washington corporation (the “**Member**”) is effective as of October 13, 2022.

By this Agreement, the Member desires to adopt and approve an operating agreement for the Company under the Delaware Limited Liability Company Act (the “**Act**”), codified at 6 Del. C. § 18-101 et seq., as the same may be amended from time to time, upon the following terms and conditions:

1. The name of the Company is SRI-Blueridge Pacific, LLC.
2. The Company was formed as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the “**Act**”).
3. The principal business office of the Company shall be located at 2223 112th Avenue NE, Suite 102 Bellevue, WA 98004 or such other location as may hereafter be determined by the Member.
4. The address of the registered office and agent of the Company in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, DE 19808.
5. The purpose of this Company is to participate in business entities that will acquire, finance, rehabilitate, own and operate multifamily apartment complexes and to engage in any activities reasonably related thereto.
6. No member is required to make an initial capital contribution to the Company.
7. The Company designates the Member as the manager of the Company (the “**Manager**”). The business, property and affairs of the Company shall be managed exclusively by the Manager. Except for situations in which the Member is not the Manager and the approval of the member(s) is expressly required, the Manager shall have full, complete and exclusive authority, power, and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company’s business, property and affairs.
8. The Company may or may not have officers. In the event the Company elects to designate officers, the provisions of Section 11(a) through (g) shall control. In the event that no officers are designated, all of the power and authority of the officers shall be vested in the

Member and the Member shall have all power and authority to act on behalf of the Company as if the Member were an officer.

(a) Officers. The initial Officers of the Company shall be designated by the Member. The additional or successor Officers of the Company shall be chosen by the Member and shall consist of at least a President, a Secretary and a Treasurer. The Member may also choose a Chief Executive Officer, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Member shall choose a President, a Secretary and a Treasurer. The Member may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Member. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Member. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Member. Any vacancy occurring in any office of the Company shall be filled by the Member.

(b) President. The President shall, in the absence of a Chief Executive Officer, be the chief executive officer of the Company, shall preside at all meetings of the Member, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Member are carried into effect. The President or any other Officer authorized by the President or the Member shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); (ii) where signing and execution thereof shall be expressly delegated by the Member to some other Officer or agent of the Company, and (iii) as otherwise permitted in Section 11(c).

(c) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Company. The Chief Executive Officer may execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); and (ii) where signing and execution thereof shall be expressly delegated by the Member to some other Officer or agent of the Company.

(d) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(e) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Member and record all the proceedings of the meetings of the Company and of the Member in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Member, and shall perform such other duties as may be prescribed by the Member or the President, under whose supervision the Secretary shall serve.

The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Member (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(f) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Member. The Treasurer shall disburse the funds of the Company as may be ordered by the Member, taking proper vouchers for such disbursements, and shall render to the President and to the Member, at its regular meetings or when the Member so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Member (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(g) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(c), the actions of the Officers taken in accordance with such powers shall bind the Company.

9. Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

10. Profits and losses of the Company shall be allocated in accordance with the following percentage interests ("**Percentage Interests**"):

Member 100.0%

Total 100%

11. Cash distributions of the Company shall be made when determined by the Manager, in its sole and absolute discretion, to the member or members in accordance with the Percentage Interests.

12. Cash distributions of the Company shall be made when determined by the Manager, in its sole and absolute discretion, to the member or members in accordance with the Percentage Interests.

13. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts,

obligations and liabilities solely of the Company and neither the Member nor the Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager of the Company.

14. The Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others notwithstanding any provision to the contrary at law or in equity. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

15. The term of the Company commenced as of the date of filing of the Articles and shall continue in perpetuity unless sooner terminated.

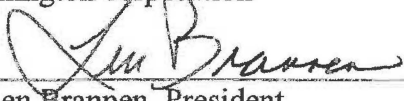
16. This Agreement is executed and intended to be performed in the state of California, and the laws of that state shall govern its interpretation and effect.

THE COMPANY INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 ("ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE COMPANY INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH.

[signature page follows immediately]

MEMBER:

Shelter Resources, Inc.,
a Washington corporation

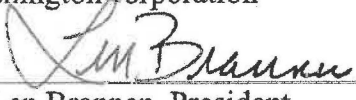
By: 

Len Brannen, President

ACCEPTED AND APPROVED:

The Manager hereby acknowledges and
accepts the obligations of the Agreement.

Shelter Resources, Inc.,
a Washington corporation

By: 

Len Brannen, President

**FIRST AMENDED AND RESTATED OPERATING AGREEMENT OF
SRI-BLUERIDGE PACIFIC, LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

This First Amended and Restated Operating Agreement (this “**Agreement**”) of SRI-Blueridge Pacific, LLC, a Delaware limited liability company (the “**Company**”), by Shelter Resources, Inc., a Washington corporation (the “**Member**”) is effective as of April 1, 2026.

By this Agreement, the Member desires to amend and restate that certain Operating Agreement of the Company dated as of October 13, 2022 under the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.) as amended from time to time (the “**Act**”), upon the following terms and conditions:

1. The name of the Company is SRI-Blueridge Pacific, LLC.
2. The Company was formed as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et seq.), as amended from time to time (the “**Act**”).
3. The principal business office of the Company shall be located at 2223 112th Avenue NE, Suite 102 Bellevue, WA 98004 or such other location as may hereafter be determined by the Member.
4. The address of the registered office and agent of the Company in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, DE 19808.
5. The purpose of this Company is to participate in business entities that will acquire, finance, rehabilitate, own and operate multifamily apartment complexes and to engage in any activities reasonably related thereto.
6. No member is required to make an initial capital contribution to the Company.
7. The Company designates the Member and Portsmouth I, LLC, a North Carolina limited liability company, as the managers of the Company (collectively, the “**Manager**”). The business, property and affairs of the Company shall be managed exclusively by the Manager, and each Manager shall have equal and independent authority to manage the Company and to bind the Company in the ordinary course of business.
8. The Company may or may not have officers. In the event the Company elects to designate officers, the provisions of Section 11(a) through (g) shall control. In the event that no officers are designated, all of the power and authority of the officers shall be vested in the Member and the Member shall have all power and authority to act on behalf of the Company as if the Member were an officer.

(a) Officers. The initial Officers of the Company shall be designated by the Member. The additional or successor Officers of the Company shall be chosen by the Member and shall consist of at least a President, a Secretary and a Treasurer. The Member may also choose a Chief Executive Officer, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Member shall choose a President, a Secretary and a Treasurer. The Member may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Member. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Member. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Member. Any vacancy occurring in any office of the Company shall be filled by the Member.

(b) President. The President shall, in the absence of a Chief Executive Officer, be the chief executive officer of the Company, shall preside at all meetings of the Member, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Member are carried into effect. The President or any other Officer authorized by the President or the Member shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); (ii) where signing and execution thereof shall be expressly delegated by the Member to some other Officer or agent of the Company, and (iii) as otherwise permitted in Section 11(c).

(c) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Company. The Chief Executive Officer may execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); and (ii) where signing and execution thereof shall be expressly delegated by the Member to some other Officer or agent of the Company.

(d) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(e) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Member and record all the proceedings of the meetings of the Company and of the Member in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Member, and shall perform such other duties as may be prescribed by the Member or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Member (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the

duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(f) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Member. The Treasurer shall disburse the funds of the Company as may be ordered by the Member, taking proper vouchers for such disbursements, and shall render to the President and to the Member, at its regular meetings or when the Member so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Member (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Member may from time to time prescribe.

(g) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Member not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(c), the actions of the Officers taken in accordance with such powers shall bind the Company.

9. Duties of Officers. Except to the extent otherwise provided herein, each Officer shall have a fiduciary duty of loyalty and care similar to that of officers of business corporations organized under the General Corporation Law of the State of Delaware.

10. Profits and losses of the Company shall be allocated in accordance with the following percentage interests ("**Percentage Interests**"):

Member 100.0%
Total 100%

11. Cash distributions of the Company shall be made when determined by the Manager, in its sole and absolute discretion, to the member or members in accordance with the Percentage Interests.

12. Cash distributions of the Company shall be made when determined by the Manager, in its sole and absolute discretion, to the member or members in accordance with the Percentage Interests.

13. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company and neither the Member nor the Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager of the Company.

14. The Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others notwithstanding any provision to the contrary at law or in equity. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

15. The term of the Company commenced as of the date of filing of the Articles and shall continue in perpetuity unless sooner terminated.

16. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

THE COMPANY INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 ("ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE COMPANY INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH.

