Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

WHATCOM COUNTY
CONTRACT INFORMATION SHEET

Whatcom County Contract Number: 202604025

Originating Department:	85 Health and Community Services
Division/Program: *(i.e. Dept. Division and Program)*	8550 Human Services/855040 Housing
Contract or Grant Administrator:	Eric Chambers, Special Projects Manager
Contractor's / Agency Name:	Opportunity Council

Is this a New Contract?		If not, is this an Amendment or Renewal to an Existing Contract?	Yes ☐	No ☐
Yes ☒	No ☐	If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #:		

Does contract require Council Approval?	Yes ☒	No ☐	If No, include WCC:	
Already approved? Council Approved Date:			(Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)	

Is this a grant agreement?		If yes, grantor agency contract number(s):		ALN#	
Yes ☐	No ☒				

Is this contract grant funded?		If yes, Whatcom County grant contract number(s):	
Yes ☐	No ☒		

Method of Procurement:	RFP #25-43	Contract Cost Center:	32422443.7225

Is this agreement excluded from E-Verify?	No ☒	Yes ☐	

If YES, indicate exclusion(s) below:

☐ Professional services agreement for certified/licensed professional.	☐ Goods and services provided due to an emergency.
☐ Contract work is for less than $100,000.	☐ Contract for Commercial off the shelf items (COTS).
☐ Contract work is for less than 120 days.	☐ Work related subcontract less than $25,000.
☐ Interlocal Agreement (between Governments).	☐ Public Works - Local Agency/Federally Funded FHWA.

Contract Amount:(sum of original contract amount and any prior amendments):	
$	1,386,485
This Amendment Amount:	
$	
Total Amended Amount:	
$	

Council approval required for; all property leases, all Interlocal agreements, contracts or bid awards **exceeding $75,000**, and grants exceeding $40,000 and professional service contract amendments that have an increase greater than $10,000 or 10% of contract amount, whichever is greater, except **when:**

1. Exercising an option contained in a contract previously approved by the council.
2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance.
3. Bid or award is for supplies.
4. Equipment is included in Exhibit "B" of the Budget Ordinance
5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.

Contract Term Ends: **December 31, 2028**

Contract Routing:

1. Prepared by:	Eric Karl Chambers	Date:	February 23, 2026
2. Health Budget Approval:	G. Iturria	Date:	04/02/2026
3. Attorney signoff:	JCW	Date:	04/02/2026
4. AS Finance reviewed:	D. Kemph	Date:	4/20/26
5. IT reviewed (if IT related):		Date:	
6. Contractor signed:	Initial FW	Date:	
7. Executive Contract Review:		Date:	4/30/2026
8. Council approved (if necessary):	AB2026-335	Date:	04/28/2026
9. Executive signed:		Date:	4/30/2026
10. Original to Council:		Date:	

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WHATCOM COUNTY
Health and Community Services

Champ Thomaskutty, MPH, Director
Amy Harley, MD, MPH, Co-Health Officer
Meghan Lelonek, MD, Co-Health Officer

Memorandum

TO: Satpal Sidhu, County Executive

FROM: Champ Thomaskutty, Director

RE: Opportunity Council – Bellis Fair Senior Housing Economic Development Investment Contract

DATE: **APRIL 20, 2026**

Attached is a contract between Whatcom County and the Opportunity Council for your review and signature.

- **Background and Purpose**

  The Bellis Fair Senior Housing (BFSH) project ("Project") is the second phase of the Bellis Fair Family Housing development – a Low-Income Housing Tax Credit (LIHTC) project located adjacent to the Bellis Fair Mall in north Bellingham. The Project is comprised of sixty-four (64) units of low-income senior housing for households aged 62 and older. Of these units, four (4) will have 2 bedrooms, fifty-seven (57) will have one bedroom, and three (3) will be studio apartments. In addition to the 64 units, the Project includes an on-site community space, a health and wellness center, and space for service providers.

  Twenty-five percent (25%) of the units will be reserved for households making at or below sixty-percent of the Area Median Income (AMI) adjusted for household size, fifty-percent (50%) of the units will be reserved for households with income at or below 40% of AMI, and twenty-five percent (25%) for those at or below 30% AMI. Additionally, twenty-percent (20%) of the units will be reserved for seniors exiting homelessness, and twenty-percent will be reserved for seniors with a disability. Long term affordability will be secured through a fifty-year restrictive covenant recorded against the property.

  The Opportunity Council applied for funding in response to RFP 25-43. On September 9, 2025, the Whatcom County Council provided tentative approval of funding, pending successful contract negotiations, for this project. The County Executive issued a preliminary award letter on September 19, 2025.

  For the avoidance of doubt, the Project is owned by Bellis Fair Family Housing II, LLC, a Washington Limited Liability Company ("Company"). The Opportunity Council is the manager and controlling member of the Company. All instances which refer to the Opportunity Council or the Contractor, shall, as applicable, refer to the Contractor causing the Company to achieve the same.

- **Funding Amount and Source**

  The total funding amount for this contract is $1,386,485. Funding is provided from the Economic Development Investment Fund program. Budget authority exists through the 2025-2026 biennial budget.

- **Differences from Previous Contracts**

  This is an original contract. The County has funded other similar projects with the Opportunity Council, most notably under Whatcom County Contract #202409015.

Please contact Eric Chambers at x6199 or ekchambe@whatcomcounty.us if you have any questions.

Encl.

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Whatcom County Contract Number:
202604025

CONTRACT FOR SERVICES
Between Whatcom County and Opportunity Council

The Opportunity Council hereinafter called **Contractor** and Whatcom County, hereinafter referred to as **County,** agree and contract as set forth in this Agreement, including:

Recitals
Representations and Warranties
General Conditions
Exhibit A (Scope of Work)
Exhibit B (Compensation)
Exhibit C (Certificate of Insurance)
Exhibit D (Response to RFP #25-43)
Exhibit E (Restrictive Covenant)
Exhibit F (Deed of Trust)
Exhibit G (Promissory Note)
Exhibit H (Amortization Schedule)
Exhibit I (Prioritization and Subordination Agreement)
Exhibit J (Amended and Restated Operational Agreement)
Exhibit K (Assignment, Assumption, and Consent Agreement)

Copies of these items are attached hereto and incorporated herein by this reference as if fully set forth herein.

The term of this Agreement shall commence on the 29th day of April, 2026, and shall, unless terminated or renewed as elsewhere provided in the Agreement, terminate on the 31st day of December, 2028.

Notwithstanding the term of this Agreement or any termination or expiration hereof, the Restrictive Covenant (Exhibit E), Deed of Trust (Exhibit F), Promissory Note (Exhibit G), and Amortization Schedule (Exhibit H), once executed and, where applicable, recorded with the Whatcom County Auditor, shall constitute independent instruments enforceable according to their respective terms. The enforceability, validity, and duration of such instruments shall not be dependent upon, or limited by, the term of this Agreement.

The general purpose or objective of this Agreement is to provide sixty-four (64) units of low-income senior rentals as more fully and definitively described in Exhibit A hereto. The language of Exhibit A controls in case of any conflict between it and that provided here.

The maximum consideration for the initial term of this agreement or for any renewal term authorized herein (if applicable) shall not exceed $1,386,485. The Contract Number, set forth above, shall be included on all billings or correspondence in connection therewith.

Contractor acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 11.1, 21.1, 30.1, 31.2, 32.1, 34.2, and 34.3, if included, are totally and fully part of this contract and have been mutually negotiated by the parties.

Each person signing this Contract represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Contract.

IN WITNESS WHEREOF, the parties have executed this Agreement on: 4/30/2026

CONTRACTOR:
Opportunity Council
1111 Cornwall Ave.
Bellingham, WA 98225

Each signatory below to this Contract warrants that he/she is the authorized agent of the respective party; and that he/she has the authority to enter into the contract and to bind the party thereto.

Signed by:
Greg Winter
CD1BEF48E88C4CC...

4/30/2026

Greg Winter, Executive Director — Date

WHATCOM COUNTY:
Recommended for Approval:

Signed by:
00C1A6EB3489428...
4/30/2026

Champ Thomaskutty, Director — Date
Whatcom County Health and Community Services

Approved as to form:

Signed by:
Janelle Wilson
CE1A5BA5C36B438...
4/30/2026

Janelle C. Wilson, Civil Deputy Prosecutor — Date

Approved:
Accepted for Whatcom County:

DocuSigned by:
By: Satpal Singh Sidhu
1192C7C18B664E3...
4/30/2026

Satpal Singh Sidhu, Whatcom County Executive — Date

CONTRACTOR INFORMATION:

Opportunity Council
Greg Winter, Executive Director
1111 Cornwall Ave.
Bellingham, WA 98225
Greg_Winter@oppco.org

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RECITALS

WHEREAS, Whatcom County is a home rule charter county organized under the laws of the State of Washington; and

WHEREAS, the Whatcom County Council has established the Economic Development Investment (EDI) Program to promote economic development and job creation through strategic infrastructure investments; and

WHEREAS, RCW 82.14.370 authorizes counties to impose a sales and use tax for public facilities, and authorizes the use of such funds for affordable workforce housing infrastructure or facilities owned or operated by a qualifying provider, as defined in RCW 82.14.370(4)(e); and

WHEREAS, Opportunity Council is a qualifying provider under RCW 82.14.370(4)(e) as a private nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code and organized pursuant to RCW 24.03A or 24.03; and

WHEREAS, Opportunity Council applied for EDI funding to support construction of Bellis Fair Senior Housing in order to provide 64 units of housing for low-income seniors; and

WHEREAS, on September 19, 2025, the Whatcom County Executive issued a Letter of Award to Opportunity Council for $1,386,485 in EDI funding for the Bellis Fair Senior Housing Project; and

WHEREAS, the Opportunity Council's project will provide long-term affordable rentals for low-income seniors in Whatcom County, addressing critical housing needs and supporting economic development; and

WHEREAS, long-term affordability is secured through a fifty (50) year restrictive covenant recorded against the property; and

WHEREAS, the Parties desire to enter into this Agreement to establish the terms and conditions under which the County will provide loan funding to Opportunity Council for the completion of the Project;

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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REPRESENTATIONS AND WARRANTIES

A. Contractor's Representations and Warranties

The Contractor represents and warrants to the County that:

1. Legal Status: The Contractor is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of the State of Washington, with full power and authority to enter into this Agreement and perform its obligations hereunder.
2. Tax-Exempt Status: The Contractor is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and has not had its tax-exempt status revoked or challenged.
3. Qualifying Provider: The Contractor meets the definition of a "qualifying provider" under RCW 82.14.370(4)(e) and is eligible to receive EDI funding for affordable housing projects.
4. Authorization: The execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Contractor.
5. No Conflicts: The execution and performance of this Agreement do not and will not conflict with, violate, or result in a breach of any law, regulation, court order, or agreement to which the Contractor is a party or by which it is bound.
6. Permits and Approvals: The Contractor has obtained, will obtain, or cause to be obtained prior to commencement of work, all permits, licenses, and approvals necessary for the Project.
7. Compliance with Laws: The Contractor shall comply with all applicable federal, state, and local laws, regulations, and ordinances in the performance of this Agreement.
8. Debarment and Suspension: The Contractor has not been suspended, debarred, or otherwise declared ineligible from contracting with any governmental entity.
9. Project Site Control: The Contractor, through the Bellis Fair Family Housing II, LLC, has ownership or control of the project site and all necessary rights to complete the Project.
10. Financial Capacity: The Contractor has secured, or will secure, all additional funding necessary to complete the Project beyond the County's loan Amount.
11. Accuracy of Information: All information provided to the County in the EDI Application and supporting materials is true, accurate, and complete.

B. County's Representations and Warranties

The County represents and warrants to the Contractor that:

1. Legal Authority: The County is a home rule charter county with full power and authority to enter into this Agreement and perform its obligations hereunder.
2. Authorization: The execution, delivery, and performance of this Agreement have been duly authorized by the Whatcom County Council and County Executive.
3. Funding: Subject to appropriation and Council approval, the County has budgeted and appropriated sufficient EDI funds to satisfy its payment obligations under this Agreement.

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Series 00-09: Provisions Related to Scope and Nature of Services

0.1 Scope of Services:

The Contractor agrees to provide to the County services and any materials as set forth in the project narrative identified as Exhibit "A", during the agreement period. No material, labor, or facilities will be furnished by the County, unless otherwise provided for in the Agreement.

Series 10-19: Provisions Related to Term and Termination

10.1 Term:

Services provided by Contractor prior to or after the term of this contract shall be performed at the expense of Contractor and are not compensable under this contract unless both parties hereto agree to such provision in writing. The term of this Agreement may be extended by mutual agreement of the parties; provided, however, that the Agreement is in writing and signed by both parties.

10.2 Extension:

The duration, consideration and other terms and conditions of this Agreement may be extended after the initial term of this Agreement by mutual written consent of the parties.

Extensions may be for a period of up to one year per extension, and for a cumulative total of no longer than four years including the original term.

11.1 Termination for Default:

If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Contractor in the U.S. mail, first class postage prepaid, terminate the contract, and at the County's option, obtain performance of the work elsewhere. Termination shall be effective upon Contractor's receipt of the written notice, or within three (3) days of the mailing of the notice, whichever occurs first. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the County in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the County by reason of such default.

11.2 Termination for Reduction in Funding:

In the event that funding from State, Federal or other sources 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 withdrawn, reduced, or limited, notwithstanding any other termination provisions of this Agreement. If the level of funding withdrawn, reduced or limited is so great that the County deems that the continuation of the programs covered by this Agreement is no longer in the best interest of the County, 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 as specified herein, or within three days of the mailing of the notice, whichever occurs first.

11.3 Termination for Public Convenience:

The County may terminate the Agreement in whole or in part whenever the County determines, in its sole discretion, that such termination is in the interests of the County. Whenever the Agreement is terminated in accordance with this paragraph, the Contractor shall be entitled to payment for actual work performed at unit contract prices for completed items of work. An equitable adjustment in the contract price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this Agreement by the County at any time during the term, whether for default or convenience, shall not constitute breach of contract by the County.

Series 20-29: Provisions Related to Consideration and Payments

20.1 Accounting and Payment for Contractor Services:

Payment to the Contractor for services rendered under this Agreement shall be as set forth in Exhibit "B." Where Exhibit "B" requires payments by the County, payment shall be based upon written claims supported, unless otherwise provided in Exhibit "B," by documentation of units of work actually performed and amounts earned, including, where appropriate,

the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested, so as to comply with municipal auditing requirements.

Unless specifically stated in Exhibit "B" or approved in writing in advance by the official executing this Agreement for the County or his designee (hereinafter referred to as the "Administrative Officer") the County will not reimburse the Contractor for any costs or expenses incurred by the Contractor in the performance of this contract. Where required, the County shall, upon receipt of appropriate documentation, compensate the Contractor, no more often than monthly, in accordance with the County's customary procedures, pursuant to the fee schedule set forth in Exhibit "B."

21.1 Taxes:

The Contractor understands and acknowledges that the County will not withhold Federal or State income taxes. Where required by State or Federal law, the Contractor authorizes the County to withhold for any taxes other than income taxes (i.e., Medicare). All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Contractor to make the necessary estimated tax payments throughout the year, if any, and the Contractor is solely liable for any tax obligation arising from the Contractor's performance of this Agreement. The Contractor hereby agrees to indemnify the County against any demand to pay taxes arising from the Contractor's failure to pay taxes on compensation earned pursuant to this Agreement.

The County will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes, including, but not limited to, Business and Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the County does not hold title. The County is exempt from Federal Excise Tax.

22.1 Withholding Payment:

In the event the County's Administrative Officer determines that the Contractor has failed to perform any obligation under this Agreement within the times set forth in this Agreement, then the County may withhold from amounts otherwise due and payable to Contractor the amount determined by the County as necessary to cure the default, until the Administrative Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Contractor to termination or damages, provided that the County promptly gives notice in writing to the Contractor of the nature of the default or failure to perform, and in no case more than 10 days after it determines to withhold amounts otherwise due. A determination of the Administrative Officer set forth in a notice to the Contractor of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Contractor acts within the times and in strict accord with the provisions of the Disputes clause of this Agreement. The County may act in accordance with any determination of the Administrative Officer which has become conclusive under this clause, without prejudice to any other remedy under the Agreement, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so required to be paid and to charge the same to the account of the Contractor, (3) to set off any amount so paid or incurred from amounts due or to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the County under this clause.

23.1 Labor Standards:

The Contractor agrees to comply with all applicable state and federal requirements, including but not limited to those pertaining to payment of wages and working conditions, in accordance with RCW 39.12.040, the Prevailing Wage Act; the Americans with Disabilities Act of 1990; the Davis-Bacon Act; and the Contract Work Hours and Safety Standards Act providing for weekly payment of prevailing wages, minimum overtime pay, and providing that no laborer or mechanic shall be required to work in surroundings or under conditions which are unsanitary, hazardous, or dangerous to health and safety as determined by regulations promulgated by the Federal Secretary of Labor and the State of Washington.

Series 30-39: Provisions Related to Administration of Agreement

30.1 Independent Contractor:

The Contractor's services shall be furnished by the Contractor as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer-employee or master-servant, but all payments made hereunder and all services performed shall be made and performed pursuant to this Agreement by the Contractor as an independent contractor.

The Contractor acknowledges that the entire compensation for this Agreement is specified in Exhibit "B" and the Contractor is not entitled to any benefits including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, or any other rights or privileges afforded to employees of the County. The Contractor represents that he/she/it maintains a separate place of business, serves clients other than the County, will report all income and expense accrued under this contract to the Internal Revenue Service, and has a tax account with the State of Washington

Department of Revenue for payment of all sales and use and Business and Occupation taxes collected by the State of Washington.

Contractor will defend, indemnify and hold harmless the County, its officers, agents or employees from any loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees or costs incurred by reason of claims or demands because of breach of the provisions of this paragraph

30.2 Assignment and Subcontracting:

The performance of all activities contemplated by this agreement shall be accomplished by the Contractor. No portion of this contract may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the County.

30.3 No Guarantee of Employment:

The performance of all or part of this contract by the Contractor shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the Contractor or any employee of the Contractor or any subcontractor or any employee of any subcontractor by the County at the present time or in the future.

31.1 Ownership of Items Produced and Public Records Act:

All writings, programs, data, public records or other materials prepared by the Contractor and/or its consultants or subcontractors, in connection with performance of this Agreement, shall be the sole and absolute property of the County. If the Contractor creates any copyrightable materials or invents any patentable property, the Contractor may copyright or patent the same, but the County retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover, or otherwise use the materials or property and to authorize other governments to use the same for state or local governmental purposes. Contractor further agrees to make research, notes, and other work products produced in the performance of this Agreement available to the County upon request.

Ownership. Any and all data, writings, programs, public records, reports, analyses, documents, photographs, pamphlets, plans, specifications, surveys, films or any other materials created, prepared, produced, constructed, assembled, made, performed or otherwise produced by the Contractor or the Contractor's subcontractors or consultants for delivery to the County under this Contract shall be the sole and absolute property of the County. Such property shall constitute "work made for hire" as defined by the U.S. Copyright Act of 1976, 17 U.S.C. § 101, and the ownership of the copyright and any other intellectual property rights in such property shall vest in the County at the time of its creation. Ownership of the intellectual property includes the right to copyright, patent, and register, and the ability to transfer these rights. Material which the Contractor uses to perform this Contract but is not created, prepared, constructed, assembled, made, performed or otherwise produced for or paid for by the County is owned by the Contractor and is not "work made for hire" within the terms of this Agreement.

Public Records Act. This Contract and all records associated with this Contract shall be available for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Contractor are needed for the County to respond to a request under the Act, as determined by the County, the Contractor agrees to make them promptly available to the County at no cost to the County. If the Contractor considers any portion of any record provided to the County under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Contractor shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information so identified by the Contractor and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Contractor (a) of the request and (b) of the date that such information will be released to the requester unless the Contractor obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The County shall not be liable to the Contractor for releasing records not clearly identified by the Contractor as confidential or proprietary. The County shall not be liable to the Contractor for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

The Contractor shall be liable to the requester for any and all fees, costs, penalties or damages imposed or alleged as a result of the Contractor's failure to provide adequate or timely records.

This provision and the obligations it establishes shall remain in effect after the expiration of this contract.

31.2 Patent/Copyright Infringement:

Contractor will defend and indemnify the County from any claimed action, cause or demand brought against the County, to the extent such action is based on the claim that information supplied by the Contractor infringes any patent or copyright.

The Contractor will pay those costs and damages attributable to any such claims that are finally awarded against the County in any action. Such defense and payments are conditioned upon the following:

A. The Contractor shall be notified promptly in writing by the County of any notice of such claim.

B. Contractor shall have the right, hereunder, at its option and expense, to obtain for the County the right to continue using the information, in the event such claim of infringement, is made, provided no reduction in performance or loss results to the County.

32.1 Confidentiality:

The Contractor, its employees, subcontractors, and their employees shall maintain the confidentiality of all information provided by the County or acquired by the Contractor in performance of this Agreement, except upon the prior written consent of the County or an order entered by a court after having acquired jurisdiction over the County. Contractor shall immediately give to the County notice of any judicial proceeding seeking disclosure of such information. Contractor shall indemnify and hold harmless the County, its officials, agents or employees from all loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees and costs resulting from Contractor's breach of this provision.

33.1 Right to Review:

This contract is subject to review by any Federal, State or County auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Administrative Officer or by the County Auditor's Office. Such review may occur with or without notice and may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. The Contractor shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for three (3) years after contract termination, and shall make them available for such review, within Whatcom County, State of Washington, upon request. Contractor also agrees to notify the Administrative Officer in advance of any inspections, audits, or program review by any individual, agency, or governmental unit whose purpose is to review the services provided within the terms of this Agreement. If no advance notice is given to the Contractor, then the Contractor agrees to notify the Administrative Officer as soon as it is practical.

34.1 Insurance

The Contractor shall, at its own expense, obtain and continuously maintain the following insurance coverage for the duration of this contract, which shall include insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, subcontractors or employees. All insurers providing such insurance shall have an A.M. Best Rating of not less that A- (or otherwise be acceptable to the County) and be licensed to do business in the State of Washington and admitted by the Washington State Insurance Commissioner. Coverage limits shall be the minimum limits identified in this Contract or the coverage limits provided or available under the policies maintained by the Contractor without regard to this Contract, whichever are greater.

1. Commercial General Liability

Property Damage	$500,000.00, per occurrence
General Liability & bodily injury	$1,000,000.00, per occurrence
Annual Aggregate	$2,000,000.00

At least as broad as ISO form CG 00 01 or the equivalent, which coverage shall include personal injury, bodily injury and property damage for Premises Operations, Products and Completed Operations, Personal/Advertising Injury, Contractual Liability, Independent Contractor Liability, medical payments and Stop Gap/Employer's Liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required, unless approved in writing by the County.

2. Business Automobile Liability

$1,000,000.00 Minimum, per occurrence

$2,000,000.00 Minimum, Annual Aggregate

Contractor shall provide auto liability coverage for owned, non-owned and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than $1,000,000 per accident. If Contractor owns no vehicles this requirement may be met through a non-owned auto Endorsement to the CGL policy.

3. Additional Insurance Requirements and Provisions

a. All insurance policies shall provide coverage on an occurrence basis.

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b. Additional Insureds. Whatcom County, its departments, elected and appointed officials, employees, agents and volunteers shall be included as additional insureds on Contractor's and Contractor's subcontractors' insurance policies by way of endorsement for the full available limits of insurance required in this contract or maintained by the Contractor and subcontractor, whichever is greater.

c. Primary and Non-contributory Insurance. Contractor shall provide primary insurance coverage and the County's insurance shall be non-contributory. Any insurance, self-insured retention, deductible, risk retention or insurance pooling maintained or participated in by the County shall be excess and non- contributory to Contractor's insurance.

d. Waiver of Subrogation. The insurance policy shall provide a waiver of subrogation with respect to each insurance policy maintained under this Contract. When required by an insurer, or if a policy condition does not permit Contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, then Contractor agrees to notify the insurer and obtain such endorsement. This requirement shall not apply to any policy which includes a condition expressly prohibiting waiver of subrogation by the insured or which voids coverage should the Contractor enter into such a waiver of subrogation on a pre-loss basis.

e. Review of and Revision of Policy Provisions. Upon request, the Contractor shall provide a full and complete certified copy of all requested insurance policies to the County. The County reserves the right, but not the obligation, to revise any insurance requirement, including but not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the requirements of this Contract. Additionally, the County reserves the right, but not the obligation, to review and reject any proposed insurer providing coverage based upon the insurer's financial condition or licensing status in Washington.

f. Verification of Coverage/Certificates and Endorsements. The Contractor shall furnish the County with a certificate of insurance and endorsements required by this contract. The certificates and endorsements for each policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. The certificate and endorsements for each insurance policy are to be on forms approved by the County prior to commencement of activities associated with the contract. The certificate and endorsements, and renewals thereof, shall be attached hereto as Exhibit "C". If Exhibit C is not attached, the Contractor must submit the certificate and endorsements required in this contract to the County prior to the commencement of any work on the contracted project. A certificate alone is insufficient proof of the required insurance; endorsements must be included with the certificate. The certificate of insurance must reflect the insurance required in this contract, including appropriate limits, insurance coverage dates, per occurrence, and in the description of operations, include the County project, Whatcom County, its departments, officials, employees, agents and volunteers as additional insureds, primary, non-contributory, and waiver of subrogation.

g. The County must be notified immediately in writing of any cancellation of the policy, exhaustion of aggregate limits, notice of intent not to renew insurance coverage, expiration of policy or change in insurer carrier. Contractor shall always provide the County with a current copy of the certificate and endorsements throughout the duration of the contract.

h. No Limitation on Liability. The insurance maintained under this Contract shall not in any manner limit the liability or qualify the liabilities or obligations of the Contractor to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or equity.

i. Payment Conditioned on Insurance and Failure to Maintain Insurance. Compensation and/or payments due to the Contractor under this Contract are expressly conditioned upon the Contractor's compliance with all insurance requirements. Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract. Payment to the Contractor may be suspended in the event of non-compliance, upon which the County may, after giving five business days' notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the County on demand or offset against funds due the Contractor. Upon receipt of evidence of Contractor's compliance, payments not otherwise subject to withholding or set-off will be released to the Contractor.

j. Workers' Compensation. The Contractor shall maintain Workers' Compensation coverage as required under the Washington State Industrial Insurance Act, RCW Title 51, for all Contractors' employees, agents and volunteers eligible for such coverage under the Industrial Insurance Act.

k. Failure of the Contractor to take out and/or maintain required insurance shall not relieve the Contractor or subcontractors from any liability under the contract, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification. The County does not waive any insurance requirements even in the event the certificate or endorsements provided by the Contractor were insufficient or inadequate proof of coverage but not objected to by the County. The County's failure to confirm

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adequate proof of insurance requirements does not constitute a waiver of the Contractor's insurance requirements under this Contract.

l. Availability of Contractor Limits. If the Contractor maintains higher insurance limits than the minimums shown above, the County shall be insured for the full available limits, including Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate furnished to the County evidences limits of liability lower than those maintained by the Contractor.

m. Insurance for Subcontractors. If the Contractor subcontracts (if permitted in the contract) any portion of this Contract, the Contractor shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages by subcontractors must comply with the insurance requirements of the Contractor in this contract and shall be subject to all of the requirements stated herein, including naming the County as additional insured.

n. The Contractor agrees Contractor's insurance obligation shall survive the completion or termination of this Contract for a minimum period of three years.

34.3 Defense & Indemnity Agreement. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold the County and its departments, elected and appointed officials, employees, agents and volunteers, harmless from and against any and all claims, damages, losses and expenses, including but not limited to court costs, attorney's fees, and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease, or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which: 1) are caused in whole or in part by any error, act or omission, negligent or otherwise, of the Contractor, its employees, agents or volunteers or Contractor's subcontractors and their employees, agents or volunteers; or 2) directly or indirectly arise out of or occur in connection with performance of this Contract or 3) are based upon the Contractor's or its subcontractors' use of, presence upon, or proximity to the property of the County. This indemnification obligation of the Contractor shall not apply in the limited circumstance where the claim, damage, loss, or expense is caused by the sole negligence of the County.

Should a court of competent jurisdiction determine that this contract is subject to RCW 4.24.115, then in the event of concurrent negligence of the Contractor, its subcontractors, employees or agents, and the County, its employees or agents, this indemnification obligation of the Contractor shall be valid and enforceable only to the extent of the negligence of the Contractor, its subcontractors, employees, and agents. This indemnification obligation of the Contractor shall not be limited in any way by the Washington State Industrial Insurance Act, RCW Title 51, or by application of any other workmen's compensation act, disability benefit act or other employee benefit act, and the Contractor hereby expressly waives any immunity afforded by such acts.

It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein. The parties specifically agree that this Contract is for the benefit of the parties only and this Contract shall create no rights in any third party. The County reserves the right, but not the obligation, to participate in the defense of any claim, damages, losses, or expenses, and such participation shall not constitute a waiver of Contractor's indemnity obligations under this Agreement.

In the event the Contractor enters into subcontracts to the extent allowed under this Contract, the Contractor's subcontractors shall indemnify the County on a basis equal to or exceeding Contractor's indemnity obligations to the County. The Contractor shall pay all attorney's fees and expenses incurred by the County in establishing and enforcing the County's rights under this indemnification provision, whether or not suit was instituted.

The Contractor agrees all Contractor's indemnity obligations shall survive the completion, expiration or termination of this Agreement The foregoing indemnification obligations of the Contractor are a material inducement to County to enter into this Agreement and are reflected in the Contractor's compensation.

By signing this contract, the Contractor acknowledges that it has freely negotiated and agreed to the indemnification requirements to defend, indemnify and hold harmless the County from all claims and suits including those brought against the County by the Contractor's own employees, arising from this contract.

35.1 Non-Discrimination in Employment:

The County's policy is to provide equal opportunity in all terms, conditions and privileges of employment for all qualified applicants and employees without regard to race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, or veteran status. The Contractor shall comply with all laws prohibiting discrimination against any employee or applicant for employment on the grounds of race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, political affiliation, or veteran status, except where such constitutes a bona fide occupational qualification.

Furthermore, in those cases in which the Contractor is governed by such laws, the Contractor shall take affirmative action to insure that applicants are employed, and treated during employment, without regard to their race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status, except where such constitutes a bona fide occupational qualification. Such action shall include, but not be limited to: advertising, hiring, promotions, layoffs or terminations, rate of pay or other forms of compensation benefits, selection for training including apprenticeship, and participation in recreational and educational activities. In all solicitations or advertisements for employees placed by them or on their behalf, the Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The foregoing provisions shall also be binding upon any subcontractor, provided that the foregoing provision shall not apply to contracts or subcontractors for standard commercial supplies or raw materials, or to sole proprietorships with no employees.

35.2 Non-Discrimination in Client Services:

The Contractor shall not discriminate on the grounds of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status; or deny an individual or business any service or benefits under this Agreement unless otherwise allowed by applicable law; or subject an individual or business to segregation or separate treatment in any manner related to his/her/its receipt any service or services or other benefits provided under this Agreement unless otherwise allowed by applicable law; or deny an individual or business an opportunity to participate in any program provided by this Agreement unless otherwise allowed by applicable law.

36.1 Waiver of Noncompetition:

Contractor irrevocably waives any existing rights which it may have, by contract or otherwise, to require another person or corporation to refrain from submitting a proposal to or performing work or providing supplies to the County, and contractor further promises that it will not in the future, directly or indirectly, induce or solicit any person or corporation to refrain from submitting a bid or proposal to or from performing work or providing supplies to the County.

36.2 Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Contractor or any of its employees involved in the performance of this Agreement shall have or develop an interest in the subject matter of this Agreement that is potentially in conflict with the County's interest, then Contractor shall immediately notify the County of the same. The notification of the County shall be made with sufficient specificity to enable the County to make an informed judgment as to whether or not the County's interest may be compromised in any manner by the existence of the conflict, actual or potential. Thereafter, the County may require the Contractor to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

37.1 Administration of Contract:

This Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. The Contractor also agrees to comply with applicable federal, state, county or municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals.

The County hereby appoints, and the Contractor hereby accepts, the Whatcom County Executive, and his or her designee, as the County's representative, hereinafter referred to as the Administrative Officer, for the purposes of administering the provisions of this Agreement, including the County's right to receive and act on all reports and documents, and any auditing performed by the County related to this Agreement. The Administrative Officer for purposes of this agreement is:

Eric Chambers, Special Projects Manager
Whatcom County Health and Community Services

37.2 Notice:

Any notices or communications required or permitted to be given by this Contract must be (i) given in writing and (ii) personally delivered or mailed, by prepaid, certified mail or overnight courier, or transmitted by electronic mail transmission (including PDF), to the party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address of such party as follows:

To the Contractor:

Whatcom County Health and Community Services
Eric Chambers, Special Projects Manager – EKChambe@co.whatcom.wa.us
509 Girard Street
Bellingham, WA 98225

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and

Whatcom County Executive's Office
Jake Logan, Administrative Services Coordinator
311 Grand Ave #108
Bellingham, WA 98225
jlogan@co.whatcom.wa.us

To the Contractor:

Opportunity Council
Adrienne Wyld, Housing Development Manager
1111 Cornwall Ave.
Bellingham, WA 98225
adrienne_wyld@oppco.org

Any such notice or communication shall be deemed to have been given on (i) the day such notice or communication is personally delivered, (ii) three (3) days after such notice or communication is mailed by prepaid certified or registered mail, (iii) one (1) working day after such notice or communication is sent by overnight courier, or (iv) the day such notice or communication is sent electronically, provided that the sender has received a confirmation of such electronic transmission. A party may, for purposes of this Agreement, change his, her or its address, email address or the person to whom a notice or other communication is marked to the attention of, by giving notice of such change to the other party pursuant to this Section.

37.3 If agreed by the parties, this Contract may be executed by Email transmission and PDF signature and Email transmission and PDF signature shall constitute an original for all purposes.

38.1 Certification of Public Works Contractor's Status under State Law:

If applicable, Contractor certifies that it has fully met the responsibility criteria required of public works contractors under RCW 39.04.350 (1), which include: (a) having a certificate of registration in compliance with RCW 18.27; (b) having a current state unified business identifier number; (c) if applicable, having industrial insurance coverage for its employees working in Washington as required in Title 51 RCW, an employment security department number as required in Title 50 RCW, and a state excise tax registration number as required in Title 82 RCW; and (d) not being disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).

38.2 Certification Regarding Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions:

If applicable, the Contractor further certifies, by executing this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or Agency.

The Contractor also agrees that it shall not knowingly enter into any lower tier covered transactions (a transaction between the Contractor and any other person) with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, and the Contractor agrees to include this clause titled "Certification Regarding Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction" without modification, in all lower tier covered transactions and in all solicitations for lower tier transactions.

The "Excluded Parties List System in the System for Award Management (SAM) website is available to research this information at WWW.SAM.GOV. Contractor shall immediately notify Whatcom County if, during the term of this Contract, Contractor becomes debarred.

38.3 E-Verify:

The E-Verify contractor program for Whatcom County applies to contracts of $100,000 or more and sub contracts for $25,000 or more if the primary contract is for $100,000 or more. If applicable, Contractor represents and warrants that it will, for at least the duration of this contract, register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work for Whatcom County. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor/Seller agrees to maintain records of such compliance and, upon request of the County, to provide a copy of each such verification to the County. Contractor/Seller further represents and warrants that any person assigned to perform services hereunder meets the

employment eligibility requirements of all immigration laws of the State of Washington. Contractor/Seller understands and agrees that any breach of these warranties may subject Contractor/Seller to the following: (a) termination of this Agreement and ineligibility for any Whatcom County contract for up to three (3) years, with notice of such cancellation/termination being made public. In the event of such termination/cancellation, Contractor/Seller would also be liable for any additional costs incurred by the County due to contract cancellation or loss of license or permit." Contractor will review and enroll in the E-Verify program through this website: www.uscis.gov

Series 40-49: Provisions Related to Interpretation of Agreement and Resolution of Disputes

40.1 Modifications:

Either party may request changes in the Agreement. Any and all agreed modifications, to be valid and binding upon either party, shall be in writing and signed by both of the parties.

40.2 Contractor Commitments, Warranties and Representations:

Any written commitment received from the Contractor concerning this Agreement shall be binding upon the Contractor, unless otherwise specifically provided herein with reference to this paragraph. Failure of the Contractor to fulfill such a commitment shall render the Contractor liable for damages to the County. A commitment includes, but is not limited to, any representation made prior to execution of this Agreement, whether or not incorporated elsewhere herein by reference, as to performance of services or equipment, prices or options for future acquisition to remain in effect for a fixed period, or warranties.

41.1 Severability:

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

41.2 Waiver:

Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto. The failure of the County to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

42.1 Disputes:

a. General:

Differences between the Contractor and the County, arising under and by virtue of the Contract Documents, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions, and decisions of the Administrative Officer shall be final and conclusive.

b. Notice of Potential Claims:

The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the Administrative Officer or the County, or (2) the happening of any event or occurrence, unless the Contractor has given the County a written Notice of Potential Claim within ten (10) days of the commencement of the act, failure, or event giving rise to the claim, and before final payment by the County. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the work performed, labor and material used, and all costs and additional time claimed to be additional.

c. Detailed Claim:

The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within thirty (30) days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the County, the Contractor has given the County a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

d. Arbitration:

Other than claims for injunctive relief, temporary restraining order, or other provisional remedy to preserve the status quo or prevent irreparable harm, brought by a party hereto (which may be brought either in court or pursuant to this arbitration provision), and consistent with the provisions hereinabove, any claim, dispute or controversy between the parties under, arising out of, or related to this Contract or otherwise, including issues of specific performance, shall be determined by arbitration in Bellingham, Washington, under the applicable American Arbitration Association (AAA) rules in effect on the date hereof, as modified by this Agreement. There shall be one arbitrator selected by the parties within ten (10) days of the arbitration demand, or if not, by the AAA or any other group having similar credentials. Any issue about whether a claim is covered by this Contract shall be determined by the arbitrator. The arbitrator shall apply substantive law and may award injunctive relief, equitable relief (including specific performance), or any other remedy available from a judge but shall not have the power to award punitive damages. Each Party shall pay all their own costs, attorney fees and expenses of arbitration and the parties shall share equally in the Arbitrator's fees and costs. The decision of the arbitrator shall be final and binding and an order confirming the award or judgment upon the award may be entered in any court having jurisdiction. The parties agree that the decision of the arbitrator shall be the sole and exclusive remedy between them regarding any dispute presented or pled before the arbitrator. At the request of either party made not later than forty-five (45) days after the arbitration demand, the parties agree to submit the dispute to nonbinding mediation, which shall not delay the arbitration hearing date; provided, that either party may decline to mediate and proceed with arbitration.

Any arbitration proceeding commenced to enforce or interpret this Contract shall be brought within six years after the initial occurrence giving rise to the claim, dispute, or issue for which arbitration is commenced, regardless of the date of discovery or whether the claim, dispute, or issue was continuing in nature. Claims, disputes, or issues arising more than six years prior to a written request or demand for arbitration issued under this Contract are not subject to arbitration.

e. The parties may agree in writing signed by both parties that a claim or dispute may be brought in Whatcom County Superior Court rather than mediation or arbitration.

Unless otherwise specified herein, this Contract shall be governed by the laws of Whatcom County and the State of Washington.

43.1 Venue and Choice of Law:

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the County of Whatcom. This Agreement shall be governed by the laws of the State of Washington.

44.1 Survival:

The provisions of paragraphs 11.1, 11.2, 11.3, 21.1, 22.1, 30.1, 31.1, 31.2, 32.1, 33.1, 34.2, 34.3, 36.1, 40.2, 41.2, 42.1, and 43.1, if utilized, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

45.1 Entire Agreement:

This written Agreement, comprised of the writings signed or otherwise identified and attached hereto, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

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EXHIBIT "A"
(SCOPE OF WORK)

I. Background and Purpose

The Bellis Fair Senior Housing (BFSH) project ("Project") is the second phase of the Bellis Fair Family Housing development – a Low-Income Housing Tax Credit (LIHTC) project located adjacent to the Bellis Fair Mall in north Bellingham. The Project is comprised of sixty-four (64) units of low-income senior housing for households aged 62 and older. Of these units, four (4) will have two (2) bedrooms, fifty-seven (57) will have one bedroom, and three (3) will be studio apartments. In addition to the 64 units, the Project includes an on-site community space, a health and wellness center, and space for service providers.

Twenty-five percent (25%) of the units will be reserved for households making at or below sixty-percent of the Area Median Income (AMI) adjusted for household size, fifty-percent (50%) of the units will be reserved for households with income at or below 40% of AMI, and twenty-five percent (25%) for those at or below 30% AMI. Additionally, twenty-percent (20%) of the units will be reserved for seniors exiting homelessness, and twenty-percent will be reserved for seniors with a disability. Long term affordability will be secured through a fifty-year restrictive covenant recorded against the property.

The Opportunity Council applied for funding in response to RFP 25-43. On September 9, 2025, the Whatcom County Council provided tentative approval of funding, pending successful contract negotiations for this project. The County Executive issued a preliminary award letter on September 19, 2025.

For the avoidance of doubt, the Project is owned by Bellis Fair Family Housing II, LLC, a Washington Limited Liability Company ("Company"). The Opportunity Council is the manager and controlling member of the Company. All instances which refer to the Opportunity Council or the Contractor, shall, as applicable, refer to the Contractor causing the Company to achieve the same.

II. Statement of Work

The work outlined in this agreement will occur in two phases: a capital phase and a monitoring phase.

A. During the Capital Phase, which begins when all parties receive this fully-executive agreement, the Contractor will construct or cause to be constructed, sixty-four (64) units of low-income senior housing in a multifamily dwelling located at 29 Bellis Fair Parkway, Bellingham, WA 98226.

1. Compliance with Laws: Units shall be constructed in compliance with all applicable laws, ordinances, code, and all other terms herein.

2. Affordability Period: The sixty-four (64) units constructed under this Project shall remain affordable to households earning between 30% and 60% of Area Median Income (AMI) for a period of fifty years from the date of initial occupancy (the "Affordability Period").

    i. The restrictive covenant, shall serve as the primary mechanism for ensuring permanent affordability throughout the Affordability Period.

3. Income Requirements: The Contractor will ensure the Project is occupied by households that, at the time of initial occupancy, have gross annual household incomes no greater than their respective income targets. Specifically:

Number of Units	Income Target
16	60% AMI
32	40% AMI
16	30% AMI

4. Income Verification: Prior to the initial occupancy of each unit, the Contractor shall ensure that each renter meets the following criteria:

    a. Verify that the prospective renter's household income does not exceed 60% of Area Median Income, or a lower amount when required to meet the income targets in Section C above, using

documentation including federal income tax returns, wage statements, benefit statements, and other reliable income verification documents.

b. Require each prospective renter to complete a rental agreement or similar document.

c. Maintain copies of all income verification documentation and Certificates of Household Eligibility for County review upon request.

B. During the Monitoring Phases, which begins at the completion of the Capital Phase, the Contractor is responsible for:

1. Annual Affordability Certification: Beginning on the first anniversary of the initial occupancy of the first unit and continuing annually thereafter for the duration of the Affordability Period, the Contractor shall submit an Annual Affordability Certification to the County by March 31st of each year.

   The Annual Affordability Certification shall include:

   a. Confirmation that all sixty-four (64) units remain subject to the affordability restrictions as required by this Agreement.

   b. The status of each unit (occupied by income-qualified renter, vacant and available for lease to qualified seniors, or in transition between qualified renters).

   c. Any material changes to Contractor's lease terms or affordability policies that may affect the Project.

   d. The Annual Affordability Certification shall be submitted to:

   Whatcom County Health and Community Services
   Eric Chambers, Special Projects Manager
   509 Girard Street
   Bellingham, WA 98225
   ekchambe@co.whatco.wa.us

   and

   Whatcom County Executive's Office
   Jake Logan, Administrative Services Coordinator
   311 Grand Ave #108
   Bellingham, WA 98225
   jlogan@co.whatcom.wa.us

2. Tenant Rent: Tenants must be income-qualified prior to move-in. Maximum rent for any unit shall be no higher than the Affordable Rent for the target income category based on the number of bedrooms as defined in the City of Bellingham's Housing Guideline and Procedure Handbook ("Handbook"). In the event that the City of Bellingham ceases to publish the Handbook, the County will establish maximum rents on an annual basis. Any rent increases higher than the rates publish in the Handbook are subject to County approval.

3. Over-Income Tenants: Tenants who are income-qualified at the time of their initial occupancy are generally not required to relocate when their income changes to exceed the income restrictions of their unit. However, such over-income tenants may be subject to rent increases as follows: (1) If a tenant's household income is higher than 140% of the maximum income limit for the unit, the Contractor must charge the maximum restricted rent for that unit. When the tenant's income exceeds 65% of AMI, the Contractor has the option to raise the rent to a level not to exceed 30% of the tenant's income at the following year's income certification, regardless of the maximum restricted rent.

III. Additional Program Requirements

A. County Inspection and Audit Rights – Use of Funds: The County retains the right to inspect and audit Contract's records related to the expenditure of funds. Such inspection and audit rights include:

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1. Access to Records: The County may review all related financial documents including, but not limited to, contracts, vouchers, purchase orders, invoices, and bank statements, whether such documentation is help by the Contractor or the Bellis Fair Family Housing II, LLC.
2. Vendor Contact: The County Reserves the right to contact vendors directly to verify compliance.
3. Third-Party Verification: The County may engage third-party auditors or consultants to verify Contractor's compliance with requirements.

B. County Inspection and Audit Rights – Affordability: The County retains the right to inspect and audit Contractor's records related to the Project's affordability compliance at any time during the Affordability Period. Such inspection and audit rights include:

1. Access to Records: The County may review leases, income verification documentation, and any other documents related to maintaining affordability of the sixty-four (64) units whether such documentation is held by the Contractor or the Bellis Fair Family Housing II, LLC.
2. On-Site Inspection: The County may conduct site visits to verify unit occupancy and condition, with reasonable advance notice to the Contractor and current renters.
3. Homeowner Contact: The County reserves the right to contact renters directly to verify occupancy and compliance with lease terms.
4. Third-Party Verification: The County may engage third-party auditors or consultants to verify Contractor's compliance with affordability requirements.

The Contractor shall cooperate fully with all County inspection and audit activities and shall provide requested documentation within fifteen (15) business days of written request.

C. Affordability Covenant: To secure the County's investment and ensure permanent affordability, the Contractor shall execute and record an Affordability Covenant substantially in the form of Exhibit E, attached hereto and incorporated by reference. The Affordability Covenant shall:

1. Run with the land and bind all successive owners and ground lease holders.
2. Have a term of fifty (50) years from the date of initial occupancy of the first unit.
3. Establish the County as a third-party beneficiary with independent enforcement rights.
4. Specify income restrictions consistent with this agreement and the Contractor's response to RFP #25-43, attached here as Exhibit D.
5. Be recorded against the legal description of the Project property with the Whatcom County Auditor within sixty (60) days of execution of this Agreement.
6. Be subordinate to the construction and permanent financing liens from Washington State Housing Finance Commission, KeyBank National Association, Washington State Department of Commerce, and the City of Bellingham, but superior to all other liens and encumbrances except those expressly approved in writing by the County and as reflected in the Priority and Subordination Agreement recorded in Whatcom County under File Number 2025-1201364 (see also Exhibit F)

The Contractor shall provide the County with a copy of the recorded Affordability Covenant, including the recording number and date, within ten (10) business days of recording.

D. Execution and Delivery of Note, Deed of Trust, and Covenant: The Contractor shall have fifteen (15) days after this Agreement is executed, to record the Note, Deed, and Covenant in Whatcom County and provide the original recorded documents to the County.

E. Non-Compliance and Remedies: Failure to maintain affordability as required by this Section shall constitute a material breach of this Agreement. In the event of non-compliance, the County may:

1. Withhold Future Payments: If any Loan funds remain unpaid, the County may withhold payment until compliance is restored.

2. Require Corrective Action: The County may require the Contractor to take specific corrective actions within a timeframe determined by the County to restore compliance.
3. Exercise Repayment Rights: The County may require repayment of loan funds as provided in Exhibit B if the Contractor fails to cure non-compliance within sixty (60) days of written notice.
4. Direct Enforcement: The County may exercise enforcement rights under the recorded Affordability Covenant, including seeking specific performance, injunctive relief, or other equitable remedies.
5. Third-Party Beneficiary Rights: The County may enforce provisions directly as a third-party beneficiary if the Contractor fails to exercise its enforcement rights.