[signature page follows immediately]

MEMBER:

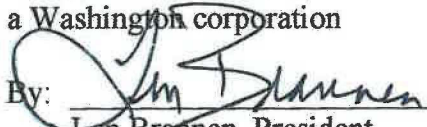
Shelter Resources, Inc.,
a Washington corporation

By: 
Len Brannen, President

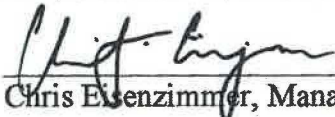
ACCEPTED AND APPROVED:

The Manager hereby acknowledges and
accepts the obligations of the Agreement.

Shelter Resources, Inc.,
a Washington corporation

By: 
Len Brannen, President

Portsmouth I, LLC,
a North Carolina limited liability company

By: 
Chris Eisenzimmer, Manager

PORTSMOUTH I, LLC

OPERATING AGREEMENT

This Operating Agreement (this "**Agreement**") is adopted as of January 30, 2020, by the undersigned parties, with reference to the following facts:

A Certificate of Formation (the "**Certificate**") for Portsmouth I, LLC, a limited liability company under the laws of the State of North Carolina (the "**Company**"), was filed with the Secretary of State of the State of North Carolina on February, 26 2019, SOS ID Number 1811108.

The undersigned desires to adopt and approve a limited liability company agreement for the Company under Chapter 57D (as amended from time to time, the "**Act**").

NOW THEREFORE, the parties hereto hereby set forth the limited liability company agreement for the Company upon the terms and subject to the conditions of this Agreement.

1. **Name.** The name of the Company is Portsmouth I, LLC.
2. **Formation.** The Company was formed as a limited liability company pursuant to the Act upon the filing of the Certificate with the Secretary of State of the State of North Carolina.
3. **Principal Place of Business.** The principal place of business of the Company shall be at such place or places as from time to time may be determined by the Manager (as defined below).
4. **Registered Agent and Office.** The name and address of the registered agent and office of the Company in the State of North Carolina is Christopher Eisenzimmer., 2018 Eastwood Rd, Suite 304, Wilmington, NC 28403.
5. **Purpose.** The purpose and business of the Company is to acquire an interest, direct or indirect, in Blue Ridge Atlantic Development LLC, a Florida limited liability company and to undertake such business activities as may be necessary or desirable in connection with the same.
6. **Member.** Christopher Eisenzimmer, an individual, shall be the sole member of the Company (the "**Member**"). As of the date hereof, there are no other members of the Company and no other person has any ownership interest in the Company whatsoever or any right to take part in the ownership of the Company.
7. **Failure to Observe Formalities.** A failure to observe any formalities or requirements of this Agreement or the Act shall not be grounds for imposing personal liability on the Member for debts, liabilities and obligations of the Company.
8. **Capital Contributions.**
 - a. **Capital Contributions.** The Member is not required to make any contribution to the Company, although the Member may do so at any time in its sole discretion.

b. Capital Account. The Company shall maintain a capital account for the Member with respect to the Company. The Member's capital account shall consist of the Member's capital contributions and shall be increased by the Member's share of Company profits and decreased by distributions to the Member and by the Member's share of Company losses.

c. Restrictions Relating to Capital. No member of the Company shall (i) be entitled to receive interest on its capital contribution, (ii) have the right to partition of the Company's properties, (iii) be liable to the Company or to any other member of the Company (as applicable) to restore any deficit balance in its capital account (except as may be required by the Act) or to reimburse any other member of the Company for any portion of such other member's investment in the Company, or (iv) have priority over any other member of the Company either as to the return of its capital contribution or as to income, losses, interest, returns or distributions.

9. **Allocations and Distributions.**

a. Allocations. The Company's profits and losses shall be allocated to the Member.

b. Distributions. Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Managers. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any member on account of such member's interest in the Company if such distribution would violate the Act or other applicable law.

10. **Accounting and Reports.**

a. Accounting and Reports. The Company shall provide such reports and statements as the Managers shall determine.

b. Fiscal Year. The respective tax and fiscal year of the Company shall be as determined by the Managers.

c. Banking. An account or accounts in the name of the Company shall be maintained in such bank or banks as the Managers may from time to time select. All monies and funds of the Company and all instruments for the payment of money to the Company shall, when received, be deposited in said bank account or accounts, or prudently invested in marketable securities or other negotiable instruments. All checks, drafts and orders upon said account or accounts shall be signed in the Company name by such persons in such manner as the Managers may from time to time determine.

11. **Management and Operation of the Company.**

a. Manager. The Member is appointed as manager of the Company (the "Manager"). The Manager may be removed from its role as Manager of the Company at

any time by written notice of the Member. The Member may appoint any number of additional Managers of the Company at any time, which appointment shall be in writing and acknowledged in writing by each additional Manager and filed in the minute book of the Company

b. Management. The overall management and control of the business and affairs of the Company shall be vested solely with the Managers. Subject to the restrictions in Section 12 and to compliance with the other restrictions and provisions contained herein and imposed by law, the Managers shall have the authority to exercise all powers necessary and convenient for the purposes of the Company including, without limitation, those enumerated in Section 4, on behalf and in the name of the Company. All powers of the Managers described in this Agreement may be exercised by any Manager, acting alone.

c. Further Authority. The Managers shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of North Carolina.

12. **Restrictions on the Authority of the Managers.** Notwithstanding any other provisions of this Agreement, no Manager shall have any authority to cause the Company to engage in any of the following transactions without first obtaining the approval of the Member:

a. The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over an extended period;

b. The merger of the Company with another limited liability company or corporation, general partnership, limited partnership or other entity;

c. An alteration of the authorized business of the Company as set forth in Section 4; and

d. The admission of any new member to the Company.

13. **Action by the Member or Managers.** In lieu of holding a meeting, the Member or Managers may take action by a written instrument indicating its or their consent.

14. **Dissolution of the Company.**

a. Events Resulting in Dissolution. The Company shall be dissolved only upon the first to occur of the following: (i) the written determination of the Member; or (ii) the entry of a decree of judicial dissolution under the Act.

b. Bankruptcy of Member. The bankruptcy or dissolution of any member will not cause such member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

c. Wind Down. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in the Act.

d. Accounting. Within a reasonable time after the date the assets have been distributed in liquidation, the members of the Company shall cause to be prepared and provided to each member a statement which shall set forth the assets and the liabilities of the Company as of the date of complete liquidation and each member's pro rata portion of distributions made pursuant to Section 15(c) hereof if any member so requests.

e. Termination. Upon the completion of liquidation of the Company and the distribution of all Company assets, the Company shall terminate.

15. Amendments to Agreement. This Agreement may be altered, amended or repealed at any time and from time to time only pursuant to a written agreement executed and delivered by the Member.

16. Indemnification. The Company shall indemnify, defend and hold harmless the Member, the Managers and the officers of the Company, against all claims, actions, proceedings, demands, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees) to the extent the same arises directly or indirectly from the conduct of the business of the Company, to the fullest extent provided or allowed by the laws of the State of North Carolina.

17. Miscellaneous.

a. No Third-Party Beneficiaries. The right or obligation of the Member to call for any capital contribution or to make a capital contribution or otherwise to do, perform, satisfy or discharge any liability or obligation of the Member hereunder, or to pursue any other right or remedy hereunder or at law or in equity, shall not confer any right or claim upon or otherwise inure to the benefit of any creditor or other third party having dealings with the Company; it being understood and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the Member and its successors, assigns and legal representatives.

b. Severability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

c. Company Property. All property, whether real, personal or mixed, tangible or intangible, and wherever located, contributed by the members to the Company or acquired by

the Company shall be the property of the Company. All files, documents, and records shall be the property of the Company and shall remain in the possession of the Company.

d. Governing Law. This Agreement shall be governed, construed and enforced in conformity with the laws of the State of North Carolina, without regard to conflicts of laws provisions.

e. Entire Agreement. This Agreement contains the entire understanding of the Member respecting the within subject matter.

18. No Waiver. No failure by the Member to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy upon a breach thereof shall constitute a waiver of any such breach or of any other covenant, agreement, term or condition.

19. Transfers and Assignments. No member may transfer or assign its limited liability company interest in the Company in whole or in part at any time without the written consent of the Member. If a member transfers all of its limited liability company interest in the Company pursuant to this Section 20, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Such admission shall be deemed effective immediately prior to the transfer, and, immediately following such admission, the transferor's interest shall be reduced to the extent of the interest transferred to the transferee, if transferred in part, or the transferor member shall cease to be a member of the Company, if the transferor's interest is transferred in its entirety.

20. Admission of Additional Members. One or more additional members of the Company may be admitted to the Company with the written consent of the Member.

21. Successors and Assigns. Subject to the restrictions on transfer or assignment contained in this Agreement or existing under applicable law, this Agreement shall inure to the benefit of and be binding upon the Member and its successors and permitted assigns.

22. Headings; Pronouns. The headings in this Agreement are for convenience only and shall not affect the meaning, construction or effect of this Agreement. The use of the masculine gender shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

23. Further Assurances. The Member shall sign such further and other papers, and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement.

[signature page follows]

WITNESS WHEREOF, the undersigned Member has executed this Agreement as of the date set forth above.

MEMBER:

BY:



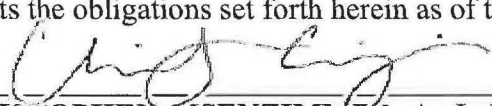
CHRISTOPHER EISENZIMMER, An Individual

APPROVED AND ACCEPTED

The Manager appointed hereunder acknowledges

And accepts the obligations set forth herein as of the date first written above

BY:



CHRISTOPHER EISENZIMMER, An Individual

**RENTAL PROJECT OWNER, SPONSOR, DEVELOPER AGREEMENT
HOME INVESTMENT PARTNERSHIPS PROGRAM**

AN AGREEMENT, by and between Kitsap County hereinafter referred to as "County" and **SAG Preservation Portfolio 1 LLLP**, a Washington limited liability limited partnership, as project owner, sponsor or developer, hereinafter referred to as "Contractor" or "Subgrantee" by which the Contractor or Subgrantee agrees to carry out specific activities under Kitsap County's HOME Investment Partnership Program and establishing certain other terms and conditions of operation.

IN ADDITION TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, the parties acknowledge that the following attachments, which are attached to this Agreement, are expressly incorporated by this reference.

ATTACHMENTS

- Attachment A – Budget Summary
- Attachment B – Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Attachment C – Certification Regarding Lobbying

The Contractor or Subgrantee shall also enter into the following instruments or agreements as a condition of the County to make a loan. These agreements are collectively known as the **LOAN DOCUMENTS**:

LOAN AGREEMENT

Exhibit A: Promissory Note

Exhibit B: Deed of Trust

LOW INCOME HOUSING COVENANT

PRIORITY AGREEMENT

SUBORDINATION AGREEMENT

IT IS MUTUALLY AGREED AS FOLLOWS:

ARTICLE I. PROJECT

SECTION 1. SCOPE OF SERVICES

The County, as recipient of HOME funds from the United States Department of Housing and Urban Development (HUD), hereby designates the Contractor or Subgrantee to undertake, and the Contractor or Subgrantee hereby agrees to undertake, subject to the terms of Article I Section 5 of this contract, the activities specifically described in the application and summarized below:

A. General Statement:

HOME funds will be used to preserve an existing 40 unit rental housing complex located in Port Orchard called Conifer Ridge. The property serves senior and disabled adults

with incomes at or below 60% HUD area median income. The property will be acquired and rehabilitation work completed. HOME funds will be used specifically for rehabilitation costs. The project will have 3 HOME assisted units.

B. Agency Shall:

1. Use 24 CFR Part 5 definition of Income for household eligibility determination of HOME units.
2. Record the Low Income Housing Covenant - HOME funds in this project are subject to affordability restrictions pursuant to 24 CFR 92.252. The affordability restriction will be enforced through the Low Income Housing Covenant recorded on the property. This restriction will assure rent affordability to low income seniors and eligible disabled adults for **Fifteen (15)** years.
3. Designate 3 HOME units which will be floating.
4. Follow High HOME rents for all HOME units - Rents are determined by HUD and published annually for Kitsap County (Bremerton-Silverdale MSA). Initial rent will be based on published rents in affect at the time of project lease-up. HOME rent limits include utilities. Tenant-paid utilities must be deducted from the published HOME rents to determine the maximum rents that can be charged for a HOME assisted unit.
5. Submit project rent schedule, including proposed rent increases, annually throughout the period of affordability. The Kitsap County Block Grant Program must approve the initial rent schedule and utility allowance, and then annually thereafter.
6. Follow Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and provide copies of all notices to the County Block Grant Office.
7. Follow Kitsap County HOME Rehabilitation Standards for the rehabilitation work undertaken. Project must be inspected by Kitsap County Block Grant staff for compliance with Uniform Physical Condition Standards before rehabilitation begins and again when work is completed.
8. Adopt and implement an affirmative marketing plan for the property.
9. Provide documentation of 25% match requirement for HOME funds.
10. Notify County Block Grant Program staff immediately of any modifications to proposed project scope of work or schedule changes.
11. Submit quarterly reports and billing vouchers in a timely manner for the term of the agreement.
12. Maintain documentation of tenant eligibility and demographics and submit HOME Completion reports at occupancy. Maintain eligibility, income verification and other required information on future tenants through the period of affordability.
13. Obtain appropriate permits from Kitsap County if necessary.

SECTION 2. PROJECT DESCRIPTION

<i>Project Details</i>	
Project Name:	SAG KC Portfolio Preservation
Funded Amount:	\$283,633
Action Plan Year:	2016 & 2017
Type of Project:	Acquisition & Rehabilitation of Rental Housing
Service Area:	South Kitsap
Project Address/Location:	1721 Fircrest Dr. SE, Port Orchard, WA 98366

<i>Eligibility</i>	
Activity Category	Rental
Basic Eligible Activity Citation:	24 CFR 92. 205(a)
Setup Activity Type	Acquisition and Rehabilitation
Strategic Plan Objective and Strategy:	Preservation of existing affordable housing
<i>HUD Performance Measures</i>	
HUD Objective of Activity:	Decent Housing
HUD Outcome:	Affordability
<i>Federal Contract Requirements – 2 CFR Part 200</i>	
DUNS Number:	004570384
Federal Award Identifier Number (FAIN)	M16DC530205, M17DC530205
Research or Development Contract:	No
Indirect Cost (IDC) Rate for Federal Award:	
☐ Approved Rate	%
☐ De Minimis for IDC Rate	
☐ Not Applicable	

SECTION 3. SCHEDULE FOR COMPLETION (specific milestones)

Specific Tasks	Start Date	End Date
USDA Approval of Transfer Application		7/31/18
Receive Tax Credit Commitment	09/1/18	09/15/18
Receive Final USDA Loan Approval for 515 transfer – Conditional Commitments for 538 Loans		09/20/18
WSHFC – Final Bond Resolution approved	09/27/18	
Pre-closing all final documents signed		10/09/18
Final Closing/Funding		10/18/18
Conifer Ridge Rehabilitation begins – Temporary relocation of residents as needed.	02/01/19	
Completion of Rehabilitation work	09/01/19	
Project Closeout – submission of HOME Completion Reports and Final Inspection	10/1/19	12/31/19

In accordance with 24 CFR 92.205(e), a project that is terminated before completion, either voluntarily or involuntarily, requires the repayment of HOME funds to the County. If the project is not completed within 4 years of the date of this Agreement, the project will be considered terminated pursuant to 24 CFR 92.205(e)(2), and any HOME funds disbursed for the project must be repaid to the County. In accordance with 24 CFR 92.252, HOME-assisted units in a rental housing project must be occupied by eligible tenants within 18 months after completion. If such units are occupied within that time, HOME funds must be repaid to the County.

SECTION 4. CONDITIONAL COMMITMENT

Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental reviews and receipt by the County of a release of funds from the U.S. Department of Housing and Urban Development, if required as determined by the County, and a notice to proceed from the County. The parties further agree that the provision of any funds to the project is conditioned on the County's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

The Contractor or Subgrantee shall not undertake or commit any funds to physical or choice limiting actions, including acquisition, demolition, movement, rehabilitation, conversions, repair or construction prior to the environmental clearance.

Violation of this Section may result in the denial of any funds under this Agreement.

SECTION 5. TERM OF AGREEMENT

Subject to its other provisions, the period of performance of this Agreement shall commence upon EXECUTION of this Agreement and is in effect through the period of affordability described in Article I Section 7. Close out of funds will occur when project specific activities described above are complete, but at most within 48 months. The date of close out of funds may be changed through a general amendment of this Agreement hereafter executed which shall be appended hereto and incorporated herein. Such amendment must be made under the provisions of Article V, Section 9 (Amendments to Agreement.)

SECTION 6. PROJECT REQUIREMENTS

The Contractor or Subgrantee shall carry out each activity in compliance with all applicable Federal laws and regulations described in Subparts F and H of 24 CFR 92, regardless whether the law or regulation is specifically stated in this Agreement.