F. Termination of Affordability Obligations: Contractor's obligations under this Section shall continue for the full Affordability Period of fifty (50) years from initial occupancy of each unit, or until such time as:

1. The County provides written release of affordability obligations, which the County may grant at its sole discretion; or
2. The Affordability Period expires.

The Contractor's annual reporting obligations under Subsection IV. shall continue for the full Affordability Period, regardless of completion of construction or satisfaction of other Agreement terms.

G. Amortized Loan: Terms and Payments

1. Terms: The amortized loan ("Loan") shown in Exhibit H will mature in fifty (50) years on December 1, 2077 ("Maturity Date"). The full principal balance and all accrued interest, if any, shall be due and payable on the Maturity Date. The obligation of the Contractor to repay the Loan shall be evidenced by the Note (see Exhibit G), in a form satisfactory to the County. Payments under the Note shall be payable to the County in the amount, at the times, and bearing interest as set forth below and in the Note. Interest on the loan shall be 2% simple, commencing as the Project Occupancy as set forth in this agreement, subject to County review and acceptance of final Project financing, and the Bellis Fair Family Housing II, LLC Operating Agreement, as may be amended or restated following the date hereof.
2. Payments: The first payment hereunder shall be due on December 1, 2028. Subsequent payments shall be due on Each December 1st of each year thereafter until the Maturity Date (each an "Annual Payment"). Payments shall me made solely from the Project's net cash flow for the preceding year ("Cash Flow") as defined in the Amended and Restated Operating Agreement (see Exhibit J). Should cashflow be insufficient to make the Annual Payment, any unpaid balance shall accrue and shall be paid from future Cash Flow. The outstanding principal balance and all accrued but unpaid interest shall be due and payable on or before the Maturity Date.

IV. Reporting Requirements

A. Quarterly Reporting: The Contractor shall submit written progress reports to the County on a quarterly basis (January 31, April 30, July 31, and October 31) throughout the Capital Phase period. Each progress report shall include a summary of work completed, current project schedule and status, financial status and expenditures to date, and anticipated next steps.

Progress reports shall be submitted to:

Whatcom County Health and Community Services
Eric Chambers, Special Projects Manager
509 Girard Street
Bellingham, WA 98225
ekchambe@co.whatcom.wa.us

B. Reporting Critical Issues: The Contractor shall report to the County within forty-eight hours (48) following the occurrence of an event that substantially threatens the project scope, budget, or schedule, or any other event of unusual or significant nature related to the project, including, but not limited to deaths, serious injuries, fire, damage or theft over $100,000, and events of similar magnitude.

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C. Final Project Report: Within ninety (90) days of project completion, the Contractor shall submit a final project report to the County, including:

1. Description of completed work and confirmation that all sixty-four (64) units have been constructed
2. Final project timeline and budget
3. Affordability compliance documentation (income verification and executed leases for units occupied)
4. Copies of certificates of occupancy
5. Final accounting of loan expenditures

D. County Recognition: The Contractor shall ensure recognition of the role of the County in providing funding for the project through his Agreement. All activities, facilities, and items utilized pursuant to this agreement shall be prominently labeled as to the funding source. In addition, the Contractor shall include a reference to the support provided in all publications made possible with funds from this Agreement. The Contractor shall post a temporary Project Funding Sign at the Project construction site and a permanent Project Funding sign once construction is completed and prior to occupancy. The permanent project funding sign shall remain for the length of the covenant.

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EXHIBIT "B"
(COMPENSATION)

Budget and Source of Funding: The source of funding for this contract, in an amount not to exceed $1,386,485, is the Whatcom County EDI Fund. The budget for this contract is as follows:

Cost Description	Documents Required for Release of Funds	[1]Total Budget
Construction hard costs	• Execution of Note, Deed of Trust, and Covenant • Required insurance documentation	**$1,386,485**

[1] Following commencement of the project, the County loan may be distributed in full upon written request the Contractor.

a. The request shall be to the individuals identified in Section 37.2 and reference this contract number.
b. The loan will be dispersed by warrant within 30 days of receipt of request.
b. Prior to making the request for the release of funds, the following conditions must be satisfied:
   i. Execution of the Note, Deed of Trust, and Covenant and recording of the Deed of Trust and Covenant in Whatcom County; and
   ii. Provide evidence of extended lender's title insurance and all other insurance required in this Agreement.

The overall budget for this Project is as follows:

Eligible Costs	COUNTY	Commerce	LIHTC	City	Other	Total
Acquisition				$1,510,302		$1,510,302
Development Hard Costs	$1,386,485	$5,000,000	$13,474,081	$3,121,321		$22,981,887
Project Soft Costs and Financing			$3,454,550	$77,127		$3,531,677
Public Funder Fee				$91,250		$91,250
Developer Fee			$2,030,993		$719,007	$2,750,000
Capitalized Reserves			$337,646			$337,646
Total Eligible Costs	**$1,386,485**	**$5,000,000**	**$19,297,270**	**$4,800,000**	**$719,007**	**$31,202,762**

Contractor's Invoicing Contact Information:	
Name	Ryan Beld
Phone	360-734-5121 x1207
Email	ryan_beld@oppco.org

EXHIBIT "C"
(CERTIFICATE OF INSURANCE)

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/11/2025

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 Hub International Northwest LLC 3125 Howe Pl, Suite 201 Bellingham WA 98226	**CONTACT NAME:** **PHONE (A/C, No, Ext):** 360-647-9000 **FAX (A/C, No):** 360-734-8496 **E-MAIL ADDRESS:** now.bellinghaminfo@hubinternational.com
INSURED BELLFAI-02 Bellis Fair Family Housing II LLC 1111 Cornwall Ave Bellingham WA 98225	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Canopius US Insurance, Inc 12961 **INSURER B :** Mt. Hawley Insurance Company 37974 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 659179448 **REVISION NUMBER:**

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	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:	Y	Y	CUSPC19000760-00	12/11/2025	12/11/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Deductible-Per Occur	$ 1,000,000 $ 100,000 $ 0 $ 1,000,000 $ 2,000,000 $ 2,000,000 $ 5,000
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS HIRED AUTOS ONLY NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $ $
A	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DED RETENTION $			CUSXS20000393-00	12/11/2025	12/11/2027	EACH OCCURRENCE AGGREGATE	$ 4,000,000 $ 4,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
B	Excess Liability			MXL0443301	12/11/2025	12/11/2027	Occurrence /Aggregate Excess over Canopius	$4,000,000 4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Location of Premises: 29 Bellis Fair Parkway, Bellingham WA 98226; Per forms and conditions: Primary & Non-Contributory CG 20 01 12 19; Additional Insured - CG 20 10 10 01; Additional Insured - Completed Operations CG 20 37 10 01; Additional Insured - State or Governmental Agency CG 20 12 05 09; Additional Insured - Mortgagee, Assignee or Receiver CG 20 18 12 19; Waiver of Subrogation CG 24 04 12 19; Earlier Notice of Cancellation IL 80 06 12 21.

CERTIFICATE HOLDER	CANCELLATION
Whatcom County 509 Girard St Bellingham, WA 98225	**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**

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EXHIBIT "D"
(RESPONSE TO RFP #25-43)

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Whatcom County
RFP #25-43
Funding for Workforce Housing Infrastructure and Facilities Projects
EXHIBIT A
CONTRACTOR INFORMATION AND ACKNOWLEDGEMENT

The Proposer acknowledges the requirements of this RFP and funding as described.

Proposing Contractor: Opportunity Council

Submitted by Greg Winter *Print name* Title Executive Director

Address 1111 Cornwall Ave, Bellingham WA 98225 Phone 360-734-5121

Signature [signature] Date 6/16/25

Email greg_winter@oppco.org

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

WHATCOM COUNTY
ADMINISTRATIVE SERVICES DEPARTMENT

FINANCE/ACCOUNTING
Whatcom County Courthouse
311 Grand Avenue, Suite #503
Bellingham WA 98225-4082

Randy Rydel, Finance Director

June 13, 2025

ADDENDUM 1

RFP #25-43

Funding for Workforce Housing Infrastructure or Facilities Projects

ATTENTION:

This Addendum 1 consists of 2 pages, including this page.

All documented holders are hereby notified that the RFP documents for the subject RFP have been amended as hereinafter set forth. The following changes, additions, and/or deletions are hereby made a part of the RFP documents.

- The following pages contain answers to questions received by 5:00 PM, Wednesday, June 11, 2025.
- The deadline for responses to this RFP is hereby extended one (1) week. The new deadline is 2:30 PM, Tuesday, July 1, 2025.

NOTE: Acknowledgment of the receipt of this addendum is required in order for the response to be considered complete. Failure to acknowledge receipt of this addendum may become cause for rejection of the proposal response.

Please sign below and submit this page of the addendum with your proposal response:

Signed _____

Contractor Name Greg Winter Executive Director

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Whatcom County RFP #25-43
Funding for Workforce Housing Infrastructure and Facilities Projects
Addendum 1 – Responses to Questions Received by 5:00 PM, Wednesday, June 11, 2025

Questions:

As indicated in the RFP, the County encourages brief answers to the questions not already contained in the RFP. Answers to questions received are as follows:

1. Q: Program guidelines identify funding may be used for "housing infrastructure, facilities, or land"; is there any additional information on allowable costs? My interpretation is that any construction/acquisition costs are eligible.

   A: All allowable costs are aligned to the guiding RCW 82.14.370 as referenced in the RFP.

2. Q: The guidelines provide a paragraph on prevailing wage rate requirements.

   > *Applicants, including any subsequent subcontractors or subrecipients, must agree to pay prevailing wages for all capital projects. Specifically, RCW 39.12.040 requires that every general contractor and subcontractor on the project, file a Statement of Intent to Pay Prevailing Wages with the Washington State Department of Labor and Industries (L&I) immediately after the contract is awarded and before work begins. In addition, RCW 39.12.120 stipulates that all general contracts must file certified payroll reports at least once per month for all prevailing wage jobs. Lastly, RCW 39.12.040 also requires that every general contractor and subcontractor on the project file an Affidavit of Wages Paid after the work has been completed. Current prevailing wages can be found on the L&I website.*

   Are you able to confirm that if L&I provides a determination that prevailing wage rates do not apply, for instance when funds are provided as a loan to the project and therefor not regarded as cost to the state, the prevailing wages will not be required?

   A: The County will follow state law regarding the payment of prevailing wage. Should L&I make a project specific determination as to prevailing wage, the County may or may not use that determination to fulfill the County's obligation to follow state law.

3. Q: Question 5 of exhibit B reads "Qualifications and firm names for any proposed subcontracts" – is in reference to firms that would be directly subcontracted to the funds provided by the EDI program? Or is this referencing any firms subcontracted by the project team to do the work (e.g. Architects, etc.)?

   A: Subcontractors are reference to firms the EDI recipients are contracting with to complete the contracted project.

4. Q: Question 10 of exhibit B reads "Pro forma demonstrating project financial feasibility [Include private partner contingency agreement.]" – can you clarify what exactly is intended by the phrase 'private partner contingency agreement'?

   A: If private partners are investing in your project an agreement to that effect should be included with the response.

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WHATCOM COUNTY
ADMINISTRATIVE SERVICES DEPARTMENT

FINANCE/ACCOUNTING
Whatcom County Courthouse
311 Grand Avenue, Suite #503
Bellingham WA 98225-4082

Randy Rydel, Finance Director

June 18, 2025

ADDENDUM 2

RFP #25-43

Funding for Workforce Housing Infrastructure or Facilities Projects

ATTENTION:

This Addendum 1 consists of 1 page, including this page.

All documented holders are hereby notified that the RFP documents for the subject RFP have been amended as hereinafter set forth. The following changes, additions, and/or deletions are hereby made a part of the RFP documents.

CORRECTIONS:

1. The page numbering in the original RFP is incorrect – there are 9 (nine) pages total, including the Invitation page. The footer beginning on the second page of the pdf of the complete RFP is hereby **CORRECTED** and should note "Page X of 8 – Whatcom Co. RFP #25-43", whereas X represents the current page as indicated in the original RFP.

2. The Exhibit number on the header title on the final page of the RFP is hereby **CORRECTED** to be **Exhibit C**.

DEADLINE:

1. The deadline for responses to this RFP remains 2:30 PM, Tuesday, July 1, 2025, as extended in Addendum 1.

NOTE: Acknowledgment of the receipt of this addendum is required in order for the response to be considered complete. Failure to acknowledge receipt of this addendum may become cause for rejection of the proposal response.

Please sign below and submit this page of the addendum with your proposal response:

Signed _____

Contractor Name Greg Winter Executive Director

END OF ADDENDUM 2 – WHATCOM CO. RFP #25-43

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Exhibit B: Scope of Project

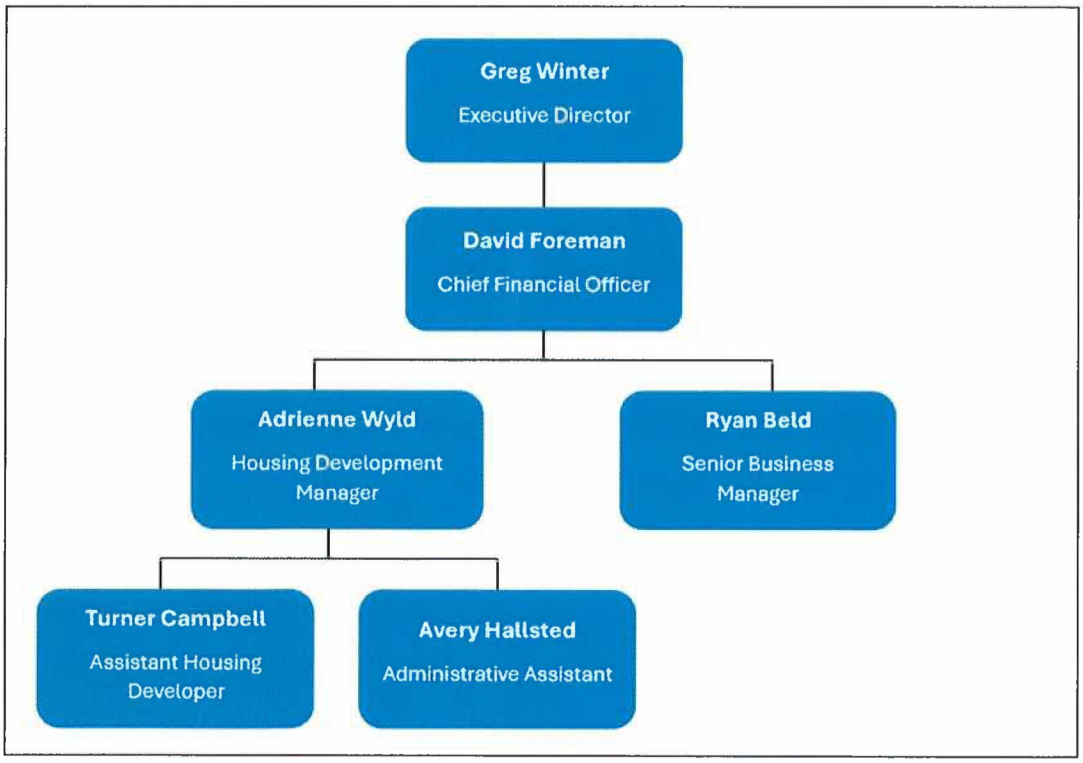
1. **Project Abstract**

The Bellis Fair Senior Housing (BFSH) project is the second phase of low-income tax credit housing to accompany our Bellis Fair Family Housing development. The development programming for this project will include 64 units of low-income senior housing for households aged 62 and older. Floorplans consist of 3 studios, 57 one-bedroom, and 4 two-bedroom units with onsite community space, health and wellness center, as well as onsite service provider space. For 50 years, the project has committed to set aside half (50%) of the units to households with income at or below 40% AMI, a quarter (25%) of units for households with AMI at or below 30% AMI, and the remaining quarter of units will be set aside for households with income at or below 60% AMI. BFSH will have a 20% set aside for seniors exiting homelessness as well as a 20% set aside for seniors with a disability.

2. **Project address and Whatcom County Assessor's parcel number**

BFSH is located at 29 Bellis Fair Parkway, Bellingham WA 98226, and the tax parcel number is 380213 324443 0000.

3. **Project team details**



Greg Winter, Executive Director of Opportunity Council (OC), has more than 20 years of experience in housing development and management activities, both in

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homeownership projects and rental projects, alongside similar experience in community development research and planning. Greg was a co-founder and Board Chair of Kulshan Community Land Trust. Prior to his promotion to executive director, Greg led OC's Whatcom Homeless Service Center, working to develop and manage new resources and programs aimed at serving individuals and families experiencing homelessness, including public-funded housing programs and overall increase in the supply of affordable rental housing for residents of Whatcom County. In his role as Executive Director of Opportunity Council, Greg leads the Agency's efforts to increase the capacity of the agency to develop and preserve affordable multi-home rental properties in a three-county region.

David Foreman, Chief Financial Officer, has nine years of experience in managing development activities of affordable multi-family rental housing and community facilities, as well as using his considerable financial expertise developed over 30 years of practice to further Opportunity Council's capacity to successfully develop and fund new projects. David led funding and development efforts for a Head Start center using USDA funding and assisted with the pre-development of an earlier LIHTC housing and service space project in downtown Bellingham.

Adrienne Wyld, Housing Development Manager, has been involved in the development, operations, and management of affordable housing for over 14 years and has 7 years of experience in real estate development. She holds an active license as a WA State Real Estate Broker and is certified as a Commercial Real Estate Developer. Adrienne functions as the project manager for all phases of the development process from master planning and feasibility through project close-out including capital financing and funding strategies. In addition, Adrienne oversees long-term affordable housing asset management, monitoring funder compliance and capital improvements.

Ryan Beld, Senior Business Manager, has over 20 years' experience with fiscal management in a grant-funded non-profit organization with over 100 unique funding sources. Ryan leads Business Operations for the agency, including development of fiscal software systems, leading accounting design and implementation for new projects agency-wide, and all aspects of fiscal management for housing development projects.

Turner Campbell, Assistant Housing Developer, has two years of experience working in property management with a mixed portfolio of traditional and tax-credit housing, three years of experience in coordinating, writing, and developing grant projects, and 1-year cumulative experience working with an architecture firm specializing in sustainable design. Turner is studying to gain his Rental Housing Development Finance Professional Certification, and functions as an assistant to Adrienne, providing logistical and administrative support.

Avery Hallsted, Administrative Assistant, has 3 years of administrative experience focused in supportive services, with experience managing confidential information and facilitating communication between agencies and stakeholders. Avery directly assists Adrienne and supports the entire development team by facilitating accurate and effective communication and organization and processing deliverable outcomes for public and private funders.

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4. Project experience and examples

Background Summary

Opportunity Council began its first small real estate development opportunities in 1985 with the purchase and remodel of a single-family home conversion providing two units of low-income housing to local community members in need. OC's portfolio invested in similar development opportunities over the next 20 years, primarily precipitated by the local demand for emergency shelters, transitional housing, and long-term permanently affordable housing for Whatcom County residents. In 2016, OC made a commitment to add housing development as a long-term objective to its strategic community goal of housing stability for everyone. OC's housing development strategy includes both new development and preservation. The organization rapidly built capacity to respond to emerging needs for more affordable housing in a three-county service region and is on track to develop over 300 units of new housing between 2018 and 2026 and preserve an additional 42 units over the same period.

Recently, Opportunity Council successfully completed a project with many similarities to the Bellis Fair Senior Housing Project, the Laurel Forest Apartments. Laurel Forest Apartments is a 56-unit low-income senior housing project with a co-located early learning facility that completed construction in the spring of 2024. Despite setbacks due to pandemic shortages and delays, this project closely followed the projected schedule and was fortunate to receive additional tax credits with approval from the state Department of Commerce and Housing Finance Commission. Cost inflation was not unique to this project as other developers express similar concerns given the radical changes in our market and issues with supply and demand. A fortunate aspect of this project has been the quality of value engineering strategies brought by both our general contractor and architect teams. Ultimately, the Laurel Forest project was completed on schedule and under budget, allowing the project to return a portion of unused tax credit funding to the Commission. This project also achieved lease-up (one month) and stabilization (three months) in a record amount of time in comparison to similar projects. The level of engagement within the development team has set a good standard for future projects.

Our Development Team

Our Housing Development Manager (HDM), Adrienne Wyld, is a licensed real estate broker and has previous experience with real estate development and property management. The HDM has been the project lead for all our current pipeline projects and oversees each project's financing, design and construction management, and smooth transition to operations and compliance management. Adrienne works closely with the other development team members including Assistant Housing Developer, Turner Campbell, Administrative Assistant, Avery Hallsted, and Senior Business Manager, Ryan Beld, in completing feasibility review and structuring project funding.

The development team is overseen by the agency's Chief Financial Officer, David Foreman, and Executive Director, Greg Winter, each of whom contribute vast experience in

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affordable housing development, strategic financial planning, and management. Our Executive Director and Chief Financial Officer work in close collaboration with our Housing Development Manager in selecting our priority housing development projects and pipeline development goals. In addition, our Agency's Board has several skills relevant and necessary to oversee housing development opportunities. The Board's Finance Committee receives and provides input monthly on Opportunity Council's housing and community facility projects that are in operation or development. The full Board also reviews and discusses housing and community facility projects at each monthly meeting. The Board has a record of making timely decisions at key stages of housing development projects. The relationship between Board and staff is very positive, as reflected by the annual review of the Executive Director, and comments by Board members regularly during the Board Reports section of each monthly meeting agenda about members of the management team.

Our development team is also supported by retained legal counsel, Kantor Taylor. Since 1998, Kantor Taylor has focused its real estate legal services on affordable housing and community development efforts and has supported over 1,000 LIHTC projects throughout the country. One example of a similar affordable housing project is the Pantages Apartments in Seattle, Washington. Kantor Taylor provided counsel to the developer of this 49-unit LIHTC project, which serves a population at 30-50% AMI. Kantor Taylor has also provided legal counsel for the financing of the comparable 9% project Laurel Forest Apartments.

Property Management services will be provided by Ad-West Realty Services. Founded in 1986, Ad-West has grown to become a respected leader in affordable housing property management. Ad-West currently manages over 140 federally subsidized apartment communities, including 100 Rural Development properties, 85 Low-income Housing Tax Credit properties, and 8 Housing and Urban Development (HUD) properties. The Ad-West team will be managing both phases of our Bellis Fair development project and overseeing ongoing operations and compliance with our public funders.

Feasibility and Strategic Planning

The most integral step in developing affordable housing starts with getting to know the community. We know from our development experience that each region of Whatcom County has its own distinct character, a variety of focused interests and needs, and personalized history. Each of our development projects has its own strategic planning process that begins with getting to know the "neighbors" and developing a better understanding of what affordable housing means for them and their residents. We glean this knowledge through a variety of media including community surveys, outreach through our public, private, and homeschool systems, community charettes, and social media forums. This information aids our development team in planning and designing a site conducive to the appropriate criteria, such as area median income and housing affordability range, household and unit size, transportation and mobility requirements, culturally appropriate and inclusive design features, and meaningful amenities.

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Designing housing for public benefit also involves engaging our public offices and funders to help us achieve our project goals. OC works closely with the city, county, state, and federal government entities to help secure not only the capital resources for development, but also the long-term financial assets necessary for operating subsidized housing whether through publicly awarded project-based vouchers, ongoing rental subsidy programs such as Apple Health and Homes, or federally subsidized assistance such as USDA Rural Development assistance. In addition to funding, OC is also well versed in developing relationships with our city's planning and permitting offices. We strive to enhance communities by ensuring the project design not only fits into the physical characteristics of the surrounding community but also creates opportunities for social integration, thus minimizing any negative impacts. Our developer, architects and engineers meet regularly with city (and county) staff to review zoning regulations, density objectives, design concepts and civil planning requirements to guarantee local Community Design Review guidelines and Evergreen Sustainable Design Standards (ESDS) are being met.

5. Qualifications and firm names for any proposed subcontracts

Opportunity Council selected the General Contractor through a publicly advertised RFQ process that included both phases of development; Bellis Fair Family Housing and Bellis Fair Senior Housing. Through this process, Dawson Construction was selected as the General Contractor for the projects. To reduce costs associated with the project, OC elected to utilize a design-build approach to the BFSH project. Dawson Construction worked with OC to implement a competitive selection process for the design team, including scoring criteria that prioritized WMBE entities. Through this process, Runberg Architecture Group and Coterra Engineering were selected to provide architecture and engineering services, respectively.

Dawson has worked in the Bellingham area for the past 50 years, with many affordable housing clients throughout Island, Skagit, Snohomish, and Whatcom counties. They have completed 9 affordable housing projects in Bellingham recently, including Samish Commons (all 3 phases), Barkley Family Housing, Millworks Family Housing, and Laurel Forest Apartments.

Runberg Architecture Group has 25 years of experience in affordable housing design and has completed over 20 other similar Affordable Housing projects. Runberg has ample experience with projects utilizing LIHTC and Washington State Department of Commerce funding, as well as designing projects under the ESDS performance standard. One example of a similar project the firm has worked on is Ernestine Anderson Place, an affordable senior housing project in Seattle, Washington. Completed in 2016, the project provides 61 units of housing with supportive services and amenities for low-income seniors ages 55 and up.

Coterra Engineering PLLC has over 20 years of experience with site development and infrastructure management, boasting a diverse portfolio that includes 12 affordable housing projects. One example of a similar affordable housing project that Coterra has

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assisted with is Ronald Commons in Shoreline, Washington. Completed in 2017, the 60-unit development serves formerly homeless and low-income populations at 30-50% AMI.

Currently, the project is finalizing architectural drawings. Upon completion at the end of June 2025, Dawson will begin collecting quotes from subcontractors. By the end of August 2025, subcontractors will be selected for the project based on their experience, portfolio of work, and pricing. Preference will be given to local subcontractors in Whatcom County. The BSFH project has a goal of 20% WMBE, and 15% local skilled trade apprenticeship participation. OC provides each of our project funders with detailed reports on project status and apprenticeship utilization with each pay application submission.

6. **Approach description:**

The project came out of a planning process involving Opportunity Council, the City of Bellingham, the Housing Advisory Committee of Whatcom County and other local stakeholders, to explore how to meet the needs of homeless households in Bellingham and Whatcom County. Data-driven research identified a critical need for prioritizing senior housing in our community based on the recent Whatcom County Homeless Point-in Time Count which illustrated that seniors make up 20% of our unaccompanied homeless population and an overall 141% increase in senior homelessness since 2019.

In conceptualizing the project, it was determined that collaboration with community stakeholders would be essential for the project's long-term success. The project team has worked closely with the City of Bellingham to develop the site-plan to accommodate the needs of the already existing housing communities nearby and strives to produce a project in alignment with the 2019 Whatcom County Strategic Plan to End Homelessness and current 2026-2030 Homeless Housing Plan. In addition, the project team implemented feedback from local organizations such as Aging Well Whatcom, the Affordable Housing Planning Group (AHPG), and the Whatcom County Coalition on Ending Homelessness. These implemented strategies and concepts were also incorporated into OC's recently completed low-income senior housing project, Laurel Forest Apartments.

Lastly, OC's development team engaged Whatcom community residents at large through a countywide housing survey to identify the material and programmatic priorities for residents to achieve their long-term housing goals. From this survey, OC has identified a list of operational and design features to be prioritized in development to maximize use, livability, and affordability over the life of the project. Examples of this include incorporating ADA inclusion design that allows the project to easily convert living spaces to accommodate adaptive accessibility needs and material/equipment selections that enhance building performance while providing operational cost savings. The project's site was intentionally selected to maximize tenant connections to retail services, employment, educational institutions, and existing high-capacity transit routes. The Bellis Fair Housing project is a dual-phased development where phase I consists of 65 units of low-income housing for families as well as a co-located five-classroom early learning center, and phase II, Bellis Fair Senior Housing, offers 64 units of senior housing.

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The project was designed with a shared plaza between the two phases of development, with special attention to facilitating programming that promotes intergenerational interaction and learning opportunities. The development also connects into the City of Bellingham's trail extension project providing a multimodal pathway that increases safe and accessible pedestrian and bike connections between the mall and the neighborhood to the west.

7. Estimated timeline with key milestones and tasks

Construction	Selection of general contractor	11/1/2022	Completed
Feasibility/Due Diligence	Initial Environmental Review	11/30/2022	*Completed*
Feasibility/Due Diligence	Neighborhood notification (if required)	2/1/2023	*Completed*
Feasibility/Due Diligence	NEPA Clearance	2/3/2023	*Completed and approved*
Feasibility/Due Diligence	Site survey	3/15/2023	*Completed*
Financing	Funding award: City of Bellingham initial contribution	5/24/23	*Completed, updated 2/21/25*
Feasibility/Due Diligence	Phase 1 ESA Report	7/31/23	*Completed*
Feasibility/Due Diligence	SEPA Review	9/15/2023	Completed
Occupancy	Selection of management entity	11/1/2025	*Estimate – date is listed is final deadline*
Financing	Funding Award: Enterprise Pre-Development	1/25/2024	*Completed*
Financing	Application for funding: City of Bellingham	1/30/2024	*Completed*
Construction	Architect under contract	3/15/2024	*Completed*
Site Control	Purchase and Sale Agreement / Option	3/15/2024	*Completed*
Feasibility/Due Diligence	Choice Limiting Actions Clearance	3/30/2024	NEPA for Construction
Financing	Application for funding FHLB	5/1/2024	*Completed*

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Financing	Award date for funding source City of Bellingham	5/1/2024	*Completed and approved*
Feasibility/Due Diligence	NEPA Review	5/10/2024	*Completed*
Design/Permitting	Schematic Design Completed	5/27/2024	Completed
Site Control	Acquisition of Site	6/21/2024	Completed
Financing	Contract Execution date for funding source: City of Bellingham	6/21/2024	Completed
Design/Permitting	Preliminary drawings completed	7/15/2024	Completed
Feasibility/Due Diligence	Market study	7/15/2024	*Completed*
Financing	Appraisal	7/15/2024	Completed
Occupancy	Selection of service providers	8/15/2024	*Completed*
Design/Permitting	Design Development Completed	9/2/2024	Completed
Financing	Application for funding HTF / HOME	9/18/2024	*Completed*
Design/Permitting	Design Agreement Executed	10/7/2024	*Completed*
Financing	Application for funding: CHIP	11/1/2024	*Completed*
Financing	Application for funding LIHTC	11/1/2024	*Completed*
Financing	Funding Award: Whatcom Community Foundation	11/19/2024	*Completed*
Design/Permitting	Building permit application submitted	11/22/2024	*Completed*
Design/Permitting	Site plan approval	12/1/2024	Currently in Design review with City of Bellingham
Financing	Award date for funding source HTF / HOME	12/18/2024	completed
Financing	Capital Finance Closing	12/19/2024	*completed*
Financing	Award date for funding source LIHTC	2/1/2025	completed
Financing	Secured additional LIHTC funding	5/31/20255	*Completed*

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Financing	Final Plans and Specs Completed	6/30/2025	*Completed*
Design/Permitting	Submit Evergreen Project Plan	7/1/2025	*In progress*
Financing	LIHTC Investor Selection	7/22/2025	*In progress*
Financing	Select Construction Lender	7/22/2025	*In Progress*
Financing	Construction cost estimate	8/1/2025	*In Progress*
Design/Permitting	Building permits issued	9/1/2025	*Pending street tree permit approval*
Occupancy	Selection of management entity	9/1/2025	
Construction	Construction Contract Executed	10/1/2025	*Begin upon completed construction cost estimate*
Financing	Contract Execution date for funding source: HTF/HOME	11/1/2025	*Estimate - date listed is final deadline*
Financing	Contract Execution date for funding source: LIHTC	11/1/2025	*Estimate – date listed is final deadline*
Financing	Financial Closing	11/18/2025	*Begin upon LIHTC Investor Selection*
Construction	Begin Construction	12/1/2025	*Pending Permit Approval*
Financing	Quarterly progress reports – Whatcom County Requirement	Q4 2025 - Q2 2027	
Occupancy	Begin lease-up advertising	12/1/2026	*Estimate - date listed is final deadline*
Occupancy	Evergreen Sustainable Development Standard Occupancy Manual Approval	11/1/2026	*Estimate - date listed is final deadline*
Occupancy	Projected First LIHTC Year start	1/1/2027	*Estimate - date listed is final deadline*

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Construction	Issued certificate of occupancy	4/1/2027	*Estimate - date listed is final deadline*
Occupancy	Begin Lease-Up	4/1/2027	*Estimate - date listed is final deadline*
Occupancy	100% lease-up	6/1/2027	*Estimate - date listed is final deadline*
Occupancy	Qualified Occupancy	7/1/2027	*Estimate - date listed is final deadline*
Financing	Final Report	8/1/2027	*Estimate - date listed is final deadline*
Occupancy	Stabilized Occupancy	10/1/2027	*Estimate - date listed is final deadline*
Financing	Permanent Financing Conversion	10/1/2027	*Estimate - date listed is final deadline*
Financing	Final Equity Pay-In (LIHTC projects)	10/1/2027	*Estimate - date listed is final deadline*

8. **Provide the status and timeline for all housing development permits and reviews**
   Building Permits: applied 11/22/2024, conditional approval 4/24/25; RTI held until street tree permit finishes review.
   Design Review: approved 4/17/2025
   Zoning: approved 1/26/2024
   SEPA: approved 9/15/2023
   NEPA: approved 5/10/2024
   Critical Areas Permit: approved 4/17/2025
   Street Tree Permit: applied 11/25/2024, in review – response expected 8/1/25

9. **Detailed budget breakdown**
   For ease of use, the items requested are added to this application as attachments in addition to being supplied below on pages 12-20:

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- Attachment 1: Detailed budget provided by the General Contractor
- Attachment 2: Funding/Financing overview and status
- Attachment 3: Detailed Budget Sources and Uses (CFA Tab 6A)
- Attachment 4: Operating pro-forma

A list of proposed subcontracts required to complete the core components of the project will be compiled upon completion of the building permit. In order to provide the best possible pricing for the project, the General Contractor will submit requests for quotes from local, qualified professionals. Quotes cannot be generated prior to the publication of final building plans. Opportunity Council can provide this information upon request following the completion of the subcontractor bidding process. This is expected to be completed by September 2nd, 2025.

A project estimate generated by Dawson Construction in the Schematic Design stage is listed below on Page 12 of this Exhibit and is also added to the application as an attachment. OC will not be charging any staff time under this award, as this is captured in the developer fee, and Dawson includes staff time in its monthly pay applications, as reflected in the general contractor's schedule of values. As mentioned in Exhibit C, the project will create 75 FTE in the 16-month construction phase, which generates approximately 2,560 working hours per FTE.

10. Pro forma demonstrating project financial feasibility

We anticipate selling Low Income Housing Tax Credits (LIHTC) to private investors, either directly or through a syndicator. The LIHTC investor will only receive tax benefits from their investment in the project and is not expected to materially share in any operating revenues or profits from the project. Operating revenues and profits will be principally used to stabilize property operations, pay any deferred developer fees, repay soft debt from public funders, and pay any existing hard debt from public or private lenders. The complete project pro-forma is added to this application on pages 19-20 of this Exhibit as well as Attachment 4 for ease of viewing.

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SD Drawing Budget

Project: **Bellis Fair Phase 2** Estimate Date: **September 16, 2024**

Drawings: **SD Drawings Dated 6/14/24** Project Location: **Bellingham WA**

Division	Description	Quantity	UOM	$ / SF	Cost ($)	
	Tower Crane and Equipment	1	LS		430,000	
02	Surveying	57,800	SF	0.52	30,000	
03	Concrete	55,000	SF	14.50	797,500	
04	Masonry				-	
05	Metals	55,000	SF	9.00	495,000	
06	Woods, Plastics and Composites	55,000	SF	35.20	1,936,000	
07	Thermal and Moisture Protection	55,000	SF	24.40	1,342,000	
08	Openings	55,000	SF	26.20	1,441,000	
09	Finishes	55,000	SF	30.20	1,661,000	
10	Specialties	55,000	SF	4.70	258,500	
11	Equipment	65	Units	3,900.00	253,500	
12	Furnishings	55,000	SF	13.00	715,000	
14	Conveying Equipment	8	Stops	51,250.00	410,000	
21	Fire Suppression	55,000	SF	4.60	253,000	
22	Plumbing	55,000	SF	24.60	1,353,000	
23	HVAC	55,000	SF	21.20	1,166,000	
26	Electrical	55,000	SF	31.50	1,732,500	
	Building Subtotal:	**55,000**	**SF**	**$259.53**	**14,274,000**	
31	Earthwork & Utilities	57,800	SF	43.00	2,485,400	
32	Landscaping & Irrigation	57,800	SF	3.50	202,300	
32	Exterior Improvements	57,800	SF	7.00	404,600	
	Sitework Subtotal:				**3,092,300**	
	Preconstruction & Design				1,136,800	
	General Requirements			7.00%	1,216,000	
	Overhead			4.00%	695,000	
	Insurance, Bonds & Taxes			3.00%	521,000	
	Total Estimated Construction Costs				**$ 20,935,100**	
	Fee			4.70%	984,000	
	Estimate Total				**$ 21,919,100**	

*Excludes State Sales Tax

[for larger print, see following Attachment 1]

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Form 7: Financing Sources

Project Name: Bellis Fair Senior Housing

Bridge Financing

Bridge Source Name	Bridge Source Type	Proposed Amount	Committed Amount	Interest Rate	Loan Term	Amortization Period	Source of Repayment
Construction Loan - residential	Private	$ 12,045,856		0.079			
	Subtotals	$ 12,045,856	$ -				
Total Bridge Financing			$ 12,045,856				

Permanent Financing - Residential

Residential Source Name	Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant/ Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
LIHTC Equity	Tax Credits - 9%		$20,364,800.00	Private	11/1/2024	12/15/2024	Select...		Select...	NA	NA	NA	NA
City of Bellingham	City		$4,800,000.00	Public	1/30/2024	4/13/2024	Loan	Cash Flow	Soft	0.010	50	50	cash flow
State Housing trust Fund	State - Housing Trust Fund		$ 5,000,000	Public	9/18/2024	12/15/2024	Loan	Cash Flow	Soft	0.010	50	50	cash flow
HOME	State - other	$ -		Public	9/18/2024	12/15/2024	Loan	Deferred	Soft	0.010	50	50	deferred
Whatcom County	County			Public	6/2/2024	12/10/2024	Loan	Deferred	Soft	0.000	50	50	deferred
FHLB	Private			Select...									
Deferred Developer Fee	Developer		$ 1,500,000	Private									
EDI	County	$ 1,386,485		Public	5/28/2025	9/30/2025	Loan	Deferred	Soft		50	50	deferred
	Subtotal	$ 1,386,485	$ 31,664,800										
		Total Residential Sources	$ 33,051,285										

Low-Income Housing Tax Credit 50% Test (only required for Bond/Tax Credit projects)

Tax-Exempt Bond Amount (full amount of the bonds at closing)	
Divided by Total aggregate basis of the Building(s) and Land:	$ 28,315,905.00
Percentage of aggregate basis financed with Tax-Exempt Bonds	0%

Permanent Financing - Non-Residential

Non Residential Source Name	Non Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant/ Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
	Select...			Select...			Select...		Select...				
	Subtotal	$ -	$ -										
		Total Non Residential Sources	$ -										
		Total Capital Sources	$ 33,051,285	WARNING: Overall sources discrepancy between Form 6A and Form 7A greater than $10									

[for larger print, see following Attachment 2]

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Form 6A: Development Budgets

Project Name: Bellis Fair Senior Housing

Date of Budget	5/28/2025

	% Total Project Cost	Total Project Cost	Residential Total	Source Name	Source Name	Source Name	Source Name	Source Name	Source Name	
				City of Bellingham	LIHTC	State HTF	HOME	Whatcom County	Deferred Developer Fee	Whatcom County EDI
				Amount	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	
				$4,800,000.00	$20,364,800.00	$5,000,000.00	$0.00	$0.00	$1,500,000.00	$1,386,485.00
				Remaining	**Remaining**	**Remaining**	**Remaining**	**Remaining**	**Remaining**	
				$0.00	$1.00	$0.00	$0.00	$0.00	$0.00	$0.00
				Source = Uses	**Source > Uses**	**Source = Uses**			**Source = Uses**	**Source = Uses**
Acquisition Costs:										
Land	5%	$1,498,458	$1,498,458	$1,498,458						
Existing Structures	0%		$							
Liens	0%		$							
Closing, Title & Recording Costs	0%	$12,000	$12,000	$12,000						
Extension payment	0%		$							
Other:	0%		$							
SUBTOTAL	5%	$1,510,458	$1,510,458	$1,510,458						
Construction:										
Demolition	0%		$							
New Building	43%	$14,274,000	$14,274,000	$2,879,167	$5,535,673	$4,587,156				$1,272,004
Rehabilitation	0%		$							

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Contractor Profit		3%	$984,000	$984,000		$984,000				
Contractor Overhead		6%	$1,911,000	$1,911,000		$1,911,000				
New Construction Contingency	9%	5%	$1,581,110	$1,581,110		$1,581,110				
Rehab Contingency	0%	0%		$						
Accessory Building		0%		$						
Site Work / Infrastructure		9%	$3,092,300	$3,092,300		$3,092,300				
Off site Infrastructure		0%		$						
Environmental Abatement - Building		0%		$						
Environmental Abatement - Land		0%		$						
Sales Tax		6%	$2,012,707	$2,012,707	$259,125	$1,226,257	$412,844			$114,481
Bond Premium		2%	$521,000	$521,000		$521,000				
Equipment and Furnishings		0%	$100,000	$100,000		$100,000				
Other:	Special Inspections	0%	$100,000	$100,000		$100,000				
SUBTOTAL		74%	$24,576,117	$24,576,117	$3,138,292	$15,051,340	$5,000,000			$1,386,485
Soft Costs:										
Buyer's Appraisal		0%	$3,000	$3,000		$3,000				
Market Study		0%	$3,000	$3,000		$3,000				
Architect		3%	$1,136,800	$1,136,800	$60,000	$1,076,800				
Engineering		0%	$18,600	$18,600		$18,600				
Environmental Assessment		0%	$20,000	$20,000		$20,000				
Geotechnical Study		0%	$20,000	$20,000		$20,000				
Boundary & Topographic Survey		0%	$20,000	$20,000		$20,000				
Legal - Real Estate		0%	$105,000	$105,000		$105,000				
Developer Fee		8%	$2,750,000	$2,750,000		$1,250,000			$1,500,000	
Project Management / Dev. Consultant Fees		0%		$						
Other Consultants		0%		$						

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Soft Cost Contingency	0%	$71,268	$71,268		$71,268	
Other:	0%		$			
SUBTOTAL	13%	$4,147,668	$4,147,668	$60,000	$2,587,668	$1,500,000
Pre-Development / Bridge Financing						
Bridge Loan Fees	0%		$			
Bridge Loan Interest	0%	$39,750	$39,750		$39,750	
Other:	0%		$			
SUBTOTAL	0%	$39,750	$39,750		$39,750	
Construction Financing						
Construction Loan Fees	0%	$125,625	$125,625		$125,625	
Construction Loan Expenses	0%	$15,804	$15,804		$15,804	
Construction Loan Legal	0%	$32,500	$32,500		$32,500	
Construction Period Interest	1%	$450,000	$450,000		$450,000	
Lease-up Period Interest	2%	$673,644	$673,644		$673,644	
Other: Construction Review and Inspection	0%	$18,000	$18,000		$18,000	
SUBTOTAL	4%	$1,315,573	$1,315,573		$1,315,573	
Permanent Financing						
Permanent Loan Fees	0%		$			
Permanent Loan Expenses	0%		$			
Permanent Loan Legal	0%		$			
LIHTC Fees	1%	$ 169,715	$169,715		$169,715	
LIHTC Legal	0%	$60,000	$60,000		$60,000	
LIHTC Owners Title Policy	0%	$50,000	$50,000		$50,000	
State HTF Fees	0%		$			
Other:	0%	$91,250	$91,250	$91,250		

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SUBTOTAL	1%	$370,965	$370,965	$91,250	$279,715	$	$	$	$	$
Capitalized Reserves										
Operating Reserves	1%	$245,061	$246,345		$246,345					
Replacement Reserves	0%	$64,000	$64,000		$64,000					
Other:	0%		$							
SUBTOTAL	1%	$309,061	$310,345	$	$310,345	$	$	$	$	$
Other Development Costs										
Real Estate Tax	0%		$							
Insurance	1%	$350,000	$350,000		$350,000					
Relocation (from Form 4)	0%	$	$							
Bidding Costs	0%		$							
Permits, Fees & Hookups	1%	$288,408	$288,408		$288,408					
Impact/Mitigation Fees	0%		$							
Development Period Utilities	0%		$							
Nonprofit Donation	0%	$25,000	$25,000		$25,000					
Accounting/Audit	0%	$6,000	$6,000		$6,000					
3rd Party Certification of final development cost	0%	$16,000	$16,000		$16,000					
Marketing/Leasing Expenses	0%	$15,000	$15,000		$15,000					
Carrying Costs at Rent up/Lease Up Reserve	0%	$80,000	$80,000		$80,000					
Other:	0%		$							
SUBTOTAL	2%	$780,408	$780,408		$780,408					
Eligible Basis Community Facilities										
Community Facility Eligible Basis			$							
SUBTOTAL			$							

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Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)										
Issuer Fees & Related Expenses	0%		$							
Bond Counsel	0%		$							
Trustee Fees & Expenses	0%		$							
Underwriter Fees & Counsel	0%		$							
Placement Agent Fees & Counsel	0%		$							
Borrower's Counsel - Bond Related	0%		$							
Rating Agency	0%		$							
Other:	0%		$							
SUBTOTAL	0%									
Total Development Cost:		$3,050,000	$33,051,284	$4,800,000	$20,364,799	$5,000,000	$	$	$1,500,000	$1,386,485

[for larger print, see following Attachment 3]

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Form 8D: Operating Pro Forma

Project Name: Bellis Fair Senior Housing

Pro Forma Date:

REVENUES

	Escalator	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income																
Gross Tenant Paid Rental Income (Form 8A)	2.0%	$ 612,500	$ 624,852	$ 637,949	$ 650,096	$ 663,096	$ 676,360	$ 689,887	$ 703,685	$ 717,759	$ 732,114	$ 746,756	$ 761,691	$ 776,925	$ 792,463	$ 808,313
Gross Rental PHA/HUD/USDA Subsidy (Form 8B)	2.5%	$ 159,948	$ 163,947	$ 168,045	$ 172,247	$ 176,553	$ 180,966	$ 185,491	$ 190,128	$ 194,881	$ 199,753	$ 204,747	$ 209,866	$ 215,112	$ 220,490	$ 226,002
Gross Rental Subsidy Income (Form 8B)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Annual Operating Subsidy Sources (Form 8B)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Sources:																
Laundry Income	2.0%	$ 3,600	$ 3,672	$ 3,745	$ 3,820	$ 3,897	$ 3,975	$ 4,054	$ 4,135	$ 4,218	$ 4,302	$ 4,388	$ 4,476	$ 4,566	$ 4,657	$ 4,750
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Residential Income	=	$ 776,148	$ 792,471	$ 809,740	$ 826,163	$ 843,547	$ 861,301	$ 879,432	$ 897,948	$ 916,858	$ 936,169	$ 955,891	$ 976,033	$ 996,603	$ 1,017,610	$ 1,039,065
Total Non-Residential Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECT INCOME	=	$ 776,148	$ 792,471	$ 809,740	$ 826,163	$ 843,547	$ 861,301	$ 879,432	$ 897,948	$ 916,858	$ 936,169	$ 955,891	$ 976,033	$ 996,603	$ 1,017,610	$ 1,039,065
	Annual %															
Less Annual Residential Vacancy	5.0%	$ (38,807)	$ (39,624)	$ (40,487)	$ (41,308)	$ (42,177)	$ (43,065)	$ (43,972)	$ (44,897)	$ (45,843)	$ (46,808)	$ (47,795)	$ (48,802)	$ (49,830)	$ (50,881)	$ (51,953)
Less Annual Non-Residential Vacancy		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME (EGI)	=	$ 737,341	$ 752,847	$ 769,253	$ 784,855	$ 801,370	$ 818,236	$ 835,460	$ 853,051	$ 871,015	$ 889,361	$ 908,097	$ 927,231	$ 946,773	$ 966,730	$ 987,112