SECTION 7. AFFORDABILITY

The Contractor or Subgrantee shall comply with requirements of 24 CFR 92.252, relating to affordability for rental housing projects. The housing assisted with HOME funds under this Agreement will remain affordable **Fifteen (15) years** beginning after project completion (The "Affordability Period"). In the event the housing does not meet the affordability requirements for the specified time period, the Contractor or Subgrantee shall repay to the County all HOME funds expended on the project. During the affordability period, all conditions specified in this Agreement must be satisfactorily fulfilled. Affordability requirements must be enforced by deed restrictions or recorded covenants or other mechanisms approved by HUD. The mechanism used to enforce affordability shall also include requirements that the County is notified prior to sale of the property or prior to changes in the deed restrictions or covenants prior to execution.

SECTION 8. PROPERTY STANDARDS

The Contractor or Subgrantee shall assure that housing assisted with HOME funds is decent, safe, sanitary, and in good repair. In accordance with 24 CFR 92.251 housing that is newly constructed or substantially rehabilitated with HOME funds will meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances and the HUD requirements under 24 CFR 92.251.

Owners of rental housing assisted with HOME funds will maintain the housing in compliance with applicable state and local housing standards or code requirements through the affordability period as set forth in Article I, Section 7 (Affordability).

Owners of rental housing assisted with HOME funds agree to maintain the housing in compliance with 24 CFR 92.251 for the duration of the affordability period.

ARTICLE II. PROGRAM RECORDS/REPORTS

SECTION 1. RECORDS

The Contractor or Subgrantee shall compile and maintain as applicable the following records:

- (A) Financial Management - Such records shall adequately identify the source and application of funds for activities within this Agreement, in accordance with the provisions of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. These records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
- (B) Project Records - The following project information must be kept on each HOME assisted project in written record form:

A full description of each project assisted with HOME funds, including the location, form of HOME assistance, and the units or tenants assisted with HOME funds. The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20. Data on equal opportunity and

fair housing records; records regarding affirmative marketing and MBE/WBE requirements as required by 24 CFR 92.508(7).

Contractor or Subgrantee records must demonstrate that each rental housing or home ownership project meets the requirements of 24 CFR 92.252 and/or 24 CFR 92.250 for the required period of affordability.

Contractor or Subgrantee records must demonstrate compliance with the requirements of 24 CFR 92.253 for tenant and participant protections, if applicable.

Records demonstrating that each project meets the property standards of 24 CFR 92.251 and the lead based paint requirements of 24 CFR 92.355.

Contractor or Subgrantee records must demonstrate compliance with the requirements in 24 CFR 92.254 for affordable housing, home ownership, including the initial purchase price and appraised value (after rehabilitation, if required) of the property. Individual records must be kept for each family assisted. Records demonstrating that each family is income eligible in accordance with 24 CFR 92.203. Records demonstrating that each tenant-based rental assistance project meets the written tenant selection policies and criteria of 24 CFR 92.209(c), including the tenant preference requirements, the rent reasonableness requirements of 24 CFR 92.209(f), the maximum subsidy provisions of 24 CFR 92.209(h), HQS inspection reports, and calculation of the HOME subsidy.

Contractor or Subgrantee records must indicate whether the project is mixed-income, mixed-use, or both, in accordance with 24 CFR 92.255 or Section 92.256.

- (C) Relocation - Contractor or Subgrantee record keeping must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and implementing regulations at 24 CFR Part 42, 49 CFR part 24, and 24 CFR 92.353. Indication of the overall status of the relocation workload and a separate relocation record for each person, business, organization, and farm operation displaced or in the relocation workload must be kept.
- (D) Equal Opportunity - The Contractor or Subgrantee shall maintain racial/ethnicity, persons with disabilities, and gender data showing the extent to which these categories of persons have participated in, or benefited from, the activities carried out under this Agreement. The Contractor or Subgrantee shall also maintain data which records its affirmative action in equal opportunity employment, and its good faith efforts to identify, train, and/or hire lower-income residents of the project area and to utilize business concerns which are located in or owned in substantial part by persons residing in the area of the project.

- (E) Labor Standards - Records shall be maintained regarding compliance of all contractors performing construction work under this Agreement with the labor standards made applicable by 24 CFR 92.354.
- (F) Miscellaneous Records - The Contractor or Subgrantee shall maintain such other records as may be required by 24 CFR 92.508, HUD and/or the County.

SECTION 2. REPORTS

The Contractor or Subgrantee shall submit such reports as required by the County to meet its local obligations and its obligation to the Department of Housing and Urban Development. The County will prescribe the report format, as well as the time and location for submission of such reports. Required reports may include but are not limited to the following:

- (A) Quarterly reports which shall include the progress made to date, or justification for lack of progress, in providing the services specified in Article I Section 1 of this Agreement according to the schedule for completion in Article I Section 3 of the Agreement.
- (B) Quarterly reports on income information regarding persons assisted by the Contractor or Subgrantee through this Agreement.
- (C) Quarterly reports regarding affirmative action in equal opportunity employment to the County beginning no later than the fifth working day following the end of the quarter.
- (D) Project owners of HOME-assisted rental units must annually provide the County with information on rents and occupancy of HOME-assisted units to demonstrate compliance with 24 CFR 92.252(f)(2).
- (E) Close out reports including a final performance report, inventory of all property acquired or improved with HOME funds, and final financial report, upon termination or completion of the project.
- (F) HOME Completion Reports reporting the demographics of each household served by HOME funds, upon submission of the final draw.
- (G) Miscellaneous Reports - The Contractor or Subgrantee shall maintain such other reports as may be required by HUD and/or the County.

SECTION 3. RETENTION OF RECORDS

Records required in connection with this Agreement shall be retained for a period of six (6) years after the period of affordability described in Article I Section 7 (Affordability); whichever is longer, except as follows:

(1) Records that are the subject of audit or dispute findings shall be retained for six (6) years after issues arising from the audit or dispute have been resolved.

ARTICLE III. FINANCIAL CONDITIONS

SECTION 1. BUDGET AND COMPENSATION

The County shall reimburse the Contractor or Subgrantee its allowable costs for the services identified in this Agreement in an amount not to exceed **Two hundred eighty three thousand six hundred thirty-three dollars (\$283,633)** upon presentation of properly executed invoices in a form approved by the County. Project must be complete within 60 days of the final request. If the funds to be advanced hereunder are to be used for Project acquisition the funds shall, upon approval by the County of the closing statement, be deposited directly into escrow.

Such reimbursement shall constitute full and complete payment by the County under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Contractor or Subgrantee's application and approved by the County unless any or all such costs are disallowed by the State of Washington or the United States.

Any reimbursements made under this Agreement must comply with the requirements of 2 CFR Part 200, Subpart D. The Contractor or Subgrantee may not request disbursement of funds under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

As set forth in Article I Section 4 this Agreement does not provide Contractor or Subgrantee any legal claim to any amount of HOME funds to be used for the specific project or site unless and until the site has received environmental clearance.

Budget Summary: See Attachment A for Budget Summary

Time of Payment: Payment shall be made upon receipt of reimbursement request voucher mailed to: **Kitsap County Dept. of Human Services, Block Grant Program, 345 6th Street Suite 400, Bremerton, WA 98337-1869.**

Where Payments Are Made: Payments shall be made to: Contractor c/o **Shelter America Group, 9620 SW Bank Rd., Vashon, WA 98070**

The Contractor or Subgrantee shall apply the funds received from the County under this Agreement in accordance with the Budget Summary outlined in Attachment A. Any line-item expense, by itself or in combination with other line item expense change, equal to or greater than 10% of the total budget amount over the life of the Agreement shall require a formal amendment to the Agreement. Any request for a line-item expense, by itself or in combination with other line item expense change, equal to or less than 10% of the total budget shall be submitted in writing and shall specifically state the reasons for the requested increase and a

justification for the corresponding decrease in other line-item(s). All budget revisions and/or amendment requests will be reviewed and approved or denied by the County.

SECTION 2. DOCUMENTATION OF COSTS AND OTHER FINANCIAL REPORTING

All costs shall be supported by properly executed payrolls, time records, invoices, vouchers or other official documentation, as evidence of the nature and propriety of the charges. All accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible, and upon reasonable notice, the County and United States shall have the right to audit the records of the Contractor or Subgrantee as they relate to the work. The Contractor or Subgrantee shall also:

- (A) Maintain an effective system of internal fiscal control and accountability for all HOME funds and property acquired or improved with HOME funds, and make sure the same are used solely for authorized purposes.
- (B) Keep a continuing record of all disbursements by date, check number, amount, vendor, description of items purchased and line item from which money was expended, as reflected in the Contractor or Subgrantee's accounting records. The line item notations must be substantiated by a receipt, invoice marked "Paid," or payroll record.
- (C) Maintain payroll and financial records for a period of six (6) years after closeout of the funds awarded under this Agreement, provided that this program has been monitored by HUD and the annual State audit (which includes the HOME Program), has been completed.
- (D) Permit inspection and audit of its records with respect to all matters authorized by this Agreement by representatives of the County, the State Auditor or the United States at any time during normal business hours and as often as necessary.
- (E) Inform the County concerning any funds allocated to the Contractor or Subgrantee, that the Contractor or Subgrantee anticipates will not be expended during the Agreement period and permit reassignment of the same.
- (F) Repay to the County any funds in its possession at the time of termination of this Agreement that may be due to the County or the United States.
- (G) Maintain complete records concerning the receipt and use of all program income. Program income shall be reported on a monthly basis on forms provided by the County.

SECTION 3. REIMBURSEMENT

The County shall reimburse the Contractor or Subgrantee only for actual incurred costs upon presentation of a properly executed invoice in a form approved by the County. Only those allowable costs directly related to the Contractor or Subgrantee's application and approved by the County shall be paid consistent with Article III Section 2. The Amount of each request must be limited to the amount needed for payment of eligible costs.

Notwithstanding any other provisions in this section, reimbursement for construction contracts shall have ten percent (10%) of the payment retained until close out of funds pursuant to Article V, Section 12 of this Agreement.

In the event the County or HUD determines any funds are expended by the Contractor or Subgrantee for unauthorized or ineligible purposes or the expenditures constitute disallowed costs in any other way, or if the deadlines set forth in Article I, Section 2 of this Agreement are not met, the County or HUD may order repayment of the same. The Contractor or Subgrantee shall remit the disallowed amount to the County within thirty (30) days of written notification of the disallowance. Reimbursement of pre-commitment costs are limited to those allowed under 24 CFR 92.206(d).

- (A) The Contractor or Subgrantee agrees that funds determined by the County to be surplus upon completion of the Agreement will be subject to cancellation by the County.
- (B) The County shall be relieved of any obligation for payments if funds allocated to the County cease to be available for any cause other than misfeasance of the County itself.
- (C) The County reserves the right to withhold payments pending timely delivery of program reports or documents as may be required under this Agreement or otherwise fails to comply with the terms of this Agreement.

SECTION 4. MATCH CONTRIBUTION

A twenty-five percent (25%) match contribution is required under the HOME Program. The Contractor or Subgrantee agrees to provide the eligible match contribution as set forth in the application.

ARTICLE IV. FEDERAL REQUIREMENTS

SECTION 1. INCOME TARGETING

The Contractor or Subgrantee shall provide services under the HOME program only (1) to individuals or families who qualify as low and very low income and under Federal income limits as established by HUD and (2) in accordance with income targeting requirements of 24 CFR 92.216 and 92.217. The Contractor or Subgrantee shall maintain records that clearly document the income range and household size of the individuals or families it services.

Furthermore, the Contractor or Subgrantee shall maintain records documenting whether the person being served is a female head of household, is handicapped, and/or is an ethnic/racial minority. In making income determinations, the Contractor or Subgrantee shall comply with the process set forth in 24 CFR 92.203.

SECTION 2. CONSTITUTIONAL PROHIBITION

The Contractor or Subgrantee agrees that HOME funds must be utilized in accordance with 24 CFR 92.257, and used exclusively by the secular entity for secular purposes and in terms of time and location, and will be available to all persons regardless of religion. HOME funds may not be used to support any inherently religious activity, such as worship, religious instruction, or proselytization. In particular, there will be no religious or membership criteria for tenants of the property.

SECTION 3. AFFIRMATIVE MARKETING

In accordance with 24 CFR 92.351, the Contractor or Subgrantee shall use affirmative fair housing marketing practices to solicit renters or buyers for HOME assisted units, for determining their eligibility, and for concluding all transactions. Any HOME assisted housing will comply with the following procedures for the term of the Agreement:

- (A) Contractor or Subgrantee advertising of vacant units will include the Equal Housing Opportunity logo or statement;
- (B) The Contractor or Subgrantee will solicit applications for vacant units from persons in the housing market who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
- (C) The Contractor or Subgrantee will maintain records containing documentation of all marketing efforts.

SECTION 4. NON-DISCRIMINATION IN EMPLOYMENT AND PURCHASING

On all contracts Contractors or Subgrantees shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 12086, and as supplemented in Department of Labor regulations (41 CFR Part 60).

- (A) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin;
- (B) The Contractor will send to each labor union or representative of workers with which he had a collective bargaining Agreement or other contract or understanding, a notice to be provided by the Contractor or Subgrantee contracting officer, advising the labor union of

workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (C) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and order of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting Contractor or Subgrantee and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (D) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (E) The Contractor will include the provisions of Article 11246 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

SECTION 5. LOCAL EMPLOYMENT AND PURCHASING

- (A) The Contractor or Subgrantee shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u.
- (B) The work to be performed under this Agreement is a project assisted under a program which provides direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and agreements for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

- (C) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department of Housing and Urban Development issued thereunder prior to the execution of this Agreement. The parties of this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- (D) The Contractor will send to each labor organization or representative of workers which he has a collective bargaining Agreement or other Agreement or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- (E) The Contractor will include said Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. The Contractor will not subcontract with any subcontractor where he has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- (F) Compliance with the provisions of said Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department of Housing and Urban Development issued thereunder prior to the execution of the Agreement, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant, loan Agreement, contract, or other Agreement through which Federal assistance is provided and to such sanctions as are specified by 24 CFR 135.

SECTION 6. CONFLICT OF INTEREST

No member, officer, or employee of the Contractor or Subgrantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any function or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or any Subagreement, hereto or the proceeds thereof, unless an exemption has been obtained from HUD pursuant to 24 CFR 92.356(f). The Contractor or Subgrantee shall take appropriate steps to assure compliance including incorporation of the following provisions in every Subcontract:

The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Kitsap County HOME Program will obtain a personal or financial interest from the HOME assisted activity. The Contractor further covenants that he/she presently has no interest in, nor business, nor family, which would conflict in any manner or degree with the performance of his/her services hereunder. The Contractor further covenants that in the performance of this Agreement any potential conflict, on the part of the Contractor or his/her employees, will be disclosed to the Contractor or Subgrantee and the County.

Pursuant to §92.356(f), no owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

SECTION 7. DISPLACEMENT, RELOCATION, ACQUISITION AND REPLACEMENT OF HOUSING

The Contractor or Subgrantee shall comply with the requirements relating to displacement, relocation acquisition and replacement of housing (24 CFR Part 92.353). Displacement of persons (families, individuals, businesses, non-profit organizations and farms) as a result of activities assisted with HOME funds is generally discouraged and in all instances must receive prior written approval from the County.

SECTION 8. DAVIS BACON AND RELATED ACTS

The Contractor or Subgrantee shall comply with the labor requirements of 24 CFR 92.354, the Davis-Bacon Act, 40 U.S.C. 3141, when the contract involves the rehabilitation or new construction of housing that includes 12 or more units assisted with HOME funds, and involves the employment of laborers and/or mechanics to perform the work. The Contractor or Subgrantee shall comply with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by the Department of Labor regulations (29 CFR Part 3). For any agreement in excess of \$100,000 that involve the employment of mechanics or laborers, the Contractor or Subgrantee shall also comply with the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701-3708 and 29 CFR Part 5.

The contract for construction must contain these wage provisions if HOME funds are used for any project costs in 24 CFR 92.206, including construction or non-construction costs, of housing with 12 or more HOME-assisted units.

SECTION 9. LEAD BASED PAINT

The Contractor or Subgrantee shall comply with HUD Lead-Based Paint Regulations 24 CFR 92.355 and 24 CFR Part 35 et al. issued in the Federal Register, September 15, 1999.

SECTION 10. DISCRIMINATION PROHIBITED

The Contractor or Subgrantee shall comply with requirements at 24 CFR Part 92.350 relating to equal opportunity and fair housing. In general, the Contractor or Subgrantee shall not, on the grounds of race, color, sex, religion, or national origin exclude from participation in, deny the benefits of, or subject to discrimination under any program or activity funded in whole or in part with HOME funds.

- (A) The Contractor or Subgrantee shall abide by all applicable provisions of Section 504 of the HEW Rehabilitation Act of 1973 as amended (implemented in 24 CFR Part 8) prohibiting discrimination against handicapped individuals, and the Age Discrimination Act of 1975 (implemented in 24 CFR Part 146) prohibiting discrimination on the basis of age, either through purpose or intent.
- (B) The Contractor or Subgrantee shall comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 as amended by Executive Order 12259 (3 CFR, 1959 - 1963 Comp., p.652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1.
- (C) An owner cannot refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982--Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher or comparable HOME tenant-based assistance document.
- (D) If assignment and/or subcontracting has been authorized in writing, said assignment or subcontract shall include appropriate safeguards against discrimination in client services binding upon each contractor or subcontractor. The Contractor or Subgrantee shall take such action as may be required to ensure full compliance with the provisions of this clause, including sanctions for noncompliance.