OPERATING EXPENSES

Operating Expenses	Escalator	Expenses Per Unit (Y1)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Management - On-site (Form 8C)	3.0%	$ 1,264	$ 80,875	$ 83,301	$ 85,800	$ 88,374	$ 91,026	$ 93,756	$ 96,569	$ 99,466	$ 102,450	$ 105,524	$ 108,689	$ 111,950	$ 115,308	$ 118,768	$ 122,331
Management - Off-site (Form 8C)	3.0%	$ 1,037	$ 66,361	$ 68,351	$ 70,402	$ 72,514	$ 74,690	$ 76,930	$ 79,238	$ 81,615	$ 84,064	$ 86,586	$ 89,183	$ 91,859	$ 94,614	$ 97,453	$ 100,376
Accounting	3.0%	$ 234	$ 15,000	$ 15,450	$ 15,914	$ 16,391	$ 16,883	$ 17,389	$ 17,911	$ 18,448	$ 19,002	$ 19,572	$ 20,159	$ 20,764	$ 21,386	$ 22,028	$ 22,689
Legal Services	3.0%	$ 59	$ 3,750	$ 3,863	$ 3,978	$ 4,098	$ 4,221	$ 4,347	$ 4,478	$ 4,612	$ 4,750	$ 4,893	$ 5,040	$ 5,191	$ 5,347	$ 5,507	$ 5,672
Insurance	3.0%	$ 1,016	$ 65,000	$ 66,950	$ 68,959	$ 71,027	$ 73,158	$ 75,353	$ 77,615	$ 79,942	$ 82,340	$ 84,810	$ 87,355	$ 89,975	$ 92,674	$ 95,455	$ 98,318
Real Estate Taxes	3.0%	$ 31	$ 2,000	$ 2,060	$ 2,122	$ 2,185	$ 2,251	$ 2,319	$ 2,388	$ 2,460	$ 2,534	$ 2,610	$ 2,688	$ 2,768	$ 2,852	$ 2,937	$ 3,025
Marketing	3.0%	$ 23	$ 1,500	$ 1,545	$ 1,591	$ 1,639	$ 1,688	$ 1,739	$ 1,791	$ 1,845	$ 1,900	$ 1,957	$ 2,016	$ 2,076	$ 2,139	$ 2,203	$ 2,269
Security	3.0%	$ 67	$ 4,290	$ 4,419	$ 4,551	$ 4,688	$ 4,828	$ 4,973	$ 5,122	$ 5,276	$ 5,434	$ 5,597	$ 5,765	$ 5,938	$ 6,117	$ 6,300	$ 6,489
Maintenance and janitorial	3.0%	$ 196	$ 12,500	$ 12,875	$ 13,261	$ 13,659	$ 14,069	$ 14,491	$ 14,926	$ 15,373	$ 15,835	$ 16,310	$ 16,799	$ 17,303	$ 17,822	$ 18,357	$ 18,907
Decorating/Turnover	3.0%	$ 394	$ 25,200	$ 25,956	$ 26,735	$ 27,537	$ 28,363	$ 29,214	$ 30,090	$ 30,993	$ 31,923	$ 32,880	$ 33,867	$ 34,883	$ 35,929	$ 37,007	$ 38,117
Contract Repairs	3.0%	$ 156	$ 10,000	$ 10,300	$ 10,609	$ 10,927	$ 11,255	$ 11,593	$ 11,941	$ 12,299	$ 12,668	$ 13,048	$ 13,439	$ 13,842	$ 14,258	$ 14,685	$ 15,126
Landscaping	3.0%	$ 375	$ 24,000	$ 24,720	$ 25,462	$ 26,225	$ 27,012	$ 27,823	$ 28,657	$ 29,517	$ 30,402	$ 31,315	$ 32,254	$ 33,222	$ 34,218	$ 35,245	$ 36,302
Pest Control	3.0%	$ 77	$ 4,950	$ 5,099	$ 5,251	$ 5,409	$ 5,571	$ 5,738	$ 5,911	$ 6,088	$ 6,271	$ 6,459	$ 6,652	$ 6,852	$ 7,058	$ 7,269	$ 7,487
Fire Safety	3.0%	$ 23	$ 1,485	$ 1,530	$ 1,575	$ 1,623	$ 1,671	$ 1,722	$ 1,773	$ 1,826	$ 1,881	$ 1,938	$ 1,996	$ 2,056	$ 2,117	$ 2,181	$ 2,246
Elevator	3.0%	$ 219	$ 14,000	$ 14,420	$ 14,853	$ 15,298	$ 15,757	$ 16,230	$ 16,717	$ 17,218	$ 17,735	$ 18,267	$ 18,815	$ 19,379	$ 19,961	$ 20,559	$ 21,176
Water & Sewer	3.0%	$ 406	$ 26,000	$ 26,780	$ 27,583	$ 28,411	$ 29,263	$ 30,141	$ 31,045	$ 31,977	$ 32,936	$ 33,924	$ 34,942	$ 35,990	$ 37,070	$ 38,182	$ 39,327
Garbage Removal	3.0%	$ 438	$ 28,000	$ 28,840	$ 29,705	$ 30,596	$ 31,514	$ 32,460	$ 33,433	$ 34,436	$ 35,470	$ 36,534	$ 37,630	$ 38,759	$ 39,921	$ 41,119	$ 42,353
Electric	3.0%	$ 1,094	$ 70,000	$ 72,100	$ 74,263	$ 76,491	$ 78,786	$ 81,149	$ 83,584	$ 86,091	$ 88,674	$ 91,334	$ 94,074	$ 96,896	$ 99,803	$ 102,797	$ 105,881
Oil/Gas/Other	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	3.0%	$ 78	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	$ 5,796	$ 5,970	$ 6,149	$ 6,334	$ 6,524	$ 6,720	$ 6,921	$ 7,129	$ 7,343	$ 7,563
Other	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Residential Operating Expenses		$ 7,186	$ 459,911	$ 473,708	$ 487,919	$ 502,557	$ 517,633	$ 533,162	$ 549,157	$ 565,632	$ 582,601	$ 600,079	$ 618,081	$ 636,624	$ 655,723	$ 675,394	$ 695,656

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Form 8D: Operating Pro Forma, Page 2

OTHER EXPENSES

Partnership and Asset Management Costs-	*Escalator*	Expenses Per Unit (Y1)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Investor Service Fee	3.0%	$ 117	$ 7,500.00	$ 7,725	$ 7,957	$ 8,196	$ 8,441	$ 8,695	$ 8,955	$ 9,224	$ 9,501	$ 9,786	$ 10,079	$ 10,382	$ 10,693	$ 11,014	$ 11,344
WSHFC Annual Compliance Fee	3.0%	$ 43	$ 2,880.00	$ 2,966	$ 3,055	$ 3,147	$ 3,241	$ 3,339	$ 3,439	$ 3,542	$ 3,648	$ 3,758	$ 3,870	$ 3,987	$ 4,106	$ 4,229	$ 4,356
Total Partnership and Management Costs			$ 10,380	$ 10,691	$ 11,012	$ 11,343	$ 11,683	$ 12,033	$ 12,396	$ 12,766	$ 13,149	$ 13,544	$ 13,950	$ 14,368	$ 14,799	$ 15,243	$ 15,701
Replacement Reserve	3.0%	$ 350	$ 22,400.00	$ 23,072	$ 23,764	$ 24,477	$ 25,211	$ 25,968	$ 26,747	$ 27,549	$ 28,376	$ 29,227	$ 30,104	$ 31,007	$ 31,937	$ 32,895	$ 33,882
Operating Reserve	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Reserves			$ 22,400	$ 23,072	$ 23,764	$ 24,477	$ 25,211	$ 25,968	$ 26,747	$ 27,549	$ 28,376	$ 29,227	$ 30,104	$ 31,007	$ 31,937	$ 32,895	$ 33,882
Non-Residential Expenses	0.0%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECT EXPENSES		*	$ 492,891	$ 507,471	$ 522,696	$ 538,376	$ 554,528	$ 571,164	$ 588,298	$ 605,947	$ 624,126	$ 642,850	$ 662,135	$ 681,999	$ 702,459	$ 723,533	$ 745,239
NET OPERATING INCOME (EGI - Total Expenses)		*	$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873

RESIDENT SERVICES

Services Funding Subsidy (Form 8B)			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Service Expenses (Form 8C)	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Shortfall			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Services Funding - from Cash Flow (Form 8D)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

DEBT SERVICE

Funds Available for Debt Service		$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873
Hard Debt	**Loan Amount**	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Lender 1	$ -															
Lender 2	$ -															
Lender 3	$ -															
Total Hard Debt Service		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Debt Coverage Ratio		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow		$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873
Soft Debt	**Loan Amount**	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Lender 4 - Deferred Developer	$ 1,500,000	$ 222,309	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 157,812	$ -							
Lender 5 - Local Soft Debt	$ 6,156,485						$ -	$ 66,880	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
Lender 6	$ -															
Lender 7	$ -															
Total Soft Debt Service		$ 222,309	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 224,693	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
TOTAL DEBT SERVICE		$ 222,309	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 224,693	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
Overall Debt Coverage Ratio		1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Overall Cash Flow		$ 22,341	$ 22,307	$ 22,362	$ 22,407	$ 22,440	$ 22,461	$ 22,469	$ 22,464	$ 22,444	$ 22,410	$ 22,360	$ 22,294	$ 22,210	$ 22,109	$ 21,988

Additional Comments:

[For larger print, see following Attachment 4]

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Exhibit C: Supplemental Questions

1. **What is the project's projected amount of NEWLY generated revenue for Whatcom County? For example, does the project generate sales tax, property tax, personal property tax, etc.?**

Construction sales tax is estimated at $2,012,707, representing 9% of project costs per the City of Bellingham tax rate. Of that amount, $380,176 in sales tax will be directed to Whatcom County. Also, the senior housing portion of this project estimated an annual operating budget of $500,000 to cover local vendors for contract services and onsite staffing. These local investments not only expand employment opportunities but also contribute to local spending and economic development.

There will be additional sales tax revenue generated through the wages of workers employed in the construction and operation of the project that are later expended within the County. The project's general contractor estimates it will create at least 75 jobs across trades that will work on-site, with an additional 25 jobs for administrative staff for the construction duration (16 months). The project will also support 3 full-time staff positions for management and maintenance of the building. Combined with the 3 staff from the first phase of development, as well as the estimated 11 staff for the Early Learning Center, the combined "Bellis Fair projects" will add a total of 17 permanent jobs.

2. **What will the effect of this project be on the natural environment – does the project address any issues related to public health, pollution, or quality of life?**

In the conceptualization and design process, particular care was taken to address the effects of the project on the natural environment as well as the health of the residents. Both SEPA and NEPA environmental assessments were conducted with no significant impact findings concluded. Furthermore, the building construction will follow the WA State Department of Commerce's Evergreen Sustainable Development Standards (ESDS) in building design and development. The development team works with the project architect to program building materials, equipment, and design according to ESDS regulations. During construction, Commerce utilizes a third-party construction reviewer to ensure these requirements are being met and recorded into an official ESDS binder, stored onsite, and updated periodically tracking annual maintenance and any additional capital needs improvements. Copies of the ESDS reports are provided to each of our project funders for review.

The site itself was originally a large asphalt parking lot that was surrounded on two sides by overgrown, invasive vegetation and a row of incorrectly planted privacy trees that were suffering from overcrowding. This led to large piles of debris and trash collecting in the understory, creating a zone out of view from the public that could be used to harbor undesirable activities. As a part of the project, the trees are being replaced with new trees planted in ideal conditions for the species, garbage and blight is being removed, and the

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invasive overgrowth is being remediated. In addition, the presence of two residential buildings, an early learning center, and an interurban walking trail will create an active public space that is no longer suited for undesirable activities. This will also provide residents with convenient access to natural spaces, a strategy that has been proven to improve mental health (Grassini, A Systematic Review and Meta-Analysis of Nature Walk as an Intervention for Anxiety and Depression 2022).

The health of residents living in the project is a top priority for Opportunity Council, and as such key design decisions and infrastructure are planned to address these needs. Atypical for senior housing, the building includes 4 two-bedroom units to provide greater flexibility to residents; if they need a live-in caregiver, or if they choose to cohouse to achieve greater housing stability, there is additional space to accommodate their needs. Following the completion of the Laurel Forest Apartments, Aging Well Whatcom provided feedback from their members that these additional spaces would provide flexible options that are otherwise unavailable to many living in the area.

In recent years, the Pacific Northwest and British Columbia have experienced many wildfires, and the smoke from these fires has heavily polluted the air for weeks at a time in Bellingham. Preliminary research shows "inhaled wildfire smoke can accelerate markers of neurological aging and reduce learning capabilities" (Scieszka et al., Aging, Longevity, and the Role of Environmental Stressors: A Focus on Wildfire Smoke and Air Quality, 2025). In addition, airborne diseases spread easily in multifamily housing with shared air circulation. As such, the design team has elected to design each unit with independent ERV systems. This provides each resident with clean air during wildfire season without risking residents' health if their neighbors become sick.

Similarly, the climate of the Pacific Northwest continues to experience record-breaking heat in the summer months. The site of the project also necessitated a building layout in which many units receive direct southern exposure to the sun, while others receive consistent shade on the northern side of the building. It is well understood that the risk of heat-related mortality increases as one ages but also increases when a person has a social and/or physical vulnerability (Kovats & Hajat, Heat Stress and Public Health: A Critical Review, 2008). Housing infrastructure is one key strategy to improving health outcomes for vulnerable populations, and the project has taken additional efforts to provide independent air temperature controls for each unit, minimizing the risk of heat-related illnesses for residents.

Access to community and social opportunities is another health concern for older adults; one in four elderly Americans experiences social isolation, and social isolation is associated with a 32% increased risk of death (Zhenrong RAN et al., Prevalence of Social Isolation in the Elderly: A Systematic Review and Meta-Analysis, 2024). The project is planned to integrate with the previous phase of development, providing opportunities for programming intergenerational events with children attending the early learning center.

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This programming is facilitated by a flexible community room that can be easily re-arranged to accommodate a variety of activities. In addition, a large community plaza and multiple community garden beds will be adjacent to the first phase of development, providing both communities with opportunities for interaction and connection with other residents. Lastly, each unit will be outfitted with a Juliet balcony and attached garden box, providing residents with impaired mobility with safe access to gardening while still contributing to the overall community space.

3. **Does this project address any existing issues related to public safety and/or does it increase public safety in the future or address a potential future public safety issue?**

As previously mentioned, the project site had created blind spots that could harbor undesirable activities. Remediating overgrown invasive plants, combined with the addition of an active, vibrant community will create conditions for healthy use of the space. In addition, the inclusion of 16 deeply affordable housing units (30% AMI), 8 housing vouchers for those without a consistent income, and the 13 units set aside for households exiting from homelessness each contribute to reducing homelessness for seniors. Homelessness is known to produce many negative health outcomes, many of which can be prevented or mitigated through stabilized re-housing.

Furthermore, the project has integrated unique design features to ensure long-term tax credit compliance for the building while simultaneously protecting the health of residents. Independent ventilation systems will be installed for each unit to prevent chemical and viral contamination between units while also allowing each resident to independently adjust the temperature in their unit to keep the space comfortable in any weather. Floor drains will be installed in each unit's bathroom to prevent flooding and minimize water damage and mold potential. Units are also designed with flexible cabinetry and appliances, allowing for easy unit-conversion for residents with mobility impairments as they age in place while maintaining compliance with ADA regulations. These strategies minimize the risks associated with affordable housing while providing a higher standard of living for residents.

Lastly, the project is designed to facilitate interaction, reduce senior isolation, and provide direct access to social services and life domain supports; features proven to increase health and wellness outcomes for our older populations. The Bellis Fair Housing projects are a multigenerational development which includes low-income housing for families with children, seniors, as well as a featured onsite subsidized early learning center serving infants up-to kindergarten age children. The senior housing project and early learning center will share a central courtyard designed specifically to host intergenerational programming while supporting individuals of all abilities and cultural backgrounds. The onsite landscaping provides many walking paths and garden beds to create opportunities

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for incidental interactions among residents and connect the project to the Bellis Fair Mall as well as the Bellingham interurban trail system. The project will also employ a dedicated Assistant Property Manager with expertise in community engagement to coordinate community events and intergenerational programming to foster resident interaction between the two projects.

As previously mentioned, social isolation is associated with a 32% increased risk of death (Zhenrong RAN a et al., Prevalence of Social Isolation in the Elderly: A Systematic Review and Meta-Analysis, 2024). In addition, a study cited in the meta review that was conducted by the AARP revealed that the U.S. government allocates an additional $6.7 billion (about $21 per person in the US) annually in federal spending for costs associated with socially isolated seniors. As such, the community centric design of the Bellis Fair Senior Housing project is expected to improve the life expectancy of residents while reducing healthcare costs associated with adult loneliness.

4. **Describe specific quantifiable measures of the outcomes, other than purely jobs or housing units, that will demonstrate project success. Describe how you will measure this and explain what you expect to show as progress toward the outcome.**

Performance measures and data will be recorded and reported using our internal client data management system as well as Homeless Management Information System (HMIS) when applicable. Using these data collection systems, the project will be able to report increases in resident health and wellbeing utilizing the following performance measures:

a. Percentage of tenants exiting from homelessness who are able to demonstrate the ability to maintain safe and stable housing for a minimum 180 days.
b. Percentage of tenants exiting from homelessness that have an increase in self-sufficiency (increased wage and non-wage income).
c. All tenants will have onsite access to supportive services including rent and utility assistance, financial literacy, and renters' education classes via our TenantConnect program.
d. Access to subsidized food benefits such as food stamps and Meals on Wheels (Meals on Wheels data on number of households served)
e. Increased access to public transportation (Whatcom Transportation Authority bus passes and paratransit)
f. All tenants will be able to access onsite Bellingham Food Bank deliveries (Bellingham Food Bank data on number of households served)
g. Housing stability at exit (75% of tenants exiting housing do not return to homelessness)

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Data collection and sharing methods will include HMIS and WBARS data on households served. The above measures of project success will be included in regular HMIS reporting to the County as part of established data sharing with Whatcom County. The Washington State Web-Based Annual Reporting System (WBARS) is a monitoring and asset management system used by Washington State and other public funders to track compliance and manage properties, primarily affordable multifamily housing projects. The Project will demonstrate our compliance with income restrictions and affordability by utilizing WBARS to report and track tenant incomes and is shared with all our funders including the County.

In addition, the Bellis Fair project will conduct annual reviews of services' efficacy to determine the degree to which benchmark outcomes were met, and to learn from case studies. These reviews will include participation by key informants, including all partnering organizations, residents, and the primary local funders. Each annual review will produce a suite of consensus recommendations based on the data, case study and key informant input. From this process, we can clearly demonstrate progress in these metrics while identifying areas of improvement to focus on in the future.

5. **If the project involves broadband infrastructure, describe how it will expand access to affordable and reliable internet for Whatcom County businesses.**

The Bellis Fair development has partnered with Lumen and Comcast to provide high-speed internet for residential use. Tenants will be able to connect to the internet for free in centralized community spaces. Tenants will also be eligible to receive low-cost broadband services with either Lumen or Comcast at their discretion.

The project team received the following response from Daniel Lounsbury, a Senior Account Manager for Lumen:

> *"The Bellis Fair project presents a strong opportunity to expand Lumen/Quantum Fiber's network into underserved areas of Whatcom County. Initially, the project faced challenges due to limited fiber connectivity along W. Bakerview Road, which nearly caused it to fall short of Lumen's minimum ROI thresholds because of high deployment costs. However, with the installation of a new fiber splice point on W. Bakerview Road, we can now serve nearby residential and commercial properties more efficiently. This strategic improvement will reduce deployment costs and increase the project's viability, enabling us to deliver fast, reliable, and affordable internet to both existing and future customers in the area."*

The project team received the following response from Andrew Sauter, a Development Expansion Professional for Comcast Business Development Group:

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"Overall, the availability of high-speed internet creates a cycle of positive impact, where a more connected community leads to a stronger local economy, attracting businesses and talent, and improving the overall quality of life for residents. Access to affordable, reliable, high-speed internet for an array of economic outcomes, including small business formation and economic growth. Small businesses are a crucial part of local economies and communities—they are responsible for more than 40% of America's economic output and two-thirds of net new jobs (source: U.S. Small Business Administration). Residents selecting buildings with high-speed internet positively impact nearby businesses by attracting and retaining talent. Companies looking to relocate or expand often prioritize communities with strong digital infrastructure, which supports operations, cloud capabilities, and remote work options."

6. **IF A LOAN IS REQUESTED:**
   a. **Describe your proposed loan repayment source(s).**
   b. **For housing providers, explain how the loan terms requested align with the expected affordability period and financial structure of your housing development.**
   c. **Describe any factors that could impact your ability to repay the loan and how you plan to mitigate these risks**

We propose that loan repayments are made from operating cash flow as governed and prioritized in the Project Operating Agreement. OC's preference for loan structuring would mirror our loan terms for EDI funds received for the Laurel Forest Senior Housing Project; a 50-year loan term with an annual simple interest rate of 1% and payments deferred during the affordability covenant period of 50 years. These loan terms help the project protect and maintain rent affordability standards low-income households need to maintain housing stability. These standards follow the same repayment schedule as provided by our other public funders.

Should the County determine this an unfavorable proposal, the project would request the County defer payments long enough for the project to reach a cashflow stability, minimum 8 years, and allow cashflow-dependent repayment following a schedule to be documented in the Project Operating Agreement, confirmed prior to Closing.

The key items that could impact loan repayment terms would encompass rising operating costs, including noncontrollable increases such as insurance and utility payments. Since this is a low-income housing project with rents controlled by the Washington State Housing Finance Commission, we do not have the liberty of raising rents to offset these inflations in the same way market rate housing does. For these reasons, we mitigate operating impacts by having our public funding structured as soft debt allowing repayment terms to reflect the project's cash flow environment.

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Unforeseen economic conditions triggered by environmental, political, or public health can also cause an impact to project cashflow. While the project's operating proforma captures the use of Operating Reserves for these purposes, they are a limited resource and may not always counterbalance operating impacts. Again, structuring public funding as soft deft, and even more favorably, deferred debt congruent with our affordability period, allows the project operating to demonstrate positive performance without compromising housing standards and affordability.

A favorable aspect of affordable housing is increasing market demand that helps validate long-term occupancy projections. The market study for this project, conducted on August 21, 2024, by Kidder Mathews, indicates that "there are an estimated 11,461 income qualified renter households at the 30%, 40% and 60% AMI level in the primary market area" and that the project has a 0.5% capture rate. Rent levels for households earning 60% AMI are 36-40% lower than the market rent in Bellingham, according to the same market study. For these reasons, we do not anticipate lack of occupancy to be a contributing factor or limiting our projected cash flow from rental income.

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Opportunity Council

Bellis Fair Senior Housing

2025 EDI Application Attachment 1:

Detailed Budget Provided by General Contractor

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

dawson

SD Drawing Budget

Project: **Bellis Fair Phase 2**

Estimate Date: **September 16, 2024**

Drawings: **SD Drawings Dated 6/14/24**

Project Location: **Bellingham WA**

Division	Description	Quantity	UOM	$ / SF	Cost ($)	Comments
02	Existing Conditions	57,800	SF	0.52	30,000	
03	Concrete	55,000	SF	12.00	660,000	
04	Masonry				-	
05	Metals	55,000	SF	9.00	495,000	
06	Woods, Plastics and Composits	55,000	SF	43.00	2,365,000	
07	Thermal and Moisture Protection	55,000	SF	36.00	1,980,000	
08	Openings	55,000	SF	31.00	1,705,000	
09	Finishes	55,000	SF	30.00	1,650,000	
10	Specialties	55,000	SF	5.00	275,000	
11	Equipment	65	Units	4,000.00	260,000	
12	Furnishings	55,000	SF	26.00	1,430,000	
14	Conveying Equipment	8	Stops	50,000.00	400,000	2 cabs, 4 floors
21	Fire Suppression	55,000	SF	5.00	275,000	
22	Plumbing	55,000	SF	26.00	1,430,000	
23	HVAC	55,000	SF	27.00	1,485,000	
26	Electrical	55,000	SF	38.00	2,090,000	
	Building Subtotal:	**55,000**	**SF**	**$ 300.55**	**16,530,000**	
31	Earthwork & Utilities	57,800	SF	44.00	2,543,200	
32	Exterior Improvements	57,800	SF	11.50	664,700	
	Sitework Subtotal:				**3,207,900**	
	Precontruction & Design				1,136,800	
	General Requirements			7.00%	1,382,000	
	Overhead			4.00%	790,000	
	Insurance, Bonds & Taxes			3.00%	593,000	
	Total Estimated Construction Costs				**$ 23,639,700**	
	Fee			4.70%	1,110,300	
	Estimate Total				**$ 24,750,000**	

*Excludes State Sales Tax

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Opportunity Council

Bellis Fair Senior Housing

2025 EDI Application Attachment 2:

Financing Overview and Status

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Form 7: Financing Sources

Project Name: Bellis Fair Senior Housing

Bridge Financing

Bridge Source Name	Bridge Source Type	Proposed Amount	Committed Amount	Interest Rate	Loan Term	Amortization Period	Source of Repayment
Construction Loan - residential	Private	$12,045,856		0.079			
	Subtotals	$12,045,856	$ -				

Total Bridge Financing	**$12,045,856**

Permanent Financing - Residential

Residential Source Name	Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant / Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
LIHTC Equity	Tax Credits - 9%		$20,364,800	Private	11/1/2024	12/15/2024	Select...		Select...	NA	NA	NA	NA
City of Bellingham	City		$4,800,000	Public	1/30/2024	04/13/2024	Loan	Cash Flow	Soft	0.010	50	50	cash flow
State Housing trust Fund	State - Housing Trust Fund		$5,000,000	Public	9/18/2024	12/15/2024	Loan	Cash Flow	Soft	0.010	50	50	cash flow
HOME	State - other	$ -		Public	9/18/2024	12/15/2024	Loan	Deferred	Soft	0.010	50	50	deferred
Whatcom County	County			Public	6/02/2024	12/10/2024	Loan	Deferred	Soft	0.000	50	50	deferred
FHLB	Private			Select...									
Deferred Developer Fee	Developer		$1,500,000	Private									
EDI	County	$1,386,485		Public	5/28/2025	09/30/2025	Loan	Deferred	Soft		50	50	deferred
	Subtotal	$1,386,485	$31,664,800										

Total Residential Sources	**33,051,285**

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Low-Income Housing Tax Credit 50% Test (only required for Bond/Tax Credit projects)

Tax-Exempt Bond Amount (full amount of the bonds at closing)	
Divided by Total aggregate basis of the Building(s) and Land:	**$28,315,905**
Percentage of aggregate basis financed with Tax-Exempt Bonds	**0%**

Permanent Financing - Non-Residential

Non Residential Source Name	Non Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant / Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
	Select...			Select...			Select...		Select...				
	Subtotal	**$ -**	**$ -**										

Total Non-Residential Sources	**$**
Total Capital Sources	$33,051,285

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Opportunity Council

Bellis Fair Senior Housing

2025 EDI Application Attachment 3:

Detailed Budget Sources and Uses

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Form 6A: Development Budgets

Project Name: Bellis Fair Senior Housing

Date of Budget: 5/28/2025

	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL Source Name	Source Name	Source Name	Source Name	Source Name	Source Name		Source Name	non-residential total	NON-RESIDENTIAL Source Name	Source Name
				City of Bellingham	LIHTC	State HTF	HOME	Whatcom County	Deferred Developer Fee	Whatcom County EDI	GAP to be funded			
				Amount	Amount	Amount	Amount	Amount	Amount		Amount		Amount	Amount
				$4,800,000.00	$20,364,800.00	$5,000,000.00	$0.00	$0.00	$1,500,000.00	$1,386,485.00				
				Remaining	Remaining	Remaining	Remaining	Remaining	Remaining		Remaining		Remaining	Remaining
				$0.00	$1.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00	$0.00
				Source = Uses	Source > Uses	Source = Uses			Source = Uses	Source = Uses				
Acquisition Costs:														
Land	5%	$ 1,498,458	$ 1,498,458	$ 1,498,458								$ -		
Existing Structures	0%		$ -									$ -		
Liens	0%		$ -									$ -		
Closing, Title & Recording Costs	0%	$ 12,000	$ 12,000	$ 12,000								$ -		
Extension payment	0%		$ -									$ -		
Other:	0%		$ -									$ -		
SUBTOTAL	5%	$ 1,510,458	$ 1,510,458	$ 1,510,458	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction:														
Demolition	0%		$ -									$ -		
New Building	43%	$ 14,274,000	$ 14,274,000	$ 2,879,167	$ 5,535,673	$ 4,587,156				$ 1,272,004	$ -	$ -		
Rehabilitation	0%		$ -								$ -	$ -		
Contractor Profit	3%	$ 984,000	$ 984,000		$ 984,000						$ -	$ -		
Contractor Overhead	6%	$ 1,911,000	$ 1,911,000		$ 1,911,000						$ -	$ -		
New Construction Contingency 9%	5%	$ 1,581,110	$ 1,581,110		$ 1,581,110						$ -	$ -		
Rehab Contingency 0%	0%		$ -								$ -	$ -		
Accessory Building	0%		$ -								$ -	$ -		
Site Work / Infrastructure	9%	$ 3,092,300	$ 3,092,300		$ 3,092,300						$ -	$ -		
Off site Infrastructure	0%		$ -								$ -	$ -		
Environmental Abatement - Building	0%		$ -								$ -	$ -		
Environmental Abatement - Land	0%		$ -								$ -	$ -		
Sales Tax	6%	$ 2,012,707	$ 2,012,707	$ 259,125	$ 1,226,257	$ 412,844			$ -	$ 114,481	$ -	$ -		
Bond Premium	2%	$ 521,000	$ 521,000		$ 521,000						$ -	$ -		
Equipment and Furnishings	0%	$ 100,000	$ 100,000		$ 100,000						$ -	$ -		
Other: Special Inspections	0%	$ 100,000	$ 100,000		$ 100,000						$ -	$ -		
SUBTOTAL	74%	$ 24,576,117	$ 24,576,117	$ 3,138,292	$ 15,051,340	$ 5,000,000	$ -	$ -	$ -	$ 1,386,485	$ -	$ -	$ -	$ -

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Form 6A: Development Budgets

Project Name: Bellis Fair Senior Housing

Date of Budget: 5/28/2025

	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL								NON-RESIDENTIAL		
				Source Name	Source Name	Source Name	Source Name	Source Name	Source Name		Source Name	non-residential total	Source Name	Source Name
				City of Bellingham	LIHTC	State HTF	HOME	Whatcom County	Deferred Developer Fee	Whatcom County EDI	GAP to be funded			
				Amount	Amount	Amount	Amount	Amount	Amount		Amount		Amount	Amount
				$4,800,000.00	$20,364,800.00	$5,000,000.00	$0.00	$0.00	$1,500,000.00	$1,386,485.00				
Soft Costs:														
Buyer's Appraisal	0%	$ 3,000	$ 3,000		$ 3,000							$ -		
Market Study	0%	$ 3,000	$ 3,000		$ 3,000							$ -		
Architect	3%	$ 1,136,800	$ 1,136,800	$ 60,000	$ 1,076,800							$ -		
Engineering	0%	$ 18,600	$ 18,600		$ 18,600							$ -		
Environmental Assessment	0%	$ 20,000	$ 20,000		$ 20,000							$ -		
Geotechnical Study	0%	$ 20,000	$ 20,000		$ 20,000							$ -		
Boundary & Topographic Survey	0%	$ 20,000	$ 20,000		$ 20,000							$ -		
Legal - Real Estate	0%	$ 105,000	$ 105,000		$ 105,000							$ -		
Developer Fee	8%	$ 2,750,000	$ 2,750,000		$ 1,250,000				$ 1,500,000			$ -		
Project Management / Dev. Consultant Fees	0%		$ -									$ -		
Other Consultants	0%		$ -									$ -		
Soft Cost Contingency	0%	$ 71,268	$ 71,268		$ 71,268							$ -		
Other:	0%		$ -									$ -		
SUBTOTAL	13%	$ 4,147,668	$ 4,147,668	$ 60,000	$ 2,587,668	$ -	$ -	$ -	$ 1,500,000	$ -	$ -	$ -	$ -	$ -
Pre-Development / Bridge Financing														
Bridge Loan Fees	0%		$ -									$ -		
Bridge Loan Interest	0%	$ 39,750	$ 39,750		$ 39,750							$ -		
Other:	0%		$ -									$ -		
SUBTOTAL	0%	$ 39,750	$ 39,750	$ -	$ 39,750	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Construction Financing														
Construction Loan Fees	0%	$ 125,625	$ 125,625		$ 125,625							$ -		
Construction Loan Expenses	0%	$ 15,804	$ 15,804		$ 15,804							$ -		
Construction Loan Legal	0%	$ 32,500	$ 32,500		$ 32,500							$ -		
Construction Period Interest	1%	$ 450,000	$ 450,000		$ 450,000							$ -		
Lease-up Period Interest	2%	$ 673,644	$ 673,644		$ 673,644							$ -		
Other: Construction Review and Inspection	0%	$ 18,000	$ 18,000		$ 18,000							$ -		
SUBTOTAL	4%	$ 1,315,573	$ 1,315,573	$ -	$ 1,315,573	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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Form 6A: Development Budgets

Project Name: Bellis Fair Senior Housing

Date of Budget: 5/28/2025

	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL Source Name	Source Name	Source Name	Source Name	Source Name	Source Name	Source Name	NON-RESIDENTIAL non-residential total	NON-RESIDENTIAL Source Name	Source Name
				City of Bellingham	LIHTC	State HTF	HOME	Whatcom County	Deferred Developer Fee	Whatcom County EDI	GAP to be funded			
				Amount	Amount	Amount	Amount	Amount	Amount		Amount	Amount	Amount
				$4,800,000.00	$20,364,800.00	$5,000,000.00	$0.00	$0.00	$1,500,000.00	$1,386,485.00			
Permanent Financing													
Permanent Loan Fees	0%		$ -								$ -		
Permanent Loan Expenses	0%		$ -								$ -		
Permanent Loan Legal	0%		$ -								$ -		
LIHTC Fees	1%	$ 169,715	$ 169,715		$ 169,715						$ -		
LIHTC Legal	0%	$ 60,000	$ 60,000		$ 60,000						$ -		
LIHTC Owners Title Policy	0%	$ 50,000	$ 50,000		$ 50,000						$ -		
State HTF Fees	0%		$ -								$ -		
Other:	0%	$ 91,250	$ 91,250	$ 91,250							$ -		
SUBTOTAL	1%	$ 370,965	$ 370,965	$ 91,250	$ 279,715	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capitalized Reserves													
Operating Reserves	1%	$ 245,061	$ 246,345		$ 246,345						$ -		
Replacement Reserves	0%	$ 64,000	$ 64,000		$ 64,000						$ -		
Other:	0%		$ -								$ -		
SUBTOTAL	1%	$ 309,061	$ 310,345	$ -	$ 310,345	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Development Costs													
Real Estate Tax	0%		$ -								$ -		
Insurance	1%	$ 350,000	$ 350,000		$ 350,000						$ -		
Relocation (from Form 4)	0%	$ -	$ -								$ -		
Bidding Costs	0%		$ -								$ -		
Permits, Fees & Hookups	1%	$ 288,408	$ 288,408		$ 288,408						$ -		
Impact/Mitigation Fees	0%		$ -								$ -		
Development Period Utilities	0%		$ -								$ -		
Nonprofit Donation	0%	$ 25,000	$ 25,000		$ 25,000						$ -		
Accounting/Audit	0%	$ 6,000	$ 6,000		$ 6,000						$ -		
3rd Party Certification of final development cost	0%	$ 16,000	$ 16,000		$ 16,000						$ -		
Marketing/Leasing Expenses	0%	$ 15,000	$ 15,000		$ 15,000						$ -		
Carrying Costs at Rent up/Lease Up Reserve	0%	$ 80,000	$ 80,000		$ 80,000						$ -		
Other:	0%		$ -								$ -		
SUBTOTAL	2%	$ 780,408	$ 780,408	$ -	$ 780,408	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Form 6A: Development Budgets

Project Name: Bellis Fair Senior Housing

Date of Budget: 5/28/2025

	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL Source Name	Source Name	Source Name	Source Name	Source Name	Source Name		Source Name	non-residential total	NON-RESIDENTIAL Source Name	Source Name
				City of Bellingham	LIHTC	State HTF	HOME	Whatcom County	Deferred Developer Fee	Whatcom County EDI	GAP to be funded			
				Amount	Amount	Amount	Amount	Amount	Amount		Amount		Amount	Amount
				$4,800,000.00	$20,364,800.00	$5,000,000.00	$0.00	$0.00	$1,500,000.00	$1,386,485.00				
Eligible Basis Community Facilities														
Community Facility Eligible Basis			$ -									$ -		
SUBTOTAL		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)														
Issuer Fees & Related Expenses	0%		$ -									$ -		
Bond Counsel	0%		$ -									$ -		
Trustee Fees & Expenses	0%		$ -									$ -		
Underwriter Fees & Counsel	0%		$ -									$ -		
Placement Agent Fees & Counsel	0%		$ -									$ -		
Borrower's Counsel - Bond Related	0%		$ -									$ -		
Rating Agency	0%		$ -									$ -		
Other:	0%		$ -									$ -		
SUBTOTAL	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Development Cost:		$ 33,050,000	$ 33,051,284	$ 4,800,000	$ 20,364,799	$ 5,000,000	$ -	$ -	$ 1,500,000	$ 1,386,485	$ -	$ -	$ -	$ -

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Opportunity Council

Bellis Fair Senior Housing

2025 EDI Application Attachment 4:

Operating Pro-Forma

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Form 8D: Operating Pro Forma

Project Name: Bellis Fair Senior Housing

Pro Forma Date

REVENUES

Residential Income	*Escalator*	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Tenant Paid Rental Income (Form 8A)	2.0%	$ 612,600	$ 624,852	$ 637,349	$ 650,096	$ 663,098	$ 676,360	$ 689,887	$ 703,685	$ 717,759	$ 732,114	$ 746,756	$ 761,691	$ 776,925	$ 792,463	$ 808,313
Gross Rental PHA/HUD/USDA Subsidy (Form 8B)	2.5%	$ 159,948	$ 163,947	$ 168,045	$ 172,247	$ 176,553	$ 180,966	$ 185,491	$ 190,128	$ 194,881	$ 199,753	$ 204,747	$ 209,866	$ 215,112	$ 220,490	$ 226,002
Gross Rental Subsidy Income (Form 8B)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gross Annual Operating Subsidy Sources (Form 8B)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Sources:																
Laundry income	2.0%	$ 3,600	$ 3,672	$ 3,745	$ 3,820	$ 3,897	$ 3,975	$ 4,054	$ 4,135	$ 4,218	$ 4,302	$ 4,388	$ 4,476	$ 4,566	$ 4,657	$ 4,750
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Residential Income	=	$ 776,148	$ 792,471	$ 809,140	$ 826,163	$ 843,547	$ 861,301	$ 879,432	$ 897,948	$ 916,858	$ 936,169	$ 955,891	$ 976,033	$ 996,603	$ 1,017,610	$ 1,039,065
Total Non-Residential Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECT INCOME	=	**$ 776,148**	**$ 792,471**	**$ 809,140**	**$ 826,163**	**$ 843,547**	**$ 861,301**	**$ 879,432**	**$ 897,948**	**$ 916,858**	**$ 936,169**	**$ 955,891**	**$ 976,033**	**$ 996,603**	**$ 1,017,610**	**$ 1,039,065**
	Annual %															
Less Annual Residential Vacancy	5.0%	$ (38,807)	$ (39,624)	$ (40,457)	$ (41,308)	$ (42,177)	$ (43,065)	$ (43,972)	$ (44,897)	$ (45,843)	$ (46,808)	$ (47,795)	$ (48,802)	$ (49,830)	$ (50,881)	$ (51,953)
Less Annual Non-Residential Vacancy		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EFFECTIVE GROSS INCOME (EGI)	=	**$ 737,341**	**$ 752,847**	**$ 768,683**	**$ 784,855**	**$ 801,370**	**$ 818,236**	**$ 835,460**	**$ 853,051**	**$ 871,015**	**$ 889,361**	**$ 908,097**	**$ 927,231**	**$ 946,773**	**$ 966,730**	**$ 987,112**

OPERATING EXPENSES

Operating Expenses-	*Escalator*	Expenses Per Unit (Y1)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Management - On-site (Form 8C)	3.0%	$ 1,264	$ 80,875	$ 83,301	$ 85,800	$ 88,374	$ 91,026	$ 93,756	$ 96,569	$ 99,466	$ 102,450	$ 105,524	$ 108,689	$ 111,950	$ 115,308	$ 118,768	$ 122,331
Management - Off-site (Form 8C)	3.0%	$ 1,037	$ 66,361	$ 68,351	$ 70,402	$ 72,514	$ 74,690	$ 76,930	$ 79,238	$ 81,615	$ 84,064	$ 86,586	$ 89,183	$ 91,859	$ 94,614	$ 97,453	$ 100,376
Accounting	3.0%	$ 234	$ 15,000	$ 15,450	$ 15,914	$ 16,391	$ 16,883	$ 17,389	$ 17,911	$ 18,448	$ 19,002	$ 19,572	$ 20,159	$ 20,764	$ 21,386	$ 22,028	$ 22,689
Legal Services	3.0%	$ 59	$ 3,750	$ 3,863	$ 3,978	$ 4,098	$ 4,221	$ 4,347	$ 4,478	$ 4,612	$ 4,750	$ 4,893	$ 5,040	$ 5,191	$ 5,347	$ 5,507	$ 5,672
Insurance	3.0%	$ 1,016	$ 65,000	$ 66,950	$ 68,959	$ 71,027	$ 73,158	$ 75,353	$ 77,613	$ 79,942	$ 82,340	$ 84,810	$ 87,355	$ 89,975	$ 92,674	$ 95,455	$ 98,318
Real Estate Taxes	3.0%	$ 31	$ 2,000	$ 2,060	$ 2,122	$ 2,185	$ 2,251	$ 2,319	$ 2,388	$ 2,460	$ 2,534	$ 2,610	$ 2,688	$ 2,768	$ 2,852	$ 2,937	$ 3,025
Marketing	3.0%	$ 23	$ 1,500	$ 1,545	$ 1,591	$ 1,639	$ 1,688	$ 1,739	$ 1,791	$ 1,845	$ 1,900	$ 1,957	$ 2,016	$ 2,076	$ 2,139	$ 2,203	$ 2,269
Security	3.0%	$ 67	$ 4,290	$ 4,419	$ 4,551	$ 4,688	$ 4,828	$ 4,973	$ 5,122	$ 5,276	$ 5,434	$ 5,597	$ 5,765	$ 5,938	$ 6,117	$ 6,300	$ 6,489
Maintenance and janitorial	3.0%	$ 195	$ 12,500	$ 12,875	$ 13,261	$ 13,659	$ 14,069	$ 14,491	$ 14,926	$ 15,373	$ 15,835	$ 16,310	$ 16,799	$ 17,303	$ 17,822	$ 18,357	$ 18,907
Decorating/Turnover	3.0%	$ 394	$ 25,200	$ 25,956	$ 26,735	$ 27,537	$ 28,363	$ 29,214	$ 30,090	$ 30,993	$ 31,923	$ 32,880	$ 33,867	$ 34,883	$ 35,929	$ 37,007	$ 38,117
Contract Repairs	3.0%	$ 156	$ 10,000	$ 10,300	$ 10,609	$ 10,927	$ 11,255	$ 11,593	$ 11,941	$ 12,299	$ 12,668	$ 13,048	$ 13,439	$ 13,842	$ 14,258	$ 14,685	$ 15,126
Landscaping	3.0%	$ 375	$ 24,000	$ 24,720	$ 25,462	$ 26,225	$ 27,012	$ 27,823	$ 28,657	$ 29,517	$ 30,402	$ 31,315	$ 32,254	$ 33,222	$ 34,218	$ 35,245	$ 36,302
Pest Control	3.0%	$ 77	$ 4,950	$ 5,099	$ 5,251	$ 5,409	$ 5,571	$ 5,738	$ 5,911	$ 6,088	$ 6,271	$ 6,459	$ 6,652	$ 6,852	$ 7,058	$ 7,269	$ 7,487
Fire Safety	3.0%	$ 23	$ 1,485	$ 1,530	$ 1,575	$ 1,623	$ 1,671	$ 1,722	$ 1,773	$ 1,826	$ 1,881	$ 1,938	$ 1,996	$ 2,056	$ 2,117	$ 2,181	$ 2,246
Elevator	3.0%	$ 219	$ 14,000	$ 14,420	$ 14,853	$ 15,298	$ 15,757	$ 16,230	$ 16,717	$ 17,218	$ 17,735	$ 18,267	$ 18,815	$ 19,379	$ 19,961	$ 20,559	$ 21,176
Water & Sewer	3.0%	$ 406	$ 26,000	$ 26,780	$ 27,583	$ 28,411	$ 29,263	$ 30,141	$ 31,045	$ 31,977	$ 32,936	$ 33,924	$ 34,942	$ 35,990	$ 37,070	$ 38,182	$ 39,327
Garbage Removal	3.0%	$ 438	$ 28,000	$ 28,840	$ 29,705	$ 30,596	$ 31,514	$ 32,460	$ 33,433	$ 34,436	$ 35,470	$ 36,534	$ 37,630	$ 38,759	$ 39,921	$ 41,119	$ 42,353
Electric	3.0%	$ 1,094	$ 70,000	$ 72,100	$ 74,263	$ 76,491	$ 78,786	$ 81,149	$ 83,584	$ 86,091	$ 88,674	$ 91,334	$ 94,074	$ 96,896	$ 99,803	$ 102,797	$ 105,881
Oil/Gas/Other	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone	3.0%	$ 78	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	$ 5,796	$ 5,970	$ 6,149	$ 6,334	$ 6,524	$ 6,720	$ 6,921	$ 7,129	$ 7,343	$ 7,563
Other	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Residential Operating Expenses		**$ 7,186**	$ 459,911	$ 473,708	$ 487,919	$ 502,557	$ 517,633	$ 533,162	$ 549,157	$ 565,632	$ 582,601	$ 600,079	$ 618,081	$ 636,624	$ 655,723	$ 675,394	$ 695,656

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Form 8D: Operating Pro Forma, Page 2

OTHER EXPENSES

Partnership and Asset Management Costs-	*Escalator*	Expenses Per Unit (Y1)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Investor Service Fee	3.0%	$ 117	$ 7,500.00	$ 7,725	$ 7,957	$ 8,195	$ 8,441	$ 8,695	$ 8,955	$ 9,224	$ 9,501	$ 9,786	$ 10,079	$ 10,382	$ 10,693	$ 11,014	$ 11,344
WSHFC Annual Compliance Fee	3.0%	$ 45	$ 2,880.00	$ 2,966	$ 3,055	$ 3,147	$ 3,241	$ 3,339	$ 3,439	$ 3,542	$ 3,648	$ 3,758	$ 3,870	$ 3,987	$ 4,106	$ 4,229	$ 4,356
Total Partnership and Management Costs			$ 10,380	$ 10,691	$ 11,012	$ 11,343	$ 11,683	$ 12,033	$ 12,394	$ 12,766	$ 13,149	$ 13,544	$ 13,950	$ 14,368	$ 14,799	$ 15,243	$ 15,701
Replacement Reserve	3.0%	$ 350	$ 22,400.00	$ 23,072	$ 23,764	$ 24,477	$ 25,211	$ 25,968	$ 26,747	$ 27,549	$ 28,376	$ 29,227	$ 30,104	$ 31,007	$ 31,937	$ 32,895	$ 33,882
Operating Reserve	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Reserves			$ 22,400	$ 23,072	$ 23,764	$ 24,477	$ 25,211	$ 25,968	$ 26,747	$ 27,549	$ 28,376	$ 29,227	$ 30,104	$ 31,007	$ 31,937	$ 32,895	$ 33,882
Non-Residential Expenses	0.0%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PROJECT EXPENSES		=	$ 492,691	$ 507,471	$ 522,696	$ 538,376	$ 554,528	$ 571,164	$ 588,298	$ 605,947	$ 624,126	$ 642,850	$ 662,135	$ 681,999	$ 702,459	$ 723,533	$ 745,239
NET OPERATING INCOME (EGI - Total Expenses)		=	$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873

RESIDENT SERVICES

Services Funding Subsidy (Form 8B)			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Service Expenses (Form 8C)	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Shortfall			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Services Funding - from Cash Flow (Form 8C)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

DEBT SERVICE

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Funds Available for Debt Service		$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873
Hard Debt	**Loan Amount**															
Lender 1	$ -															
Lender 2	$ -															
Lender 3	$ -															
Total Hard Debt Service		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Debt Coverage Ratio		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow		$ 244,650	$ 245,376	$ 245,987	$ 246,478	$ 246,842	$ 247,073	$ 247,162	$ 247,103	$ 246,889	$ 246,511	$ 245,962	$ 245,232	$ 244,314	$ 243,197	$ 241,873
Soft Debt	**Loan Amount**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**
Lender 4 - Deferred Developer	$ 1,500,000	$ 222,409	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 157,812	$ -							
Lender 5 - Local Soft Debt	$ 6,186,485						$ -	$ 66,880	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
Lender 6	$ -															
Lender 7	$ -															
Total Soft Debt Service		$ 222,409	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 224,693	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
TOTAL DEBT SERVICE		$ 222,409	$ 223,069	$ 223,625	$ 224,071	$ 224,402	$ 224,611	$ 224,693	$ 224,639	$ 224,445	$ 224,101	$ 223,602	$ 222,938	$ 222,103	$ 221,088	$ 219,885
Overall Debt Coverage Ratio		1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Overall Cash Flow		$ 22,241	$ 22,307	$ 22,362	$ 22,407	$ 22,440	$ 22,461	$ 22,469	$ 22,464	$ 22,444	$ 22,410	$ 22,360	$ 22,294	$ 22,210	$ 22,109	$ 21,988

Additional Comments:

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EXHIBIT "E"
(RESTRICTIVE COVENANT)

When Recorded Return to:

Whatcom County
311 Grand Avenue, Suite 108
Bellingham, WA 98225

Attention: Eric Chambers

LOW INCOME HOUSING COVENANT

GRANTOR(S): Bellis Fair Family Housing II, a Washington Limited Liability Company.
GRANTEE(S): Whatcom County, a Municipal Corporation
ABBREVIATED LEGAL: Lot 2, Bellis Fair Mall Tract B SP No. 2745, Rec. 2023-1000311, Whatcom County
ADDITIONAL LEGALS ON PAGE: 1 & 2
ASSESSOR'S TAX PARCEL NUMBER(S): 38021332444430000

THIS DECLARATION OF RESTRICTIVE COVENANTS (hereinafter referred to as "COVENANT"), dated _____, 2026, by Bellis Fair Family Housing II, LLC, a Washington limited liability company, and its successors and assigns (hereinafter referred to as "GRANTOR") is given in consideration funds provided to for the purpose of acquisition of real PROPERTY (hereinafter referred to as "PROPERTY") legally described below:

Parcel A:

LOT 2 OF BELLIS FAIR MALL TRACT B SHORT PLAT NO.2745 RECORDED UNDER RECORDING NO 2023-1000311, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel B:

A NON-EXCLUSIVE EASEMENT FOR ELECTRICAL LINE AS CREATED BY THAT EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002482, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Parcel C:

A NON-EXCLUSIVE EASEMENT FOR STORMWATER AS CREATED BY THAT STORMWATER EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002528, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel D:

A NONE-EXCLUSIVE EASEMENT FOR DRIVEWAY AND PARKING AS CREATED BY THAT DRIVEWAY AND PARKING EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200439. RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel E:

A NON-EXCLUSIVE EASEMENT FOR NO-BUILD AREA AS CREATED BY THAT NO-BUILD EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200440, RECORDS OF WHATCOM COUNTY, WASHINGTON.