SECTION 11. MINORITY AND WOMEN OWNED BUSINESS OUTREACH

HOME requirements at 24 CFR 92.351(b) requires the encouragement and use of minority and women owned business enterprises in the implementation of HOME program activities. The Contractor or Subgrantee will undertake direct affirmative outreach measures, as described in the Contractor or Subgrantee application, to ensure the greatest possible opportunity for minority and women owned businesses to compete for contracts within each phase of the HOME funded project.

SECTION 12. SITE AND NEIGHBORHOOD STANDARDS

The Contractor or Subgrantee will comply with regulations at 24 CFR 92.202 which require the HOME program to be administered in a manner that provides housing that:

- (A) Is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063 and HUD regulations issued pursuant thereto; and
- (B) Promotes greater choice of housing opportunities.

New construction projects must meet site and neighborhood standards described in 24 CFR 882.708(c) which places limiting conditions on building in areas of "minority concentration" and "racially mixed" areas.

SECTION 13. TENANT PROTECTIONS

There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than one year, unless by mutual agreement between the tenant and the owner a shorter period is specified. An owner of rental housing assisted with HOME funds must comply with 24 CFR 92.209, 92.252 and 92.253.

SECTION 14. PROHIBITED ACTIVITIES AND FEES

HOME funds must be used in accordance with 24 CFR 92.214 and Contractors and Subgrantees may not charge servicing, origination, or other fees for the purpose of covering costs of administering the HOME program except as provided under 24 CFR 92.214.

SECTION 15. OTHER PROGRAM REQUIREMENTS

- (A) The Contractor or Subgrantee shall carry out each activity in compliance with all Federal laws and regulations described in Subpart H of 24 CFR 92, regardless whether the law is specifically stated in this Agreement, except that:

- (1) The Contractor or Subgrantee does not assume the County's environmental responsibilities described in 24 CFR Part 92.352 provided however, the Contractor may be required to assemble and provide information as required by the County to complete environmental review; and
- (2) The Contractor or Subgrantee does not assume the County's responsibility for initiating the review process under Executive Order 12372.
- (B) For Agreements in excess of \$150,000, the Agency agrees to comply with the Clean Air Act, 42 U.S.C.7401-7671q, and the Federal Water Pollution Control Act, 22 U.S.C. 1251-1387.
- (C) If the Agreement involves the acquisition or improvement of real property or equipment, the Agency agrees to comply with the provisions of 2 CFR 200.310 – 200.316.
- (D) For rental housing units assisted with HOME funds, there must be a written lease between the landlord and the tenant in compliance with 24 CFR 92.253.

ARTICLE V: GENERAL CONDITIONS

SECTION 1. COMPLIANCE WITH LAWS

The Contractor or Subgrantee, in performance of this Agreement, agrees to comply with all applicable Federal, State and Local Laws and ordinances, and the rules and regulations promulgated by the U.S. Department of Housing and Urban Development, including but not limited to Federal HOME Regulations and other policies and guidelines established for the Kitsap County HOME Program by the Kitsap County Board of Commissioners. Contractor or Subgrantee agrees to comply with all provisions of the Americans with Disabilities Act and all regulations interpreting or enforcing such act. The Contractor or Subgrantee agrees to certify that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency in accordance with Executive Orders 12549 and 12689, 24 C.F.R. Pt. 24. Additionally the Contractor or Subgrantee will certify to anti-lobbying as required by 31 U.S.C. 1352.

SECTION 2. LICENSING AND PROGRAM STANDARDS

The Contractor or Subgrantee agrees to comply with and to obtain at its own expense, if necessary, all applicable Federal, State, County or Municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals, and any other standards or criteria as described in the Agreement to assure quality of services.

SECTION 3. INSURANCE

Prior to commencing work, Contractor or Subgrantee shall procure and maintain at Contractor or Subgrantee's own cost and expense for the duration of the Agreement the following insurance placed with insurers with a minimum Best's rating of A-, VI against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services hereunder by the Contractor or Subgrantee, his agents, representatives, employees or subcontractors.

Minimum Limits of Insurance. Contractor or Subgrantee shall maintain limits no less than:

- ***Commercial General Liability:*** One million dollars (\$1,000,000) combined single limit per occurrence for bodily injury and property damage, and two million dollars (\$2,000,000) aggregate. Coverage shall be on an "occurrence" basis. Kitsap County shall be named, by endorsement, as an additional insured on the Contractor or Subgrantee's insurance policy as respects this contract. Such insurance as carried by the Contractor or Subgrantee is primary over insurance carried by the County.
- ***Comprehensive Automobile Liability Insurance:*** One million dollars (\$1,000,000) combined single limit per accident for bodily injury/property damage.
- ***Workers' Compensation and Employer's Liability:*** Workers' Compensation coverage as required by the State of Washington.
- ***Professional Liability Errors and Omissions:*** In the event that services delivered pursuant to this contract either directly or indirectly involve or require professional services the Agency will provide professional liability errors and omissions coverage with a minimum limit of \$1,000,000 per claim and in the aggregate.

Miscellaneous Insurance Provisions

- ***Contractor or Subgrantee's Insurance is Primary:*** The Contractor or Subgrantee's liability insurance provisions will be primary with respect to any insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees and agents.
- ***Additional Insured:*** The Contractor or Subgrantee's commercial general liability and automobile liability insurance (if applicable) will include the County, its officers, officials, employees, and agents as additional insured, without limitation, with respect to performance under the contract.
- ***Evidence of Contractor or Subgrantee's Insurance*** shall be presented to Program Lead prior to the execution of the agreement. In the event of non-renewal, cancellation, or material change in coverage, thirty (30) days written notice will be furnished to the

County prior to the date of cancellation, non-renewal or change. Written notice of cancellation or change will be mailed to the County at the following address:

Bonnie Tufts
Kitsap County Department of Human Services
Block Grant Program
345 6th Street, Suite 400
Bremerton, WA 98337

Upon receipt, the Human Services Department will ensure submission of all insurance documentation to the Risk Management Division, Kitsap County Department of Administrative Services.

SECTION 4. INDEMNITY

The Contractor or Subgrantee agrees to defend, indemnify and save harmless the County, its appointed and elected officers and employees and the Administrator, from and against any and all liability, loss, costs, damage and expense, including costs and attorney fees in defense thereof because of actions, claims or lawsuits for damages resulting from personal or bodily injury, including death at any time resulting therefrom, sustained or alleged to have been sustained by any person or persons and on account of damage to property, arising or alleged to have arisen directly or indirectly out of or in consequence of or the performance of this Agreement, whether such injuries to persons or damage to property is due to the negligence of Contractor or Subgrantee, its subcontractors, agents, successor, assigns. This provision shall be inapplicable to the extent the County is judicially found solely negligent for such damage or injury.

Solely for the purposes of this provision, the Contractor or Subgrantee waives its immunity under Title 51 (Industrial Insurance) of the Revised Code of Washington and acknowledges that this waiver was mutually negotiated by the parties.

SECTION 5. NOTICES

Any notices required to be given by the County to the Contractor or Subgrantee or by the Contractor or Subgrantee to the County shall be in writing and delivered to the following parties at the following addresses:

Kitsap County

Kitsap County Dept. of Human Services
Block Grant Program
345 6th Street Suite 400
Bremerton, WA 98337-1869

Contractor or Subgrantee

Shelter America Group
9620 SW Bank Road
Vashon, WA 98070

Copy to:

Shelter Resources, Inc.
2223 112th Ave NE Ste 102
Bellevue, WA 98004

Boston Capital Partners, Inc.
One Boston Place, 21st Floor
Boston, MA 02108

SECTION 6. CITIZEN PARTICIPATION

The Contractor or Subgrantee will implement the provisions of this Agreement in such a manner as not to impede the attainment of widespread citizen participation in planning and carrying out the project.

SECTION 7. ASSIGNMENT AND SUBCONTRACTING

The Contractor or Subgrantee shall not assign or subcontract any portion of the services provided within the terms of this Agreement without obtaining prior written approval from the County. All terms and conditions of this Agreement shall apply to any approved subcontract or assignment related to the Agreement.

SECTION 8. RESERVATION OF RIGHTS

Failure to insist upon strict compliance with any terms, covenants or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of such right or power at any time be taken to be a waiver of any other breach.

SECTION 9. AMENDMENTS TO AGREEMENT

The parties hereby further agree that this Agreement cannot be amended or modified without the written concurrence of both parties.

SECTION 10. FAILURE TO PERFORM

In the event of a failure by the Contractor or Subgrantee to comply with any terms or conditions of this Agreement or to provide in any manner the activities or other performance as agreed to herein, the County reserves the right to temporarily withhold all or any part of payment correction of the deficiency, suspend all or part of the Agreement, or prohibit the Contractor or Subgrantee from incurring additional obligations of funds until the County is satisfied that corrective action has been taken or completed. The County reserves the right to take other appropriate actions to enforce this Agreement such as the imposition of liens, deed restrictions, or covenants running with the land on the real property. The option to withhold funds is in addition to, and not in lieu of, the County's right to terminate as provided in Article V Section 11 (Termination) of the General Conditions of this Agreement. The County may consider performance under this Agreement when considering future awards.

SECTION 11. TERMINATION

If the Contractor or Subgrantee fails to comply with the terms and conditions of this Agreement, the County may pursue such remedies as are available in accordance with Article V, Section 10 and including but not limited to, the termination of this Agreement in the manner specified herein.

- (A) Termination for Cause - If the Contractor or Subgrantee fails to comply with the terms and conditions of this Agreement and any of the following conditions exist:
- (1) The lack of compliance with the provisions of this Agreement are of such scope and nature that the County deems continuation of this Agreement to be substantially non-beneficial to the public interest;
 - (2) The Contractor or Subgrantee has failed to take satisfactory corrective action as directed by the County or its authorized representative within the time specified by same;
 - (3) The Contractor or Subgrantee has failed within the time specified by the County or its authorized representative to satisfactorily substantiate its compliance with the terms and conditions of this Agreement.

The County may terminate this Agreement in whole or in part, and thereupon shall notify in writing the Contractor or Subgrantee of the termination, the reasons therefore, and the effective date. The effective date shall not be prior to notification of the termination by the County to the Contractor or Subgrantee. Costs resulting from obligations incurred by the Contractor or Subgrantee after termination of the Agreement are not allowable unless specifically authorized in writing by the County.

- (B) Termination for Convenience: The award may be terminated for convenience, in whole or in part, as follows:

- (1) By the County with the consent of the Contractor or Subgrantee. The two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or
 - (2) By the Contractor or Subgrantee upon submitting written notification to the County. The written notification must set forth the reasons for the termination, the effective date, and in the case of partial termination, the portion to be terminated; However, in the case of a proposed partial termination, the County may terminate the award in its entirety if the County determines that the remaining portion will not accomplish the purpose for which the award was made.
- (C) Termination for Withdrawal, Reduction or Limitation of Funding. In the event that funding from the Federal government is withdrawn, reduced or limited in any way after the effective date of this Agreement, and prior to its normal completion, the County may summarily terminate this Agreement as to the funds reduced or limited, notwithstanding any other termination provision of this Agreement. If the level of funding so reduced or limited is so great that the County deems that the continuation of the program covered by this Agreement is no longer in the best interest of the public, the County may summarily terminate this Agreement in whole notwithstanding any other termination provisions of this Agreement. Termination under this Section shall be effective upon receipt of written notice by the Contractor or Subgrantee or its representative.
- (D) Dispute Resolution. The Parties will attempt in good faith to resolve any dispute or claim arising out of or in relation to this Agreement through negotiations between with authority to settle the relevant dispute. If the dispute cannot be settled amicably within fourteen (14) days from the date on which either Party has served written notice on the other of the dispute then the remaining provisions of this Agreement, including remedies for compliance and termination shall apply.

SECTION 12. CLOSE-OUT OF FUNDS

Upon termination of this Agreement, in whole or in part for any reason including completion of the project, the following provisions shall apply:

- (A) Upon written request by the Contractor or Subgrantee, the County shall make or arrange for payment to the Contractor or Subgrantee of allowable reimbursable costs not covered by previous payments;
- (B) The Contractor or Subgrantee shall submit within thirty (30) days after the date of expiration of this Agreement, all financial, performance and other reports required by this Agreement, and in addition, will cooperate in a program audit by Kitsap County or its designee;

- (C) In the event a financial audit has not been performed prior to close-out of this Agreement, the County retains the right to withhold a just and reasonable sum from the final payment to the Contractor or Subgrantee after fully considering the recommendation on disallowed costs resulting from the final audit.
- (D) Any real property under the Contractor or Subgrantee's control that was acquired or improved in whole or in part with HOME funds must continue to meet the requirements applicable to housing projects for the period of affordability specified in 24 CFR 92.252 or 24 CFR 92.254, and Article I, Section 7 (Affordability) of this Agreement. The Contractor or Subgrantee is required to keep records demonstrating that the requirements have been met. If the Contractor or Subgrantee fails to meet the affordability requirements in the required period, it must repay the HOME funds as required by 24 CFR 92.503.
- (E) Closeout of funds will not occur unless all requirements of 24 CFR 92.507 and all outstanding issues with the general contractor and or subcontractor have been resolved to the satisfaction of the County

SECTION 13. VENUE AND CHOICE OF LAW

Any action at law, suit in equity, or other judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted only in the Superior Court of the State of Washington, County of Kitsap. It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance.

SECTION 14. SEVERABILITY CLAUSE

It is understood and agreed by the parties that if any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with any law of the state where made, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

SECTION 15. INTEGRATED DOCUMENT

This Agreement with any attachments constitutes the entire agreement between the parties and both parties acknowledge that there are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

Dated this 24th day of Oct., 2018.

CONTRACTOR OR SUBGRANTEE:

**SAG PRESERVATION PORTFOLIO 1
LLLP**, a Washington limited liability limited
partnership

By: Preservation Portfolio 1 Associates LLC,
a Washington limited liability company
Its: Administrative General Partner

By: Shelter Resources, Inc.,
a Washington corporation
Its: Manager

By: [Signature]
Len Brannen, President

By: SAG-PP1 GP LLC,
a Washington limited liability company
Its: Charitable General Partner

By: Shelter America Group,
a Washington nonprofit
corporation
Its: Manager

By: [Signature]
Christopher H. Bric, President

Dated this 28th day of October, 2018.

COUNTY:

**KITSAP COUNTY BOARD OF
COMMISSIONERS**

NOT PRESENT

ROBERT GELDER, Chair

[Signature]
EDWARD E. WOLFE, Commissioner

[Signature]
CHARLOTTE GARRIDO, Commissioner

ATTEST:

[Signature]
Dana Daniels, Clerk of the Board



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11. Termination
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13. Venue and Choice of Law
14. Severability Clause
15. Integrated Document

Attachment A – Budget Summary – SAG Preservation Portfolio 1 – Conifer Ridge

PROJECT COSTS	Total All Funds	County CDBG Funds	Other: Sources of Funds
PERSONNEL, including managers, staff, salaries, benefits and taxes.			
AMOUNT	\$	\$	\$
SUPPLIES/EQUIPMENT, including office supplies, office equipment if approved.			
AMOUNT	\$	\$	\$
ADMINISTRATION including occupancy (building & grounds), advertising, audit, insurance/bonds, postage.			
AMOUNT	\$	\$	\$
ACQUISITION COSTS			
AMOUNT	\$ 3,879,800	\$ 255,270	\$ 3,624,530
DEVELOPMENT SOFT COSTS including appraisal, design and A&E, processing/settlement and financing, marketing, operating reserve, professional fees, developer fees, and contract services			
AMOUNT	\$ 949,752	\$ 28,363	\$ 921,389
DEVELOPMENT HARD COSTS, including clearance/demolition, construction, rehabilitation and improvements.			
AMOUNT	\$ 1,522,268	\$	\$ 1,522,268
OTHER COSTS, as approved including: Project Financing Costs			
AMOUNT	\$ 699,149	\$	\$ 699,149
TOTAL PROJECT COSTS	\$ 7,050,969	\$ 283,633	\$ 6,767,336

ATTACHMENT B
CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

Primary Covered Transactions 24 CFR PART 24

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principles:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connections with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charges by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1.b. of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participants are unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[Signature Page to Follow]

This Certification is executed by the person(s) signing below who warrant they have authority to execute this Certification.

Contractor or Subgrantee:

SAG PRESERVATION PORTFOLIO 1 LLLP,
a Washington limited liability limited partnership

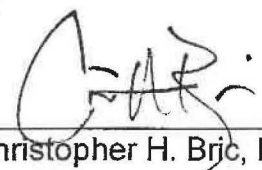
By: Preservation Portfolio 1 Associates LLC,
a Washington limited liability company
Its: Administrative General Partner

By: Shelter Resources, Inc.,
a Washington corporation
Its: Manager

By: 
Len Brahnen, President

By: SAG-PP1 GP LLC,
a Washington limited liability company
Its: Charitable General Partner

By: Shelter America Group,
a Washington nonprofit corporation
Its: Manager

By: 
Christopher H. Brjc, President

Dated: 10/24/2018, 2018

ATTACHMENT C
CERTIFICATION REGARDING LOBBYING

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

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Signature Page to Follow]

This Certification is executed by the person(s) signing below who warrant they have authority to execute this Certification.