This COVENANT will be filed and recorded in the official public land records of Whatcom County, Washington and shall constitute a restriction upon the use of the PROPERTY described herein, subject to and in accordance with the terms of this COVENANT, for fifty (50) years beginning upon the completion of the construction of the units of affordable housing.

RECITALS

WHEREAS, the GRANTOR is the sole owner in fee simple of the PROPERTY, and

WHEREAS, the GRANTOR, agrees to serve only individuals that are at or below 60% Area Median Income as defined by the United States Department of Housing and Urban Development (HUD) and adjusted for household size.

WHEREAS, the GRANTOR is creating a real property covenant on the PROPERTY for purposes of ensuring the PROPERTY is used for the construction and leasing of affordable housing for fifty (50) years commencing following the completion of construction, under the terms herein, and

WHEREAS, the foregoing recitals are a material part of this COVENANT,

NOW THEREFORE, in consideration of the promises and covenants hereinafter set forth and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the GRANTOR intends, declares, and covenants that the restrictive COVENANTS set forth herein governing the use, occupancy, and transfer of the PROPERTY shall be and are COVENANTS pertaining to the PROPERTY and running

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with the land for the term stated herein and are binding upon all subsequent owners of the PROPERTY and for such terms, except as specifically provided herein, and are not merely personal covenants of the GRANTOR.

SECTION 1
REPRESENTATIONS, COVENANTS AND WARRANTIES OF GRANTOR

GRANTOR hereby represents, covenants and warrants as follows:

1. GRANTOR voluntarily establishes this real property COVENANT over the PROPERTY for fifty (50) years beginning upon the completion of the construction, subject to the terms set forth herein exclusively for the purpose of ensuring the PROPERTY is actively used for purposes of affordable housing for individuals at or below 60% Area Median Income, at all times during the period of the COVENANT. This COVENANT shall expire September 30, 2076, if not earlier terminated.

2. GRANTOR hereby covenants and agrees not to sell, transfer or otherwise dispose of the PROPERTY or any portion thereof without first providing a written notice to the buyer and obtaining the agreement of any buyer or successor in interest or other person or entity acquiring the PROPERTY or any interest therein, that such acquisition is subject to the requirements of this COVENANT and to the low income shelter requirements provided for herein; *provided, however*, that nothing contained in this COVENANT shall restrict transfers of interests.

3. GRANTOR will, at the time of execution, delivery and recording of this COVENANT, have good and marketable title to the PROPERTY, free and clear of any liens or encumbrances (except encumbrances created pursuant to this COVENANT or other permitted encumbrances identified in Section 2, including, without limitation, the exceptions set forth in the GRANTOR'S policy of title insurance).

4. GRANTOR warrants that it has not and will not execute any other covenant or deed restriction with provisions contradictory to, or in opposition to, the provisions hereof other than the permitted encumbrances, or as otherwise approved in writing by the COUNTY.

SECTION 2
TERM OF COVENANT AND PERMITTED ENCUMBRANCES

1. This COVENANT, and the terms specified herein, apply to the PROPERTY immediately upon recordation, and GRANTOR shall comply with all restrictive covenants herein.

2. The COVENANT shall remain in place for fifty (50) years beginning on the completion of the construction, during which time GRANTOR and their successors, shall maintain sixty-four (64) units of affordable housing as described in the agreement, on the PROPERTY and shall meet all other requirements of this COVENANT, subject to the terms herein.

3. There are no permitted encumbrances allowed under this COVENANT that would unreasonably inhibit the use of the PROPERTY as affordable housing as described herein.

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SECTION 3
RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

1. Upon execution of this COVENANT by the GRANTOR, GRANTOR shall cause this COVENANT and all amendments hereto to be recorded in the Whatcom County Auditor's Office. GRANTOR shall pay all fees and charges incurred in connection therewith.

2. GRANTOR intends, declares and covenants, on behalf of itself and all future owners of the PROPERTY during the term of this COVENANT, that this COVENANT and the covenants and restrictions set forth in this COVENANT regulating and restricting the use, occupancy and transfer of the PROPERTY shall

   2.1. constitute covenants running with the land, encumbering the PROPERTY for the term of this COVENANT, binding upon GRANTOR and GRANTOR'S successors in title and all subsequent owners of the PROPERTY and not merely personal covenants of GRANTOR; and

   2.2. bind the GRANTOR (and the benefits shall inure to the COUNTY) and any past, present or prospective owner of the PROPERTY and GRANTOR'S respective successors and assigns during the term of this Covenant.

3. GRANTOR hereby agrees that any and all requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the land for the duration of this COVENANT. For the term of this COVENANT, each and every contract, deed or other instrument hereafter executed conveying the PROPERTY or portion thereof shall expressly provide that such conveyance is subject to this COVENANT, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contracts, deed, or other instrument hereafter executed conveying the PROPERTY or portion thereof provides that such conveyance is subject to this COVENANT.

4. The COUNTY hereby agrees that upon termination of this COVENANT, the COUNTY shall cooperate with the GRANTOR to sign a recordable document extinguishing this COVENANT from Title.

SECTION 4
ENFORCEMENT OF AFFORDABILITY

The PROPERTY will be bound by the terms of this COVENANT at each sale or transfer, for the purposes of providing units of affordable housing in Whatcom County. GRANTOR hereby declares and covenants, on behalf of itself and all future owners of the PROPERTY, that, during the term of this COVENANT, the COUNTY is a third-party beneficiary of and successor to each and every remedy provided in the COVENANT or in law intended to ensure the proper use of the PROPERTY for the purposes defined herein. The COUNTY may, in the event of the failure or default of the GRANTOR, under this COVENANT, exercise all rights and remedies available to the COUNTY as provided herein or as otherwise provided by law. Proper use is defined as:

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1. The PROPERTY shall be used actively to provide sixty-four (64) units of affordable housing for fifty (50) years commencing upon the completion of the construction and as further set forth in the Agreement;

2. The sixty-four (64) units in the PROPERTY will be used exclusively individuals that at the time of initial occupancy have gross annual household incomes at or below 60% of the local area median income, as defined by the United States Department of Housing and Urban Development (HUD) and adjusted for household size. In the event that HUD ceases to provide such estimates of area median income, then area median income shall mean such comparable figures for Whatcom County, Washington as published or reported by a federal, state, or local agency as the GRANTEE shall reasonably select;

3. The sixty-four (64) units to be constructed on the Property are subject to maximum restricted rent for each housing unit assisted with County funds, no higher than the affordable rent for the target income category based on the number of bedrooms. Grantee will use the City of Bellingham schedule of maximum rents and income level served for Whatcom County. If the City of Bellingham ceases to provide such schedule of maximum rents and income level served for Whatcom County, then maximum rents and income level shall mean such comparable figure for Whatcom County, Washington published or reported by a federal, state, or local agency as GRANTEE shall select.

4. The GRANTOR shall use the PROPERTY to provide affordable housing and will comply with all State and Local shelter codes, licensing requirements, and other requirements regarding the condition of the structing and operation of the project in the jurisdiction in which the shelter is located;

5. GRANTOR covenants that it will not knowingly take or permit any action that would result in a violation of the terms of this COVENANT. The COUNTY, together with GRANTOR, may execute and record any amendment or modification of this COVENANT and such amendment or modification shall be binding on third parties' rights granted under this COVENANT.

6. GRANTOR acknowledges that the primary purpose for requiring compliance by GRANTOR with restrictions provided in this COVENANT is to assure compliance with the use requirements imposed as a term of funding by the COUNTY, AND BY REASON THEREOF, GRANTOR IN CONSIDERATION FOR RECEIVING FUNDS TO CONSTRUCT THE PROPERTY HEREBY AGREES AND CONSENTS THAT THE COUNTY SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREIN, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE BY SPECIFIC PERFORMANCE, GRANTOR'S OBLIGATIONS UNDER THIS COVENANT IN A STATE COURT OF COMPETENT JURISDICTION. GRANTOR hereby further specifically acknowledges that the beneficiaries of GRANTOR'S obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder. In the event of legal action, legal costs, including attorney fees and court costs (including costs of appeal), may be recovered by the prevailing party.

SECTION 5
MISCELLANEOUS

1. **Severability.** The invalidity of any clause, part, or provision of this COVENANT shall not affect the validity of the remaining portions thereof.

2. **Notices.** Any Notice shall be in writing and shall be given by depositing the same in the United States

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mail, postage paid and registered or certified, and addressed to the party to be notified, with return-receipt requested, or by delivering the same in person to an officer or principal of such party. Notice to the parties shall be mailed or delivered to the addresses below.

GRANTOR: Bellis Fair Family Housing II, LLC
1419 Cornwall Avenue,
Bellingham, WA 98225

COUNTY: Whatcom County
311 Grand Avenue,
Bellingham, WA 98225

Notices deposited in the mail in the manner hereinabove described shall be effective upon mailing.

3. **Governing Law.** This COVENANT shall be governed by the laws of the State of Washington and, where applicable, the laws of the United States of America.

[signature pages follow]

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

IN WITNESS WHEREOF, Grantor has caused this Covenant to be signed by its duly authorized representative, as of the day and year first above written.

GRANTOR:

Bellis Fair Family Housing II, LLC, a Washington limited liability company

By: BF Family Housing I Manager, LLC, a Washington limited liability company
Its: Manager

By: Opportunity Council, a Washington nonprofit corporation
Its: Manager

By: _____
Name: Greg Winter
Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that Greg Winter is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Opportunity Council, a Washington nonprofit corporation, the manager of BF Family Housing II Manager, LLC, a Washington limited liability company, the manager of Bellis Fair Family Housing II, LLC, a Washington limited liability company, to be the free and voluntary act of such non-profit organization on behalf of such organization for the uses and purposes mentioned in the instrument.

DATED this _____ day of_____, 2026.

(Seal or Stamp)

_____
(*Signature of Notary)*

_____
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires:

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IN WITNESS WHEREOF, County has caused this Covenant to be signed by its duly authorized representative, as of the day and year first above written.

GRANTEE:

Whatcom County

BY: _____
Satpal Singh Sidhu
Whatcom County Executive

STATE OF WASHINGTON)
)
County of Whatcom)

This is to certify that on the ____ day of _____, 2026, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Satpal Singh Sidhu, to me known to be the Executive of Whatcom County, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of WHATCOM COUNTY.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
NOTARY PUBLIC in and for the State of Washington, residing at
_____
My commission expires _____

Approved as to Form:

_____
, Civil Deputy Prosecutor

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EXHIBIT "F"
(DEED OF TRUST)

When recorded return to:

Whatcom County
311 Grand Avenue, Suite 108
Bellingham, WA 98225

Attention: Eric Chambers

DEED OF TRUST
(For use in the State of Washington only)

THIS DEED OF TRUST, made this day of
between

as GRANTOR(S), Bellis Fair Family Housing II, LLC
whose address is 1111 Cornwall Ave, Bellingham, WA 98225

and

as TRUSTEE, First American Title Company
whose address is 23 Bellwether Way, Suite 101, Bellingham WA 98225

and

as BENEFICIARY, Whatcom County,
whose address is 311 Grand Ave. Bellingham, WA 98225

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Whatcom County, Washington:

Parcel A:

LOT 2 OF BELLIS FAIR MALL TRACT B SHORT PLAT NO. 2745 RECORDED UNDER RECORDING NO 2023-1000311, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Parcel B:

A NON-EXCLUSIVE EASEMENT FOR ELECTRICAL LINE AS CREATED BY THAT EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002482, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel C:

A NON-EXCLUSIVE EASEMENT FOR STORMWATER AS CREATED BY THAT STORMWATER EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002528, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel D:

A NONE-EXCLUSIVE EASEMENT FOR DRIVEWAY AND PARKING AS CREATED BY THAT DRIVEWAY AND PARKING EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200439. RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel E:

A NON-EXCLUSIVE EASEMENT FOR NO-BUILD AREA AS CREATED BY THAT NO-BUILD EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200440, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Abbreviated Legal: Lot 2, Bellis Fair Mall Tract B SP No. 2745, Rec. 2023-1000311, Whatcom County

Tax Parcel Number(s): 38021332444430000

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues, and profits thereof.

This Deed of Trust is for the purpose of securing performance of a) each agreement of Grantor(s) contained in this Deed of Trust, b) payment of the sum of ONE MILLION THREE HUNDRED EIGHTY-SIX THOUSAND AND FOUR HUNDRED AND EIGHTY-FIVE DOLLARS AND NO/00 ($1,386,485) with interest, in accordance with the terms of the Economic Development Investment Program Loan and Grant Agreement between Grantor and Beneficiary (“Loan and Grant Agreement”), Whatcom County Contract Number _____, and the Promissory Note, herein, and payable to Beneficiary, and made by Grantor(s), and all renewals, modifications, and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor(s), or any of Grantor(s)’ successors or assigns, together with interest thereon at such rate as shall be agreed upon, c) Grantor’s compliance with the Low Income Housing Covenant required by

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the Loan and Grant Agreement and recorded in Whatcom County, Washington under Recording Number:_____.

To protect the security of this Deed of Trust, Grantor(s) covenant(s) and agree(s):

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure, or improvement being built or about to be built thereon; to restore promptly any building, structure, or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor(s) fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the property hereinabove described, Beneficiary may pay the same shall be added to and become a part of the debt secured in this Deed of Trust.
7. NO FURTHER ENCUMBRANCES: As an express condition of Beneficiary making the loan secured by this Deed of Trust, Grantor shall not further encumber, pledge, mortgage, hypothecate, place any lien, charge or claim upon, or otherwise give as security the property or any interest therein nor cause or allow by operation of law the encumbrance of the Trust Estate or any interest therein without the written consent of a Beneficiary even though such encumbrance may be junior to the encumbrance created by this Deed of Trust. Encumbrance of the property contrary to the provisions of this provision shall constitute a default and Beneficiary may, at Beneficiary’s option, declare the entire balance of principal and interest immediately due and payable, whether the same be created by Grantor or an unaffiliated

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third party asserting a judgment lien, mechanic's or materialmen's lien or any other type of encumbrance or title defect.

_____ _____

Grantor initials Beneficiary initials

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor(s) in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor(s) had or had the power to convey at the time of his/her/their execution of this Deed of Trust, and such as he/she/they may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability, or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of

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the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

_____ _____

_____ _____

State of _____
County of _____

This record was acknowledged before me on (date) by (name(s) of individuals).

(Signature of notary public)

(Stamp)

(Title of office)
My commission expires:

(date)

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REQUEST FOR FULL RECONVEYANCE - *Do not record. To be used only when note has been paid.*

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____ _____

_____

Approved as to Form:

_____

, Civil Deputy Prosecutor

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EXHIBIT "G"

PROMISSORY NOTE

Low-Income Affordable Senior Housing	$1,386,485	Bellingham, Washington February 16, 2026

FOR VALUE RECEIVED, The Opportunity Council, a Washington public benefit non-profit corporation ("Borrower"), having its principal office at 1111 Cornwall Avenue, Bellingham, Washington 98225, promises to pay to the order of Whatcom County, a local government of Washington and existing under the laws of the State of Washington ("Lender"), whose principal address is 311 Grand Avenue, Bellingham, Washington 98225, the principal sum of ONE MILLION THREE HUNDRED EIGHTY-SIX THOUSAND AND FOUR HUNDRED AND EIGHTY-FIVE DOLLARS AND NO/00 ($1,386,485).

1. **Loan Authority.** The loan, evidenced by this note, is being made under the Economic Development Investment Program, administered by the Lender and described under Whatcom County Contract #_____, ("Agreement").

2. **Use of Funds.** The loan is made to assist in the construction of a multi-family affordable housing development know as Bellis Fair Family Housing II located on Lot 2, Bellis Fair Mall Tract B SP No. 2745, Rec 2023-1000311.

3. **Interest Rate.** The interest rate hereunder shall be two percent (2.00%) simple.

4. **Payments.** Payments hereunder shall commence on December 1, 2028, solely from distributions of Net Cash Flow if any. Subsequent payments shall be due on December 1st of each year thereafter until December 1, 2078 ("Maturity Date"). Notwithstanding any other provisions of this Note, the full balance of this Note shall be due and payable in all events on or before the Maturity Date. For the purpose of this Note, "Net Cash Flow" shall mean that amount of cash flow available to repay this Note, as verified in an annual third-party audit, in the priority set forth in the Borrower's Amended and Restated Operating Agreement of Bellis Fair Family Housing II, LLC dated December 12, 2025. The Lender reserves the right to review all records to verify cash flow.

   The full principal balance and all accrued interest, if any, shall be due on the sale or transfer of the property described herein, unless such transfers are allowable under the Agreement and not a result of an event of Default described thereunder.

5. **Application of Payment.** Payment shall be applied: (i) first, to late charges, if any; (ii), second to the payment of accrued interest; (iii) third, at the option of the Lender, to the payment of any other amounts owing under this Note other than accrued interests and principal; and (iv) forth, the reduction of the principal in this note.

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6. **Prepayment.** The Borrower may prepay at any time, all or any part of the principal amount due on this note without payment of penalties or premiums, provided that the Borrower is not in default of this note and the payment is identified as a prepayment of principal.

7. **Late Charge**. If any amount payable hereunder is paid more than fifteen (15) days after the due date thereof, the Borrower promises to pay a late charge of one percent (1%) of the delinquent amount as liquidated damages for the extra expense of handling past due payments.

8. **Security.** This Note is secured with a Deed of Trust on the property. The Borrow agrees to perform and comply with all of the agreements, terms, and conditions of Deed of Trust and other documents executed in conjunction with this Note.

9. **Giving Notice.** All notices to the Borrower shall be sent to:

   Opportunity Council
   1111 Cornwall Avenue
   Bellingham, WA 98225
   Attn: Executive Director

   All noticed to the Lender shall be sent to:

   Whatcom County
   311 Grand Avenue
   Bellingham, WA 98229
   Attn: Deputy Executive

10. **Default Remedies**. Subject to the terms herein, if a default is made in payment of any amount payable to the Lender, and after the expiration of any applicable notices and cure periods set forth in the Agreement, the Deed of Trust, or this Note, the Lender may declare the entire unpaid principal balance on this Note, and all accrued unpaid interest and late charges, immediately due. Upon the occurrence and continued default, and after the expiration of any applicable notices and cure periods as described above, the Lender, at its option, may also, if permitted under applicable law, do one or all of the following:

    a. Increase the interest rate on this Note to 12% per annum; and
    b. Add any unpaid accrued interest to principal and such sum will bear interest thereon until paid at the rate provided.
    c. Add any costs associated with third-party collection efforts.

11. **Attorney's Fees**. Should legal action be required to enforce or interpret any of the provisions of this Note, the Prevailing party shall be entitled to all costs and reasonable attorney's fees incurred in connection therewith from the non-prevailing party.

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12. **Venue.** Any action brought to enforce or interpret this Note may, at the option of the Lender, be brought in Whatcom County, Washington.

13. **Governing Law.** This Note shall be construed in accordance with the laws of Washington State.

IN WITNESS WHEREOF, Grantor has caused this Note to be signed by its duly authorized representative, as of the day and year first above written.

Borrower:
Opportunity Council
1111 Cornwall Avenue
Bellingham, WA 98225
Attn: Executive Director

By: _____
Name:
Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Opportunity Council, a Washington nonprofit corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
NOTARY PUBLIC in and for the State of Washington, residing at
_____
My commission expires _____

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IN WITNESS WHEREOF, County has caused this Note to be signed by its duly authorized representative, as of the day and year first above written.

Lender:
Whatcom County
311 Grand Avenue
Bellingham, WA 98229
Attn: Deputy Executive

BY: _____
Satpal Singh Sidhu
Whatcom County Executive

STATE OF WASHINGTON)
)
County of Whatcom)

This is to certify that on the ____ day of _____, 2026, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Satpal Singh Sidhu, to me known to be the Executive of Whatcom County, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of WHATCOM COUNTY.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
NOTARY PUBLIC in and for the State of Washington, residing at
_____
My commission expires _____

Approved as to Form:

_____
, Chief Civil Deputy Prosecutor

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EXHIBIT "H"
(AMORTIZATION SCHEDULE)

WHATCOM COUNTY

Bellis Fair Phase 2 EDI

Principal	$1,386,485
Interest Rate	2.00%
Term (*Interest + Principal year 6-50*)	50

#	Year	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	2028	$1,386,485	($44,122)	27,730	($16,392)	$1,370,093
2	2029	$1,370,093	($44,122)	27,402	($16,720)	$1,353,372
3	2030	$1,353,372	($44,122)	27,067	($17,055)	$1,336,317
4	2031	$1,336,317	($44,122)	26,726	($17,396)	$1,318,920
5	2032	$1,318,920	($44,122)	26,378	($17,744)	$1,301,176
6	2033	$1,301,176	($44,122)	26,024	($18,098)	$1,283,078
7	2034	$1,283,078	($44,122)	25,662	($18,460)	$1,264,617
8	2035	$1,264,617	($44,122)	25,292	($18,830)	$1,245,787
9	2036	$1,245,787	($44,122)	24,916	($19,206)	$1,226,580
10	2037	$1,226,580	($44,122)	24,532	($19,590)	$1,206,990
11	2038	$1,206,990	($44,122)	24,140	($19,982)	$1,187,008
12	2039	$1,187,008	($44,122)	23,740	($20,382)	$1,166,625
13	2040	$1,166,625	($44,122)	23,333	($20,789)	$1,145,836
14	2041	$1,145,836	($44,122)	22,917	($21,205)	$1,124,630
15	2042	$1,124,630	($44,122)	22,493	($21,629)	$1,103,001
16	2043	$1,103,001	($44,122)	22,060	($22,062)	$1,080,939
17	2044	$1,080,939	($44,122)	21,619	($22,503)	$1,058,435
18	2045	$1,058,435	($44,122)	21,169	($22,953)	$1,035,482
19	2046	$1,035,482	($44,122)	20,710	($23,412)	$1,012,069
20	2047	$1,012,069	($44,122)	20,241	($23,881)	$988,188
21	2048	$988,188	($44,122)	19,764	($24,358)	$963,830
22	2049	$963,830	($44,122)	19,277	($24,845)	$938,984
23	2050	$938,984	($44,122)	18,780	($25,342)	$913,642
24	2051	$913,642	($44,122)	18,273	($25,849)	$887,792
25	2052	$887,792	($44,122)	17,756	($26,366)	$861,426

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26	2053	$861,426	($44,122)	17,229	($26,893)	$834,533
27	2054	$834,533	($44,122)	16,691	($27,431)	$807,101
28	2055	$807,101	($44,122)	16,142	($27,980)	$779,121
29	2056	$779,121	($44,122)	15,582	($28,540)	$750,580
30	2057	$750,580	($44,122)	15,012	($29,110)	$721,470
31	2058	$721,470	($44,122)	14,429	($29,693)	$691,777
32	2059	$691,777	($44,122)	13,836	($30,286)	$661,490
33	2060	$661,490	($44,122)	13,230	($30,892)	$630,598
34	2061	$630,598	($44,122)	12,612	($31,510)	$599,087
35	2062	$599,087	($44,122)	11,982	($32,140)	$566,947
36	2063	$566,947	($44,122)	11,339	($32,783)	$534,163
37	2064	$534,163	($44,122)	10,683	($33,439)	$500,724
38	2065	$500,724	($44,122)	10,014	($34,108)	$466,616
39	2066	$466,616	($44,122)	9,332	($34,790)	$431,825
40	2067	$431,825	($44,122)	8,637	($35,485)	$396,340
41	2068	$396,340	($44,122)	7,927	($36,195)	$360,144
42	2069	$360,144	($44,122)	7,203	($36,919)	$323,225
43	2070	$323,225	($44,122)	6,465	($37,657)	$285,568
44	2071	$285,568	($44,122)	5,711	($38,411)	$247,156
45	2072	$247,156	($44,122)	4,943	($39,179)	$207,977
46	2073	$207,977	($44,122)	4,160	($39,962)	$168,014
47	2074	$168,014	($44,122)	3,360	($40,762)	$127,252
48	2075	$127,252	($44,122)	2,545	($41,577)	$85,675
49	2076	$85,675	($44,122)	1,713	($42,409)	$43,265
50	2077	$43,265	($44,130)	865	($43,257)	$0

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EXHIBIT "I"

(PRIORITIZATION AND SUBORDINATION AGREEMENT)

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Whatcom County, WA
Total: $323.50 Pgs=21
SUBA
Request of: FIRST AMERICAN TITLE INSURANCE COMPANY
eRecorded by: Simplifile NCS-SEATTLE

2025-1201364
12/15/2025 10:37 AM

AFTER RECORDING RETURN TO:

Bellis Fair Family Housing II, LLC
c/o Opportunity Council
Attn. Executive Director
1111 Cornwall Avenue
Bellingham, WA 98225

First Am NCS-1278514

PRIORITY AND SUBORDINATION AGREEMENT
(Bellis Fair II)

Grantors:

1. **WASHINGTON STATE HOUSING FINANCE COMMISSION**
2. **KEYBANK NATIONAL ASSOCIATION**
3. **WASHINGTON STATE DEPARTMENT OF COMMERCE**
4. **CITY OF BELLINGHAM**
5. **WHATCOM COUNTY**
6. **OPPORTUNITY COUNCIL**
7. **BELLIS FAIR FAMILY HOUSING II, LLC**
8. **BF FAMILY HOUSING II MANAGER, LLC**

Grantees:

1. **WASHINGTON STATE HOUSING FINANCE COMMISSION**
2. **KEYBANK NATIONAL ASSOCIATION**
3. **WASHINGTON STATE DEPARTMENT OF COMMERCE**
4. **CITY OF BELLINGHAM**
5. **WHATCOM COUNTY**
6. **OPPORTUNITY COUNCIL**
7. **BF FAMILY HOUSING II MANAGER, LLC**

Abbrev. Legal Descr.: Lot 2, BELLIS FAIR MALL TRACT B SP NO. 2745, Rec. 2023-1000311, Whatcom County
(Full Legal Description on Exhibit A)

Assessor's Tax Parcel: 3802133244430000

Reference Numbers:

Extended Use Agreement:	2025-1201292
Commerce Covenant:	2025 1201293
City Covenant:	2024-0601605
County Covenant	
Bank Deed of Trust:	2025-1201294
Commerce Deed of Trust:	2025-1201311
Commerce Assignment:	2025-1201356
City Deed of Trust:	2025-1101906

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PRIORITY AND SUBORDINATION AGREEMENT

This **PRIORITY AND SUBORDINATION AGREEMENT** ("Agreement") is made as of December 12, 2025, by and among **WASHINGTON STATE HOUSING FINANCE COMMISSION**, a Washington public body corporate and politic ("Commission"); **KEYBANK NATIONAL ASSOCIATION**, a national banking association ("Bank"); **WASHINGTON STATE DEPARTMENT OF COMMERCE**, a state agency ("Commerce"); **CITY OF BELLINGHAM**, a municipal corporation (the "City"); **WHATCOM COUNTY**, a municipal corporation (the "County", and together with the Bank, Commerce, and the City, and their respective successors in interest, are referred to herein, in each case for so long as the Deed of Trust or Covenant (as such terms are defined below), of which that Party is a beneficiary remains a lien of record on any part of the Property (as defined below), as "Lenders" and each individually, a "Lender", in each case only in such Party's capacity as the holder or assignee of the obligations secured by its Deed of Trust or as the beneficiary of its Covenant, as applicable); **OPPORTUNITY COUNCIL**, a Washington nonprofit corporation ("Sponsor"); **BF FAMILY HOUSING II MANAGER, LLC**, a Washington limited liability company (the "Managing Member"); and **BELLIS FAIR FAMILY HOUSING II, LLC**, a Washington limited liability company (the "Company"). The Bank, Commerce, City, County, Sponsor, Managing Member, Company and Commission, and their respective successors and assigns, are individually referred to as a "Party" and are collectively referred to as the "Parties."

This Agreement is made with reference to the following facts:

A. Company's Interest. The Company is the owner of certain real property located in the City of Bellingham, County of Whatcom, Washington, as legally described on the attached **Exhibit A** (the "Property," which term includes all improvements now and hereafter constructed thereon). The Property will be developed using a combination of public and private funds to serve as a mixed-use development with 64 affordable housing units (collectively, the "Project").

B. Commission's Interest. The Company has obtained financing for the Project through the use of Low-Income Housing Tax Credits ("LIHTC"). In connection with the LIHTC, the Company has executed a Regulatory Agreement (Extended Use Agreement) in favor of the Commission dated on or about the date hereof ("Extended Use Agreement"), to be recorded in the official public land records of Whatcom County, Washington (the "Official Records").

C. Bank's Interest. The Bank and the Company have entered into a Construction Loan Agreement (the "Bank Loan Agreement") which sets forth the terms and conditions under

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which the Bank has agreed to lend the Company in an amount not to exceed $15,100,000 (the "Bank Loan") to finance the Project. The Bank Loan is evidenced by a Promissory Note (the "Bank Note"), made by the Company to the order of the Bank. Repayment of the Bank Note is secured by, among other security documents, a Deed of Trust, Assignment of Leases and Rents, Assignment of Contracts, Security Agreement, and Fixture Filing made by the Company in favor of First American Title Insurance Company, as trustee, and the Bank, as beneficiary, dated on or about the date hereof, to be recorded in the Official Records (the "Bank Deed of Trust"), encumbering the Company's interest in the Property, an Assignment of Leases and Rents made by the Company in favor of the Bank, dated on or about the date hereof, to be recorded in the Official Records (the "Bank ALR"), and a UCC-1 Financing Statement, which shows the Company as debtor, and the Bank as secured party, filed with the Department of Licensing, Uniform Commercial Code Division of the State of Washington (the "Bank Financing Statement"). The Bank Loan Agreement, the Bank Note, the Bank Deed of Trust, Bank ALR, Bank Financing Statement, and all documents executed by the Company in connection therewith, are referred to collectively as the "Bank Loan Documents."

D. City's Interest. The City and the Company have entered into that certain Funding Agreement effective as of June 21, 2024, which was amended pursuant to that certain First Amendment to City Funding Agreement effective as of the date hereof, pursuant to which the City agreed to provide a loan in the amount of $4,800,000 to the Company, secured by the Property (as amended, the "City Loan") for acquisition and development of the Project. The City Loan is evidenced by that certain Amended and Restated Promissory Note made by the Company to the order of the City, and secured by an Amended and Restated Deed of Trust executed by the Company, as grantor, in favor of First American Title Insurance Company, as trustee, and the City, as beneficiary, dated as of the date hereof and recorded in the Official Records (the "City Deed of Trust"), encumbering the Company's interest in the Property. As consideration for the City Loan, the Company also executed that certain Low Income Housing Covenant encumbering the Company's interest in the Property, dated as of June 21, 2024, and recorded in the Official Records as Instrument No. 2024-0601605 (the "City Covenant"). All documents identified in this Recital D, and any documents executed by Sponsor and/or the Company in connection therewith, are collectively referred to as the "City Loan Documents." References to the City Loan Documents include all advances made under the City Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals or replacements of the City Deed of Trust.

E. Commerce's Interest. Commerce made a loan to the Sponsor in the original principal amount of $5,000,000 through Commerce's Housing Trust Fund Program (the "Commerce Loan"). To evidence the Commerce Loan, Commerce and the Sponsor entered into that certain Capital Funding Contract (Contract No. 24-94110-022) (the "Commerce Contract"). Pursuant to the Commerce Contract, the Sponsor executed a Promissory Note in the amount of $5,000,000 (the "Commerce Note") and the Company executed (a) a Low Income

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Housing Covenant Agreement (the "Commerce Covenant") dated on or about the date hereof, to be recorded in the Official Records, and (b) a Deed of Trust appointing First American Title Insurance Company as trustee and naming Commerce as beneficiary, dated on or about the date hereof, to be recorded in the Official Records (the "Commerce Deed of Trust"). Commerce, the Company, and the Sponsor subsequently entered into that certain Assignment, Assumption and Consent Agreement, dated on or about the date hereof, to be recorded in the Official Records (the "Commerce Assignment"), whereby the Company assumed the Sponsor's interest in the Commerce Contract and Commerce Note. All documents identified in this Recital E, and any documents executed by Sponsor and/or the Company in connection therewith, are collectively referred to as the "Commerce Loan Documents". References to the Commerce Loan Documents include all advances made under the Commerce Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals or replacements of the Commerce Deed of Trust.

F. **County's Intended Future Interest**. The County has agreed to loan funds to the Sponsor for the development of the Project in the approximate amount of $1,386,485 (the "County Loan"), which will be awarded after the date of this Agreement. The County Loan will be evidenced by a Promissory Note executed by the Sponsor in the amount of $1,386,485 (the "County Note"). The County Loan will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing in favor of First American Title Insurance Company as trustee and the County as beneficiary (the "County Deed of Trust"), to be recorded in the Official Records after the date of this Agreement. In connection with the County Loan, the Company will also execute that certain Low Income Housing Covenant encumbering the Company's interest in the Property, to be recorded in the Official Records after the date of this Agreement (the "County Covenant"). The County, the Company, and the Sponsor intend to subsequently enter into an Assignment, Assumption and Consent Agreement to be recorded in the Official Records (the "County Assignment"), whereby the Company will assume the Sponsor's interest in the County Note. All documents identified in this Recital F, and any documents executed by Sponsor and/or the Company in connection therewith, are collectively referred to as the "County Loan Documents". References to the County Loan Documents include all advances made under the County Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals or replacements of the County Deed of Trust.

G. **Sponsor's Interests**. Pursuant to the Amended and Restated Operating Agreement of the Company, the Sponsor and/or the Managing Member has been granted a purchase option and right of first refusal to purchase the Company's interest in the Property (together with any other rights of the Sponsor or the Managing Member to acquire the Property or any interest therein, pursuant to the Amended and Restated Operating Agreement of the Company or otherwise, the "Sponsor Option"). The Sponsor Option is not recorded.

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H. Definitions. The Bank Deed of Trust, City Deed of Trust, Commerce Deed of Trust, and County Deed of Trust described above shall each be referred to individually as a "Deed of Trust" or collectively as the "Deeds of Trust." The Extended Use Agreement, City Covenant, Commerce Covenant, and County Covenant described above shall each be referred to individually as a "Covenant" or collectively as the "Covenants." All of the documents discussed in the Recitals section of this Agreement are collectively referred to as the "Documents" and the information and definitions contained in the Recitals are acknowledged by the Parties to be an incorporated, integral part of this Agreement.

I. Purpose. The parties wish to enter into this Agreement in order to establish their respective rights and priorities regarding the Property, all as more fully set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the Parties agree as follows:

1. Priorities. Regardless of the time each Party's interest in or lien on the Property was or shall be created or recorded, such interests and liens have and shall have the following priorities:

(a) First Priority. The Extended Use Agreement shall have first priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the Commission under the Extended Use Agreement. Subject to the terms of the Extended Use Agreement, the Extended Use Agreement shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof, or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

(b) Second Priority. The Commerce Covenant shall have second priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Commerce under the Commerce Covenant. Subject to the terms of the Commerce Covenant, the Commerce Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof, or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

(c) Third Priority. The City Covenant shall have third priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this

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Agreement are hereby made subordinate and subject to the rights and interests of the City under the City Covenant. Subject to the terms of the City Covenant, the City Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof, or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

(d) Fourth Priority. Once recorded, the County Covenant shall have fourth priority. Once recorded, the liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the County under the County Covenant. Subject to the terms of the County Covenant, once recorded, the County Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof, or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

(e) Fifth Priority. The Bank Deed of Trust, Bank ALR, and Bank Financing Statement shall have fifth priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the Bank under the Bank Deed of Trust.

(f) Sixth Priority. The Commerce Deed of Trust and the Commerce Assignment shall together be sixth in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of Commerce under the Commerce Deed of Trust and the Commerce Assignment.

(g) Seventh Priority. The City Deed of Trust shall be seventh in priority. The liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the City under the City Deed of Trust.

(h) Eighth Priority. Once recorded, the County Deed of Trust and the County Assignment shall be eighth in priority. Once recorded, the liens, rights and interests of the Parties created under documents with a lesser priority as established in this Agreement are hereby made subordinate and subject to the rights and interests of the County under the County Deed of Trust and County Assignment.

(i) Ninth Priority. The Sponsor Option shall be ninth in priority.

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For purposes of this Section 1, the lien or interest with "lesser priority" is the one with the higher numerical designation, so that, for example, "fifth priority" is a "lesser priority" than "fourth priority."

The Parties acknowledge that, notwithstanding the priority of the Covenants, to the extent there are no conflicts, the Covenants apply simultaneously, and the grantors thereunder are obligated to comply with each of them regardless of their relative priority or order of recording including, without limitation, the requirements in 26 U.S.C. § 42(h)(6)(E)(ii) and 26 U.S.C. § 142(d) contained in the Extended Use Agreement.

Any right of the Sponsor or any other Party to acquire the Property or any part thereof pursuant to any option or right of first refusal, including the Sponsor Option under the Amended and Restated Operating Agreement of the Company, is hereby made subject and subordinate to the other Lender's liens and interests described above and as set forth above. The Parties agree that the Lenders do not have any obligation to each other to advance funds or to see to the application of their respective loan proceeds and that any application of such proceeds contrary to the terms of any loan document shall not defeat the subordinations granted herein in whole or in part. The Parties also agree that except for such obligations as the Company or the Sponsor may have to other Parties hereto pursuant to agreements with such Parties: (i) the Parties do not have any obligations to each other to advance funds or to see to the application of their respective loan proceeds; and (ii) any application of such proceeds contrary to the terms of any Documents shall not defeat the subordinations granted herein in whole or in part; and (iii) nothing contained in this Agreement shall impair the right of any Party to pursue any right or remedy available to it in any of the agreements, covenants, regulatory agreements, deeds of trust or options referenced herein.

Each Covenant encumbering the Property shall survive the foreclosure of any deed of trust on the Property and shall be binding upon any person acquiring an interest in the Property by means of such foreclosure or deed in lieu thereof (unless such Covenant terminates upon foreclosure pursuant to the terms of such Covenant, in which case the terms of the applicable Covenant shall control over this Agreement), or that is a successor to one who acquires the Property by such means, for so long as such person shall retain the Property or hold any other interest in the Property, provided that nothing contained herein shall be deemed to amend the termination provisions in any Covenant.

Notwithstanding any other provisions of this Agreement, the priorities established hereunder shall not apply to, nor affect the security position of, any security agreement or pledge of cash accounts or other property to which only one Party hereto has been granted a security interest.

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The payment obligations of the Company under the City Loan Documents, the Commerce Loan Documents, and the County Loan Documents (collectively, the "Subordinate Loan Documents") are hereby subordinated to the obligations of the Company under the Bank Loan Documents, subject to the terms of this Section 1. The Company may make regularly scheduled payments under the Subordinate Loan Documents, if required, as long as all payments under the Bank Loan Documents are current and not delinquent or in arrears, and only so long as at the time of such payment: (a) no Event of Default or Default (as defined in the Bank Loan Documents) exists under the Bank Loan Documents; and (b) the payment would not result in a violation of any of the Company's covenants set forth in the Bank Loan Documents ("Permitted Payments"). At all times until the Bank Loan has been paid in full, all current payment obligations of the Company under the Bank Loan Documents shall be first paid in full by the Company before any payment shall be made by the Company under the Subordinate Loan Documents. In the event of any assignment by the Company for the benefit of the Company's creditors, or any bankruptcy proceedings instituted by or against the Company, or the appointment of any receiver for the Company or the Company's business or assets, or of any dissolution or other winding up of the affairs of the Company or of the Company's business or assets, any assignee, trustee in bankruptcy, receiver, and other person or persons in charge are hereby directed to pay to Bank the full amount of the Bank Note before making any payments under the Subordinate Loan Documents. In the event that any payment is made to a Lender under the Subordinate Loan Documents that is not permitted hereunder, such payment shall be held by the applicable Lender, in trust for the benefit of the Bank and shall be paid forthwith over and delivered to the Bank for application to the payment of amounts owed under the Bank Loan Documents.

Until the Bank Loan has been repaid in full, City, Commerce, and County (each a "Subordinate Lender," and collectively, the "Subordinate Lenders") agree for the benefit of Bank and its successors and assigns, that if a default occurs and is continuing under the Subordinate Loan Documents, Subordinate Lender shall not, without Bank's prior written consent, accelerate its loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other enforcement action with respect to the Property (excluding any action by Subordinate Lender, not previously enumerated, for other than monetary relief including, but not limited to specific performance, mandatory injunctive relief, or similar equitable remedy to compel compliance by Borrower with the terms of the Covenants. Consistent with the foregoing, each Subordinate Lender may require replacement of the property manager of the Property, but only to the extent authorized in the applicable Covenant and only following written notice of such action having been provided to Bank. Any replacement (or action for replacement of) of the property manager of the Property by Senior Lender is subject to Subordinate Lender' prior written consent, which consent Subordinate Lender will not unreasonably withhold.

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2. **Reliance; Company's Consent**. It is understood by the Parties hereto that the Lenders would not enter into, or make disbursement under, their respective loan documents without this Agreement. The Company consents to all the terms hereof.

3. **Insurance or Condemnation Proceeds**. Notwithstanding any provision of the Subordinate Loan Documents to the contrary, so long as amounts under the Bank Loan Documents remain unpaid, in the event of any damage to, or destruction, taking or condemnation (including deed in lieu thereof) of, the Property or any portion thereof, the application of any insurance or condemnation proceeds shall be governed by the terms of the Bank Loan Documents. Any funds to be applied to repair or restoration shall be held and administered by the Bank in accordance with the Bank Loan Documents, and the Bank shall be entitled to reasonable compensation for its services in connection with the administration of such funds, as set forth in the Bank Deed of Trust, *provided* that, if applicable law does not permit a lender to hold such proceeds, then the Bank shall have the right to designate an insurance trustee to administer the proceeds consistent with the Bank Deed of Trust subject to applicable law. For so long as amounts under the Bank Loan Documents remain unpaid, the Bank shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of the other Lenders under the Subordinate Loan Documents.

4. **Rents**. The Parties understand that the Company has assigned all leases, income, rents, and profits of the Property in connection with the Bank Loan Documents. The Parties agree that upon default under the Bank Loan Documents, the Bank shall have the absolute right to collect all rents and profits from the Property as provided in the Bank Loan Documents.

5. **Miscellaneous**.

(a) **Entire Agreement**. This Agreement constitutes the entire agreement among the Parties with respect to the priority of each Party's liens and interests in the Property described herein and all prior understandings and agreements on that subject are superseded hereby.

(b) **Applicable Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Washington. Venue shall be Whatcom County, Washington.

(c) **Notices**. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission during normal business hours, or two (2) business days after deposit in the U.S. mail, postage prepaid, (one (1) business day if sent by overnight courier) to

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the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate by notice to the other Parties. No transferee or successor of a Party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

Commission: Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046
Attn: Executive Director

Bank: KeyBank National Association
4910 Tiedeman Road, 3rd Floor
Mail Code OH-01-51-0311
Brooklyn, Ohio 44144
Attention: Community Development Lending
Telephone: (216) 689-5579
Reference: Bellis Fair Family Housing II, LLC

Commerce: Washington State Department of Commerce
Housing Trust Fund
P.O. Box 42525
Olympia, WA 98504-2525
Attn: Multifamily Housing Unit

City: City of Bellingham
Planning and Community Development
210 Lottie Street
Bellingham, WA 98225
Attn: Samya Lutz

With a copy to:

Office of the City Attorney
210 Lottie Street
Bellingham, WA 98225

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County: Whatcom County
311 Grand Avenue, Suite 108
Bellingham, WA 98225
Attn: County Executive

Sponsor: Opportunity Council
1111 Cornwall Avenue
Bellingham, WA 98225
Attn: Executive Director

Company: Bellis Fair Family Housing II, LLC
c/o Opportunity Council
1111 Cornwall Avenue
Bellingham, WA 98225
Attn: Executive Director

With a copy to:

PNC LIHTC Fund 97 MT 1, LLC
Columbia Housing SLP Corporation
Fox Tower
805 SW Broadway, Suite 2200
Portland, Oregon 97205-3339
Building Code: YFTP
Attention: Asset Management (Bellis Fair II)

Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, Massachusetts 02116
Attention: Kristen Cassetta, Esq

with a copy to:

SRI-Blueridge Pacific, LLC
c/o Shelter Resources, Inc.
2223 112th Avenue NE, Suite 102
Bellevue, Washington 98004

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Managing Member:	BF Family Housing II Manager, LLC c/o Opportunity Council 1111 Cornwall Avenue Bellingham, WA 98225 Attn: Executive Director

(d) **Successors; Assignment**. This Agreement is for the benefit of the Lenders and their respective successors and assigns, and not for the benefit of the Company. Any provision hereof may be waived or modified by agreement of the Lenders (or by any two or more of them, if the other(s) are unaffected thereby) without the consent of the Company and without affecting the priority of the liens and interests of the Lenders. The heirs, administrators, assigns and successors-in-interest of the Parties shall be bound by this Agreement. This Agreement may be assigned by a Party only as a part of an assignment of such Party's loan documents described in this Agreement.

(e) **Amendment**. This Agreement may be amended only by a writing signed by the Parties hereto, but this clause shall not impair the validity of any further agreements among fewer than all of the Parties hereto as among themselves.

(f) **Counterparts**. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all Parties execute each counterpart.

(g) **Completion of Recording Information**. If this Agreement is signed without completion of certain recording information called for above, any title insurance company acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.

(h) **Consent to Other Parties' Loan Documents**. By executing this Agreement, each Party hereby acknowledges and consents to the execution of, and, where appropriate, the recording of, the documents described in Recitals A through G herein.