Contractor or Subgrantee:

SAG PRESERVATION PORTFOLIO 1 LLLP,
a Washington limited liability limited partnership

By: Preservation Portfolio 1 Associates LLC,
a Washington limited liability company

Its: Administrative General Partner

By: Shelter Resources, Inc.,
a Washington corporation

Its: Manager

By:


Len Brannen, President

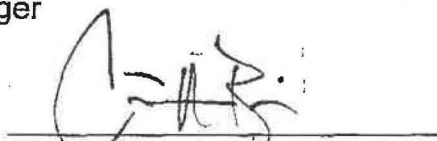
By: SAG-PP1 GP LLC,
a Washington limited liability company

Its: Charitable General Partner

By: Shelter America Group,
a Washington nonprofit corporation

Its: Manager

By:


Christopher H. Bric, President

Dated: 10/24/2018, 2018



CERTIFICATE OF LIABILITY INSURANCE

6/30/2027

DATE (MM/DD/YYYY)

7/24/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 8110 E Union Ave., Ste. 100 Denver CO 80237 denver-certs@lockton.com	CONTACT NAME:
	PHONE (A/C, No, Ext):
INSURED 1543787 Evergreen Portfolio, LLLP 2223 112th Ave., NE, Suite 102 Bellevue, WA 98004	FAX (A/C, No):
	E-MAIL ADDRESS:
	INSURER(S) AFFORDING COVERAGE
	INSURER A: Ategrity Specialty Insurance Company
	INSURER B:
	INSURER C:
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 20735338 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ \$100,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	Y	N	01-B-GL-P00096365-3	6/30/2026	6/30/2027	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY	N	N	EVAU772479	6/30/2026	6/30/2027	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
A	☐ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☒ RETENTION \$ \$0	N	N	01-B-XL-P00129181-0	6/30/2026	6/30/2027	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	NOT APPLICABLE			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Conifer Ridge Apts. - 1721 Fircrest Drive, Port Orchard, WA 98366. Certificate holder and its officers, agents, and employees are included as Additional Insureds as respects General Liability and Excess Liability if required by written contract. Additional Named Insureds: SAG Preservation 1 Portfolio, LLLP. If coverage is cancelled by the issuing company during the policy term, for other than non-payment of premium, 30 days' notice will be provided to the Certificate Holder named below and 10 days' notice for non-payment of premium.

CERTIFICATE HOLDER

20735338
Kitsap County
614 Division St.
Port Orchard WA 98366

CANCELLATION See Attachment

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.



Kitsap County
614 Division St.
Port Orchard WA 98366

To whom it may concern:

In our continuing effort to provide timely certificate delivery, Lockton Companies is transitioning to paperless delivery of Certificates of Insurance, thus this is your final hard-copy delivery.

To ensure electronic delivery for future renewals of this certificate, we need your email address. Please contact us via one of the methods below, referencing Certificate ID **20735338**.

- ☐ [Email: mountainwestdelivery@lockton.com](mailto:mountainwestdelivery@lockton.com)
- ☐ Phone: 303-728-8060

If you received this certificate through an internet link where the current certificate is viewable, we have your email and no further action is needed.

In the event your mailing address has changed, will change in the future, or you no longer require this certificate, please let us know using one of the methods above.

The above inbox and phone number is for automating electronic delivery of certificates only. Please do NOT send future certificate requests to this inbox or contact the phone number below with email updates.

Thank you for your cooperation and willingness in reducing our environmental footprint.

Lockton Companies

Lockton Companies
8110 E. Union Avenue, Suite 100
Denver, CO 80237

SHELTER AMERICA GROUP

Unique Entity ID G1N7C5DKT5K1	CAGE / NCAGE 80ZP1	Purpose of Registration All Awards
Registration Status Active Registration	Expiration Date Mar 4, 2027	
Physical Address 9620 SW Bank RD Vashon, Washington 98070-4946 United States	Mailing Address 9620 SW Bank RD Vashon, Washington 98070-4946 United States	

Business Information

Doing Business as (blank)	Division Name (blank)	Division Number (blank)
Congressional District Washington 07	State / Country of Incorporation Washington / United States	URL www.shelteramericagroup.org

Registration Dates

Activation Date Mar 5, 2026	Submission Date Mar 4, 2026	Initial Registration Date Jan 16, 2018
---------------------------------------	---------------------------------------	--

Entity Dates

Entity Start Date Jun 10, 1994	Fiscal Year End Close Date Dec 31
--	---

Immediate Owner

CAGE (blank)	Legal Business Name (blank)
------------------------	---------------------------------------

Highest Level Owner

CAGE (blank)	Legal Business Name (blank)
------------------------	---------------------------------------

Executive Compensation

Registrants in the System for Award Management (SAM) respond to the Executive Compensation questions in accordance with Section 6202 of P.L. 110-252, amending the Federal Funding Accountability and Transparency Act (P.L. 109-282). This information is not displayed in SAM. It is sent to USAspending.gov for display in association with an eligible award. Maintaining an active registration in SAM demonstrates the registrant responded to the questions.

Proceedings Questions

Registrants in the System for Award Management (SAM.gov) respond to proceedings questions in accordance with FAR 52.209-7, FAR 52.209-9, or 2. C.F.R. 200 Appendix XII. Their responses are displayed in the responsibility/qualification section of SAM.gov. Maintaining an active registration in SAM.gov demonstrates the registrant responded to the proceedings questions.

Exclusion Summary

Active Exclusions Records?

No

SAM Search Authorization

I authorize my entity's non-sensitive information to be displayed in SAM public search results:

Yes

Entity Types

Business Types

Entity Structure Corporate Entity (Tax Exempt)	Entity Type Business or Organization	Organization Factors (blank)
Profit Structure Non-Profit Organization		

Socio-Economic Types

Check the registrant's Reps & Certs, if present, under FAR 52.212-3 or FAR 52.219-1 to determine if the entity is an SBA-certified HUBZone small business concern. Additional small business information may be found in the SBA's Dynamic Small Business Search if the entity completed the SBA supplemental pages during registration.

Financial Information

Accepts Credit Card Payments
No

Debt Subject To Offset
No

EFT Indicator
0000

CAGE Code
80ZP1

Points of Contact

Electronic Business

✎
Christopher H Bric, President

**9620 SW Bank Road
Vashon, Washington 98070
United States**

Bradley J Bullock, Executive Vice President

60250 Sunset View Drive
Bend, Oregon 97702
United States

Government Business

✎
Christopher H Bric, President

**9620 SW Bank Road
Vashon, Washington 98070
United States**

Bradley J Bullock, Executive Vice President

60250 Sunset View Drive
Bend, Oregon 97702
United States

Past Performance

✎
Christopher H Bric, President

**9620 SW Bank Road
Vashon, Washington 98070
United States**

Bradley J Bullock, Executive Vice President

60250 Sunset View Drive
Bend, Oregon 97702
United States

Service Classifications

NAICS Codes

Primary
Yes

NAICS Codes
624229

NAICS Title
Other Community Housing Services

Disaster Response

This entity does not appear in the disaster response registry.

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the
requester. Do not
send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) SRI-Blueridge Pacific LLC	
	2 Business name/disregarded entity name, if different from above. Blue Ridge Cascade	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☒ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) P Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. Other (see instructions)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐	
5 Address (number, street, and apt. or suite no.). See instructions. 2223 112th Avenue NE, Suite 102		
6 City, state, and ZIP code Levue, WA 98004		
7 List account number(s) here (optional)		

Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

or

Employer identification number

9	2	-	0	7	7	2	6	5	9
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Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person Mark T. Fitzpatrick

Date 1/19/2026

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

What's New

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting

requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

• **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

• **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

• **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

• **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For

example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or	Individual/sole proprietor.
• Sole proprietorship	
• LLC classified as a partnership for U.S. federal tax purposes or	Limited liability company and enter the appropriate tax classification:
• LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

- 2—The United States or any of its agencies or instrumentalities.
- 3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- 5—A corporation.
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission.
- 8—A real estate investment trust.
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940.
- 10—A common trust fund operated by a bank under section 584(a).
- 11—A financial institution as defined under section 581.
- 12—A middleman known in the investment community as a nominee or custodian.
- 13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5. ²
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

¹ See Form 1099-MISC, Miscellaneous Information, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/EIN. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

* **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

** For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Go to www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.