[signature pages follow]

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

COMMISSION:

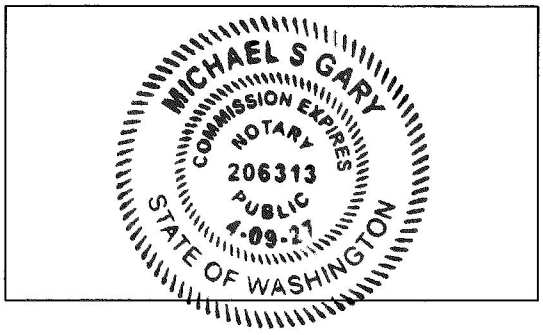
WASHINGTON STATE HOUSING FINANCE COMMISSION,
a public body corporate and politic of the State of Washington

By: _____
Name: Lisa Vatske
Title: Director, MHCF Division

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Lisa Vatske, is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Director, MHCF Division of the **Washington State Housing Finance Commission**, a public body corporate and politic of the State of Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11-12-2025.



_____

Print Name: Michael S. Gary

Residing at: Pierce County

My appointment expires: April 9, 2027

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

BANK:

KEYBANK NATIONAL ASSOCIATION,
a national banking association

By: _____
Name: Ted Robinson
Title: Vice President

STATE OF OHIO)
) ss.
COUNTY OF CUYAHOGA)

I certify that I know or have satisfactory evidence that Ted Robinson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Vice President of **KEYBANK NATIONAL ASSOCIATION**, a national banking association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 10, 2025.

_____
Notary Public
Print Name Melanie Sarver
My commission expires 2/02/2030

NOTARIAL SEAL
STATE OF OHIO

MELANIE SARVER
Notary Public, State of Ohio
My Commission Expires:

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

COMMERCE:

WASHINGTON STATE DEPARTMENT OF COMMERCE,
a state agency

By: _____
Name: Todd Kelleher
Title: Interim Assistant Director, Housing Division

STATE OF WASHINGTON
COUNTY OF THURSTON | ss.

I certify that I know or have satisfactory evidence that TODD Kelleher is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Interim Assistant Director of the Housing Division of the **WASHINGTON STATE DEPARTMENT OF COMMERCE**, a state agency, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the 2 day of December 2025.

CAM HO
Notary Public
State of Washington
License Number 178020
My Commission Expires
March 26, 2029

_____
Print Name: Cam Ho
Residing at: Olympia, WA
My appointment expires: 3/26/2029

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

CITY:

CITY OF BELLINGHAM

By: _____
Kim Lund, Mayor

Date: 12/1/25

Attest: _____
Finance Director

Approved as to Form:

_____ _____ SJ
Office of City Attorney Director of Planning & Community Development

STATE OF WASHINGTON)

) ss.

COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that **KIM LUND** is the person who appeared before me, and said person acknowledged she signed this instrument on oath stated she was authorized to execute the instrument and acknowledged it as the **Mayor** of the **CITY OF BELLINGHAM** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 12/01/2025

KATHARINE L BEMIS Commission Expires 07-16-2029 NOTARY PUBLIC License Number 25022311 STATE OF WASHINGTON

_____
Signature of Notary Public

Katharine L. Bemis
Name Printed

notary public
Title

My Appointment Expires: 07/16/2029

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

COUNTY:

WHATCOM COUNTY, a political subdivision of the State of Washington

By: for Kayla Schott-Bresler
Name: Satpal Sidhu
Title: County Executive
Deputy Executive

APPROVED AS TO FORM

Deputy
Christopher Quinn, Prosecuting Attorney 16647
Greg Erickson

2/10/25
Date

STATE OF WASHINGTON)
)
COUNTY OF WHATCOM)

Kayla Schott-Bresler

I hereby certify that I know or have satisfactory evidence that ~~Satpal Sidhu~~ appeared before me, and acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument, and acknowledged it as the Deputy County Executive of **WHATCOM COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal this 10th day of December, 2025.

JAKE LOGAN
NOTARY PUBLIC
STATE OF WASHINGTON
APPOINTMENT EXPIRES September 10, 2028
COMM # 24026606

Notary Public

Print Name Jake Logan

My commission expires 12.10.25

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IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

SPONSOR:

OPPORTUNITY COUNCIL,
a Washington nonprofit corporation

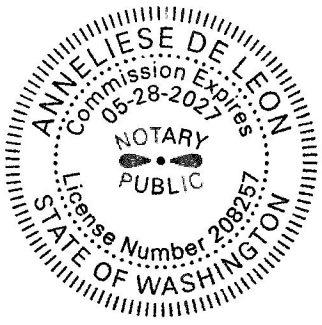
By: _____
Name: Greg Winter
Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that Greg Winter is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Financial Officer of **Opportunity Council**, a Washington nonprofit corporation, to be the free and voluntary act of such nonprofit corporation for the uses and purposes mentioned in the instrument.

DATED this 1st day of December, ~~2025~~.

(Seal or Stamp)



_____
(Signature of Notary)

Anneliese de Leon
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires: May 28, 2027

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

COMPANY:

Bellis Fair Family Housing II, LLC,
a Washington limited liability company

By: BF Family Housing II Manager, LLC
Its: Managing Member

By: Opportunity Council
Its: Manager

By: _____
Name: Greg Winter
Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that Greg Winter is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Opportunity Council, manager of BF Family Housing II Manager, LLC, managing member of **Bellis Fair Family Housing II, LLC**, a Washington limited liability company, to be the free and voluntary act of such nonprofit corporation on behalf of such company on behalf of such company for the uses and purposes mentioned in the instrument.

DATED this 1st day of December, 2025.

(Seal or Stamp)

ANNELIESE DE LEON
Commission Expires 05-28-2027
NOTARY PUBLIC
License Number 208257
STATE OF WASHINGTON

_____
(Signature of Notary)

Anneliese de Leon
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires: May 28, 2027

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first written above.

MANAGING MEMBER:

BF FAMILY HOUSING II MANAGER, LLC,
a Washington limited liability company

By: Opportunity Council
Its: Manager

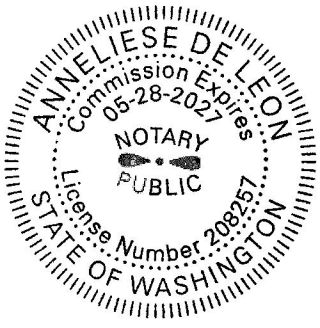
By: _____
Name: Greg Winter
Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

I certify that I know or have satisfactory evidence that Greg Winter is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Opportunity Council, manager of **BF Family Housing II Manager, LLC**, a Washington limited liability company, to be the free and voluntary act of such nonprofit corporation on behalf of such company for the uses and purposes mentioned in the instrument.

DATED this 1st day of December, 2025.

(Seal or Stamp)



_____
(Signature of Notary)

Anneliese de Leon
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires: May 28, 2027

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EXHIBIT A
LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Whatcom, State of Washington, and is described as follows:

Parcel A:

LOT 2 OF BELLIS FAIR MALL TRACT B SHORT PLAT NO. 2745 RECORDED UNDER RECORDING NO. 2023-1000311, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel B:

A NON-EXCLUSIVE EASEMENT FOR ELECTRIC LINE AS CREATED BY THAT EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002482, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel C:

A NON-EXCLUSIVE EASEMENT FOR STORMWATER AS CREATED BY THAT STORMWATER EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2025-1002528, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel D:

A NON-EXCLUSIVE EASEMENT FOR DRIVEWAY AND PARKING AS CREATED BY THAT DRIVEWAY AND PARKING EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200439, RECORDS OF WHATCOM COUNTY, WASHINGTON.

Parcel E:

A NON-EXCLUSIVE EASEMENT FOR NO-BUILD AREA AS CREATED BY THAT NO-BUILD EASEMENT AGREEMENT RECORDED UNDER RECORDING NO. 2024-1200440, RECORDS OF WHATCOM COUNTY, WASHINGTON.

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EXHIBIT "J"

(AMENDED AND RESTATED OPERATING AGREEMENT)

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EXECUTION VERSION

AMENDED AND RESTATED

OPERATING AGREEMENT OF

BELLIS FAIR FAMILY HOUSING II, LLC

December 12, 2025

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

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AMENDED AND RESTATED OPERATING AGREEMENT OF BELLIS FAIR FAMILY HOUSING II, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "**Agreement**") is entered into as of December 12, 2025, by and among **BF FAMILY HOUSING II MANAGER, LLC**, a Washington limited liability company (the "**Managing Member**"), **PNC LIHTC FUND 97 MT 1, LLC**, a Delaware limited liability company (the "**IM**"), and **COLUMBIA HOUSING SLP CORPORATION**, an Oregon corporation (the "**SM**").

W I T N E S S E T H :

WHEREAS, the Company was originally formed as a limited liability company under the laws of the State pursuant to the Original Certificate and Original Agreement; and

WHEREAS, this Agreement is entered into to amend and restate the Original Agreement to (i) admit the IM and SM as Investment Members, and (ii) set out more fully the rights, obligations, and duties of the Managing Member and the Investment Members.

NOW, THEREFORE, the parties agree to the continuation of the Company as a limited liability company pursuant to the Company Act upon the following terms and conditions which amend, restate and supersede those set forth in the Original Agreement. Capitalized terms shall have their meanings set forth in Article II.

ARTICLE I

NAME AND BUSINESS

1.1. Name. The name of the Company continues to be Bellis Fair Family Housing II, LLC, and the federal tax identification number for the Company is 93-2294284.

1.2. Place of Business; Registered Agent. The principal place of business of the Company in the State is located at the address so identified in the Schedule, or such other place as the Managing Member may hereafter designate upon written notice to the Investment Members. The Company's registered agent for service of process in the State shall be as identified in the Schedule.

1.3. Managing Member and Investment Members; Time of Admission and/or Withdrawal.

(a) The names and addresses of the Members are as set forth on Exhibit 2.

(b) The IM and the SM shall be deemed to be admitted to the Company as such as of the Closing Date.

(c) Any Member admitted after the Closing Date in accordance with this Agreement shall be deemed to have been admitted to the Company as of the first day of the calendar month during which such Member is admitted.

1.4. Purposes. The only purposes of the Company are to acquire, construct and/or rehabilitate as applicable, own, develop, operate, maintain, manage, lease, sell, mortgage or otherwise dispose of the Project. The Project shall be operated in accordance with Section 42 of the Code and applicable Lender

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and Agency requirements taking into account the overriding obligation to ensure the availability of Tax Credit to the Company as provided herein. The IM acknowledges that the sole member of the Managing Member is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, engaged in providing low income housing. The IM acknowledges that the Company will operate the Project in a manner that furthers the charitable purpose of the sole member of the Managing Member, by providing decent, safe, sanitary and affordable housing for low income persons and families.

1.5. Term. The Company shall continue until the Termination Date.

ARTICLE II

DEFINITIONS

Accountant Addendum means the addendum to the engagement letter entered into between the Company and the Accountants, the form of which is attached as Exhibit 9.

Accountants means the firm so identified in the Schedule, or such other certified public accountant firm with expertise in partnership tax and accounting and Section 42 of the Code as may be engaged by the Managing Member at the expense of the Company and with the Consent of the SM, which Consent shall not be unreasonably withheld, conditioned or delayed.

Actual Tax Credit means, with respect to any Fiscal Year, the total amount of Tax Credit properly reported and available to be claimed by the Company and the IM on the respective federal information and income tax returns for that Fiscal Year, and allowed to the Company and the IM, taking into account any adjustments thereto by the Internal Revenue Service.

Additional Credit shall have the meaning set forth in Section 3.5(c).

Adjustment Amount shall have the meaning described in Section 3.5.

Affiliate means as to any Person (a) any other Person directly or indirectly controlling, controlled by or under common control with such initial Person, (b) any other Person controlling 10% or more of the outstanding voting securities of such initial Person, (c) any officer, director, trustee, manager, managing member or general partner of such initial Person, and (d) if such initial Person is an officer, director, trustee, manager, managing member or general partner of any company or entity, any other company or entity for which such Person acts in any such capacity.

Affiliate Loan means any loan or advance made to the Company by the Managing Member, Developer or Guarantor and Affiliates thereof.

Agency means the Tax Credit Agency, and any other government or regulatory agency providing financial assistance or regulatory oversight to the Project or the Company.

Agency Set-Aside Test means the set-aside test whereby at least 16 of the units in the Project must be occupied by individuals with income equal to no more than 30% of area median income, as adjusted for family size, at least 32 of the units in the Project must be occupied by individuals with income equal to no more than 40% of area median income, as adjusted for family size, and at least 16 of the units in the Project must be occupied by individuals with income equal to no more than 60% of area median income, as adjusted for family size. In addition, 13 of the units in the Project will be set aside for seniors exiting from homelessness.

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Agreement means this Amended and Restated Operating Agreement, as it may be amended from time to time.

AHAP Contract means the agreement to enter into housing assistance payments contract so identified in the Schedule.

AIA means the American Institute of Architects.

ALTA Survey means a survey of the Project prepared in accordance with 2021 surveying standards of the American Land Title Association and the American Congress on Surveying and Mapping and certified to the Company, the IM and the SM and otherwise in form and substance satisfactory to the SM.

Ancillary Income means any type of underwritten revenue (as specified in Exhibit 8) which is received by the Company and is not residential rental income.

Applicable Percentage means the percentage defined in Section 42(b) of the Code.

Applied Amounts shall have the meaning given to it in Section 6.13.

Authorized Signer Form means the form described in Section 3.2(e) and attached hereto as Exhibit 11.

Breakeven Operations means, for any specified period, the Operating Revenues (based on actual Project operations rather than underwritten) equal or exceed Operating Expenses (based on actual Project operations rather than underwritten), mandatory Debt Service, and any other monetary obligation of the Company then due and payable under any of the Project Documents.

Budget Act means the Bipartisan Budget Act of 2015, Pub L. No. 114-74.

Builder means the company so identified in the Schedule.

Capital Account shall have the meaning given in Section 3.3.

Capital Contribution means the amount of money or the fair market value of other property contributed to the Company by a Member as provided in Article III.

Capital Expenditures means customary and reasonable costs and expenses incurred by the Company in connection with certain major repairs, replacements and improvements of the Project which are normally capitalized under generally accepted accounting principles, including, but not limited to, the performance of work to the roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, exterior walls, exterior doors and doorways, windows, elevators, interior walls, appliances, carpeting, painting, vinyl flooring, plumbing, plumbing fixtures, countertops, cabinets, water heaters, electrical systems, electrical fixtures, clubhouse repairs, pool, spa, landscaping, fences, gates, parking areas, carports, garages, sidewalks, light fixtures, shingles, woods, bricks, stucco, security systems, smoke detectors, stairs, boilers, laundry room, window treatments, bath vanities, bathtubs and mechanical and HVAC equipment, and excluding ordinary maintenance.

Carryover Allocation means a valid issuance of an allocation of Tax Credit to the Company in the amount set forth in the Schedule made pursuant to Section 42(h)(1)(E) of the Code.

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Change in Law means an amendment to the Code or Treasury Regulations that is applicable to the Company and that provides for a change in the amount of the Tax Credit or that substantially changes the requirements for qualifying for the Tax Credit in a manner which Tax Counsel determines cannot be satisfied by the Company. A Change in Law shall not include any amendment or change to the Code or Treasury Regulations or IRS interpretation of the Code or Treasury Regulations resulting in (a) a change to the highest marginal tax rate for corporations (b) a change relating to the use of the "average income test" as a mechanism to meet the Minimum Set-Aside Test and/or (c) any other change if the effect on the Tax Credit falls within the scope of the adjuster provisions set forth in Section 3.5(b)(2)(ii).

City means the City of Bellingham, Washington.

City Loan means the loan so identified in the Schedule.

Closing Date means the date of this Agreement or, if later, the date the IM and SM are admitted to the Company.

Code means the Internal Revenue Code of 1986, as amended.

Company means the limited liability company continued under this Agreement.

Company Act means the applicable limited liability company act of the State.

Company Audit Rules means the partnership audit provisions of the Budget Act.

Company Management Fee shall have the meaning set forth in Section 6.8(d).

Company Manager means the Member designated to perform certain management services as provided in Section 6.10.

Completion Date means the date as identified in the Schedule.

Compliance Period shall have the meaning defined in Section 42(i) of the Code.

Consent means prior written approval in accordance with Section 13.4.

Construction Consultant means the firm so identified in the Schedule.

Construction Contract means the agreement so identified in the Schedule.

Construction Draw shall have the meaning set forth in Section 10.7(a)(2).

Construction Loan means the loan so identified in the Schedule.

Controlling Interest means the power to direct the management and policies of any Person as a result of holding directly or indirectly whether through the ownership of voting securities, by contract or otherwise (which shall include, without limitation, the Person(s) with the largest share of voting rights in such Person).

Cost Certification means the written certification of the Accountants, in form and substance reasonably satisfactory to the SM and conforming to the Tax Credit Agency's approved format, as to the itemized amounts of the construction and/or acquisition and rehabilitation costs, as applicable, together

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with all other development costs of the Project and the Eligible Basis and Applicable Percentage pertaining to each building in the Project.

County means Whatcom County, Washington.

County Loan means the loan so identified in the Schedule.

Credit Adjuster Obligation shall have the meaning set forth in Section 3.5(b).

Credit Period shall have the meaning defined in Section 42(f)(1) of the Code.

Debt Service means principal, interest and other recurring charges and fees (other than reserves that are included in Operating Expenses) required to be paid monthly, quarterly or annually in connection with any Permitted Loan if payment is not contingent on available Net Cash Flow.

Debt Service Coverage means Operating Revenue less Operating Expenses expressed as a percentage of all mandatory Debt Service (including pro forma monthly principal and interest payments on the Permitted Loan if the month under consideration is prior to commencement of principal and amortization on the Permitted Loan or for any monthly period that the Company has agreed to a forbearance with any Lender). For the purposes of the foregoing calculation, actual Debt Service shall be modified to reflect the maximum possible monthly debt service payment amounts during the life of the relevant Permitted Loan (absent default or maturity), even if such maximum amounts are not then accruing or being charged.

Deferred Development Fee shall have the meaning set forth in Section 6.8(a).

Delivery Percentages means the percentages on the Schedule.

Designated Individual means the individual appointed by the Company to serve as the "designated individual" pursuant to Treasury Regulation 301.6223-1(b)(3) and who is the sole party through whom the Partnership Representative shall act.

Developer means the entity so identified in the Schedule. In the event that there is more than one Developer, then the term "Developer" will include all such Developers.

Development Agreement means the agreement so identified in the Schedule.

Development Completion Obligation shall bear the meaning set forth in Section 6.7(j).

Development Costs means, at any point in time, all costs, liabilities and expenses associated with acquiring, constructing/rehabilitating, developing or operating the Project, including, but not limited to, those costs reflected in the Project Forecast and including payment of the Development Fee (net of any Deferred Development Fee), which have been incurred to (i) acquire the Project, (ii) achieve Final Construction Completion, (iii) remedy any defects in the construction of the Project and/or any variance in construction from the Plans and Specifications that is discovered within one (1) year after substantial completion (as defined in the Construction Contract) of all of the dwelling units or should have been discovered within such time period and is discovered not later than three (3) years after initial occupancy of all of the dwelling units, (iv) achieve Stabilized Occupancy (including all Operating Expenses and Debt Service attributable to the period prior to achievement of Stabilized Occupancy), (v) fund the reserves (including, without limitation, the reserves specified in Section 6.5(c) herein) and escrows required hereunder and (vi) achieve Mortgage Loan Commencement.

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Development Fee means the fee described in Section 6.8(a) in the amount set forth in the Schedule.

Development Fee Schedule means the anticipated schedule for payment of Development Fee set forth in the Schedule.

Development Funds means, at any point in time, the aggregate of (i) proceeds of the Permitted Loan and Capital Contributions which have been funded to the Company, (ii) Operating Revenue of the Company and (iii) available insurance proceeds of the Company, but only to the extent the foregoing are permitted to be used to satisfy Development Costs.

Distributions means any money or other property distributed to Members with respect to their interests in the Company without consideration therefor, but shall not include any payments permitted by Section 6.8.

DRO Notice shall have the meaning set forth in Section 11.2.

Economic Occupancy means, for a given period of time, the actual gross rental revenues received from the Project less rent concessions, rebates and credit loss divided by contracted rents under written leases.

8609 Application Filing means the filing by the Company of all required documents with the Tax Credit Agency for purposes of the 8609 Issuance, which documents must be reasonably satisfactory to the SM (which may be, for example, a cover letter and acknowledgement from the Tax Credit Agency).

8609 Issuance means the valid issuance by the Tax Credit Agency of Internal Revenue Service Form(s) 8609 for each residential building in the Project.

Eligible Basis shall have the meaning set forth in Section 42(d) of the Code.

Environmental Laws means all local, state, and federal laws, ordinances, regulations, orders, and reported state or federal court decisions thereunder relating to: environmental protection, the use, storage, generation, production, treatment, emission, release, discharge, remediation, removal, disposal, or transport of any Hazardous Substance, or any other environmental matter, including, but not limited to, any of the following statutes:

(a) Federal Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901-6991k;
(b) Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9675;
(c) Federal Clean Air Act, as amended, 42 U.S.C. §§ 7401-7642;
(d) Federal Hazardous Material Transportation Control Act of 1970, as amended, 42 U.S.C. §§ 1801-1812;
(e) Federal Clean Water Act of 1977, as amended, 33 U.S.C. §§ 1251-1387;
(f) Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. §§ 136-136y;
(g) Federal Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671;
(h) Federal Safe Drinking Water Act, 42 U.S.C. §§ 300f-300i-26;
(i) Federal Atomic Energy Act, 42 U.S.C. §§ 2011-2297g-4;
(j) Federal Occupational Safety and Health Act of 1970, as amended, 19 U.S.C. §§ 651 et seq.; and
(k) Federal Oil Pollution Act of 1990, as amended, 33 U.S.C. §§ 2701 et seq.

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Environmental Reports means those certain reports so identified in the Schedule.

Event of Bankruptcy means, with respect to the Company, a Guarantor, or a Person with a Controlling Interest in the Managing Member (i) the voluntary or involuntary filing of a petition in bankruptcy by or against any of the foregoing parties under the Bankruptcy Code (11 U.S.C. §§ 1101 et seq.), as amended, or any successor statute thereto, or the commission of an act of bankruptcy (except if the filing of the petition in bankruptcy or act of bankruptcy is susceptible to cure or dismissal and is so cured or dismissed within sixty (60) days of the filing or act thereof); (ii) the voluntary or involuntary commencement of an assignment for the benefit of creditors, a receivership or other insolvency proceeding pursuant to state law or as determined by court proceedings; or (iii) with respect to any Managing Member, any of the following:

(a) The making of an assignment for the benefit of creditors or the filing of a voluntary petition in bankruptcy by any Managing Member;

(b) The filing of an involuntary petition in bankruptcy against any Managing Member which is not dismissed within sixty (60) days after filing or the adjudication of a Managing Member as a bankrupt or insolvent;

(c) The filing by any Managing Member of a petition or answer seeking for such Managing Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule;

(d) The filing by any Managing Member of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Managing Member in any proceeding of a nature described under subparagraph (c) above;

(e) The seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator by any general partner, manager, or managing member of a Managing Member or of all or a substantial part of such Managing Member's properties;

(f) The commencement of a proceeding against any Managing Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule not dismissed within sixty (60) days after commencement of the proceeding;

(g) The appointment, without a Managing Member's consent, of a trustee, receiver or liquidator, either of such Managing Member or of all or a substantial part of such Managing Member's properties, which is not vacated or stayed on or before the sixtieth (60th) day after such appointment and, if stayed, is not vacated on or before the sixtieth (60th) day after expiration of the stay;

(h) The admission in writing by any Managing Member of its inability to pay its debts as they become due; or

(i) Any Managing Member becoming "insolvent" by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the Bankruptcy Code, the Uniform Fraudulent Transfers Act, any similar state or federal act or law, or the ruling of any court.

Event of Default shall have the meaning set forth in Section 7.7(a).

Event of Withdrawal shall have the meaning set forth in Section 9.1.

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Exit Taxes means the amount of applicable federal income taxes, state income taxes, sales and franchise taxes, transfer fees and related government assessments payable by the IM (or the members/owners of the IM) (taking into account all applicable deductions and credits attributable to such taxes in each taxing jurisdiction) in connection with a specified sale of the Project or liquidation of the Company, in each case assuming each such member is a corporation that is not a closely-held corporation, pays taxes at the highest applicable marginal tax rate generally applicable to corporations and is not subject to the alternative minimum tax, and taking into consideration, on a reiterative basis, the payment of such Exit Taxes as part of such sale or liquidation. Notwithstanding anything to the contrary herein, Exit Taxes shall be limited to the tax liability arising from the amount by which the negative capital account exceeds the amount reflected in the projections at the time of the Investment Members' admission into the Company.

Extended Low Income Housing Use Commitment means the agreement by and between the Tax Credit Agency and the Company which meets the requirements of Section 42(h)(6) of the Code and Rev. Rul. 2004-82.

Final Construction Completion means construction and/or rehabilitation of the Project, as applicable, has been completed without lien or defect in accordance with the Plans and Specifications based on the receipt and acceptance by the SM of each of the following items:

(a) an "AIA Form G704 Certificate of Substantial Completion" issued by the Project Architect with a copy of any punch list items not yet completed;

(b) a final inspection report by the Construction Consultant acceptable to the SM and confirming:

(1) all incomplete punch list items do not exceed 2% of the fixed price set forth in the Construction Contract; and

(2) the punch list items can be completed in the ordinary course of business;

(c) final unconditional certificates of occupancy (or local equivalent) for all units in the Project;

(d) final lien waivers from the Builder conditioned only to the extent payment has not been received on any incomplete punch list items;

(e) evidence, reasonably satisfactory to the SM, that an amount equal to not less than 150% of the expected costs to complete all outstanding punch list items has been held back from the current Installment funding solely as an escrow for such costs; and

(g) receipt by the SM of a mold and moisture operations and maintenance plan ("Mold & Moisture O&M Plan") and documentation evidencing implementation of such plan, including but not limited to completion of any recommended repairs or remediation, all in form and substance satisfactory to the SM.

Final Determination shall have the meaning set forth in Section 6.7(k).

Fiscal Year means the fiscal year of the Company, as determined in accordance with Section 10.3.

Force Majeure means a tornado, hurricane, flood or earthquake which directly impacts the Project and as a result the Property is located in a federally declared disaster area.

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Forecasted Tax Credit shall have the meaning set forth in the Schedule.

Funding Certificate means the certification of the Managing Member, the form of which is attached hereto as Exhibit 3. The Funding Certificate shall be delivered with respect to all Installments (including draws of First Installment proceeds) following closing.

Governmental Regulations means all present and future statutes, regulations, rules, ordinances, codes, licenses, requirements, resolutions, policy statements, standards and orders (including, without limitation, those relating to land use, subdivision, permitting, building code, zoning, environmental, toxic or hazardous waste, occupational health and safety, mold, water, earthquake, hazard reduction and building and fire codes) of any federal, state or local authority, and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the ownership, construction, alteration, rehabilitation, maintenance, use, operation, sale or other disposition of the Project.

Guarantor means each party so identified in the Guaranty in the capacity as guarantor of the obligations of the Managing Member and Developer. If at any time there shall be more than one such guarantor, the term "Guarantor" shall mean each such guarantor.

Guaranty means the Agreement of Guaranty executed by the Guarantor and of even date herewith, the form of which is attached hereto as Exhibit 5.

HAP Contract shall have the meaning set forth in the Schedule.

Hazardous Substance means any hazardous mold or fungus, and any other hazardous or toxic substance, material or waste which is regulated by any local governmental authority, the state in which the Property is located or the United States government (excluding, however, substances that are used in the ordinary course of business of developing, operating or occupying a housing project to the extent such use is in compliance with all laws, ordinances and regulations pertaining thereto). The term "Hazardous Substance" shall include, without limitation, any material or substance which is (A) defined as a solid waste, hazardous waste, extremely hazardous waste, restricted hazardous waste, toxic waste, radioactive material or substance, or a hazardous substance under the laws of the state or locality in which the Property is located or any regulations or orders now promulgated or hereinafter promulgated thereunder, or (B) designated or becomes designated as a "hazardous substance" pursuant to any Environmental Laws.

HTF Loan means the loan so identified in the Schedule.

HUD shall mean the United States of America acting through the Department of Housing and Urban Development.

IM means the entity so identified in the recitals of this Agreement, and those Persons who replace it as Substitute Investment Member(s).

Incentive Management Fee shall have the meaning set forth in Section 6.8(c).

Income Expense Coverage means Operating Revenue less Operating Expenses expressed as a percentage of all mandatory Debt Service (including pro forma monthly principal and interest payments on the Permitted Loan if the month under consideration is prior to commencement of principal and amortization on the Permitted Loan or for any monthly period that the Company has agreed to a forbearance with any Lender). For the purposes of the foregoing calculation, actual Debt Service shall be modified to reflect the maximum possible monthly debt service payment amounts during the life of the relevant

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Permitted Loan (absent default or maturity), even if such maximum amounts are not then accruing or being charged.

Indemnitees means, collectively, the IM and the SM, their respective Affiliates, partners, members, shareholders, directors, officers, managers, agents, representatives and employees, and each of their successors and assigns.

Installment(s) shall have the meaning set forth in Section 3.2.

Investment Member means any IM, SM or Substitute Investment Member.

Investor Services Fee means the fee described in Section 6.8(b) in the amount set forth in the Schedule.

Lender means any Person who makes a Permitted Loan to the Company for so long as such loan remains outstanding.

Licenses and Permits means (A) all zoning and other licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps and entitlements required, issued, approved or granted by any Agency or otherwise required in connection with the Project; (B) documents pertaining to any and all development rights and other intangible rights, titles, interests, privileges and appurtenances owned by the Company and in any way related to or used in connection with the Project; and (C) all licenses, consents, easements, rights of way and approvals required from private parties and required in connection with the operation, development and the construction and/or rehabilitation of the Project.

Low Income Unit shall have the meaning set forth in Section 42(i)(3) of the Code and shall mean all sixty-four (64) apartment units of the Project.

Managing Member means the entity so identified in the recitals of this Agreement and any other Person or Persons who succeed it in its capacity as a managing member of the Company, and any additional managing member of the Company admitted as provided herein. If at any time the Company shall have more than one managing member, the term "Managing Member" shall mean each such managing member. For purposes of this Agreement and the authority granted herein, the Managing Member shall be deemed the "Manager" of the Company under the Company Act and the Company shall be "manager-managed" pursuant to RCW 25.15.154.

Material Participation Agreement means that certain Material Participation Agreement by and between the Sponsor and the Company dated as of the date hereof.

Member means any Managing Member or Investment Member.

Minimum Set-Aside Test means the set-aside test selected by the Company pursuant to Section 42(g) of the Code whereby at least 40% of apartment units in the Project must be occupied by individuals with income equal to no more than 60% of area median income, as adjusted for family size.

Mortgage Loan Commencement means the first date on which all of the following shall have occurred:

(a) [reserved];

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(b) All interest which shall have accrued during construction of the Project under any Permitted Loan shall have been either paid or capitalized and added to the principal amount due thereunder;

(c) All fees due and payable to the Lender by the Company have been paid; and

(d) Written evidence reasonably satisfactory to the SM indicating the lien securing the Construction Loan has been discharged or will be discharged upon payment of the Capital Contribution which has as its condition Mortgage Loan Commencement.

Net Cash Flow means Operating Revenue less (a) Operating Expenses (including Replacement Reserve Account required amounts), (b) Debt Service and (c) Capital Expenditure payments to the extent not paid from any applicable reserve or other source in the Project Budget.

Net Cash Proceeds means the net cash (including collection of both principal and interest on any deferred payments) received by the Company from a Sale or Refinancing, after payment of all expenses related thereto.

Net Loss means the net loss of the Company from its activities, other than a Sale, as determined in accordance with the regulations under Section 704(b) of the Code using the method of accounting used by the Company for regular federal income tax purposes.

Net Loss From Sale means the net loss of the Company recognized from a Sale, as determined in accordance with the regulations under Section 704(b) of the Code using the method of accounting used by the Company for federal income tax purposes.

Net Profit means the net profit of the Company from its activities, other than a Sale, as determined in accordance with the regulations under Section 704(b) of the Code using the method of accounting used by the Company for regular federal income tax purposes.

Net Profit From Sale means the net profit of the Company recognized from a Sale, as determined in accordance with the regulations under Section 704(b) of the Code using the method of accounting used by the Company for regular federal income tax purposes.

ODG Cap means the amount provided in the Schedule.

ODG Period means the period commencing on Stabilized Occupancy and ending on the ODG Period End Date.

ODG Period End Date means the first day upon which, for a period of four (4) consecutive quarters (commencing not earlier than six (6) months prior to the 60-month anniversary of Stabilized Occupancy), the achievement of the following for each such quarters: (a) monthly Income Expense Coverage which results in a projected 107% Income Expense Coverage for each year throughout the Compliance Period and which is based on the assumptions in the Project Forecast, including a 2.00% income and 3.00% expense escalation, (b) monthly average physical occupancy of at least 90% of the units by tenants (who must be Qualified Tenants in the case of the Low Income Units) paying contract rents under written leases, and (c) monthly average Economic Occupancy of at least 80%; provided the balance in the Operating Reserve Account must be an amount not less than the Operating Reserve Amount on the last day of such four (4) consecutive quarter period. For purposes of the foregoing calculations, the calculation of Income Expense Coverage shall be based on then current Project operations, provided that such operations accurately reflect historic operating history and trends, current actual taxes and insurance, and an economic vacancy of 6.75%

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of gross potential rents. Evidence of ODG Period End Date shall be subject to review and approval by the SM to confirm that the calculations conform to the requirements herein.

100% Occupancy Date means the first date upon which not less than 100% (or as low as 90% to the extent all Adjustment Amounts have been paid as required herein) of the Low Income Units shall have been leased to and physically occupied by Qualified Tenants at rents meeting the requirements of the Rent Restriction Test, provided that on the date the conditions to the Installment containing the "100% Occupancy Date" have been achieved not less than 90% of the Low Income Units shall be physically occupied by Qualified Tenants. Evidence of the eligibility of each tenant shall have been provided to and approved by the SM on a tenant certification form pursuant to the requirements of the Tax Credit Agency and shall include a copy of each tenant's executed lease, approved by the SM in accordance with Section 10.7(b) and, if required, by each Lender and Agency.

Operating Deficit means for any period the total amount by which (i) the sum of the Company's Operating Expenses and Debt Service exceeds (ii) Operating Revenue during such period.

Operating Deficit Obligations shall bear the meaning set forth in Section 4.9(e).

Operating Expenses means for a specified period (using the accrual basis of accounting and ensuring that costs and expenses are paid on a current basis) all of the costs and expenses incident to the ownership and operation of the Project in accordance with the provisions of this Agreement, including, without limitation, monthly deposits required to fund the Replacement Reserve Account and required deposits to fund any other reserves required hereunder or by any Lender or Agency, reasonable monthly reserves for real estate taxes (based on full assessed value of the Project for any period in which the Property Tax Abatement is not in effect), and insurance premiums, costs of maintenance (including any deferred maintenance) and utilities, costs of administration of the Company (including the fees of the Accountants), all property management fees, supportive service expenses (to the extent the Company is required to pay or reimburse for such services), leasing fees, compliance monitoring fees, all sales, excise and other taxes payable by the Company (but excluding income taxes of the Members), and all other costs, expenses, and payments by the Company (whether or not subject to reimbursement by tenants) in connection with the ownership, management, leasing, operation, and administration of the Project and/or any other assets of the Company; provided, however, that Operating Expenses shall exclude depreciation and other non-cash charges, Debt Service, initial funding or replenishment of the Operating Reserve Account, Development Costs, and any other fees or payments contingent on available Net Cash Flow. For purposes of determining Stabilized Occupancy, all Operating Expenses shall be based on actual expenses except the SM shall adjust the expense line item for (a) real estate taxes to the extent the actual expense does not reflect the final assessed value and tax rates of the completed Project, (b) insurance to the extent the actual expense does not reflect a monthly prorated share of the annual premium and the insurance premiums do not reflect insurance coverages for the Project complying in all respects with the requirements of Section 6.5(b) and Exhibit 6, (c) property management fees to the extent the actual expense is less than the fees (based on a percentage of monthly Operating Revenues) set forth in the Project Forecast, and (d) Administration, Administration Payroll, Maintenance and Repair Salary and Maintenance and Repair line items which shall not be less than the annual "Base Expenses" outlined in the Project Forecast for such line items divided by 12. If the Lender requires a reappraisal, the SM reserves the right to adjust the "Base Expenses" accordingly. Furthermore, the SM shall adjust Operating Expenses on a line-item basis in its discretion to reflect a ratable share of any seasonal expenses.

Operating Reserve Account means the reserve account required pursuant to Section 6.5(c)(2).

Operating Reserve Amount means the amount stated on the Schedule.

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Operating Revenue means actual collected rental revenue (except Section 8 payments and voucher certificates payable by the U.S. Department of Housing and Urban Development and rural development rental subsidies provided by the U.S. Department of Agriculture which may be included on an accrual basis and provided that such payments are collected within ninety (90) days) received from the operations of the Project, plus all collected Ancillary Income. Operating Revenue shall exclude Net Cash Proceeds, Capital Contributions, proceeds of any Permitted Loan, insurance or condemnation proceeds (except rental loss insurance), tenant security and other deposits, prepaid items of income, and interest income not available for distribution. For purposes of determining Stabilized Occupancy, the SM shall adjust Operating Revenue in its discretion to:

(a) exclude rent which is paid by any tenant of a Low Income Unit who is not a Qualified Tenant which is in excess of rents charged for comparable Low Income Units;

(b) adjust rental income by any concessions or other incentives;

(c) reflect economic vacancy (physical vacancy and bad debt) at a vacancy factor of 6.75% of gross potential rents;

(d) unless otherwise included in the Investment Members' underwriting, reduce actual gross potential rental income on each residential unit to the extent any rental subsidy, voucher payment or other excess rent or subsidy exceeds the lesser of (i) rents being charged to other non-rent assisted units of similar size in the Project and (ii) low income restrictions required by the Minimum Set-Aside Test, the Agency Set-Aside Test, the Rent Restriction Test, any rent restriction required by any applicable federal, state or local subsidy program, and/or any restrictive covenant or regulatory agreement; and

(e) reduce actual gross potential rental income on each residential unit to the extent any accrued rental subsidy payment has not been subsequently collected or the unpaid subsidy exceeds three months of subsidy payment for such residential unit.

Original Agreement means the agreement so identified in the Schedule.

Original Certificate means the certificate so identified in the Schedule.

Out-Of-Balance means at any point in time that Development Costs for the Project exceed available Development Funds.

Partnership Representative means the Member designated to act as partnership representative of the Company for purposes of Code Section 6223(a) or the designated successor as provided in Section 6.10.

Permitted Loan means the loan(s) so identified in the Schedule and any other financing for which the SM has provided Consent. At any time when there is more than one Permitted Loan, the term "Permitted Loan" as used herein shall refer to each such Permitted Loan (individually and collectively, as circumstances may require).

Person means an individual, proprietorship, trust, estate, partnership, joint venture, association, corporation, limited liability company, limited liability partnership or other entity.

Placement In Service means the placement in service of all dwelling units in the Project for purposes of Section 42 of the Code.

Placement In Service Date means the date as identified in the Schedule.

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Plans and Specifications means all plans and specifications or scope of work (for rehabilitations only) for the Project prepared by the Project Architect and/or Builder, as applicable, reviewed by the Construction Consultant, and approved by the SM, a listing of which is attached hereto as Exhibit 4. Unless it has received Consent from the SM, the Managing Member shall not permit the Builder to use any other plans and specifications to build the Project and all change orders, revisions and other modifications shall not become part of the Plans and Specifications unless the Consent of the SM has been received in accordance with Section 10.7.

Prime Rate means the "prime rate" of interest as published in *The Wall Street Journal* from time to time.

Prohibited Transferee shall bear the meaning set forth in Section 8.2.

Project means the Property, together with the improvements existing or to be constructed or rehabilitated on the Property.

Project Architect means the firm so identified in the Schedule, which architect has been contracted for by the Builder through the Construction Contract.

Project Budget means the final detailed budget for the development and construction/rehabilitation of the Project which is reflected in the sources and uses section of the Project Forecast as said budget may be modified with the Consent of the SM and each Lender.

Project Documents means all documents, instruments and agreements that the Company is bound to comply with and which have previously received the Consent of the SM and shall include, but is not limited to, the Permitted Loan documents and other agreements entered into by the Company with any Lender or Agency, the Guaranty, the Development Agreement, the Property Management Agreement, the Plans and Specifications, the Construction Contract, the Project Budget, the AHAP Contract, the HAP Contract, the Material Participation Agreement, any documents evidencing the Property Tax Abatement, the Extended Low Income Housing Use Commitment and all material documents relating to the construction, development and operation of the Project and by which the Company is bound, as amended or supplemented from time to time.

Project Forecast means the financial forecast attached hereto as Exhibit 8.

Property means the real property described on Exhibit 1 attached hereto.

Property Management Agreement means the agreement by and between the Company and the Property Manager providing for the management of the Project.

Property Management Fee means the fee described in Section 6.11(a) in the amount set forth in the Schedule.

Property Manager means the party so identified in the Schedule, and its successors and assigns, which has contracted or will contract with the Company to manage the Project.

Property Tax Abatement means the real property tax abatement under the provisions of 84.36.560 of the Revised Code of Washington.

Qualified Basis shall have the meaning defined in Section 42(c) of the Code.

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Qualified Tenants means tenants meeting the income and eligibility requirements imposed by Section 42 of the Code, the Agency Set-Aside Test and the Tax Credit Agency.

Quarterly Status Report shall bear the meaning set forth in Section 10.7(c)(1)(iv).

Refinancing means the refinancing or obtaining of any loan secured by Company property, other than the obtaining of the Permitted Loan.

Relinquished Interests shall bear the meaning set forth in Section 9.1.

Rent Restriction Test means the test under Section 42 of the Code pursuant to which the gross rent, including utility allowances, charged to tenants of each Low Income Unit in the Project is not allowed to exceed 30% of the qualifying income levels of such tenants and the applicable area median income levels under the Minimum Set-Aside Test.

Replacement Reserve Account means the account established in accordance with Section 6.5(c)(1).

Replacement Reserve Amount means the required deposit to the Replacement Reserve Account as described in Section 6.5(c)(1) in the amount set forth in the Schedule.

Reporting Damages shall bear the meaning set forth in Section 10.11.

Reporting Default shall bear the meaning set forth in Section 10.11.

Sale means the sale, exchange, condemnation or similar eminent domain taking, casualty or other disposition of all or any portion of the Project which is not in the ordinary course of business, and the sale of easements, rights of way or similar interests in the Property or any other similar items which in accordance with the accounting methods used by the Company are attributable to capital; provided, however, that Sale shall not refer to any transaction to the extent gain or loss is not recognized, or is elected not to be recognized, under any applicable section of the Code.

Schedule means the Schedule attached hereto.

Service Contracts shall bear the meaning set forth in Section 6.5(z).

SM means the entity so identified in the recitals of this Agreement, and any Person who becomes an SM as provided herein, in its capacity as an investment member of the Company.

Sponsor means Opportunity Council, a Washington nonprofit corporation.

Sponsor Loan means the loan so identified in the Schedule.

Stabilized Occupancy means, for the period of three (3) consecutive months commencing immediately prior to Mortgage Loan Commencement, the achievement of (a) monthly Income Expense Coverage which results in a projected 107% Income Expense Coverage for each year throughout the Compliance Period and which is based on the assumptions in the Project Forecast, including a 2.00% income and 3.00% expense escalation and a vacancy factor of 6.75% gross potential rents, with the HAP contract in effect with rents at or above proforma rents for the remainder of the Compliance Period, (b) monthly average physical occupancy of at least 90% of the units by tenants (who must be Qualified Tenants in the case of the Low Income Units) paying contract rents under written leases, and (c) monthly

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average Economic Occupancy of at least 80%. Evidence of Stabilized Occupancy shall be subject to the review and approval by the SM to confirm that the calculations conform to the requirements herein.

State means the state in which the Company was formed.

Subordinated Loan means any loan made by the Managing Member to the Company as provided herein.

Substitute Investment Member means a Person admitted to the Company as a Substitute Investment Member pursuant to Article VIII.

Supplemental Investment Member means the holder of an interest in the Company designated as an interest of a Supplemental Investment Member pursuant to Section 9.4.

Tax Counsel means the law firm selected by the SM to serve as tax counsel for the Investment Member.

Tax Credit means the low income housing tax credit pursuant to Section 42 of the Code which is anticipated to be available to the Company.

Tax Credit Agency means the Washington State Housing Finance Commission, the authorized agency of the state in which the Property is located with respect to the allocation and monitoring of Tax Credit.

Tax Credit Price means the amount provided in the Schedule.

10% Test Certification means the written certification of the Accountants, indicating the Company had incurred capitalizable costs with respect to the Project of at least 10% of the Company's reasonably expected basis in the Project as of the Placement In Service Date, and that each building in the Project constitutes a "qualified building" for the purposes of Section 42(h)(1)(E)(ii) of the Code. The 10% Test Certification shall be accompanied by detailed calculations and supporting documentation reasonably acceptable to the SM and Tax Counsel and, to the extent available, written confirmation from the Tax Credit Agency that the 10% test has been satisfied.

Termination Date means December 31, 2100, unless the Company is otherwise earlier dissolved and terminated by law or in accordance with the provisions of this Agreement.

Timing Adjuster Additional Credit shall have the meaning set forth in Section 3.5(c)(2).

Title Policy means an owner's extended title insurance policy or an endorsement thereto issued to the Company pursuant to title commitment no. NCS-1278514-WA1 with an effective date not earlier than the Closing Date, in the insured amount of at least the Title Policy Amount from First American Title Insurance Company evidencing the Company's ownership of the Project subject only to such exceptions, conditions, exclusions, or stipulations as shall be satisfactory to the SM, in its reasonable discretion, and including non-imputation, Fairway, survey/identicality, comprehensive, environmental liens, mechanic's liens, maximum loss, access, location, contiguity, zoning, separate tax lot, subdivision, future advance, waiver of arbitration, utility access, tax credit and such other endorsements as shall be required by the SM in its reasonable discretion, with such policy and such endorsements being acceptable to the SM, in its reasonable discretion, both as to form and as to content. Affirmative coverage will be required for any easement which cannot be plotted on the survey. All "pre-printed" or "standard" exceptions must be deleted from the Title Policy and any property tax exceptions should be limited to taxes that are "not yet due and

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payable." Any tenant's rights exception must contain a qualification that such rights are "to leaseholds of parties in possession, as tenants only, under unrecorded leases."

Title Policy Amount means the minimum required amount of the Title Policy as set forth in the Schedule.

Title Policy Update means a "Endorsement 122- Modified for Owner's Policy" date-down endorsement of the Title Policy bearing a then-current effective date and the deletion of all standard survey exceptions unless previously provided, and, if necessary, a current ALTA Survey showing the location of any easements appearing on such date-down endorsement; provided, however, that to the extent the Property is located in a state in which date-down endorsements are unavailable, a "title report" or "title update" shall be required.

Transfer Amendment means, if applicable, an amendment to this Agreement evidencing a transfer by the IM of its interest in the Company, the form of which is attached hereto as Exhibit 7.

Treasury Regulations means the regulations promulgated under the Code.

ARTICLE III

CAPITAL

3.1. Capital Contributions of the Managing Member. On or prior to the Closing Date, the Managing Member has made Capital Contributions totaling $100 to the Company. The Managing Member shall be obligated to make additional Capital Contributions to the Company in an amount equal to amounts owed on each Affiliate Loan on the maturity date thereof. The Managing Member shall also be obligated to make additional Capital Contributions to the Company no later than April 1st of the 14th year of the Compliance Period in the event that any portion of the Development Fee remains unpaid on such date as further described in Section 6.8. In no event shall the Managing Member make any additional Capital Contributions to the Company without the Consent of the SM except as otherwise required herein.

3.2. Capital Contributions of the Investment Member.

(a) Capital Contributions. Except as otherwise provided in Section 3.5, the IM's obligation to make Capital Contributions shall be limited to $19,297,270. The SM's obligation to make Capital Contributions shall be limited to $10, which shall be contributed on behalf of the SM by the IM as part of the First Installment. The SM shall reimburse the IM for such Capital Contribution. The IM's Capital Contributions shall be due and payable in Installment(s) as follows:

(1) $2,508,645 (the "**First Installment**") shall be paid on an "as needed" draw basis (which may be a single draw) in accordance with Section 10.7, with the first draw paid on or about the Closing Date and subsequent draws paid within ten (10) business days of a draw request submitted by the Managing Member in accordance with Section 10.7, that indicates the Company has paid or incurred Development Costs in the amount requested to be disbursed from such Installment.

(2) $10,034,580 (the "**Second Installment**") shall be paid on an "as needed" draw basis in accordance with Section 10.7 after the prior Installment has been fully disbursed and within ten (10) business days after receipt and acceptance by the SM of evidence that each of the following conditions has been satisfied:

(i) Final Construction Completion;

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(ii) HAP Contract;

(iii) as-built ALTA Survey;

(iv) Title Policy Update (inclusive of the issuance of an ALTA 17.1-06 (Indirect Access/Entry) endorsement insuring access to Eliza Avenue via Parcel D);

(v) 10% Test Certification;

(vi) receipt by the IM of satisfactory evidence, including but not limited to a certification from the Accountants, that the Managing Member has made a valid election to be taxed as a corporation and a valid election under Section 168(h)(6)(F)(ii) of the Code prior to the end of the year in which the Project was placed in service so that no portion of the Project will constitute "tax-exempt use property" within the meaning of Section 168(h) of the Code;

(vii) permanent property insurance bound in accordance with Exhibit 6;

(viii) receipt of fully executed County Loan Documents, in form and substance acceptable to the IM (or, in the alternative, an advance under the Sponsor Loan);

(ix) closing and full disbursement of each Permitted Loan; and

(x) May 10, 2027

Portions of this Second Installment shall first be used to repay a portion of the Construction Loan (prior to payment of any Development Fees.) The Managing Member hereby authorizes the Company, simultaneously with the funding of the Second Installment, to pay the Second Installment directly to Construction Lender for payment of the Construction Loan, provided that any such payment shall be deemed a Capital Contribution to the Company and a subsequent deposit of such funds by the Company with Construction Lender.

(3) $6,097,141 (the "**Third Installment**") shall be paid on an "as needed" draw basis in accordance with Section 10.7 after the prior Installment has been fully disbursed and within ten (10) business days after receipt and acceptance by the SM of evidence that each of the following conditions has been satisfied:

(i) Mortgage Loan Commencement;

(ii) Stabilized Occupancy;

(iii) satisfactory completion of all punch list items previously determined at Final Construction Completion, as certified by the Project Architect and verified in writing by the Construction Consultant, and receipt of all final unconditional lien waivers from the Builder;

(iv) Cost Certification;

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(v) 100% Occupancy Date;

(vi) Title Policy Update;

(vii) permanent property insurance bound in accordance with Exhibit 6;

(viii) receipt by the IM of the Property Management Agreement, in form and substance satisfactory to the IM, and receipt of all ancillary management documents thereto (including, without limitation, a management and marketing plan, a form of tenant lease, and any other documentation reasonably required by the IM);

(ix) 8609 Application Filing; and

(x) December 12, 2027

Portions of this Third Installment shall first be used to repay a portion of the Construction Loan (prior to payment of any Development Fees.) The Managing Member hereby authorizes the Company, simultaneously with the funding of the Third Installment, to pay the Third Installment directly to Construction Lender for payment of the Construction Loan, provided that any such payment shall be deemed a Capital Contribution to the Company and a subsequent deposit of such funds by the Company with Construction Lender.

(4) $656,904 (the "**Final Installment**") shall be paid after the prior Installment has been fully disbursed and within ten (10) business days after receipt and acceptance by the SM of evidence that each of the following conditions has been satisfied:

(i) 8609 Issuance;

(ii) Final Determination has been made by the SM in accordance with Section 6.7(k) and all Development Completion Obligations, if any, have been satisfied by the Managing Member and/or Developer;

(iii) Delivery to the Investment Members of the Company's tax return and Schedule K-1 thereto for the first year of the Credit Period;

(iv) recordation of the Extended Low Income Housing Use Commitment;

(v) permanent property insurance bound in accordance with Exhibit 6;

(vi) Title Policy Update; and

(vii) February 10, 2028.

(b) General Conditions to Capital Contributions. Notwithstanding satisfaction of the conditions in Section 3.2(a), the IM shall have no obligation to fund an Installment or any portion thereof as follows:

(1) Unless the funding conditions to all previous Installments continue to be satisfied. If a funding condition is not satisfied at the time an Installment is contributed, such condition shall be a condition to the subsequent Installment or draw. No funding condition shall be waived with respect to any

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Installment unless a written notice expressly waiving such condition is issued by the SM to the Managing Member;

(2) Unless the SM has received and accepted the Funding Certificate executed by the Managing Member (which shall be accepted if such certificate is in the form and substance as the certificate attached hereto as Exhibit 3);

(3) Unless all construction and development work completed as of the date of any funding request shall have been done in accordance with the Plans and Specifications;

(4) If a Transfer Amendment has been requested and the Managing Member has not provided the SM with its (and its Affiliates) signature pages thereto to be held in escrow until all required Agency and/or Lender consents have been received; provided, if Managing Member has provided the SM with its (and its Affiliates) signature pages, the IM shall continue to fund its Installments other than for payment of Development Fee until all required Agency and/or Lender consents have been received;

(5) If any reports or insurance required by Article X have not been submitted to and accepted by the SM;

(6) If any Event of Default has occurred and is continuing;

(7) If a Lender or Agency has (i) failed to timely fund any portion of any Permitted Loan or grant to the Company when due, (ii) provided notice of a default under any financing document entered into with the Company, or (iii) provided a notice of denial or termination of any financing commitment to the Company;

(8) If the Project is Out-Of-Balance (as determined by the Lender or SM); or

(9) If any Adjustment Amount has not been satisfied whether or not the payment or cure period provided herein has lapsed.

(c) Funding Priority of Each Installment. Each Installment shall be funded in accordance with the following requirements:

(1) The SM and the IM shall have the right to offset any Installment with any unpaid Adjustment Amount, Investor Services Fees, Reporting Damages and any other amounts levied by the SM or IM in accordance with this Agreement; and

(2) Any Installment or portion thereof funded pursuant to a construction draw request shall be funded by the IM to the Company (or, if required by a Lender, to such Lender for further disbursement to the Company) upon:

(i) approval by the SM pursuant to Section 10.7, and

(ii) approval by each Lender and any Agency with approval rights thereover, including satisfaction of any draw conditions as may be imposed by any Lender or Agency.

(d) Notwithstanding the conditions in this Section 3.2, if the Company has incurred third party obligations which could be satisfied from the proceeds of an unfunded Installment, then, in the sole discretion of the Investment Members, such Installment or any portion thereof may be advanced to the

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Company or disbursed directly to pay such outstanding third party obligations of the Company, provided in all events such advances or disbursements shall be treated as capital contributions to the Company. Any such advance of an Installment by the Investment Members shall accrue simple (not compounded) interest at an annual rate equal to the Prime Rate plus 4% commencing on the date on which such Installment proceeds or portion thereof is advanced and ending upon satisfaction of the conditions for such Installment.

(e) On or prior to the Closing Date, the Managing Member shall deliver to the IM an executed Authorized Signer Form certifying that the individuals specified on such form as "Authorized Persons" are authorized to confirm payment instructions pursuant to any call-back verifications initiated by the IM in connection with funding Capital Contribution Installments. Any changes to the list of Authorized Persons must be supplied to the IM in writing by an Authorized Person and shall not be effective until confirmation of receipt by the IM.

3.3. Capital Account. A capital account shall be maintained for each Member (a "**Capital Account**"). The Capital Accounts shall be determined and maintained in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv).

3.4. Interest. Except as may be explicitly provided in this Agreement, no Member shall be entitled to interest on a Capital Contribution or Capital Account.

3.5. Tax Credit Covenants, Duties and Obligations; Adjustments to Capital Contributions.

(a) Tax Credit Covenants, Duties and Obligations. The Managing Member shall, or shall cause the Company to, timely satisfy each of the following covenants, duties and obligations pertaining to the Tax Credit:

(1) The Managing Member shall use commercially reasonable efforts (however, these commercially reasonable efforts in no way limit the obligation to pay amounts pursuant to Section 3.5 if Forecasted Tax Credit is not received) to ensure that the IM receives the full amount of the Forecasted Tax Credit, including, but without limitation: (i) making an election to begin the Credit Period for each building in the Project in the first year each such building is eligible for Tax Credit unless the Consent of the SM is received to defer the beginning of the Credit Period, (ii) ensuring the rental of Low Income Units to Qualified Tenants, including renting the next available unit to a Qualified Tenant if any Low Income Unit becomes nonqualifying, (iii) obtaining tenant certifications and recertifications as required pursuant to Section 10.7, (iv) leasing all dwelling units in the Project under leases having original terms of not less than six (6) months, and (v) complying with all of the Tax Credit Agency's compliance monitoring procedures.

(2) The Company shall timely submit all applications, cost certifications, 10% test certifications, elections and filings necessary and appropriate to qualify for the maximum amount of the Tax Credit. If temporary and/or final Treasury Regulations have been issued relating to Tax Credit, the Managing Member shall execute an amendment to this Agreement to comply with such regulations, if requested to do so by the SM, to ensure the maximum availability of Tax Credit to the Company and the IM.

(3) The Project has been and will be constructed and/or rehabilitated and operated in conformance with the Tax Credit application and other documents submitted to the Tax Credit Agency.

(4) The allocation of Tax Credit is pursuant to the "non-profit set-aside" provisions of Section 42 of the Code.

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(5) Carryover Allocation shall occur by December 31, 2025. 8609 Issuance shall occur by April 15th of the year following the first year of the Credit Period unless the delay is caused by the Agency and the Managing Member is using commercially reasonable efforts to obtain the same.

(6) The Company's basis in the Project (including costs attributable to land and depreciable basis which are not eligible for the Tax Credit) as of the date no later than the earlier of (a) the date required by the Tax Credit Agency and (b) the twelve (12) month anniversary of the Carryover Allocation will exceed 10% of the Company's reasonably expected basis in the Project as of the Placement In Service Date. The Managing Member shall provide a draft of the 10% Test Certification to the SM at least twenty (20) days prior to the earlier of (a) and (b). Managing Member covenants it will not file the 10% Test Certification with the Tax Credit Agency until the draft 10% Test Certification has been approved by the SM and Tax Counsel in their reasonable discretion.

(7) The Company will properly incur and capitalize costs in connection with the construction and/or rehabilitation and development of the Project in an amount needed to generate sufficient Eligible Basis to support the Forecasted Tax Credit.

(8) No portion of the Development Fee shall be allocable to services that relate to items not includable in Eligible Basis and 20% of such Development Fee shall be earned as of the date hereof for purposes of satisfying the 10% Test Certification. All services relating to the acquisition of the Project, the organization of the Company, the syndication of interests in the Company, and obtaining permanent financing of the Project were and/or will be performed exclusively by the Managing Member in its capacity as a Managing Member.

(9) No grants or federal subsidies (within the meaning of Section 42(i)(2)(A) of the Code) will be received by the Company.

(10) No portion of the cost of the acquisition, construction or operation of the Project has been (or will be) funded with obligations the interest on which is exempt from taxation under Section 103 of the Code.

(11) The Project has no commercial space.

(12) The Managing Member shall submit to the SM the completed final draft of the Extended Low Income Housing Use Commitment at least ten (10) business days prior to the required date for execution and recording thereof, and shall obtain the Consent of the SM prior to executing and recording the same.

(13) The Project shall satisfy the Minimum Set-Aside Test and the Rent Restriction Test by the end of the first year of the Credit Period and throughout the balance of the Compliance Period and the Agency Set-Aside Test for the time period required by the Agency.

(14) The Company will rent the Low Income Units only to Qualified Tenants and in compliance with any additional restrictions set forth in the Project Documents. The Managing Member will promptly advise the IM and the SM if any Low Income Unit is rented to a non-qualifying tenant.

(15) The Project is located in an area designated by HUD as a "qualified census tract" or "difficult development area" for the purpose of computing Eligible Basis of the Project.

(b) Downward Adjustments to Capital Contributions.

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(1) Downward Basis Adjuster. If at any time at or prior to 8609 Issuance the SM determines in its reasonable judgment that the IM will not be eligible to be allocated the aggregate amount of Forecasted Tax Credit during the Credit Period (the aggregate amount of such shortfall being referred to herein as the "**8609 Credit Shortfall Amount**"), then (a) the Capital Contribution obligation of the IM shall be reduced by an amount (a "**Downward Basis Adjustment Amount**") equal to the product of (i) the 8609 Credit Shortfall Amount and (ii) the Tax Credit Price and (b) the Forecasted Tax Credit for each Fiscal Year shall thereafter be adjusted to mean 99.98% of the total amount of Tax Credit allocated and available to the Company over the Credit Period, assuming for these purposes that the Delivery Percentages do not change regardless of the actual delivery schedule.

(2) Downward Timing Adjuster.

(i) In the event that the IM is entitled to claim Tax Credit for 2027 and/or 2028 with respect to the Project in an amount less than the Forecasted Tax Credit for such year (after the Forecasted Tax Credit is revised to take into account any adjustment made pursuant to Section 3.5(b)(1) and/or Section 3.5(c)(1), as applicable) as the result of a later-than-anticipated delivery of Tax Credit and the shortfall will be deferred pursuant to Section 42(f)(2)(B) of the Code, then (a) the Capital Contribution obligation of the IM will be reduced by an amount (an "**Downward Timing Adjustment Amount**") equal to the product of (i) the shortfall in the Forecasted Tax Credit to the IM in 2027 and/or 2028 and (ii) $0.6144 and (b) the Forecasted Tax Credit shall be correspondingly updated.

(ii) In the event that the IM is entitled to claim Tax Credit for 2027 and/or 2028 with respect to the Project in an amount less than the Forecasted Tax Credit for such year (after the Forecasted Tax Credit is revised to take into account any adjustment made pursuant to Section 3.5(b)(1), 3.5(b)(2)(i) and/or Section 3.5(c)(1), as applicable) as the result of a later than anticipated delivery of Tax Credit due to the absence of one or more Forms 8609 on the due date, as extended, of the Company's tax return and the Accountants determine there is not "reasonable cause" to file the Company return to claim such Tax Credit and the shortfall will be deferred to the year in which an administrative adjustment request ("**AAR**") is filed by the Company, then (a) the Capital Contribution obligation of the IM will be reduced by an amount (a "**Downward AAR Adjustment Amount**") equal to the product of (i) the shortfall in the Forecasted Tax Credit to the IM in 2027 and/or 2028 and (ii) $0.10 for each year the shortfall is delayed (for example, if $1 from 2027 is delayed until 2028, the Downward AAR Adjustment Amount is $0.10, but if such $1 is delayed to 2029, the Downward AAR Adjustment Amount is $0.20) and (b) the Forecasted Tax Credit shall be correspondingly updated. In addition, to the extent the IM claims Tax Credit for 2027 and/or 2028 even though the Company does not have one or more Forms 8609 on the due date, as extended, of the Company's tax return because the Accountants determine there is "reasonable cause" to file the Company return to claim such Tax Credit, and such determination is later challenged, then (a) the Capital Contribution obligation of the IM will be reduced by an amount (a "**Challenged AAR Adjustment Amount**") equal to the product of (i) the shortfall in the Forecasted Tax Credit to the IM in 2027 and/or 2028 and (ii) $0.10 for each year the shortfall is delayed (for example, if $1 from 2027 is delayed until 2028, the Challenged AAR Adjustment Amount is $0.10, but if such $1 is delayed to 2029, the Challenged AAR Adjustment Amount is $0.20), plus the amount of any other costs incurred by the IM (such as penalties and interest) and (b) the Forecasted Tax Credit shall be correspondingly updated.

(3) Compliance, Recapture and 2/3rd Adjuster. If, with respect to any year during the Compliance Period, the Actual Tax Credit is, will be or was less than the Forecasted Tax Credit (after the Forecasted Tax Credit has been revised in accordance with Section 3.5), for any reason, including, but not limited to, any breach of any of the covenants, duties or obligations set forth in Section 3.5(a), any reduction in Qualified Basis and/or Eligible Basis, any application of 2/3rds credits, any further delay in the timing and delivery of Tax Credit beyond what is provided for in Section 3.5(b)(2) (regardless of whether such Tax Credit may be available in later years) and/or any disallowance or recapture of any Tax Credit, then

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the Capital Contribution obligation of the IM shall be reduced by an amount (an "**Compliance Downward Adjustment Amount**") equal to (a) the shortfall in Forecasted Tax Credit for such year, plus (b) the amount of any Tax Credit previously allocated to the IM that is recaptured or otherwise disallowed (to the extent not otherwise taken into account in determining the Compliance Downward Adjustment Amount pursuant to this subsection), plus (c) the amount of interest and penalties payable by the IM (or its members) as a result of such shortfall or recapture, such calculation to be made assuming that each investor member of the IM used all of the Tax Credit allocated to such investor member in the year of allocation and that each such investor member was subject to interest at the rate set forth in Section 6621(a)(2) of the Code and the penalty for understatement of tax set forth in Section 6662(d) of the Code, plus (d) an amount sufficient to pay any tax liability (calculated at an assumed tax rate of 5%, plus the then highest marginal federal corporate tax rate) owed by the IM (or its members) resulting from the receipt of the amounts specified in the foregoing clauses (a), (b) and (c) and this clause (d). The Managing Member shall require the Accountants to make their determination of the amount of the Actual Tax Credit with respect to each year of the Credit Period within thirty (30) days following the end of such Fiscal Year.

(4) Reserved.

(5) Reserved.

(6) Payment of Adjustment Amounts. For purposes of this Agreement, "Adjustment Amount" shall mean, collectively, as each following term is defined in this Section 3.5(b), the Downward Basis Adjustment Amount, the Downward Timing Adjustment Amount, the Downward AAR Adjustment Amount, the Challenged AAR Adjustment Amount, the Compliance Downward Adjustment Amount and the Depreciation Timing Adjustment Amount. Any Adjustment Amount shall be applied to the Installment or portion thereof next due to be paid by the IM, with any portion of such Adjustment Amount in excess of the amount of such Installment then being applied to the next succeeding Installment(s), provided that if no further Installments remain to be paid or if the Adjustment Amount exceeds the sum of the amounts of the remaining Installments, then the Managing Member shall immediately make a Capital Contribution to the Company in the amount of the entire Adjustment Amount or the balance of the Adjustment Amount, as the case may be (a "**Credit Adjuster Obligation**"), and the entire Credit Adjuster Obligation shall be immediately distributed to the IM and shall neither constitute nor be limited by Net Cash Flow or Net Cash Proceeds. Provided, if the Accountants determine that the Capital Contribution and distribution contemplated by the immediately preceding sentence, or applying any Adjustment Amount against the IM's next due Installments, would at any time prevent the IM from being allocated 99.98% of Net Losses, Net Losses From Sale, and Tax Credit, then the Managing Member shall pay such portion of the Credit Adjuster Obligation as is determined by the Accountants to be necessary to avoid the reallocation directly to the IM as a payment for damages (and the remaining portion of the Credit Adjuster Obligation shall be applied to the next due Installment or contributed by the Managing Member as a Capital Contribution, as provided in the immediately preceding sentence).

(7) Notwithstanding anything to the contrary contained in this Agreement, the Managing Member shall not be responsible: (i) for the IM's inability to utilize any Tax Credit allocated to it; (ii) for any recapture of Tax Credit arising solely as a result of the IM's sale, transfer or assignment of its interest in the Company; or (iii) to the extent that any Credit Adjuster Obligation is solely attributable to a Change in Law. Any portion of a Credit Adjuster Obligation solely attributable to a Change in Law shall be payable to the IM pursuant to Section 4.2 and Section 4.5.

(c) Upward Adjustments to Capital Contributions.

(1) Upward Basis Adjuster. In the event that the Company receives an amount of Tax Credit with respect to the Project in addition to the aggregate of the Forecasted Tax Credit (such additional

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amount being referred to hereinafter as the "**Additional Credit**"), the IM agrees that it will make additional Capital Contributions to the Company in an amount equal to the product of the Tax Credit Price and the aggregate Additional Credit allocable to the IM over the Credit Period Upon any application of this Section 3.5(c)(1), the Forecasted Tax Credit for each year shall be redefined to mean 99.98% of the total amount of Tax Credit, including the Additional Credit to be allocated and available to the Company over the Credit Period, assuming for these purposes that the Delivery Percentages do not change regardless of the actual delivery schedule. Notwithstanding the foregoing, there shall be no additional Capital Contributions due under this Section 3.5(c)(1) unless the increase is supported by appropriate documentation and by a certification of the Accountants, all in form and substance reasonably acceptable to the SM, and the support documentation shall have been received by the SM no later than the three-year anniversary of the Closing Date.

(2) Upward Timing Adjuster. In the event that the Company allocates on Schedule K-1 to Form 1065 to the IM Tax Credit for 2027 in an amount greater than the Forecasted Tax Credit (after the Forecasted Tax Credit is revised to take into account any adjustment made pursuant to Section 3.5(b)(1) and/or 3.5(c)(1)) as the result of an earlier-than-anticipated delivery of Tax Credit (such additional amount being referred to hereinafter as the "**Timing Adjuster Additional Credit**"), the IM agrees that it will make additional Capital Contributions to the Company in an amount equal to the product of the Timing Adjuster Additional Credit and $0.3856. Upon any application of this Section 3.5(c)(2), the Forecasted Tax Credit shall be correspondingly updated.

(3) In no event will the IM be obligated to make additional Capital Contributions pursuant to Section 3.5(c) in an amount in excess of the lesser of (i) 5% of the total Capital Contributions set forth in Section 3.2(a) and (ii) funds available to the IM for contribution to the Company as determined by the IM. Any additional Capital Contributions determined pursuant to Section 3.5(c) shall be added to the Final Installment or such earlier date determined by the IM in its sole discretion; and provided, further, that if the Final Installment has been paid, then the entire amount of such additional Capital Contributions shall be made by the IM to the Company within thirty (30) days after the determination of the amount thereof.

ARTICLE IV

ALLOCATION OF PROFIT AND LOSS; DISTRIBUTIONS

4.1. Allocation of Net Profit and Net Loss.

(a) Except as otherwise provided herein, all Net Profit and Net Loss, and each item of income, gain, loss, deduction and/or credit, shall be allocated 0.01% to the Managing Member, 0.01% to the SM, and 99.98% to the IM. If the SM or Accountants determine that the IM will likely have an adjusted Capital Account deficit in any year during the Credit Period in excess of the sum of the IM's share of Company minimum gain plus any amount of its negative Capital Account that the IM has agreed to restore, then the Members agree to amend this Agreement to provide for the special allocation of certain expense line item(s) (other than depreciation) to the Managing Member, as further agreed by the Members.

(b) In no event shall any Company loss or deduction, or item thereof, be allocated to the IM or the SM if, or to the extent, such allocation would cause or increase a deficit balance in such Investment Member's Capital Account (in excess of any limited dollar amount of such deficit balance that such Investment Member is obligated to restore under Treasury Regulation Section 1.704-1(b)(2)(ii)(c)) or pursuant to a DRO Notice, if applicable, as of the end of the Company taxable year to which such allocation

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relates, unless such loss, deduction or item constitutes a "nonrecourse deduction" as defined in Treasury Regulation Section 1.704-2(c). For purposes of this limitation, each such Investment Member's share (determined in accordance with Treasury Regulation Section 1.704-2(g)(1)) of the Company's "minimum gain," as defined in Treasury Regulation Section 1.704-2(d), shall be treated as an amount that such Investment Member is obligated to restore. Any loss or deduction to such an Investment Member, the allocation of which is disallowed by the foregoing restriction, shall be reallocated first to other Investment Members, to the extent such allocation is not limited by this subparagraph, and then to the Managing Member.

(c) In determining the extent to which an allocation of loss or deduction (other than an allocation attributable to nonrecourse debt) would otherwise reduce an Investment Member's Capital Account below zero for purposes of Section 4.1(b), such Investment Member's Capital Account shall first be reduced (but only for purposes of this subparagraph) for:

(1) any allocations of loss and deduction that, as of the end of such Fiscal Year, reasonably are expected to be made to such Investment Member under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii); and

(2) any cash distributions that, as of the end of such Fiscal Year, reasonably are expected to be made to such Investment Member, to the extent that such distributions exceed offsetting increases to such Investment Member's Capital Account that reasonably are expected to occur during (or prior to) the Fiscal Years in which such distributions reasonably are expected to be made.

For purposes of determining the amount of expected distributions and Capital Account increases described above, the rules of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) shall apply.

(d) In the event there is a net decrease in Company "minimum gain" (as defined in Treasury Regulation Section 1.704-2(d)) during any Company taxable year, each Member will be allocated items of income and gain, including gross income if necessary (in such year and, if necessary, subsequent years), in proportion to, and to the extent of, such Member's share of the net decrease in Company minimum gain before any other allocation of Company items for such taxable year. A Member is not subject to this mandatory allocation of income or gain to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(f)(2)-(5) apply. Such allocations pursuant to this subsection shall be in accordance with Treasury Regulation Section 1.704-2(f). This provision is a "minimum gain chargeback" within the meaning of Treasury Regulation Section 1.704-2(f) and shall be construed as such.

(e) If the IM or the SM unexpectedly receives an adjustment, allocation, or distribution described in any of subdivisions (4), (5), and (6) of Treasury Regulation Section 1.704-(b)(2)(ii)(d) for any Fiscal Year which causes or increases a deficit balance in such Investment Member's Capital Account in excess of any limited dollar amount of such deficit that such Investment Member is obligated to restore, as adjusted in the manner provided in or is deemed obligated to restore, under Treasury Regulation Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g) and 1.704-2(i), such Investment Member shall be allocated items of Company income and gain (consisting of a pro rata portion, in accordance with the deficit Capital Account balances of all Investment Members, of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate such Investment Member's deficit Capital Account balance as quickly as possible. This provision is a "qualified income offset" within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(3) and shall be construed as such.

(f) In the event there is a decrease in "partner nonrecourse debt minimum gain" (as defined in Treasury Regulation Section 1.704-2(i)) during any Company taxable year, each Member shall be allocated items of income and gain (including gross income) in proportion to and to the extent of such

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Member's share of the net decrease in partner nonrecourse debt minimum gain. A Member is not subject to this Section 4.1(f) to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(i)(4) applied consistently with Treasury Regulation Section 1.704-2(f)(2)-(5) apply. All allocations pursuant to this Section 4.1(f) shall be in accordance with Treasury Regulation Section 1.704-2(i). This provision is a "partner nonrecourse debt minimum gain chargeback" within the meaning of Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted as such.

(g) Nonrecourse Deductions shall be allocated 99.98% to the IM, 0.01% to the SM, and 0.01% to the Managing Member.

(h) Net Profit and Net Loss and specific items of income, gain, loss, deduction and/or credit shall be allocated to a Member only for that portion of the Fiscal Year for which such Person is a Member in accordance with applicable Treasury Regulations.

4.2. Distribution of Net Cash Flow. Net Cash Flow shall only be distributed in accordance with this Agreement, the Project Documents and any applicable Lender or Agency requirement and only with the Consent of the SM (which Consent shall not be unreasonably withheld to the extent the proposed distribution is in accordance with the foregoing). Net Cash Flow shall not be distributed prior to Stabilized Occupancy. Commencing upon Stabilized Occupancy, Net Cash Flow shall be distributed annually in the order set forth below within forty-five (45) days after the end of each Fiscal Year, provided that there is no uncured Event of Default outstanding or other current or anticipated cash shortage. For each Fiscal Year following Stabilized Occupancy, Net Cash Flow (including Net Cash Flow accumulated from all Fiscal Years prior to Stabilized Occupancy) shall be distributed in the following order:

(a) To the IM to pay any Credit Adjuster Obligations;

(b) To the IM as payment of the Investor Services Fee and then to any Adjustment Amount owed to the IM, the SM or any Affiliates thereof and then to any other amounts owed to the IM, the SM or any Affiliates thereof;

(c) If the balance in the Operating Reserve Account is below the Operating Reserve Amount, to the replenishment of such account until the balance is restored to the Operating Reserve Amount;

(d) To the IM, an amount equal to any tax liability of the IM for taxable income allocated to the IM with respect to such year (calculated at an assumed tax rate of the then highest marginal federal corporate tax rate) and any amount which would have been distributed under this subclause in any prior year (calculated at an assumed tax rate of the then highest marginal federal corporate tax rate) but for there being insufficient Net Cash Flow to do so;

(e) To the Developer as payment of the Deferred Development Fee until payment in full;

(f) To payment of the Company Management Fee;

(g) To the Managing Member for any debts or liabilities owed to it, including repayment of Subordinated Loans;

(h) Of the balance, 78% to the payment of any amounts due and payable on the City Loan and 22% to the payment of any amounts due and payable on the County Loan;

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(i) To the payment of the Sponsor Loan (if applicable);

(j) 90% of Net Cash Flow available pursuant to this clause (j) to payment of the Incentive Management Fee, and, to the extent that the Incentive Management Fee exceeds 12% of gross revenues of the Company for such Fiscal Year (less any property management fees paid to an Affiliate of the Managing Member), a distribution to the Managing Member as a preferred return ("Preferred Return"), provided however, that in the event the distribution under this paragraph is paid as a Preferred Return, then in such event, there shall also be a gross income allocation to the Managing Member for that Fiscal Year in an amount equal to such Preferred Return; and

(k) Any remaining Net Cash Flow shall be distributed 99.98% to the IM, 0.01% to the SM, and 0.01% to the Managing Member.

In no event shall more than 90% of Net Cash Flow distributable to Members for any year be paid or distributed to the Managing Member and the foregoing distributions shall be modified to the extent necessary so that the Managing Member will receive no more than 90% of such Net Cash Flow in any year.

4.3. Allocation of Net Profit on Sale. Subject to allocations required by Sections 4.1(d), 4.1(e), 4.1(f), and 4.1(g), any Net Profit realized by the Company as a result of any of the transactions described in Section 4.5 shall be allocated to the Members (after having given effect to charges and credits to Capital Accounts resulting from allocations pursuant to Section 4.1 for the Fiscal Year in which the gain is recognized for federal income tax purposes, and to all distributions for such year under Section 4.2 but before giving effect to any distributions under Section 4.5) as follows and in the following order:

(a) First, if any of the Members have negative balances in their Capital Accounts, to such Members on a pro rata basis in proportion to such negative balances until such negative balances have been eliminated.

(b) Second, any remaining gain shall be allocated so that the Capital Accounts of all Members equal as nearly as possible the amount of cash each Member would receive if the aggregate amount of all Capital Account balances were cash available to be distributed pursuant to Section 4.5 (other than distributions to pay debts, fund reserves and pay fees).

4.4. Allocation of Net Loss From Sale. Any Net Loss From Sale shall be allocated as follows:

(a) First, if the Capital Account of any Member or Members is a positive number, such loss shall be allocated to those Members whose Capital Accounts are positive in proportion to the positive balances of each of them, until the balance of each such Member's Capital Account is equal to zero.

(b) Then, subject to Section 4.1(b), any remaining loss shall be allocated to the Members as Net Losses are allocated under Section 4.1.

4.5. Distribution of Net Cash Proceeds From a Sale or Refinancing. Except as provided in Section 11.2 in the event of a liquidating distribution, the Net Cash Proceeds shall be distributed and applied in the following order of priority:

(a) To the payment or provision for payment of the expenses of liquidation and the debts and liabilities of the Company then due, excluding obligations to any Member (but including PNC Bank, National Association as lender) or Affiliates thereof.

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(b) With the Consent of the SM, to the setting up of a reserve reasonably necessary for any contingent, conditional, or unmatured liabilities or obligations of the Company; provided, however, that said reserves shall be for the purpose of disbursing for the payment of any of the aforementioned contingencies and, at the expiration of such period as the SM shall deem advisable, for the purpose of distributing the balance remaining thereafter as provided for hereinafter.

(c) To the payment of any accrued but unpaid Investor Services Fees, and to any other amounts owed to the IM, the SM, or any Affiliates thereof.

(d) To the IM, an amount equal to the Exit Taxes.

(e) To the payment of any Permitted Loans.

(f) To the payment of any amounts owed to the Managing Member, including repayment of Subordinated Loans.

(g) Finally, any remaining Net Cash Proceeds shall be distributed 10% to the IM, 0.01% to the SM and 89.99% to the Managing Member.

4.6. Revaluation of Company Property. Upon the occurrence of (i) a contribution of money or property to the Company (after the Closing Date) by a new or existing Member as consideration for an interest in the Company, (ii) a distribution of money or property by the Company to a retiring or continuing Member as consideration for an interest in the Company, or (iii) the liquidation of the Company, the respective Capital Accounts of all Members shall be adjusted to reflect a revaluation of Company property on the books of the Company in the following manner:

(a) Such adjustments must be based on the fair market value of the property on the date of adjustment;

(b) The adjustments must reflect the manner in which the unrealized income, gain, loss or deduction inherent in such property (that has not been reflected in the Capital Accounts of the Members previously) would be allocated among the Members under this Article IV if there were a taxable disposition of such property for such fair market value on the adjustment date;

(c) Thereafter, the Capital Accounts of the Members are adjusted in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g) for allocations to them of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property; and

(d) Thereafter, the Members' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and the book value of such property in the same manner as under Section 704(c) of the Code and the Treasury Regulations thereunder and Treasury Regulation Section 1.704-1(b)(4)(i).

4.7. Consent to Allocations and Distributions. Each Member expressly consents to the methods set forth in this Article IV for determining the allocations and distributions of Net Profit, Net Loss, Net Profit From Sale, Net Loss From Sale and Distributions.

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4.8. Allocations and Distributions Within a Class.

(a) Allocations and Distributions Among Investment Members. Whenever Net Profit or Net Loss, Net Profit From Sale, Net Loss From Sale or any item of income, gain, loss, deduction or credit is allocated or an item of cash is distributed to a class of Investment Members, without regard to the capital account balances of the members of such class, such Net Profit, Net Loss or item shall be allocated or distributed to all members of such class of Investment Members (treating for purposes hereof the IM and SM as separate classes of Investment Members) in proportion to the amounts of their respective Capital Contributions.

(b) Allocations and Distributions Among Managing Members. If there should be at any time more than one Managing Member, any Net Profit or Net Loss, Net Profit From Sale, Net Loss From Sale or any item of income, gain, loss, deduction or credit shall be allocated and each item of cash shall be distributed, between or among the Managing Members as a class, pro rata in accordance with the ratio of the percentage interests of the members of such class, as set forth on Exhibit 2.

4.9. Miscellaneous.

(a) Guaranteed Payments. Notwithstanding anything to the contrary in this Article IV, to the extent that any amounts which are paid or accrued to a Member for services or for the use of capital by the Company are treated as distributions of Company income to the Members receiving such payment, an equal amount of gross income of the Company shall be specially allocated to such Member.

(b) Tax Elections. Except as otherwise expressly provided in this Agreement, any federal, state or local tax elections relating to such allocations shall be made by the Managing Member with the Consent of the IM in such manner as will be most advantageous to the IM so long as such elections are not materially inconsistent with the purposes of the Company as set forth in this Agreement.

(c) Creditors. Except as otherwise expressly provided in this Agreement, a creditor who makes any loan to the Company, including any nonrecourse loan, shall not have or acquire at any time as a result of making such loan any interest in the profits, capital or property of the Company other than as a secured creditor if such loan is secured by Company assets.

(d) Imputed Interest. In the event that there is a determination that interest on any loan between a Member and the Company is imputed at a rate higher than the rate actually charged on such loan, the excess income or deduction of the Company attributable to such imputed interest shall be allocated solely to that Member to whom or from whom such loan was made.

(e) Special Allocation of Operating Deficit Obligation. If (1) the Managing Member advances funds to the Company pursuant to Section 6.5(d) or otherwise advances funds to or makes loans to the Company for purposes of paying operating expenses of the Company or, if the Company incurs losses from extraordinary events which are not recovered from insurance, or if funds are advanced from the Operating Reserve Account, the amount, if any, of funds contributed to such reserve by the Managing Member or its Affiliates or otherwise (collectively, "**Operating Deficit Obligations**") in respect of any Company taxable year, and (2) the Accountants determine that the IM will likely have an adjusted Capital Account deficit in any year during the Credit Period in excess of the sum of the IM's share of Company minimum gain plus any amount of its negative Capital Account that the IM has agreed to restore, then, to the extent of such projected excess deficit Capital Account, the calculation and allocation of Net Profit and Net Loss pursuant to Section 4.1(a) shall be adjusted as follows: first, an amount of deduction attributable to the Operating Deficit Obligations consisting of operating expense deductions and not cost recovery deductions shall be allocated to the Managing Member, and, second, all remaining deductions and all gross

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revenues shall be allocated as provided in Section 4.1; provided that the Managing Member shall be specially allocated an amount of gross income (before Net Profit and Net Loss are computed under Section 4.1) equal to the amount of any principal repayment in any year of a Subordinated Loan or any repayment or return of a Managing Member Capital Contribution (but in no event shall the aggregate amount of gross income allocated pursuant to this clause exceed the aggregate amount of deductions or losses allocated to the Managing Member under this Section 4.9(e)).

(f) Distributions In-Kind. With respect to assets distributed in kind to the Members in liquidation or otherwise, (1) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be Net Profit From Sale and Net Loss From Sale realized by the Company immediately prior to the liquidation or other distribution event, and (2) such Net Profit From Sale and Net Loss From Sale shall be allocated to the Members in accordance with Sections 4.3 and 4.4, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of its fair market value over the outstanding principal balance of and accrued interest on any debt by which such property is encumbered. For purposes of this Section 4.9(f), "unrealized appreciation" or "unrealized depreciation" shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing (but subject to Section 7701(g) of the Code), and the Company's adjusted basis for such assets as determined under Treasury Regulation Section 1.704-1(b). This Section 4.9(f) is intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distributions, and nothing contained in this Section 4.9(f) or elsewhere herein is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the Managing Member and the SM. Any dispute as to the fair market value shall be submitted to a committee composed of three (3) MAI or SRE appraisers, one chosen by the Managing Member, one chosen by the SM, and the third chosen by the other two so chosen. The proceedings of such committee shall conform to the rules of the American Arbitration Association, as far as appropriate, and its decision shall be final and binding upon the parties hereto and any successor Managing Member.

(g) Additional Interest. To the extent that interest is imputed on the unpaid balance of Development Fee, but is not paid, the deduction attributable to such unpaid interest shall be allocated to the Managing Member.

(h) Reportable Transactions. The Company and its Members shall be permitted to disclose to any and all Persons, without limitation of any kind, the "tax treatment and tax structure" (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. The Managing Member will promptly notify the Members of any "reportable transaction" under Treasury Regulation Section 1.6011-4 in which the Company shall engage. The Managing Member hereby notifies the other Members that the transactions provided for in this Agreement may constitute a "reportable transaction".

(i) Special Allocation With Respect to Donations, Grants and Similar Items. Any taxable income of the Company resulting from the receipt of donations, contributions (including income arising from recharacterization of any Capital Contribution, debt or financing), grants, substantial modification, cancellation or forgiveness of any Company indebtedness, subsidies and similar items will be allocated 100% to the Managing Member. Further, in the event any financing provided to the Project is recharacterized as a grant and required for federal income tax purposes to be recognized as taxable income, any income arising from such characterization shall be allocated to the Managing Member and the Managing Member agrees to cause the Accountants to prepare and file federal and state income tax returns that are consistent with this allocation provision. The Managing Member agrees to recognize the allocation of income from any grant on its respective federal and state income tax returns, and the Managing Member

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and Guarantors (other than Shelter Resources, Inc. and SRI-Blueridge Pacific, LLC) jointly and severally agree to indemnify and hold the IM harmless from the reduction in tax benefits and the income tax consequences attributable to any recharacterization of any financing as a grant and any income that is required to be allocated to the IM or loss in tax benefits sustained by the IM as a result of any grant, this special allocation notwithstanding. Such special allocation of income to the Managing Member related to grants includes, but is not limited to, an allocation of income for state franchise or income tax purposes, and the indemnification obligation set forth herein shall be construed to encompass any adverse state franchise or income tax consequences of allocation of income to any Investment Member.

(j) Distributions. Except as otherwise provided in this Agreement, each Member shall look solely to the assets of the Company for all distributions and for such Member's share of Net Profit or Net Loss and shall have no recourse therefor (upon dissolution or otherwise) against the Managing Member or the Investment Members, except, however, that this limitation shall not impair the right of the Company to enforce its rights against a Managing Member or an Investment Member. No Member shall have any right to demand or receive property other than money upon dissolution and termination of the Company.

ARTICLE V

PURCHASE OF INVESTMENT MEMBERS' INTERESTS

5.1. Right To Require Repurchase. The Investment Members shall have the right to require the Managing Member to purchase the IM's and the SM's respective interests in the Company upon the occurrence of any one of the following events:

(a) Agency or Lender Disapproval. At any time after the Closing Date, any Agency or Lender does not grant consent to an amendment of this Agreement intended to transfer the IM's or SM's interest in the Company and/or admit the SM or its designee as a substitute or additional Managing Member pursuant to this Agreement.

(b) Construction. Any of the following construction-related conditions shall be triggered:

(1) Construction-related work on the Project does not occur for more than a forty-five (45) consecutive day period;

(2) Reserved;

(3) Final Construction Completion shall not have occurred by the earlier of (i) the date by which construction completion is required by any Lender, as such date may be extended in accordance with the Permitted Loan documents, and (ii) the Completion Date.

Provided, if construction of the Project is delayed due to Force Majeure, the Managing Member shall provide prompt written notice to the SM specifying the event which constitutes Force Majeure hereunder and provided the SM agrees with such determination in its reasonable discretion, the Completion Date required pursuant to clause (ii) of subsection (3) above and the 30-day period described in subsection (1) above, may be extended for such period of time as the SM reasonably determines that such Force Majeure causes delay, but in no event so long as to result in the loss or recapture (which shall not include a delay in delivery of Tax Credits, provided any extensions granted hereunder shall not in any way modify the Forecasted Tax Credit or affect the Managing Member's obligations under Section 3.5 hereof) of any Tax Credits by the Company. The failure by the Managing Member to notify the SM of any specific event of Force Majeure within thirty (30) days shall result in a waiver of such event by the Managing Member.

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(c) Financing. Prior to Stabilized Occupancy, any of the following shall have occurred:

(1) An event of default shall have been declared by any Lender which default shall not have been cured within any applicable cure period;

(2) a non-judicial foreclosure of the Project has been completed or judicial proceedings shall have commenced to collect on any Permitted Loan or a foreclosure proceeding shall have commenced with respect to any mortgage and such proceedings shall not have been dismissed within sixty (60) days; or

(3) any financing commitment of any Lender or Agency to provide a Permitted Loan or any rate lock relating thereto shall expire or be in default, modified, terminated or withdrawn and not reinstated or replaced within sixty (60) days with comparable terms which shall have received the Consent of the SM and, if required, the approval of any other Agency or Lender.

(d) Stabilization.

(1) Stabilized Occupancy has not occurred by the two (2) year anniversary of Final Construction Completion;

(2) Achievement of monthly Breakeven Operations for a three (3) consecutive month period has not occurred by the one (1) year anniversary of Final Construction Completion; or

(3) Mortgage Loan Commencement has not occurred by the earlier of (i) the date required in the Permitted Loan documents, including any Permitted Loan commitment, and (ii) the 36-month anniversary of the date of this Agreement.

(e) Noncompliance With Tax Credit Requirements. Any of the following Tax Credit-related requirements shall be triggered:

(1) Carryover Allocation shall not have occurred by December 31, 2025 and evidence thereof shall not have been delivered to the SM by February 15th of the following year;

(2) 10% Test Certification shall not have occurred by the earlier of (i) the date required by the Tax Credit Agency and (ii) twelve (12) months after the Carryover Allocation is executed by the Tax Credit Agency and evidence thereof shall not have been delivered to the SM within thirty (30) days of the earlier of said dates;

(3) Placement In Service has not occurred by the earlier of any date required by the Agency or the Completion Date and evidence thereof shall not have been delivered to the SM within thirty (30) days of the earlier of said dates;

(4) Cost Certification shall not have been delivered to the SM within one hundred eighty (180) days of Final Construction Completion;

(5) 8609 Issuance shall not have occurred and evidence thereof shall not have been delivered to the SM by October 15th of the year following the first year of the Credit Period except to the extent such 8609 Issuance is the result of Agency delay and through no fault of the Managing Member;

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(6) a valid Extended Low Income Housing Use Commitment as required pursuant to Section 42 of the Code has not been executed and recorded prior to December 31st of the first year of the Credit Period and evidence thereof shall not have been delivered to the SM within thirty (30) days of said date;

(7) the Actual Tax Credit is less than 90% of the Forecasted Tax Credit, except as a result of casualty and the Managing Member is diligently pursuing restoration of any damaged units and completes such restoration within the time period required under the Code (but in all events within twelve (12) months), provided that the Managing Member shall not be relieved of any obligations under Section 3.5 for the loss of reduction in the Actual Tax Credits, and all such obligations have been satisfied as required herein;

(8) Prior to the end of the Credit Period, the Project receives a failed REAC score, if applicable, which is not cured during the time period permitted by HUD or which results in a loss of subsidy; or

(9) The Company fails to meet the Minimum Set-Aside Test or the Agency Set-Aside or the rents charged to tenants in dwelling units designated to meet the Minimum-Set-Aside Test or the Agency Set-Aside Test fail to meet the Rent Restriction Test prior to the end of the first year of the Credit Period, or at any time thereafter through the Compliance Period the Company fails to cause at least 90% of the Low Income Units to meet the foregoing tests.

(f) Managing Member or Guarantor Breach. Prior to funding the Final Installment, an Event of Default occurs and is not cured within any applicable notice or cure period.

5.2. Purchase Price. The purchase price of the Investment Members' membership interests shall be an amount equal to (i) all Capital Contributions previously paid by the Investment Members to the Company, plus (ii) interest on such Capital Contributions at an annual interest rate of 12% calculated from the date each Capital Contribution was paid through the payment date of the purchase price; plus (iii) the amount of costs and expenses incurred by any Investment Member in connection with the repurchase; less (iv) the value of any Tax Credit previously allocated to the IM and not subject to recapture, the value of which shall be the lesser of the Tax Credit Price or $1.00. The Company and Managing Member shall also be obligated to provide a full release of the Investment Members from any further obligation to make Capital Contributions and an indemnification against any claims of creditors of the Company.

5.3. Notice. Within five (5) days of the occurrence of an event in Section 5.1, the Managing Member shall give notice of the event to the SM; provided that the delivery or receipt of such notice is not a condition to the effectiveness of the rights and remedies hereunder. No purchase shall be required until the IM or the SM shall have given the Company and the Managing Member twenty (20) days' written notice demanding the repurchase. The full amount of the purchase price as set forth in Section 5.2 shall be paid by the Managing Member to the IM and the SM at the conclusion of the twenty (20) day notice period. The Company hereby guarantees the obligation of the Managing Member under this Article V.

ARTICLE VI

RIGHTS, POWERS AND DUTIES OF MANAGING MEMBER

6.1. Powers. The Managing Member shall be responsible for the management of the Company business. Subject to Section 6.2 and any other specific provisions contained in this Agreement, the Managing Member shall have all authority, rights and powers generally conferred by law, including the authority, rights, and powers of a managing member in a limited liability company without investment

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members, and shall have all authority, rights and powers which they deem necessary or appropriate to effect the purposes of the Company, including, but not limited to, the following:

(a) To acquire, hold, sell, transfer, assign, lease or otherwise deal with any real, personal, or mixed property, interest therein or appurtenance thereto.

(b) To borrow money or incur any purchase money mortgage or similar obligations and, if security is required therefor, to mortgage or subject to any other security device any portion of the assets of the Company, including any assets acquired with the proceeds of such borrowing, to obtain replacements of any mortgage or other security device, and to prepay, in whole or in part, refinance, increase, modify, consolidate or extend any mortgage or other security device and including, specifically, the authority, right, and power to borrow money for working capital purposes to acquire, rehabilitate and operate the Project and to engage in related activities. Additionally and notwithstanding the foregoing, the Managing Member expects the Company to receive the County Loan. The terms of the County Loan Documents are subject to the Consent of the SM. In the event the County Loan is approved for the Project and the County Loan Documents and terms thereof receive the Consent of the SM, the County Loan shall be a Permitted Loan.

(c) To purchase, at Company expense, liability and other insurance to protect the Company business and property.

(d) Subject to Section 6.8, to employ, contract and deal with Persons (including any Member or Affiliate of any Member) in connection with the management, operation, and disposition of the Company business and assets, on such terms as the Managing Member shall determine.

(e) To establish reserve funds pursuant to Section 6.5 to provide for future requirements of the Project.

(f) To bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Company.

(g) To pay as a Company expense any and all expenses associated with the formation of the Company and the development, construction and/or rehabilitation as applicable, organization, and operation of the Project.

(h) To deposit, withdraw, pay, retain and distribute the Company's funds in a manner consistent with the provisions of this Agreement.

(i) To require in any or all Company contracts that the Managing Member shall not have any personal liability thereon but that the Person contracting with the Company shall look solely to the Company and its assets for satisfaction.

(j) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing.

6.2. Restrictions on Authority of Managing Member. The Managing Member shall be bound by all Project Documents. In addition, without the prior Consent of the SM, no Managing Member shall:

(a) Dissolve or wind up the Company, or cause or permit the occurrence of any event that would have the foreseeable result of the voluntary or involuntary dissolution of the Company whether under this Agreement or otherwise.

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(b) Sell, exchange, lease (other than lease of dwelling units to individual tenants as required hereunder), mortgage, pledge, or otherwise transfer any of the assets of the Company except for (i) mortgages, assignments and pledges of collateral required with respect to the Permitted Loan, (ii) grants of easements necessary to the construction and operation of the Project, (iii) the exercise of the Option and Right of First Refusal described in Section 7.10; and (iv) in connection with ordinary replacement or worn out or obsolete items in accordance with the provisions of this Agreement.

(c) Change the nature or purposes of the Company's business.

(d) Borrow money on behalf of the Company (except for the Permitted Loan closed on or before the date hereof) or refinance, recast, modify or extend any loan to the Company or which affects or is secured by the assets of the Company, except that the Managing Member shall have the right and power without such Consent to borrow additional funds on behalf of the Company to meet current cash needs of the Company, provided such amounts so borrowed that are outstanding at any given time under this clause (d) shall not exceed $20,000 and such amounts are not used to repay (i) any obligations owed to the Managing Member, Developer or Guarantor or any Affiliate of any such Persons or (ii) any obligations which are to be paid by the Managing Member, Developer or Guarantor or any Affiliate of any such Persons;

(e) Borrow from the Company or commingle Company funds with funds of any other Person.

(f) Rent apartments in the Project in such a manner that the Project would not meet the requirements of the Minimum Set-Aside Test, the Agency Set-Aside Test or the Rent Restriction Test.

(g) On behalf of the Company, (i) file or cause to be filed a voluntary petition in bankruptcy under the Bankruptcy Code or (ii) file or cause to be filed a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule.

(h) Cause the Company to commence, settle, compromise, mediate or otherwise relinquish any claim (actual or prospective, except for routine eviction actions), or to release, waive or diminish any material Company rights in any litigation or arbitration matter (except for routine eviction actions) involving a claim of in excess of $10,000 owed by the Company, or to do so as to any claim regardless of amount against the Managing Member, Guarantor, Developer, Builder or Property Manager or any Affiliate thereof.

(i) Cause the Company to close or convert or refinance any loan, including any Permitted Loan.

(j) Amend any Project Document, or permit any party thereunder to waive any provision thereof, to the extent that the effect of such amendment or waiver: (i) would be to eliminate, diminish, or defer any obligation or undertaking of the Company, the Managing Member, the Developer or the Guarantor, or any of their Affiliates, that accrues, directly or indirectly, to the benefit of, or provides additional security or protection to, the IM (notwithstanding that the IM is neither a party to nor an express beneficiary of such provision or was not a Member when such provision became effective), or (ii) might have a material adverse effect on the Project, the Company or the Investment Members.

(k) Pledge or assign any of the Capital Contributions of the IM or the proceeds thereof.

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(l) Following Final Construction Completion of the Project, construct any new capital improvements, or replace any existing capital improvements if construction or replacement would substantially alter the use or value of the Project not otherwise identified in the approved budget.

(m) Acquire any real property in addition to the Property (other than easements or similar rights necessary or customary for the development and operation of the Project).

(n) Cause the Company to make any loan or advance to any Person (other than accounts receivable in the ordinary course of business from Persons other than the Managing Member and Affiliates thereof).

(o) Permit the merger or termination of the Company.

(p) Lease the Property in such a manner as to cause the Property or any part thereof to be treated as "tax-exempt use property" within the meaning of Section 168(h) of the Code.

(q) Take any action or fail to take any action which would cause the recapture or reduction of the Tax Credit under Section 42(g) of the Code.

(r) Enter into any agreement (exclusive of the Project Documents entered into on or about the Closing Date or third-party service contracts for maintenance, landscaping, security and other service providers necessary to maintain operations of the Project with terms not exceeding one year) which benefits or burdens (i) the Project or the Company, or its assets, or (ii) the property of a third party (including the separate property of the Managing Member, Guarantor, or Developer, or their respective Affiliates).

6.3. Single Purpose Entity. The nature of the Managing Member as being a "single purpose entity" separate and distinct from its members, partners and/or shareholders, as applicable, is a material inducement to the IM and SM becoming Investment Members of the Company and agreeing to make the Capital Contributions provided for in this Agreement. To ensure compliance with the restrictions on the Managing Member, the Managing Member represents, warrants and covenants as follows:

(a) The Managing Member has not and will not engage in any business other than being the Managing Member of the Company.

(b) The Managing Member shall not enter into and has not entered into any contract or agreement with any Affiliate of the Managing Member, the Developer or Guarantor, except upon terms and conditions that are substantially similar to those that would be available on an arm's length basis.

(c) The Managing Member has paid and shall continue to pay its taxes, debts and liabilities from its own assets as the same shall become due. No Affiliate of the Managing Member has paid any debts or liabilities on behalf of the Managing Member other than those related to the Company.

(d) The Managing Member has maintained and shall continue to maintain books, financial records and bank accounts that are separate and distinct from any other Person.

(e) The Managing Member has maintained and shall continue to maintain separate annual financial statements prepared in accordance with generally accepted accounting principles, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the Managing Member are consolidated with the financial statements of any other entity, the Managing Member has included and shall continue to cause to be included in such consolidated financial statements: (i) a narrative description of the separate assets, liabilities, business

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functions, operations and existence of the Managing Member to ensure that such items are readily distinguishable; and (ii) a statement that the Managing Member's assets and credit are not available to satisfy the debts of such other entity or any other person.

(f) The Managing Member has previously and shall continue to (i) hold itself out as an entity separate and distinct from any other Person; (ii) not identify itself as a division or part of any other Person; and (iii) correct any known misunderstanding regarding its separate status.

(g) The Managing Member has and shall continue to conduct its business in its own name so as to avoid or correct any misunderstanding on the part of any creditor concerning the fact that any invoices and other statements of account from creditors of the Managing Member are to be addressed and mailed directly to the Managing Member, though this provision shall not prohibit such mail to be delivered to the Managing Member c/o any other entity.

(h) The Managing Member has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(i) The Managing Member has not commingled and shall not commingle with any Person, any of its assets, funds or liabilities.

(j) The Managing Member has not and shall not: (i) assume or guaranty the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Company or, (ii) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Company (whether by operation of law or otherwise), or (iii) otherwise pledge, encumber, transfer or hypothecate the assets of the Company for the benefit of another Person or permit the same to occur except as specifically provided in the Project Documents executed on or before the Closing Date, or (iv) hold the Company's credit as being available to satisfy the obligations of any other Person.

(k) All transactions carried out by the Managing Member have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the Managing Member.

6.4. Reserved.

6.5. Duties, Covenants, Obligations, Representations and Warranties. The Managing Member hereby agrees to undertake the following duties, covenants and obligations and further represents, warrants and covenants to the Investment Members and to Tax Counsel that the following are presently true and will be true throughout the term of this Agreement, unless otherwise indicated:

(a) The Managing Member shall devote to the Company such time as may be necessary for the proper performance of its duties. The Managing Member shall cause the Company to promptly pay all Company debts when they become due and to perform all other Company obligations under all agreements and legal requirements of any kind or nature to which the Company, the Project or the Managing Member may be subject. The Managing Member shall cause all accounts payable by the Company to be paid within sixty (60) days of their respective due dates. Subject to this Agreement, the Managing Member shall at all times act and exercise its discretion hereunder in a reasonable manner consistent with its fiduciary duties to the other Members.

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(b) During the term of the Company, the Managing Member shall cause the Company to obtain and keep in force, at Company expense, the insurance described in Exhibit 6 or such higher standard or amount of insurance coverage required under the Project Documents. All policies evidencing such required insurance shall: (i) be issued by a company or companies acceptable to the SM; (ii) include endorsements requiring at least thirty (30) days' prior written notice to the SM of any cancellation, termination, premiums due, or reduction of coverage therein; (iii) not be written for a term of less than one (1) year; (iv) not permit a waiver of subrogation by the insured prior to a loss; and (v) not exclude coverage as a result of the presence of moisture and/or mold, unless either (A) separate coverage is obtained in form and substance acceptable to the SM or (B) the Managing Member provides evidence acceptable to the SM that upon Final Construction Completion the Project will not be susceptible to moisture and/or mold issues. In the event the Managing Member does not provide the insurance as required herein, the SM shall be permitted to cause the Company to obtain and keep in force, at Company expense, such insurance. In addition, notwithstanding the acceptance by the SM of insurance that does not satisfy the insurance described in Exhibit 6 at any time (including any SM accepted exceptions on a post-closing basis and/or as provided in Section H of such exhibit), in the event the Company incurs any uninsured loss, damage, or liability of any kind which would have been insured but for the Managing Member's failure to cause the Company to obtain and keep in force the insurance described in this Section 6.5(b), the Managing Member agrees and guarantees to advance or cause to be advanced to the Company by the Guarantor, without the requirement of notice or demand by the Company, any Member or other party, the amount of such uninsured loss, damage or liability. Any amounts advanced under this paragraph shall not be credited toward the ODG Cap.

(c) The Managing Member shall cause the Company to establish and maintain reasonable reserves to provide for working capital needs, Capital Expenditures, Operating Deficits and any other contingencies of the Company, and, at a minimum, shall:

(1) Commencing six (6) months after Final Construction Completion, cause the Company to deposit monthly an amount of not less than the Replacement Reserve Amount per apartment unit into the Replacement Reserve Account, which amount shall be adjusted annually to reflect a 3% increase over the previous year's required deposit or such higher amount as may be required in any Project Document. The Replacement Reserve Account must be maintained in an account which shall be separate from the Company's operating account(s) in compliance with all Lender and Agency requirements. Pursuant to Section 10.9, the Managing Member shall submit to the SM for approval an annual budget of Capital Expenditures for the subsequent Fiscal Year. The SM's approval of the annual budget of Capital Expenditures shall be considered Consent for the Replacement Reserve Account disbursements for the purposes and in the amounts identified on such approved budget. Any disbursements from the Replacement Reserve Account shall be subject to all Lender or Agency requirements, and any disbursement in excess of the amounts identified on the approved budget of Capital Expenditures for such year shall be made only with the Consent or upon the direction of the SM. In no event shall disbursements be made from the Replacement Reserve Account for ordinary and customary repairs and maintenance that do not constitute Capital Expenditures without the prior Consent of the SM. After each disbursement, the Managing Member shall submit to the SM the invoices showing: the item or service purchased; the purchase date; the quantity purchased and per unit cost; the total purchase amount and reason for the expenditure. If disbursements are made from the Replacement Reserve Account for items that do not constitute Capital Expenditures or in amounts in excess of the limits established hereunder without Consent of the SM, the SM shall have the right (in addition to other remedies under this Agreement, including, but not limited to, Section 7.7(b)) to require the Managing Member to place the funds held in the Replacement Reserve Account into an account that requires the signatures of both the SM and the Managing Member for any disbursements.

(2) The Managing Member shall cause the Company to deposit into the Operating Reserve Account, at the time of the payment of the Final Installment, not less than the Operating Reserve

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Amount, which account shall be maintained in an account at PNC Bank, National Association in the name of the Company. The Managing Member may reduce or eliminate any Operating Deficit prior to making an advance pursuant to Section 6.5(d)(1) by requesting up to 50% of the funds in the Operating Reserve Account, but in no event shall any such funds be used while an Event of Default has occurred and is outstanding or to pay any Development Costs. Disbursements from the Operating Reserve Account (including any interest earned thereon) shall be made only with the Consent or upon the direction of the SM. The Operating Reserve Account shall be maintained until expiration of the Compliance Period at which time any remaining balance after payment of all amounts owing to the IM under this Agreement maybe utilized by the Managing Member for repayment of secondary loans at the discretion of the MM and with the Consent of the SM, which shall not be unreasonably withheld, conditioned or delayed, and if the remaining balance is not so used by the Managing Member, such remaining balance shall be disbursed as Net Cash Flow in accordance with Section 4.2 Any remaining balance in the Operating Reserve Account upon sale of the Project shall be disbursed as provided in accordance with Section 4.5. If disbursements are made from the Operating Reserve Account without the Consent of the SM, or the SM otherwise determines in its discretion, the SM shall have the right (in addition to other remedies under the Agreement, including, but not limited to, Section 7.7(b)) to require the Managing Member to place funds held in the Operating Reserve Account into an account that requires the signatures of both the SM and the Managing Member for any disbursements.

(3) Cause all accounts of the Company (including but not limited to those established under this Section 6.5(c)) to be held as either (i) readily marketable short-term United States government securities or short term securities issued or fully guaranteed by United States government agencies; or (ii) certificates of deposit, time or demand deposits with a bank that is organized under the laws of the United States of America or any state thereof, and has deposits insured by the Federal Deposit Insurance Corporation, has paid-in capital, surplus and undivided profits aggregating at least $500,000,000, and has outstanding debt that is rated "A" (or such similar equivalent rating) or higher by at least one (1) nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act). As of the date of this Agreement, deposit demand accounts held at PNC Bank, National Association satisfy such requirements.

(d) (1) The Managing Member shall be obligated, without the requirement of notice or demand, to advance, or cause to be advanced by the Guarantor, all funds necessary during the ODG Period up to the ODG Cap (exclusive of any amounts funded from the Operating Reserve Account) in order to enable the Company to pay and satisfy Operating Deficits. Notwithstanding any other provisions herein, any such advance made by the Managing Member to pay and satisfy Operating Deficits shall be treated as Subordinated Loans repayable without interest in accordance with the provisions of Section 4.2 and 4.5 hereof; provided, however, that if the SM determines that such treatment as Subordinated Loans would prevent the IM from being allocated 99.99% of Net Losses, Net Losses from Sale and/or Tax Credit, then the advances shall be accounted for as an indemnity payment to the Company and shall not be reimbursable or credited to the Capital Account of any Member unless the Consent of the SM is obtained.

(2) In addition to the obligations set forth in Section 6.5(d)(1) and notwithstanding any limitations set forth therein, in the event of a loss or reduction of the rental assistance provided under the HAP Contract for any reason, including, but not limited to, a loss or reduction caused by (i) a failure to enter into, a termination, an expiration or a lapse of the HAP Contract (including a failure to renew), or (ii) a failure of HUD to fully fund the HAP Contract due to a loss or reduction of appropriations, and such loss or reduction results, in whole or in part, in an Operating Deficit, then the Managing Member, for the period commencing on the Closing Date and ending upon the termination of the Compliance Period, agrees and guarantees to advance or cause to be advanced by the Guarantor, without the requirement of notice or demand by the Company, any Member or other party, an amount equal to the lesser of (i) the funds that would have been received under the HAP Contract with respect to the period of the Operating Deficit but

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for such loss or reduction of the rental assistance; and (ii) the amount of the Operating Deficit. If amounts are due under both (1) and (2) of this Section 6.5(d), advances made shall be treated as made first in satisfaction of the obligations under this paragraph until the obligations of this paragraph are satisfied in full and then in satisfaction of the obligations under Section 6.5(d)(1). Any amounts advanced under this paragraph shall not be credited toward the ODG Cap.

(3) In addition to the obligations set forth in Section 6.5(d)(1) and notwithstanding any limitations set forth therein, in the event the Property Tax Abatement is no longer in place for the Project for any reason or the Company owes real property taxes and/or payments in lieu of real property taxes in an amount greater than as set forth in the Property Tax Abatement as of the Closing Date, the Managing Member, for the period commencing on the Closing Date and ending upon the termination of the Compliance Period, agrees and guarantees to advance or cause to be advanced by the Guarantor, without the requirement of notice or demand by the Company, any Member or other party, an amount equal to the lesser of (i) the amount that would have been abated under the Property Tax Abatement with respect to the period of the Operating Deficit but for such loss or reduction of the Property Tax Abatement; and (ii) the amount of the Operating Deficit. If amounts are due under both (1) and (3) of this Section 6.5(d), advances made shall be treated as made first in satisfaction of the obligations under this paragraph until the obligations of this paragraph are satisfied in full and then in satisfaction of the obligations under Section 6.5(d)(1). Any amounts advanced under this paragraph shall not be credited toward the ODG Cap.

(4) All advances pursuant to this Section 6.5(d) up to $500,000 shall be Subordinated Loans repayable without interest in accordance with the provisions of Section 4.2 and Section 4.5; provided, however, that if the Accountants or the SM determine that such treatment as Subordinated Loans would prevent the IM from being allocated 99.98% of Net Losses, Net Losses from Sale and/or Tax Credit, then the advances shall be treated as payment of damages for breach of warranty. In the event of the removal of the Managing Member, the Managing Member shall be obligated to make a Capital Contribution to the Company in the amount of the then outstanding balance of any Subordinated Loan or assign the then outstanding balance of any Subordinated Loan to the SM or the substitute Managing Member, as required by the SM.

(e) The Managing Member shall provide the Investment Members, for purposes of seeking the Consent thereto, with a copy of any proposed new documents and/or any proposed amendment to any Project Document at least fifteen (15) days prior to the scheduled execution thereof. In no event shall any such documents be executed by or on behalf of the Company without obtaining the Consent of the SM as to the form and substance of such documents.

(f) The Company is and will continue to be a duly organized limited liability company, validly existing under the laws of the State and has complied and will continue to comply with all filing requirements necessary for the protection of the limited liability of the Investment Members. Upon execution of this Agreement, the only members of the Company are the Managing Member, the IM and the SM. The Managing Member will cause the Company to be in compliance with the Corporate Transparency Act (31 U.S.C. §§ 5311 *et seq.*, as amended) (the "**CTA**") and will make any filings required thereunder within the requisite timeframe, including but not limited to reporting the updated beneficial ownership of the Company resulting from the admission of the IM and SM to the Company; provided that the IM and SM will provide the Company and the Managing Member with all of its applicable beneficial ownership information (if required for the Company to comply with the CTA) and it will promptly notify the Company and the Managing Member of any updates to or changes in any of its beneficial ownership information that would reasonably be expected to require an updated BOI Report in respect of the Company under the CTA. The Investment Members hereby represent and warrant to the Company and the Managing Member that the IM and SM are exempt from reporting requirements under the CTA. The Company has not made, and will not make, an election to be taxable as a corporation. The Managing Member will not take any action

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that would result in the Company being treated as a corporation under Code Section 7701 or as a "publicly traded partnership" within the meaning of Code Section 7704. The Company has properly elected the accrual method of accounting. The profits, gains, losses and credits for tax and book accounting purposes, cash flow from operations, and sale or refinancing proceeds will be allocated among the Members as set forth herein. No Member will make any capital contributions to the Company other than the capital contributions provided for in this Agreement. The Company (i) is not an investment company within the meaning of the Investment Company Act of 1940 (referred to herein as the "**Act**") and (ii) is not relying on the exceptions contained in Section 3(c)(1) or Section 3(c)(7) of the Act in making such determination. In addition, at all times during the term of this Agreement, the Company (i) will not be an investment company within the meaning of the Act and (ii) will not rely on the exceptions contained in Section 3(c)(1) or Section 3(c)(7) of the Act in making such determination.

(g) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken pertaining to the Company or the Project by each of the Managing Member and Affiliates of a Managing Member have been duly authorized and the Company and the Managing Member are in good standing, and the consummation of any such transactions with or on behalf of the Company will not constitute a breach or violation of, or a default under, (i) the organizational documents of such entity, (ii) any agreement by which such entity or any of its property or assets are bound, or (iii) any law, regulation or court decree.

(h) No default, Event of Default or event which, with the giving of notice or the passage of time or both, would constitute a default, has occurred and is continuing under this Agreement or any of the Project Documents, and the same are in full force and effect. Neither the Managing Member nor the Company is in violation of any Lender or Agency requirements.

(i) The Company is not liable for any expense, debt, cost, liability, or other charge other than costs incurred in connection with the acquisition of the Property and construction and/or rehabilitation of the Project as reflected in the Project Budget and operating expenses arising in the ordinary course of business.

(j) The Managing Member, the Developer, the Guarantor, any partner, member or officer thereof (which officer has a Controlling Interest in any of the foregoing Persons) is not the subject of any governmental or private inquiry, proceeding or litigation, the outcome of which could be materially adverse to any such Person, the Project or the Company. Notwithstanding the foregoing, each of the Managing Member, the Sponsor (in such capacity as co-Developer and Guarantor), Shelter Resources, Inc. (in its capacity as Guarantor) and SRI-Blueridge (in its capacity as co-Developer) hereby makes the representations and warranties in this Section 6.5(j) as to itself only and not to any other party.

(k) No Event of Bankruptcy has occurred, is pending or to the best of the Managing Member's knowledge after due inquiry is threatened against the Company, the Managing Member, the Developer, or the Guarantor, and no event that would constitute an Event of Withdrawal has occurred with respect to any Managing Member. Notwithstanding the foregoing, each of the Managing Member, the Sponsor (in such capacity as co-Developer and Guarantor), Shelter Resources, Inc. (in its capacity as Guarantor) and SRI-Blueridge (in its capacity as co-Developer) hereby makes the representations and warranties in this Section 6.5(k) as to itself only and not to any other party.

(l) To the extent not previously transferred, the Managing Member hereby transfers and assigns to the Company all of the Managing Member's (and its Affiliates) right, title and interest in and to the Project and in and to all Project Documents.

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(m) The Managing Member shall provide to the SM written notice, within three (3) business days of the occurrence, of any event which would likely result in an Event of Default after passage of any cure period.

(n) The Managing Member and Guarantor collectively have and shall maintain an aggregate net worth exclusive of the Managing Member's interest in the Company or any sums owed to the Managing Member or Guarantor by the Company equal to at least $5,000,000, of which at least $2,000,000 shall be liquid assets until achievement of Stabilized Occupancy, and thereafter the minimum liquidity requirement shall be $1,000,000 until the ODG Period End Date.

(o) There are no agreements relating to and no claims filed, pending or to the best of the Managing Member's knowledge after due inquiry is threatened against or concerning the Company by any Person not an Affiliate of the IM in regard to any syndication or the sale or issuance of any non-managing membership interest in the Company. The Managing Member has or will have timely complied or will cause the timely compliance with all applicable securities laws in connection with the offer and sale of the Company interests in the Company to the IM and SM.

(p) The Managing Member has not received notice from the Internal Revenue Service that it has considered the Managing Member or any Affiliate thereof to be involved in any abusive tax shelter and is not aware of any facts which, if known to the Internal Revenue Service, would cause such notice to be issued.

(q) No Managing Member, Developer (other than SRI-Blueridge) or Guarantor (other than Shelter Resources, Inc. or SRI-Blueridge), nor any Affiliate of any of the preceding or any of the Managing Member's, Developer's (other than SRI-Blueridge), or Guarantor's (other than Shelter Resources, Inc. or SRI-Blueridge) respective officers, directors, principals, members or managers:

(1) Has been convicted within the past ten (10) years of any felony or misdemeanor in connection with the purchase or sale of any security involving the making of a false filing with the Securities and Exchange Commission, or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer or investment adviser;

(2) Is or has been subject to any order, judgment or decree of any court of competent jurisdiction, temporarily or preliminary enjoining or restraining, within the past five (5) years, such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with the Securities and Exchange Commission, or arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer or investment adviser;

(3) Is or has been subject to a United States Postal Service false representation order entered under Section 3005 of Title 39, United States Code, within the past five (5) years; or is or has been subject to a restraining order or preliminary injunction entered under Section 3007 of Title 39, United States Code, with respect to conduct alleged to have violated Section 3005 of Title 39, United States Code;

(4) Has acted as underwriter of any securities:

(5) Is covered by a registration statement which is the subject of any pending proceeding or examination under Section 8 of the Securities Act of 1933, as amended (the "**1933 Act**"), or is the subject of any refusal order or stop order entered thereunder within the past five (5) years; or

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(6) Is covered by any filing which is subject to any pending proceeding under Rule 261 or any similar rule promulgated under the provisions of Section 3(b) of the 1933 Act, or to an order entered thereunder, within the past five (5) years.

(r) No Member in the Company will be a tax-exempt entity, and no Member in the Company will be controlled by a tax-exempt entity. Further, no portion of the Project will be leased to a tax-exempt entity.

(s) The Managing Member has prepared its own financial analysis of the Project and is not relying on any financial analysis, projection or forecast prepared by the IM or any Affiliate thereof of the costs associated with the development, construction and/or rehabilitation of the Project or the Project's operations. There are sufficient sources of Development Funds to complete the Project in accordance with the Plans and Specifications and the Project Budget. The Managing Member has reviewed the Project Forecast and believes it to be correct in all material respects and is not aware of any facts that are inconsistent therewith.

(t) The Members and their respective Affiliates acknowledge that the Company interest of the IM may be transferred to an Affiliate of the IM or the SM. In connection therewith, the IM and the SM may disclose to prospective investors in such Affiliate such information previously supplied to the IM and/or its Affiliates about the transaction, the Company, the Project, the Managing Member, each of the other Members, the Developer, the Guarantor, the Property Manager and Affiliates thereof, and the Members, the Guarantor, the Developer and Affiliates thereof hereby agree to supply such further information as reasonably requested in order to effectuate such a transaction. The Company, the Members, the Developer, the Guarantor, and their Affiliates each further agree to promptly execute and/or provide such documents and agreements as may be reasonably necessary to facilitate and expedite such transfer, including any amendments and supplements to this Agreement, legal opinions, title policy endorsements and other Project Documents, and to otherwise cooperate with the IM and the SM in this regard. Specifically, and without limitation, the Company, the Members, the Developer, and the Guarantor shall promptly execute an amendment to this Agreement and a Guarantor Acknowledgement and Consent in the form of the attached Exhibit 7, as such form may be revised as required by the Affiliate transferee (the "**Transfer Amendment**"). The IM shall bear its own out-of-pocket costs, expenses, fees, taxes and similar charges arising in connection therewith and further agrees to reimburse the Company, the Managing Member, the Developer and the Guarantor for their reasonable out-of-pocket costs, expenses, fees, taxes and similar charges in connection therewith up to an aggregate maximum reimbursement of (i) $2,500 for transfers to PNC Bank, National Association and/or any fund entity sponsored or managed by PNC Bank, National Association or its affiliates and (ii) $10,000 for transfers to any entity other than as referenced in (i).

(u) The Company owns a fee simple interest in the Project, and the Project is not subject to an option or right of first refusal except as provided herein. No title exception, other than the lien(s) securing the Permitted Loan and encumbrances noted or excepted in the Title Policy or other restrictive covenants or encumbrances that have been approved in writing by the SM, constitutes a material lien, exclusion, exception, condition or stipulation or refers to rights, the existence or exercise of which could have a material adverse effect on the ownership, development, operation or value of the Project. There is no official action of any governmental authority, pending or to the best of the Managing Member's knowledge after due inquiry threatened, which in any way would involve any intended public improvements, which public improvements may result in any charge being levied against the Project or any special assessment being levied against the Property. There is no existing, proposed or, to the best of the Managing Member's knowledge after due inquiry, contemplated, plan to widen, modify or realign any street or highway contiguous to the Project. The Managing Member shall promptly notify the SM of any official actions or plans, if and as they arise. No Person or entity other than the Company and those Persons

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holding indirect interests through the Company holds any equity or ownership interest in the Project. No Person except the Company has the right to any proceeds, after payment of all indebtedness, from the sale, refinancing or leasing of the Project, and the Company, except to the extent protected by insurance and excluding any risk borne by the lenders, shall bear the risk of loss if the Project is destroyed, condemned or diminished in value. Other than specifically provided in this Agreement, a creditor who makes a loan to the Company shall not at any time have or acquire, as a result of making the loan, any interest in the profits, capital or property of the Company other than as secured or unsecured creditor. No restrictions on the Sale or Refinancing of the Project exist, other than restrictions under Section 42 of the Code, the Extended Low Income Housing Use Commitment, encumbrances noted or excepted in the Title Policy, the Permitted Loan documents and this Agreement, and no such restrictions shall be placed upon the Project without the Consent of the SM.

(v) No charges, liens, claims, covenants, conditions, restrictions, easements, rights of way, options, judgments, special assessments or encumbrances exist against the Project other than those which are created or permitted by the Project Documents or are noted or excepted in the Title Policy. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or to the best of the Managing Member's knowledge after due inquiry proposed to be imposed, by any authority or any public or private utility having jurisdiction over the Project which would have a material adverse effect upon the use or occupancy of the Project. No special assessments have been levied or to the best of the Managing Member's knowledge after due inquiry are proposed to be levied against the Project and the Managing Member will promptly notify the SM of any such actions if and as they arise. Except as previously approved by the SM, the completion of the construction or rehabilitation of the Project will not require the dedication of any portion of the Project.

(w) No event, proceeding, adverse action, commission, suit, arbitration, or claim, including, but not limited to, judicial, municipal or administrative proceedings, unlawful detainer or tenant evictions, collections, alleged building code, health and safety or zoning violations, employment discrimination or unfair labor practices, workers' compensation, personal injuries or property damages, is pending, has occurred, or, to the best of the Managing Member's knowledge after due inquiry, is threatened, the continuing effect of which could: (i) materially or adversely affect the operation of the Company or the Project; (ii) materially or adversely affect the ability of the Managing Member or Guarantor to perform their obligations hereunder, under the Guaranty or under any other Project Document; or (iii) prevent Final Construction Completion or Mortgage Loan Commencement in substantial conformity with the Project Documents, unless any of the foregoing have been bonded against (or as to which other adequate financial security has been issued without recourse to Company assets) in a manner as to indemnify the Company against loss.

(x) Except as otherwise disclosed in writing to the SM, the Managing Member has no knowledge of (i) any opposition to the Project, or (ii) any investigation or inquiry of the Company, the Managing Member, the Developer, the Guarantor, or any partner, member or officer thereof, which has or may have a material adverse impact on the Project or the Company or which would result in a delay in the development of the Project.

(y) If the Property or Project is eligible for a property tax exemption, abatement, or other relief and such exemption or abatement requires periodic filings or reporting to the taxing authority, the Managing Member shall cause the Company to timely file same and provide copies of such filings to the SM within ten (10) business days of filing.

(z) The Company has the primary obligation to pay all maintenance and operating costs, including all taxes levied upon, and all insurance costs attributable to, the Project. There are no

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service or maintenance contracts, warranties, guarantees or bonds which are or will be obligations of the Company or the Project, other than which the Managing Member has provided to the Investment Members (collectively, the "**Service Contracts**"). All Service Contracts are or will be on an arm's-length basis with parties not Affiliated with the Managing Member, except as Consented to by the SM. There is no current default of any of the Service Contracts. The Service Contracts have not been, and will not be, amended or modified except as permitted herein. All fees paid to the Managing Member or any Affiliate thereof in connection with the Company will be reasonable in amount for services actually performed.

(aa) The fair market value of the Project as of the Completion Date (when taking into account the value of the Tax Credits and below-market financing) will exceed, and throughout the term of the Permitted Loan is expected to exceed, the aggregate outstanding balance of the Permitted Loan. Each Permitted Loan has a fixed maturity date which is prior to the end of the anticipated economic life of the Project, and the Company will be able to repay or refinance each Permitted Loan as it matures.

(bb) The Managing Member is not related in any manner to the IM or the SM, nor is the Managing Member acting as an agent of the IM or the SM.

(cc) Other than the Sponsor Loan, no Member, nor any related person (within the meaning of Treasury Regulation Section 1.752-4(b)) of any Member, has or will have any personal liability with respect to, or has personally guaranteed or will personally guarantee the payment of, the permanent phase of any Permitted Loan nor bears or will bear the economic risk of loss (within the meaning of Treasury Regulation Section 1.752-2) for the repayment of any permanent phase of a Permitted Loan.

(dd) If the SM directs the Managing Member to do so or if required by the Agency or Lender or by law or regulation, or if recommended by a licensed environmental engineering firm preparing a third-party report for the Project, the Managing Member will promptly cause to be implemented on behalf of the Company a moisture management and control program for the Project that will comply with all applicable requirements and recommendations set forth in any applicable report obtained by the Company or Investment Members at any time (the costs and expenses incurred by any Investment Member in connection therewith to be reimbursed by the Company on demand); provided, that to the extent of any conflicting requirements or recommendations among such reports, the most stringent requirements and recommendations shall control.

(ee) The Managing Member shall cause all leases of dwelling units to tenants to include a provision obligating such tenants to notify the Property Manager immediately of any suspected water leaks, moisture problems, or mold in dwelling units or common areas of the Project.

(ff) The Managing Member shall cause the Company to maintain tenant deposits in separate accounts which must be used solely to hold tenant deposits as security for tenant rents and for no other purpose.

(gg) The community and common area portions of the Project will be held exclusively for use by tenants and the Company will not charge a separate fee for the use of tenant facilities at the Project (other than coin operated laundry facilities), and such tenant facilities will be available on a comparable basis to all tenants. The Managing Member shall cause the Company to provide any supportive services as required by the Project Documents and all services provided to tenants will be optional and will not be required as a condition of occupancy.

(hh) The Managing Member agrees that the Company shall not obtain any financing which requires the approval of HUD until such HUD 2530 approval is obtained from HUD. If the Company intends to obtain HUD assistance or insurance or any other type of financing that necessitates the filing of

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a Form 2530 Previous Participation Certificate with HUD, the Managing Member shall so notify those Members from which information is required for such Certificate and shall provide adequate information to such Member to enable it to file any additional documents with HUD.

(ii) The Managing Member shall notify the IM and invite a representative of the IM to attend any groundbreaking, ribbon-cutting or other public relations ceremony relating to the Project. The Managing Member shall cause the Company to display a sign on the Property during construction/rehabilitation which clearly states the name of PNC as the arranger of equity funds for the Project. The sign shall be erected in a prominent place on the site within 10 days of receipt by the Managing Member of the PNC image and directions, subject to local zoning laws and land use or other signage restrictions. The Managing Member agrees to remove such sign or reference to PNC if requested. The Managing Member hereby gives permission to the IM and any Affiliate lender of the Investment Members to issue press releases and advertising relating to the equity commitment and the IM's participation in the transaction. Such media and marketing materials may include, among other things, photos, information about the location of the Project, the number of units, the amenities associated with the Project and the terms of the equity commitment.

(jj) If the SM directs the Managing Member to do so, the Company shall elect out of any/all available bonus depreciation under the Code.

(kk) The Managing Member shall provide drafts of the County Loan Documents to the IM for its review and approval at least ten (10) business days prior to their execution.

(ll) The Managing Member shall not employ any Person as an employee of the Company.

(mm) The Project and its intended tenant restrictions under the Agency Set-Aside Test comply with the Fair Housing Act, 42 U.S.C. Sec. 3601, et seq.

(nn) Unless otherwise Consented to by the SM, the Managing Member shall make, on behalf of the Company, an election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code and timely provide evidence of making such election to the SM.

(oo) Prior to or in conjunction with the filing of its federal tax return for 2025, the Managing Member will make a valid election to be taxed as a corporation and a valid election under Section 168(h)(6)(F)(ii) of the Code so that no portion of the Project will constitute "tax-exempt use property" within the meaning of Section 168(h) of the Code.

(pp) Anti-Corruption Laws; Anti-Money Laundering Laws and International Trade Laws.

(1) The Managing Member hereby represents, warrants and covenants to the Investment Members that the following are presently true and will be true throughout the term of this Agreement:

(i) Each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity (A) is not a Sanctioned Person; (B) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions with any Sanctioned Jurisdiction or Sanctioned Person; and (C) is not in violation of, and has not, during the past five (5) years, (I)

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directly or indirectly, taken any act that could cause any Covered Entity to be in violation of applicable International Trade Laws, (II) received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws, or received a request for information from any Official Body regarding International Trade Law matters, (III) taken any act that could cause Covered Entity to be in violation of Anti-Corruption Laws or (IV) received any notice or communication from any Person that alleges, or been involved in an internal investigation involving any allegations relating to, potential violation of any Anti-Corruption Laws, or received a request for information from any Official Body regarding Anti-Corruption Law matters;

(ii) Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with applicable International Trade Laws and with Anti-Corruption Laws; and

(iii) There is no Blocked Property pledged as Collateral.

(2) The Managing Member hereby agrees that throughout the term of this Agreement, the Managing Member will:

(i) Immediately notify the SM in writing upon the occurrence of a Reportable Compliance Event;

(ii) Immediately provide substitute Collateral if, at any time, any Collateral becomes Blocked Property; and

(iii) Conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement.

(3) The Managing Member hereby agrees that throughout the term of this Agreement, the Managing Member will not, without the SM's prior written consent:

(i) Permit its directors and officers, and any employee, agent or affiliate acting on behalf of the Managing Member or any Guarantor in connection with this Agreement, nor such party's subsidiaries, to:

(1) become a Sanctioned Person;

(2) directly or indirectly provide, use, or make available the proceeds of the Permitted Loans (i) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (ii) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (iii) in any manner that

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could result in a violation by any Person (including any Investment Member) of Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws or (iv) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law;

(3) repay any Permitted Loan with Blocked Property or funds derived from any unlawful activity; or

(4) permit any Collateral to become Blocked Property;

(ii) nor directly or indirectly provide, use, or make available the proceeds of any Permitted Loan to any such party's subsidiaries that is not party to this Agreement.

(4) Defined Terms. As used in this Section 6.5(mm):

(i) "Anti-Corruption Laws" means (A) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (B) the U.K. Bribery Act 2010, as amended, and (C) any other applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Managing Member or Guarantor is located or doing business.

(ii) "Anti-Money Laundering Laws" means (A) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Managing Member or Guarantor is located or doing business.

(iii) "Blocked Property" means any property (A) owned, directly or indirectly, by a Sanctioned Person; (B) due to or from a Sanctioned Person; (C) in which a Sanctioned Peron otherwise holds any interest; (D) located in a Sanctioned Jurisdiction; or (E) that otherwise could cause any actual or possible violation by any Investment Member of any applicable International Trade Law if such Investment Member were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

(iv) "Collateral" means any real property owned by, or contributed by the Managing Member, to the Company or any collateral securing any debt, liabilities or other obligations of the Company, including but not limited to Permitted Loans.

(v) "Compliance Authority" means (A) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customers and Border Protection agency; (B) the government of

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Canada or any agency thereof; (C) the European Union or any agency thereof; (D) the government of the United Kingdom or any agency thereof; (E) the United Nations Security Council; and (F) any other Official Body with jurisdiction to administer Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws with respect to the conduct of a Covered Entity.

(vi) "Covered Entity" means (A) the Company, the Managing Member, the Developer, the Guarantor, any subsidiaries of the foregoing and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above.

(vii) "International Trade Laws" means all Laws relating to economic and financial sanctions, trade embargoes, export controls, customs, and anti-boycott measures.

(viii) "Law" means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award, or any settlement arrangement, by agreement, consent or otherwise, of any Official Body, foreign or domestic.

(ix) "Official Body" means the government of the United States of America or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

(x) "Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Official Body, or other entity.

(xi) "Reportable Compliance Event" means that (1) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, custodially detained, penalized or the subject of any assessment for a penalty, by, or enters into a settlement with an Official Body in connection with any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or any predicate crime to any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (2) any Covered Entity engages in a transaction that has caused or would cause any Investment Member or one or more of its owners to be in violation of any

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International Trade Law or Anti-Corruption Laws, including a Covered Entity's use of any monies of the Company to directly or indirectly fund any activities or business of, with or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (3) any Collateral qualifies as Blocked Property, or (4) any Covered Entity otherwise violates, or reasonably believes it will violate, any of representations and covenants in this Section 6.5(mm).

(xii) "Sanctioned Jurisdiction" means, at any time, a country, area, territory or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

(xiii) "Sanctioned Person" means any Person (A) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (B) identified on any sanctions-related list maintained by any Compliance Authority; or (C) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of, or at the direction of, one or more Persons described in clauses (a) or (b) above.

6.6. Limitation on Liability; Indemnification.

(a) Except as provided in Section 6.6(b) and Section 6.6(d) below, the Managing Member shall be indemnified by the Company, and shall have no liability to the Company or to any Member for any loss suffered by the Company, for any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by the Managing Member in connection with the proper performance of its obligations under this Agreement in its capacity as a Managing Member (and not in any other capacity, whether as Developer or otherwise), provided that (1) the Managing Member, in good faith, determined that such course of conduct in its capacity as a Managing Member was in the best interest of the Company, and (2) the matters for which the Managing Member is seeking indemnification were not the result of or otherwise did not directly or indirectly arise out of or in connection with (A) any negligence or misconduct on the part of the Managing Member or any Affiliate thereof, (B) any Event of Default, or any efforts to cure or mitigate any such Event of Default, (C) any removal of the Managing Member pursuant to the exercise by an Investment Member of its rights under Section 7.7 of this Agreement, (D) any exercise of an Investment Member's right to demand repurchase under Article V herein, or (E) the performance or nonperformance of any of the Managing Member's or any Affiliate's monetary obligations under this Agreement or any other obligation the Managing Member or any Affiliate may have under this Agreement to pay any amounts to or on behalf of the Company or any Member. Furthermore, without limiting the foregoing, the Managing Member shall not be indemnified for any such losses, judgments, liabilities, expenses or settlement amounts unless and until (1) the Managing Member becomes subject to a final and non-appealable order, judgment or ruling by a court of competent jurisdiction with respect to all matters with respect to which indemnification is being sought, (2) all such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction in favor of the Managing Member, or (3) a court of competent jurisdiction approves a settlement with respect to the Managing Member fully covering all matters with respect to which indemnification is being sought; provided, to the extent it is reasonably likely that the Managing Member will be entitled to reimbursement pursuant to the foregoing provisions, the Managing Member may be reimbursed prior to such time by the Company for reasonable attorneys' fees and other reasonable costs in defending or pursuing the matter unless such reimbursement would cause an Operating Deficit and provided further, that in the event it is ultimately determined that the Managing Member is not entitled to be indemnified as provided in this Section 6.6(a), it shall repay an amount equal to such attorneys' fees and other reasonable costs to the Company within thirty (30) days of such determination.

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(b) Notwithstanding Section 6.6(a), the Managing Member shall not be indemnified for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws unless (1) there has been a successful adjudication on the merits of each count involving alleged securities law violations in a manner favorable to the Managing Member, or (2) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the Managing Member, or (3) a court of competent jurisdiction approves a settlement of the claims against the Managing Member and such settlement concludes that the Managing Member was not liable.

(c) The Company shall not incur the cost of that portion of any insurance, other than public liability insurance, which insures any party against any liability, the indemnification of which is herein prohibited.

(d) Without limiting any other indemnification obligations of the Managing Member set forth in this Agreement, the Managing Member shall indemnify, defend and hold harmless the Indemnitees from and against, and shall upon demand reimburse Indemnitees for any and all, losses, claims, liabilities, damages, injunctive relief, injuries to person, property or natural resources, costs, actions or causes of action, fines, penalties, judgments, taxes, charges, assessments, damages (including consequential damages suffered by a third-party claimant), costs and expenses (including reasonable attorneys' fees and expenses), of every kind and nature whatsoever, whether direct or indirect, realized, suffered or incurred by or imposed upon any of the Indemnitees before, during or after the term of the Company, arising, accruing, relating to or in connection with (i) any Event of Default, or the existence of any circumstance which would give rise to an Event of Default following any required notice and expiration of any cure period, (ii) any representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investment Members pursuant hereto that contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements or facts contained therein not materially misleading which has a material adverse effect on the Company, the Project or an Investment Member, or (iii) any act or omission, including, without limitation, any negligence or misconduct, of the Managing Member or any of its Affiliates which has a material adverse effect on the Company, the Project or an Investment Member. The Managing Member shall have no obligation to indemnify an Indemnitee for any claims, liabilities or losses caused by the gross negligence or intentional misconduct of such Indemnitee or a breach by such Indemnitee of its obligations under this Agreement. Subject to the limitations set forth in this Agreement and the rights of any Lender, insurance proceeds may be used to pay indemnification obligations of the Managing Member.

6.7. Development Duties, Covenants and Obligations. The Managing Member shall promptly take all action which may be necessary or appropriate for the timely and proper development, construction and/or rehabilitation as applicable, maintenance and operation of the Project in accordance with the provisions of this Agreement, the Project Documents and all applicable laws and regulations. Specifically and without limitation the Managing Member does hereby agree to undertake the following duties, covenants and obligations and further represents, warrants and covenants to the Investment Members the following:

(a) The Managing Member shall provide in the Project Budget for a hard cost contingency exclusive of any contingency line item set forth in the Construction Contract of at least 5% of the contract sum set forth in the Construction Contract. Use of such hard cost contingency shall require the Consent of the SM except as permitted pursuant to Section 10.7(a)(3).

(b) The Managing Member shall cause the Plans and Specifications to comply with all requirements of the Agency, the Lender, each License and Permit issued in connection with the Project, all Governmental Regulations and all required recommendations in the Environmental Reports.

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(c) Prior to the commencement of vertical construction of the Project's buildings, the Managing Member shall obtain from a surveyor licensed to practice in the state in which the Property is located, an updated ALTA Survey in form and substance reasonably acceptable to the SM and the Construction Consultant and including the physical location of all utility easements (either of record or planned to be placed of record as required by the Plans and Specifications) and the building foundations and any zoning setback requirements. Furthermore, the Managing Member shall make all required building foundation adjustments which are necessary to cure any building setback violation and/or encroachments over easements and underground utility lines as evidenced by the updated ALTA Survey. The SM shall have no obligation to approve a draw request for vertical construction costs related to any building until such time as the SM has received and approved the updated survey in compliance with the above requirements and any defects or deficiencies in the foundations have been corrected in accordance herewith.

(d) The Plans and Specifications approved by the SM listed on Exhibit 4 were used to obtain all permits to construct and/or rehabilitate the Project and were approved by all applicable authority. Neither the Managing Member nor the Developer shall authorize any change orders or make any changes in the Plans and Specifications except as provided in Section 10.7.

(e) All material Licenses and Permits (including building permits) necessary for the ownership, construction and/or rehabilitation and development of the Project have been obtained or will be obtained in a timely manner (and will be maintained in full force and effect) by the Company. The Project has been and will be improved, constructed and/or rehabilitated, and developed to completion substantially in accordance with (1) all such Licenses and Permits (and all required certificates of occupancy shall be obtained upon completion of any such improvement, construction or development on or of the Project), (2) all Governmental Regulations, (3) accepted standards of good materials and workmanship, (4) all material covenants, conditions, restrictions, assessments and agreements of any kind or nature affecting the Project, including any in any existing documents, (5) the Plans and Specifications, and (6) the terms of this Agreement. Any conditions to any Licenses and Permits have been satisfied or will be satisfied upon Final Construction Completion.

(f) The Company is not in violation of any zoning or similar regulations applicable to the Project. From and after Final Construction Completion, the Project will not endanger public health or the environment, and will conform with all applicable zoning, building, health, fire and environmental rules, regulations, ordinances or requirements of all governmental authorities having jurisdiction over the Project. There are no violations of any Governmental Regulations, and there will be no such violations (not promptly addressed and corrected) for the term of the Company. The Managing Member has received no notices with respect to any violations of federal or state law or municipal ordinances or orders or requirements of any governmental body or authority within whose jurisdiction of the Project is located. If the Managing Member receives such notices, it will promptly so notify the Investment Members.

(g) Final Construction Completion shall occur by the Completion Date. Upon Final Construction Completion, there will be no physical or mechanical defects or deficiencies in the condition of the Project which would materially and adversely affect the Project or any portion thereof. Upon Final Construction Completion the Project will be free from infestation by termites or other pests, insects, animals or other vermin and is free from mold or mildew, and the Managing Member will keep it so. Upon Final Construction Completion, the Project will be connected to and served by water, solid waste and sewage disposal, drainage, telephone, gas as applicable, electricity and other utility equipment facilities and services required by law, which will be (i) adequate for the proposed use and operation of the Project, (ii) installed and connected pursuant to valid permits, and (iii) in compliance with all material Governmental Regulations. No fact or condition exists which would result in the termination or impairment in the furnishing of the foregoing.

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(h) There are no defects or conditions of the soil that would have a material adverse effect upon the construction and/or rehabilitation, development, use, occupancy or operation of the Project. The soil condition of the Property is such that it will support all of the improvements located or to be located thereon for the foreseeable life of the Project, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations, other than such excavations, fill, footings, caissons or other installations contemplated in the Plans and Specifications and in the Project Budget.

(i) The Managing Member shall on behalf of the Company contract with the Construction Consultant or Project Architect to perform an inspection and warranty review of the Property, and to issue a written report thereof within the earlier of eleven (11) months of the receipt of the certificate(s) of occupancy (or local equivalent) for all units in the Project or thirty (30) days preceding the expiration of any warranty period under the Construction Contract, which report shall indicate that the Construction Consultant or Project Architect, as applicable, has inspected the Property and has made no adverse findings which need to be remediated by the Builder prior to expiration of the warranty period under the Construction Contract. The Managing Member shall provide a copy of such report to the SM within ten (10) days of its receipt thereof. If any adverse findings are indicated in the report, the Managing Member agrees to diligently pursue remediation of such adverse findings with the Builder prior to expiration of the warranty period under the Construction Contract, as confirmed by the Construction Consultant or Project Architect.

(j) The Managing Member hereby unconditionally guarantees to the Company and the Investment Members the due and punctual performance of all of the obligations under this Section 6.7 and all obligations of the Developer under the Development Agreement. Furthermore, the Managing Member and Developer hereby unconditionally jointly and severally agree to promptly pay any Development Costs to the extent available Development Funds are insufficient to pay such Development Costs when due (such obligations are referred to herein as the "**Development Completion Obligation**"). Prior to making any payment, the Managing Member may require the Developer to defer payment of any outstanding balance of the Development Fee to the extent: (1) Development Funds would otherwise be available to pay such Development Fee at the time of the occurrence of a Development Completion Obligation but for the Development Fee then due, and (2) the SM determines that there is a reasonable expectation that the Deferred Development Fee (as increased) can be paid on or before April 1st of the 14th year of the Compliance Period. Nothing contained in the preceding sentence shall create any duty or obligation on the part of the IM to advance capital or fund any Installment prior to the satisfaction of all conditions thereto.

Any funds paid by the Managing Member or Developer to satisfy a Development Completion Obligation may be reimbursed to the Managing Member or Developer, as applicable, from excess Development Funds which thereafter become available on or before the Final Determination is made in accordance with Section 6.7(k) below. Any amounts paid by the Managing Member or Developer in connection with this Section 6.7(j) that are not reimbursed from Development Funds shall be treated as Subordinated Loans repayable without interest in accordance with the provisions of Section 4.2 and Section 4.5; provided, however, that if the SM determines that such treatment as Subordinated Loans would prevent the IM from being allocated 99.99% of Net Losses, Net Losses from Sale and/or Tax Credit, them the advances shall be accounted for as an indemnity payment to the Company and shall not be reimbursable or credited to the Capital Account of any Member unless the Consent of the SM is obtained.

(k) Prior to funding the Final Installment, the SM shall make a final determination (the "**Final Determination**") regarding all amounts the Managing Member and/or Developer are obligated to pay pursuant to this Section 6.7. Notwithstanding the above, in the event the Company is, or becomes, obligated to pay (i) any cost properly characterized as a Development Cost which is incurred after the Final Determination is made and/or (ii) any Development Cost which is not properly reflected on the Company records on the date of the Final Determination, then the Managing Member and Developer shall

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immediately pay to the Company an amount equal to such additional Development Costs as an indemnity payment and such payment shall not be reimbursable or credited to the Capital Account of any Member unless the Consent of the SM is obtained.

(l) It is expressly acknowledged that any failure of the Managing Member or the Developer to fully perform obligations under this Section 6.7 constitutes adequate grounds for the removal of the Managing Member pursuant to Section 7.7 and that any failure of the Developer to fully perform its obligations under this Section 6.7 or the Development Agreement constitutes grounds for the immediate termination of the Development Agreement by the Managing Member or the SM, any provision of the Development Agreement notwithstanding. Further, upon the removal of any Managing Member pursuant to Section 7.7 or the withdrawal of any Managing Member pursuant to Article IX, the new Managing Member and the SM shall have the option to immediately and without further cause terminate the Development Agreement, any provision of the Development Agreement notwithstanding, as well as any other contract between the Company and any Affiliate of the removed or withdrawing Managing Member. All amounts due to be paid in accordance with Section 6.8 and/or the Development Agreement are subject to offset and reduction in accordance with the terms of this Agreement.

6.8. Development and Other Fees. Except as specifically provided in this Agreement, the Managing Member, the Developer, the Guarantor and all Affiliates thereof shall not be entitled to receive any salary, compensation or other fees paid by or on behalf of the Company, and any prior agreement, document or instrument purporting to create any obligation to pay the same shall be expressly superseded, amended and/or terminated to reflect only the following fees and compensation:

(a) Development Fee. The Company shall accrue and pay the Development Fee to the Developer for services set forth in the Development Agreement. The Development Fee shall be capitalized to the depreciable basis of the Project and earned in accordance with the Development Agreement. The Development Fee is anticipated to be paid pursuant to the Development Fee Schedule from the available proceeds of the specified Installments or otherwise at the time of the payment of such Installments after payment of all other Development Costs and amounts owing to the Investment Members then due.

The Development Fee is subject to reduction, offset or application in accordance with the terms of this Agreement. The Developer acknowledges that payment of the Development Fee, whether payable under this Agreement or the Development Agreement, is subordinate in all respects to any obligations owing to (i) the IM and/or SM pursuant to this Agreement and the Guaranty, and/or (ii) any third-party creditor of the Company. The Developer shall not assign its right to receive the Development Fee to any party without the prior Consent of the SM. Any unpaid balance of the Development Fee after payment of Final Installment (the "**Deferred Development Fee**") shall bear interest at 6%, compounded annually, and shall be paid in accordance with Article IV, but in no event later than April 1st of the 14th year of the Compliance Period; in the event that any portion of the Deferred Development Fee remains unpaid on or before April 1st of the 14th year of the Compliance Period, such amount shall be paid by the Company on said date from the proceeds of the additional Capital Contribution made by the Managing Member pursuant to Section 3.1. To the extent of any conflict or inconsistency between the provisions of the Development Agreement and this Agreement, the provisions of this Agreement shall control. The Development Fee shall be paid 64% to Opportunity Council and 36% to SRI-Blueridge Pacific, LLC, a Delaware limited liability company; provided, however, that the first installment of the Development Fee shall be payable 36% to SRI-Blueridge Pacific, LLC plus $10,000 and 64% to Opportunity Council less $10,000.

(b) Investor Services Fee. The Company shall pay to the IM an annual cumulative fee in the amount set forth in the Schedule, commencing with the year in which the first unit in the Project is occupied (the "**Investor Services Fee**"). The Investor Services Fee shall be payable pursuant to Section 4.2 and Section 4.5 and shall be increased annually by 3%.

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The Investor Services Fee shall be paid for the following services: (1) monitoring the Managing Member's reporting of operational results of the Project in the periodic reports required under this Agreement and other books of account of the Company; (2) reviewing the audited financial statements and tax returns prepared by the Accountants; (3) performing an annual review and physical inspection of the Project; (4) reviewing the annual operating budget and projected rental rates for the Project for each fiscal year during the term of this Agreement; (5) reviewing the occupancy/rental report for the Project; and (6) reviewing all other information available to the Company requested by the Investment Member with respect to the Project.

(c) Incentive Management Fee. The Company shall pay to the Managing Member an annual non-cumulative fee only to the extent of available funds pursuant to Section 4.2 of the Agreement (the "**Incentive Management Fee**") for ensuring the satisfaction of each of the following: (1) the timely preparation and delivery of all financial and other reports required by this Agreement and by each Lender and Agency; (2) the performance of all compliance and monitoring covenants, duties and responsibilities pertaining to the Tax Credit; and (3) the performance of an annual review and physical inspection of the Project by the IM by providing reasonable assistance to the IM or its designee in performing such review. As used in this Agreement, a "non-cumulative fee" means that if funds are not available to pay such fee in a given year, then the fee for such year does not accrue and will not be subsequently paid.

(d) Company Management Fee. The Company shall pay to the Managing Member an annual cumulative fee in the amount set forth in the Schedule, commencing with the year in which the first unit in the Project is occupied (the "**Company Management Fee**"). The Company Management Fee shall be payable pursuant to Section 4.2 and shall be increased annually by 3%. The Company Management Fee shall be for managing the affairs of the Company, which duties and responsibilities include: (1) the administration, management and direction of the business of the Company; (2) the monitoring of the management and operations of the Project and the making of recommendations with respect thereto; (3) the supervision of the Property Manager; (4) the maintenance of books and records of the Company; (5) the safekeeping and use of all funds and assets of the Company, including the maintenance of bank accounts; (6) the furnishing of all reports required by this Agreement; (7) consultation with and coordination of the activities of attorneys, Accountants and other professionals for the benefit of the Company; (8) the development and maintenance of favorable community relations between the Company and various social and community organizations; and (9) the maintenance of effective communication and necessary coordination with all governmental bodies having jurisdiction over the Project.

6.9. Environmental Matters.

(a) Environmental Representations and Warranty. To the best of the Managing Member's knowledge after due inquiry, which inquiry is based upon review of the Environmental Reports, and except as disclosed in the Environmental Reports, no Hazardous Substance was ever or is now stored on, transported to or from, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto and fully disclosed to the SM. All operations or activities upon, or use of, the Project, or any portion thereof, by the Company, or, to the best of the Managing Member's knowledge, by any tenant or occupant of the Project or any portion thereof, except as disclosed in the Environmental Reports, are, have been and will continue to be in compliance with all Governmental Regulations, including, without limitation, all Environmental Laws as now or at any time hereafter in effect relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, release, leakage, dumping, discharge or disposal (whether accidental or intentional) of any toxic or hazardous substances, materials or wastes, including, but not limited to, Hazardous Substances, the violation of which Governmental Regulations and Environmental Laws would have a material adverse effect, and no person has engaged in or permitted any dumping, discharge, disposal, spillage or leakage (whether legal or illegal, accidental or intentional) of

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Hazardous Substances, at, on, in or about, the Project or any portion thereof, which would have a material adverse effect on the Project or the Property. Except as set forth in the Environmental Reports, there is not present upon the Project, the Property, or any portion thereof, any asbestos, or any structures, fixtures, equipment or other objects or materials containing asbestos, nor is there any radon present on, in or about the Project or any portion thereof, in an amount sufficient to create a material hazard or violate local Governmental Regulations relating to radon. No Managing Member, Affiliate of a Managing Member or Person for whose conduct any Managing Member is or was responsible has ever received notification from any federal, state or other governmental authority of (i) any potential, known, or threatened release of any Hazardous Substance from, at, or to the Project or (ii) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from, at or to the Project. If any proceeding, inquiry or notice is commenced or received, the Managing Member will promptly so notify the Investment Members.

(b) Environmental Covenants and Obligations. The Managing Member shall (i) not store (except in the ordinary course of business and in compliance with all laws, ordinances, and regulations pertaining thereto), dispose, dump, leak, treat, or discharge or permit the storage, disposal, treatment, dumping, leakage, seepage or discharge of any Hazardous Substance at the Project; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Substance (except in compliance with all laws, ordinances, and regulations pertaining thereto), and (iii) provide the IM and the SM with written notice (1) upon any Managing Member obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Substance at, from or to the Project; (2) upon any Managing Member's receipt of any notice to such effect from any federal, state, or other governmental authority; and (3) upon any Managing Member's obtaining knowledge of any incurrence of any expense or loss by any such governmental authority in connection with the assessment, containment, or removal of any Hazardous Substance for which expense or loss any Managing Member may be liable or for which expense or loss a lien may be imposed on the Project.

(c) Environmental Indemnification. The Managing Member hereby agrees to defend, indemnify and hold harmless the Indemnitees from and against, and shall upon demand reimburse Indemnitees for, any and all losses, claims, liabilities, damages, injunctive relief, injuries to person, property or natural resources, costs, actions or causes of action, fines, penalties, judgments, damages (including consequential damages suffered by a third party claimant) and expenses (including reasonable attorneys' fees and expenses) of every kind and nature whatsoever that are caused (whether before, during or after the term of the Company) by any or all of the following:

(1) a threatened release or release of any Hazardous Substance at, on, to, from, in, under, affecting or otherwise related to any portion of any of the Project, whether foreseeable or unforeseeable, regardless of the source of such threatened release or release or when such release occurred or when its presence is discovered. The foregoing indemnity includes, without limitation, all costs in law or in equity of removal, remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Project is in compliance with, and causing the Project to be in compliance with, all applicable Governmental Regulations and Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the Indemnitees' reasonable attorneys' and consultants' fees and court costs in connection with the foregoing. This indemnity shall include the costs to the Indemnitees of removing and reducing the levels of any Hazardous Substance (i) to the levels required by Environmental Laws if permissible levels of such substances have been established by Environmental Laws, and (ii) to the extent necessary so that the Project is fit for its originally intended use, as determined by Indemnitees' consultant, if permissible levels have not been specifically established by applicable Environmental Laws. The foregoing indemnity also shall include all costs incurred by the Indemnitees necessary to restore the Project or otherwise enable the Project to be fit for the originally intended use; and

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(2) the enforcement of this environmental indemnity.

6.10. Company Manager and Partnership Representative.

(a) Company Manager. Managing Member is hereby appointed the Company Manager. In the event that the Managing Member is comprised of more than one Person, the Managing Member shall in writing appoint one of the Persons who is a Managing Member as the Company Manager, subject to approval by the SM. Such Company Manager shall exercise all the rights, powers and duties of the Managing Member hereunder, and the other Managing Member shall not exercise the same. Notwithstanding the foregoing, in the event the SM or its designee becomes a substitute or additional Managing Member in accordance with this Agreement, the SM or its designee shall automatically and without further action become Company Manager and any designation or delegation of such function to any other Managing Member shall be null and void. In no event shall the designation of the SM as the Company Manager be revoked or terminated by any Managing Member without the Consent of the SM.

(b) Partnership Representative. The Managing Member shall serve as the Partnership Representative and the incumbent chief financial officer of Sponsor (currently David Foreman) shall serve as the Designated Individual. The Partnership Representative shall have all of the powers and obligations set forth in this Section 6.10(b). The Managing Member shall take any and all action required under the Code or the Treasury Regulations, as in effect from time to time, to designate itself (including on all applicable Company tax returns) as the Partnership Representative and David Foreman as the Designated Individual, unless otherwise directed by the Investment Member. The Managing Member and Designated Individual shall obtain the Consent and approval of the Investment Member for all actions taken as the Partnership Representative or Designated Individual. Should the Managing Member or Designated Individual either: (i) be removed or resign or no longer have the capacity to act; or (ii) fail to obtain the Consent and approval from the Investment Member prior to acting under this Section 6.10(b) or otherwise under Section 6.10 at the direction of the Investment Member, and to the extent permitted by the Code, the Managing Member and/or Designated Individual shall take such actions as may be necessary or appropriate to resign as Partnership Representative and/or Designated Individual, respectively, and to appoint the Investment Member or its designee the replacement Partnership Representative and/or replacement Designated Individual. References in this section to Sections 6221 through 6235 of the Code shall mean such sections as they apply to returns filed for Company taxable years beginning after December 31, 2017.

(1) Cooperation. The Managing Member shall cooperate with the Investment Member in good faith to amend this Agreement if the Investment Member determines that an amendment is required after promulgation of Treasury Regulations implementing the Budget Act to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative and/or Designated Individual.

(2) Elections and Other Actions. Solely at the direction of and with the Consent of the Investment Member, in the Investment Member's sole and absolute discretion, but to the extent permitted under the Code, the Partnership Representative and Designated Individual shall:

(i) Make a Section 6221(b) election;

(ii) Cause the Company to take action pursuant to Section 6225(c) of the Code and the Treasury Regulations promulgated thereunder, including the filing of amended returns pursuant to Section 6225(c)(2) of the Code, at such times as such provision may be applicable;

(iii) Make a Section 6226(a) election;

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(iv) File a request for an administrative adjustment of a Company item under Section 6227 of the Code;

(v) Commence an action for judicial review as contemplated in Section 6234 of the Code or appeal any adverse determination of a judicial tribunal;

(vi) Enter into a settlement agreement with the Internal Revenue Service which purports to bind the Company or the Investment Member; or

(vii) Enter into an agreement extending the period of limitations set forth in Section 6235 of the Code.

(3) Responsibilities of Partnership Representative and Designated Individual.

(i) The Partnership Representative and Designated Individual shall fully comply with the requirements of the Company Audit Rules, the Treasury Regulations thereunder, and other Internal Revenue Service guidance and the Company shall fully indemnify the Partnership Representative and Designated Individual for undertaking such statutory responsibilities, unless (A) the actions of the Partnership Representative or Designated Individual constitute gross negligence or intentional misconduct, or (B) the Partnership Representative or Designated Individual fails in a material way to comply with its obligations to notify the Investment Member of any correspondence or communication to, from, or with the Internal Revenue Service (as needed to obtain the consent of the Investment Member to any action or inaction in accordance with this Agreement).

(ii) The Partnership Representative through the Designated Individual shall represent the Company, at the Company's expense, in connection with all examinations of the Company's affairs by tax authorities and all administrative and/or judicial proceedings by the Internal Revenue Service or any government authority involving any income tax return of the Company.

(iii) The Partnership Representative and Designated Individual shall promptly furnish to each Member written notice with respect to any and all correspondence or communications to, from, or with the Internal Revenue Service, including, but not limited to, conventional mail, e-mail or other internet-based communications, telephone calls, meetings, or facsimiles, and also including but not limited to the following events and actions:

(1) The making of any Section 6221(b) election;

(2) The making of any Section 6226(a) election, and a copy of the applicable 6226(a) statement;

(3) The Company's receipt of a notice of administrative proceeding initiated at the "partnership level" (within the meaning of Section 6231(a)(1) of the Code);

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(4) The Company's receipt of a notice of "proposed partnership adjustment" (within the meaning of Section 6231(a)(2) of the Code);

(5) The Company's receipt of a notice of "final partnership adjustment" (within the meaning of Section 6231(a)(3) of the Code);

(6) The Company's filing of a "request for administrative adjustment" (within the meaning of Section 6227(a) of the Code);

(7) The Company's filing of any petition for judicial review;

(8) The Company's filing of any appeal with respect to any judicial determination;

(9) Any final judicial determination; and

(10) Any additional information required by applicable Treasury Regulations.

(iv) The Investment Member and its representatives have the right to be present at all stages of administrative and/or judicial proceedings involving an income tax return of the Company and monitor or assist with, at its own cost, any such proceeding.

(v) The Partnership Representative and Designated Individual shall not be required to take any action or incur any expenses for the defense of any audit or the prosecution of any administrative or judicial remedies in its capacity as Partnership Representative unless the Company reserves sufficient funds to pay the expenses of such activities or the Members agree on a method of funding expenses incurred in connection with such activities.

(vi) Each Member shall furnish to the Partnership Representative or Designated Individual such information that the Partnership Representative or Designated Individual reasonably requires to comply with the requirements of the Code. The Partnership Representative or Designated Individual annually or more frequently (as the Partnership Representative or Designated Individual shall determine) may request from each Member and former Member and each Member and former Member shall provide such information, including, but not be limited to:

(1) The Member's or former Member's current address and its taxpayer identification number.

(2) If the Member or former Member is an S corporation, such Member's taxpayer identification and the name, address, and taxpayer identification number of each of its shareholders.

(vii) Each Member is aware of the income tax consequences of the allocations made by this Agreement and of its duty under Section 6222 of the Code to

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treat each item of Company income, gain, loss, deduction or credit in a manner that is consistent with the treatment of such items on the Company's tax return(s).

(viii) This Section 6.10(b) shall survive termination of any Member's interest in the Company for any reason and shall be binding on all Members, including former Members.

(ix) Tax Returns and Information. The Members intend for the Company to be treated as a partnership, rather than as an association taxable as a corporation, for federal income tax purposes. Except as otherwise provided in this Agreement, all tax elections required or permitted to be made by the Company under the Code shall be made by the Managing Member, subject to the Consent of the Investment Member. The Managing Member shall prepare or cause to be prepared all federal, state, and local income and other tax returns that the Company is required to file.

(4) The provisions of this Section 6.10 shall survive the termination of the Company or the termination of any Member's interest in the Company and shall remain binding on the Members for the period of time necessary to resolve with the Internal Revenue Service or the United States Department of the Treasury any and all matters regarding the United States federal income taxation of the Company.

6.11. Property Manager.

(a) The Company shall enter into a Property Management Agreement with the Property Manager pursuant to which the Property Manager will manage, operate and maintain the Project on a day-to-day basis and rent the apartment units in the Project in compliance with all of the regulations, requirements and restrictions of the Lender, the Agency and any other regulatory agency. The Property Manager shall perform the services set forth in the Property Management Agreement and in consideration therefor the Company shall agree to pay to the Property Manager a monthly management fee in an amount not to exceed the Property Management Fee. Any increase in said fee will require written notice to the SM and the consent of any Lender and Agency, whose consent shall be required. The Managing Member and Property Manager hereby agree and acknowledge that the Company's budgeted line item in any year for "management fee" shall not be increased without the prior written Consent of the SM; provided any such increase shall be included in the annual budget required to be submitted by the Managing Member in accordance with Section 10.9, and the SM's approval of such annual budget shall be considered Consent for such increase in "management fee". In addition, in the event the Property Manager is an Affiliate of the Managing Member, Developer or Guarantor, the Property Manager agrees to defer its fee and payment of any operating expenses (including, but not limited to, administrative expenses, salaries, fees expenses, reimbursement of costs or allocation of overhead) of the Property Manager and/or any Affiliate thereof to the extent necessary for the Company to prevent either (i) the occurrence of an Operating Deficit or (ii) a default under any Permitted Loan. Such deferral of payment in accordance with the preceding sentence shall not be taken into account for purposes of any limit or cap established in Section 6.5(d).

(b) The Property Manager shall submit to the Members the necessary periodic reports with respect to the operations of the Project, as described in Section 10.7. The Property Manager shall comply with all Environmental Laws pertaining to lead-based paint, including, but not limited to, the regular maintenance, inspection, risk assessment, remediation and notice to tenants. The Property Manager further agrees to implement regular property management maintenance, inspection, risk assessment, and remediation efforts to address moisture and/or mold issues occurring with respect to the Project or any dwelling unit. Each tenant's lease shall contain an affirmative covenant on the part of the tenant to report

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moisture, mold and/or leaks to the Property Manager and the Property Manager shall promptly address and remediate any such issues.

(c) The Property Management Agreement shall be for a one (1) year term and shall be terminable upon thirty (30) days' notice from the Managing Member to the Property Manager without cause, and shall also be terminated immediately at the request of the SM upon the occurrence of any of the following.

(1) an Event of Bankruptcy with respect to the Property Manager;

(2) the Property Manager shall commit misconduct or negligence in its conduct of its duties and obligations as the Property Manager;

(3) the Property Manager is cited by any Lender or Agency for a violation or alleged violation of any applicable rules, regulations, covenant or requirements, including, but not limited to, noncompliance with the Minimum Set-Aside Test, the Rent Restriction Test, the Agency Set-Aside Test or any other Tax Credit-related provision and such violation is not cured within any applicable cure or grace period;

(4) the Company has not achieved by the one (1) year anniversary of Final Construction Completion monthly Breakeven Operations for a three (3) consecutive month period or thereafter the Project fails to maintain Breakeven Operations on a monthly basis unless the Managing Member and/or Guarantor is otherwise advancing funds to pay Operating Deficits;

(5) the Property Manager fails to submit to the IM or the SM any periodic reports required under Sections 10.7(b), 10.7(c)(1), 10.7(c)(2), 10.7(c)(3) and 10.10 within the time periods required for two (2) consecutive time periods for each applicable report and the SM has given notice to the Property Manager and the Managing Member in accordance with Section 10.11;

(6) the Property Manager leases a unit to a tenant who does not meet the income limitations under the Minimum Set-Aside Test or Agency Set-Aside Test, as applicable, or charges rents in excess of allowable rents for such units unless the foregoing relates to tenant fraud and the Property Manager is diligently working to correct the same;

(7) if the Property Manager is a Managing Member or an Affiliate of any Managing Member or the Developer, the Project shall be subject to a substantial building, fire or safety code violation which shall not have been cured within six (6) months after notice from the applicable agency, other than with respect to safety code violations which must be cured within thirty (30) days of any such notice;

(8) if the Property Manager is a Managing Member or an Affiliate of any Managing Member and an Event of Default has occurred pursuant to Section 7.7 which is not cured within any applicable cure or grace period, or if the Property Manager is the Developer or an Affiliate of the Developer and the Development Agreement is terminated by the Company; or

(9) if the Property Manager is an Affiliate of the Managing Member and there is any change in the identity or control of any Managing Member.

(d) The selection or appointment of the Property Manager, or a replacement or successor thereto, shall be subject to the Consent of the SM. In the event the SM and the Managing Member cannot mutually agree to a successor or replacement Property Manager, the Managing Member shall cause the Company to appoint the Property Manager selected by the SM. The Company shall not enter into any

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future management arrangement unless such arrangement is terminable without penalty upon the occurrence of the events described in this Section 6.11.

(e) Any personnel to be employed in the management of the Project will be employees of the Property Manager, and not the Company, and will be hired, paid, supervised and discharged by the Property Manager.

(f) The terms of the Property Management Agreement and any modifications or amendments thereto (including any extension of the term) shall be subject to the prior Consent of the SM.

(g) The Property Manager agrees that if it becomes subject to an Event of Bankruptcy that it will not oppose the Managing Member's proceedings in bankruptcy court to accomplish a termination of the Property Management Agreement.

(h) Upon at least 48 hours prior written notice by the IM, the SM or its agents, the Property Manager shall provide access to the Project to the requesting Member or its agent in order to make a physical inspection of the exterior, the common areas and all units in the Project, subject to all landlord/tenant laws. Such inspections shall be generally conducted on an annual basis and shall include the right to review the operating, maintenance and tenant records, as well as an interview of on-site staff and their supervisors.

(i) Upon written notice from the IM and/or SM that an Event of Default has occurred under this Agreement and the election by the Investment Members to exercise the rights set forth in Section 7.7(g), the Property Manager shall comply with the instructions from the SM regarding all Project accounts, including deposits and withdrawals from such accounts.

(j) Property Manager shall conform with and apply "best practices" for data privacy and security, including, if applicable, encryption, in connection with maintaining and transmitting to Company (or, at Company's direction, to any other person) all books, records and other data, including all books, records and other data that are in any digital or electronic format. Company, in its sole discretion, may from time to time (i) promulgate minimum standards for data privacy and security practices with which Property Manager must comply (without limiting Property Manager's obligation to comply with the "best practices" covenant, if that would impose a higher standard) and (ii) cause an audit to be performed of Property Manager's compliance with the covenant set forth in this Section and Property Manager shall address any shortcomings identified in such audit based on a schedule to be agreed upon between Company and Property Manager at that time.

(k) Property Manager shall obtain, maintain and otherwise handle all information about individual tenants or prospective tenants collected from credit reports and/or background checks in accordance with the federal Fair Credit Reporting Act (FCRA) and the regulations issued with respect to the FCRA, as well as any analogous state statutes or regulations. Company, in its sole discretion, may from time to time (i) require Property Manager to cause its employees handling such information to be trained in their compliance responsibilities relating to data privacy and security and (ii) cause an audit to be performed of Property Manager's compliance with the covenant set forth in this Section and Property Manager shall address any shortcomings identified in such audit based on a schedule to be agreed upon between Company and Property Manager at that time.

In the event of any conflict between the provisions of the Property Management Agreement and this Agreement, the provisions of this Agreement shall govern. The Managing Member shall either (i) cause the provisions of this Section 6.11 to be included in the Property Management Agreement or (ii)

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cause the Property Manager to acknowledge the provisions of this Section 6.11 in writing in a form satisfactory to the SM.

(l) For purposes of this Section 6.11 only, each Managing Member hereby grants to the SM an irrevocable (to the extent permitted by applicable law) power of attorney coupled with an interest to take any action, including the right to cause the Company to terminate the Property Management Agreement with the Property Manager and to execute and deliver any and all documents and instruments on behalf of such Managing Member and the Company as the SM may deem to be necessary or appropriate in order to effectuate the provisions of this Section 6.11. The SM agrees to refrain from exercising such power of attorney until the earlier of an Event of Default or the failure by the Managing Member to terminate the Property Manager as provided in this Section 6.11.

6.12. Transactions With Lenders, Agencies and Affiliates of the SM or the IM. The Company may secure loans, credit facilities and financial services from PNC Bank, National Association ("**PNC Bank**") and other Affiliates of the SM, the members of the IM or their respective Affiliates. The Managing Member acknowledges that its decisions to cause the Company to deal with PNC Bank, other Affiliates of the SM, the members of the IM or their respective Affiliates shall be made based upon the Managing Member's good faith determination that such dealings are in the best interest of the Company and in accordance with the Managing Member's rights and powers under the terms of this Agreement. The Managing Member and the Developer each acknowledge and agree that the SM, the IM and their respective members and Affiliates shall have no liability to the Company, the Managing Member, or the Developer, as a result of any such loans, credit facilities, and other financial services and that none of the obligations of the Managing Member, the Company, or the Developer to the SM, the IM and their respective members and Affiliates shall be excused, limited or otherwise adversely affected as a result of any such loans, credit facilities or other financial services. The Managing Member, the Developer and their Affiliates each further acknowledge and expressly agree that the SM, the IM, PNC Bank and their respective members and Affiliates may (i) share or disclose information with or to PNC Bank and other Affiliates of the SM, the IM, its respective members and their Affiliates, investors, proposed investors, their agents and representatives, regulators and Agencies, and (ii) discuss matters related to the Project and Company and share or disclose information with Lenders, parties to Project Documents, prospective lenders, the Tax Credit Agency and other regulatory agencies, and any such disclosures and discussions are expressly permitted and agreed to and shall not constitute a breach of any duty or obligation, fiduciary or otherwise, owed to the Company, the Managing Member, the Developer, or any Affiliate thereof by the SM, the IM, their respective members and Affiliates, or PNC Bank.

6.13. Applied Amounts. Any amounts due by the Managing Member hereunder which are not paid within ten (10) days after demand is made therefor shall bear simple interest, from the due date therefor through the date of payment, equal to the lesser of (i) the Prime Rate plus 4% or (ii) the maximum permissible interest rate. In the event that the Managing Member shall fail to make any payment required pursuant to this Agreement, within ten (10) days after demand is made therefor, then, in addition to any other remedies at law or in equity which may be available to the IM, the Managing Member shall be obligated to cause the Company to utilize amounts payable to the Managing Member, the Developer and the Guarantor and their respective Affiliates under Section 4.2, Section 4.5, Section 6.8, Section 6.11, the Development Agreement, the Affiliate Loan, the Property Management Agreement (if the Property Manager is an Affiliate of the Managing Member, the Guarantor or the Developer) and the other Project Documents (the "**Applied Amounts**") to meet the obligations of the Managing Member. Such utilization of Applied Amounts constitutes payment and satisfaction of the corresponding amounts with the proceeds thereof being applied to such obligations of the Managing Member, and the obligation of the Company to make such payments is deemed satisfied to the extent thereof. Each of the Managing Member, the Developer, the Guarantor and the Property Manager if an Affiliate of the Managing Member, the Guarantor or the Developer covenant and agree that the Managing Member, the Guarantor, the Developer, the Property

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Manager, if applicable, and all Affiliates of the Managing Member, the Guarantor and the Developer will recognize as income any Applied Amounts for federal and state income tax purposes. Notwithstanding the foregoing, failure to make any payment required under this Agreement shall be an Event of Default, the provisions for collecting such outstanding amounts through the mechanism of Applied Amounts notwithstanding.

ARTICLE VII

RIGHTS AND LIMITATIONS OF INVESTMENT MEMBERS

7.1. Limited Assessment. Except as may otherwise be provided under applicable law, the Investment Members shall not be bound by, or personally liable for, the expenses, liabilities or obligations of the Company and no Investment Member shall be required to make any Capital Contributions (including if such Investment Member becomes a managing member pursuant to the terms of this Agreement) other than the Capital Contributions required to be made by such Investment Member pursuant to this Agreement. The Company shall indemnify and hold harmless the SM and the IM, and their Affiliates, employees and representatives, from and against all losses, liabilities, damages, judgments, settlements and expenses (including legal fees) incurred as a result of actions against such Investment Members in their capacity as members of the Company. The indemnification provided herein is in addition to and not a limit on any other right of contribution or indemnity by the Company or Managing Member which otherwise might exist in favor of any of the Investment Members.

7.2. No Right To Manage; Right To Inspect. Except as specifically provided in this Agreement, no Investment Member shall take part in, or interfere in any manner with, the management, control, conduct or operation of the Company, or have any right, power or authority to act for or bind the Company. Notwithstanding the foregoing limitation, the Investment Members and their respective employees, agents and consultants shall have the right to access all of the books and records of the Company and the Project, and physical access to the Project including all buildings and improvements thereof. These rights may be exercised by the Investment Members at any time, though the Investment Members shall endeavor to conduct such inquiries and inspections on weekdays between 9:00 a.m. and 5:00 p.m. Furthermore, the Investment Members shall have the right, without the Consent of the Managing Member, to contact, make inquiries of, and receive information from any third party directly or indirectly engaged by, or which have contracted with, or which are considering contracting with or becoming engaged by, the Company, or the Managing Member or Property Manager on behalf of the Company, including, without limitation, any Lender, the Agency or Property Manager. All physical inspections of the Project and inquiries made to third parties by the Investment Members in accordance with this paragraph shall not constitute a breach of any fiduciary or other duty that may be owed by the Investment Members to the Company or to the Managing Member. The Managing Member shall cooperate with any request made to a third party and, if requested, shall aid the Investment Members in identifying, contacting and obtaining any information from a third party in accordance with this Section 7.2.

7.3. Priority. No member of any class of Investment Members shall have priority over any other member of such class of Investment Members, either as to the return of Capital Contributions or as to Net Profit, Net Loss, Net Profit From Sale, Net Loss From Sale or Distributions, unless otherwise specifically provided herein.

7.4. Death, Disability, etc. of an Investment Member. The Company shall not be dissolved by the death, insanity, adjudication of incompetency, bankruptcy, insolvency or withdrawal of any Investment Member; by the assignment by any Investment Member of its Company interest; or by the admission of a Substitute Investment Member or a Supplemental Investment Member.

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7.5. Meetings. A meeting of the Members may be called by any Member. Meetings of Members may be held in such place mutually agreed upon by the Members. Meetings may be held via teleconference.

7.6. Proposal and Adoption of Amendments Generally.

(a) Amendments to this Agreement to reflect the addition or substitution of an Investment Member, the designation of an additional or successor Managing Member, or the removal or withdrawal of a Managing Member shall be made at the time and in the manner otherwise provided herein. Any other amendments to this Agreement may be proposed in the following manner:

(1) By the Managing Member, who shall give to the Investment Members via written notice the text of the proposed amendment, and if requested by the SM, other information to evaluate the terms of the amendment which may include an opinion of counsel to address any state law or federal tax matters associated with such proposed amendment; or

(2) By either the IM or SM, who shall submit to the Managing Member via written notice the text of the proposed amendment, and if requested by the Managing Member, other information to evaluate the terms of the amendment which may include an opinion of counsel to address any state law or federal tax matters associated with such proposed amendment.

(b) Amendments proposed pursuant to Section 7.6(a)(1) above, subject to the provisions of Section 7.7, shall be adopted if the Consent of both the IM and the SM is obtained thereto. Amendments proposed pursuant to Section 7.6(a)(2) above shall be adopted if approved by the Managing Member, which approval shall be deemed to have been obtained if, after thirty (30) days from the date the proposal is received by the Managing Member, neither the SM nor the IM has received via written notice notification of the Managing Member's objection to the proposal. Each Managing Member hereby grants to the SM an irrevocable (to the extent permitted by applicable law) power of attorney coupled with an interest to execute and deliver any amendment to this Agreement which is proposed pursuant to Section 7.6(a)(2) and which the Managing Member is deemed to have approved pursuant to the immediately preceding sentence.

(c) The Managing Member shall, within a reasonable time after the adoption of any amendment to this Agreement, make any official filings, recordings and publications required or desirable to reflect such amendment.

(d) Any amendment to admit a Substitute Investment Member shall be adopted if compliance with the conditions specified in Section 8.2 shall have been satisfactorily achieved by the Person to be substituted or added, and, if an Investment Member is to be substituted, by the assigning Investment Member or its attorney-in-fact.

(e) Amendments to reflect the designation of an additional or successor Managing Member shall be adopted if the conditions specified in Section 7.7 and/or Article IX shall have been satisfactorily achieved and the amendment shall have been signed by such additional or successor Managing Member.

(f) Subject to Section 6.3, amendments for the removal or withdrawal of a Managing Member, if the business of the Company is continued, shall be adopted if the conditions specified in Section 7.7 and/or Article IX, as applicable, shall have been satisfactorily achieved and the amendment shall have been signed by the successor Managing Member and/or the SM Managing Member.

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7.7. Special Rights of the Investment Members. Upon the occurrence of an Event of Default (as defined below), the SM shall have the right, but not the obligation, to (i) cause itself or its Affiliate to be admitted to the Company as an additional Managing Member as provided in Section 7.7(b), and/or (ii) remove each Managing Member as provided in Section 7.7(c). Each Managing Member hereby makes, constitutes, and appoints the SM, with full power of substitution, the true and lawful attorney of, and in the name, place and stead of, such Member, with power from time to time to take all action and do all things necessary or appropriate to implement and carry out the provisions of this Section 7.7. Such appointment shall constitute a power of attorney coupled with an interest, shall be irrevocable, shall survive the death, incompetence or dissolution of any Member and shall be binding on any assignee of all or any portion of the Company interest of any Member. Each Member agrees that the SM or any Person it causes to be admitted as a Managing Member pursuant to Section 7.7(b) and/or Section 7.7(c) may withdraw as a Managing Member (while retaining its rights as the SM, if applicable) without the consent of any Member other than the IM and SM.

Notwithstanding anything to the contrary in this or any other agreement, neither the SM nor its designee (in their respective capacities as an additional or replacement Managing Member) shall assume or otherwise become liable for any of the removed Managing Member's payment or indemnification obligations to the Company and its Members, Lenders, or other creditors, or any of the representations, warranties, duties, covenants or obligations attributed to the Managing Member in this Agreement unless specifically agreed to in writing. Nothing in this Section 7.7 shall reduce or otherwise limit the rights, remedies or other actions available to the Company, the IM and/or the SM against the removed Managing Member or the Guarantor.

(a) An "**Event of Default**" shall be the occurrence at any time of any one or more of the following events unless expressly waived in writing by the SM in its sole discretion;

(1) 10% or more of the anticipated Low Income Units in the Project shall not be in compliance with Section 42 of the Code;

(2) The Company fails to achieve Final Construction Completion by the Completion Date;

(3) An Event of Bankruptcy occurs with respect to any Managing Member, the Developer or Guarantor or an Event of Withdrawal occurs with respect to any Managing Member;

(4) A Managing Member, the Guarantor or the Developer or any Affiliate thereof has, in connection with the Company or the Project, performed an act or failed to perform any act constituting fraud, misconduct, negligence (unless such negligence is cured within thirty (30) business days of notice thereof), a violation of law, a breach of fiduciary duty (unless such violation or breach (except for deceit or dishonesty) is cured within thirty (30) business days of notice thereof), misappropriation or comingling of funds, dishonesty or misrepresentation or nondisclosure of material facts; provided that any such act of an employee of the Managing Member, Developer or Guarantor shall not constitute an Event of Default to the extent the Managing Member, Developer or Guarantor, as applicable, within thirty (30) days of becoming aware of such conviction, commences steps to terminate or remove such person in accordance with the provisions of the applicable organizational documents and applicable law and has fully compensated the Company, the Investment Members, and/or their respective affiliates (to the extent applicable) for any such felony. For purposes of the preceding sentence, such cure shall not be available for any officer or director of the Managing Member, Developer or Guarantor to the extent such officer or director exercises control over such entity.

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(5) Any event with respect to which the IM and/or the SM become entitled to exercise any right or remedy under Article V;

(6) Any default or breach by a Managing Member (whether in its capacity as a Managing Member or in any other capacity), the Guarantor or the Developer and/or any of their Affiliates of any covenant, representation, warranty, duty or obligation under this Agreement, the Guaranty, or any Project Document which is not cured within any applicable notice or cure period;

(7) Any default under any Permitted Loan is declared which is not cured within any applicable notice or cure period;

(8) A failure of the Managing Member to (i) enforce the terms of the Property Management Agreement and/or the Construction Contract within five (5) days of a request from the SM, (ii) cause the Company to terminate the Property Manager as provided in Section 6.11 or (iii) cause the Company to terminate, upon the request of the SM or, as provided in Section 10.11, the Accountant;

(9) Any violation or noncompliance by the Company, the Managing Member, the Developer, the Guarantor and/or their respective Affiliates with any applicable law, statute, ordinance, code, rule, regulation, judgment, order, ruling, condition or other requirement of a statutory, regulatory, administrative, judicial or quasi-judicial nature or any other legal or governmental requirement of whatever kind or nature that has or is likely to have an adverse effect on the IM, the SM, the Tax Credit, the Project or the Company as the SM may determine, and such violation or noncompliance is not (or is unlikely to be) cured in all respects within the earlier of thirty (30) business days or such time period allowable under the applicable laws or regulations;

(10) The failure to obtain the Consent of the SM and/or IM where such Consent is required under the terms of this Agreement;

(11) Any Managing Member shall have conducted its own affairs or the affairs of the Company in such a manner as would (i) cause the termination of the Company for federal income tax purposes, or (ii) cause the Company to be treated as an association taxable as a corporation for federal income tax purposes;

(12) Any (i) failure to maintain the net worth and liquidity covenants required pursuant to Section 6.5(n) and/or (ii) material adverse change in the financial condition of the Managing Member, the Developer and/or the Guarantor;

(13) The occurrence of a Reporting Default, unless the Reporting Default is cured in accordance with Section 10.11;

(14) The criminal conviction of the Managing Member, the Developer or the Guarantor or any Affiliate thereof for fraud or any felony; provided that the criminal conviction of an employee of the Managing Member, Developer or Guarantor shall not constitute an Event of Default to the extent the Managing Member, Developer or Guarantor, as applicable, within thirty (30) days of becoming aware of such conviction, commences steps to terminate or remove such person in accordance with the provisions of the applicable organizational documents and applicable law and has fully compensated the Company, the Investment Members, and/or their respective affiliates (to the extent applicable) for any such or felony (provided, however, that such cure shall not be available for any officer or director of the Managing Member, Developer or Guarantor to the extent such officer or director exercises control over such entity);

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(15) At any time after Stabilized Occupancy, Breakeven Operations is not attained during any six (6) month period, unless the Managing Member and/or Guarantor is otherwise advancing funds to pay any Operating Deficits;

(16) Any representation or warranty contained in Section 6.5(pp) hereof is or becomes false or misleading at any time; or

(17) The Sponsor's failure to be treated (or continue being treated) as an organization described in Section 501(c)(3) of the Code exempt from federal income tax under Section 501(a) of the Code.

The SM shall determine in its sole discretion whether any Event of Default has occurred and whether such default has been cured or is likely to be cured within any grace period allowed within this Agreement upon expiration of which the SM may exercise its rights set forth in this Section 7.7.

With respect to any Event of Default set forth in Section 7.7(a)(1) and Sections 7.7(a)(5) through 7.7(a)(8), Section 7.7(a)(10) and Section 7.7(a)(12) and to the extent that such default is capable of being cured, the Managing Member shall have the greater of thirty (30) business days or the cure period provided in any Project Document to cure such default upon receipt of notice from the SM or any party to a Project Document if the Event of Default pertains to a Project Document (all notice/cure periods to run concurrently). Any cure of any default by an Investment Member whether by the acceleration of capital, advance of money, consent to release funds from reserves or otherwise shall not constitute a cure of any Event of Default, nor shall such actions on the part of the Investment Members relieve any Managing Member, Guarantor or Developer of its respective obligations under this Agreement, the Guaranty, or the Project Documents.

If an Event of Default is not cured within any applicable cure period or is not susceptible of being cured, then in addition to all of the other rights and remedies under this Agreement, including the right to remove a Managing Member pursuant to this Section 7.7, the SM shall have the right, but not the obligation, to terminate or assign without penalty all contracts or agreements entered into between the Company and any Managing Member, the Developer or the Guarantor and/or their Affiliates who were engaged to provide services to the Company or the Project and each Member hereby consents to any such action. If the foregoing provision is held to be invalid by any court of competent jurisdiction or if such terminated Persons seek recovery against the Company or the Investment Members in connection with such termination, then the Managing Member (excluding the SM or its designee if it elects to become an additional or substitute Managing Member) shall indemnify the Company and its Members from such expenses or liabilities. All amounts then owing to the Managing Member, the Developer and/or the Guarantor and/or their Affiliates at the time of termination or assignment shall automatically be assigned to the SM without the necessity of any further action.

(b) If the SM elects to admit itself or its designee as an additional Managing Member ("**SM Managing Member**"), such admission shall occur automatically and without further action by any Member upon the giving of notice thereof by the SM to the Members, and each of the Members hereby agrees and consents in advance to the foregoing admission, including the designation of the SM Managing Member as Company Manager and Partnership Representative pursuant to Section 6.10. Upon admission of the SM Managing Member it shall have all power and authority of the Managing Member under this Agreement (including, without limitation, all right to deposit to, withdraw from and otherwise control all Company bank accounts) and no other Managing Member shall have any such right. Notwithstanding its admission to the Company, the SM Managing Member shall not undertake or assume, or be deemed to have undertaken or assumed, any obligations or liabilities imposed on the Managing Member, the Developer

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and/or the Guarantor pursuant to this Agreement, the Guaranty, the Development Agreement or the Project Documents, and/or those which arise in any other manner with respect to the Company or the Members.

The economic rights interest of the SM as the SM shall continue unaffected by the new status of the SM or its designee as a Managing Member.

(c) If the SM elects to remove a Managing Member, then such removal shall occur automatically and without further action by any Member upon the giving of notice thereof by the SM to the Members. Upon the removal of the Managing Member, each of the following shall occur automatically:

(1) The removed Managing Member's Company interest shall be sold to the SM or its designee for an amount equal to the lesser of (i) $100, or (ii) the amount of the removed Managing Member's Capital Account, less any damages incurred by the Company in connection with the Managing Member's removal;

(2) Any and all rights and powers of the removed Managing Member under this Agreement and the Project Documents shall transfer automatically to the SM or its designee, including the designation of the SM or its designee as Company Manager and Partnership Representative pursuant to Section 6.10;

(3) The removed Managing Member shall pay any and all damages suffered by the Company relating to each Event of Default; and

(4) Any and all rights and claims the Managing Member or any of its Affiliates may have against the Company for fees, repayment of any loan, and other payments owed by the Company shall terminate, inclusive of those payments, Distributions and fees that have been assigned pursuant to the terms of this Agreement.

(d) All of the Managing Member's and Guarantor's obligations and liabilities under this Agreement (including all indemnification obligations) shall survive such Managing Member's whole or partial loss of powers, removal or withdrawal from the Company for any reason whatsoever, whether under this Section 7.7 or otherwise, and such Managing Member shall not be excused to any extent from the payment or performance thereof, except that the removed Managing Member shall not be liable for any liabilities and obligations first arising after the effective date of such removal or withdrawal unless such liabilities or obligations are: (i) a reasonable consequence of such removal or withdrawal; (ii) a contractual obligation entered into prior to the effective date of such withdrawal or removal even though the time for performance or satisfaction of such obligation may not have yet occurred (including, without limitation, making capital contributions to enable the Company to pay Affiliate Loans or Deferred Development Fee); and/or (iii) attributable in any part to events occurring prior to the effective date of such withdrawal or removal. The Managing Member shall fully indemnify and hold harmless the Company, the IM, and the SM (and its designee in regards to this Section 7.7, if applicable) from any and all losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained, to the extent that any such liabilities and expenses relate to, arise from, or are attributable to claims, actions, omissions or events occurring in whole or in part prior to the date of the whole or partial loss of powers, removal or withdrawal from the Company for any reason whatsoever, whether under this Section 7.7 or otherwise.

(e) Effective prior to the date of the removal or withdrawal of the Managing Member, such Managing Member shall be obligated to make a Capital Contribution to the Company in the amount of the then outstanding balance of any Affiliate Loan with said Capital Contribution to be paid by the Company (subject to the rights of other creditors of the Company and the application of Applied Amounts pursuant to Section 6.13) to the satisfaction of the Affiliate Loan; provided, however, that if (1) such loans

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are secured by a mortgage and (2) Tax Counsel concludes that such loans "should" or "will" be included in the computation of the IM's minimum gain, then the Managing Member shall not be obligated to make a Capital Contribution immediately prior to the effective date of the removal to satisfy the outstanding balance of the Affiliate Loan but the Managing Member hereby acknowledges and agrees that any Affiliate Loan shall, in the sole and absolute discretion of the SM, be subject to offset by any amounts owed by such removed Managing Member, Developer, or Guarantor or Affiliates thereof to the Company. The balance, if any, remaining to be paid with respect to an Affiliate Loan shall be subordinate in all respect to amounts needed to induce a replacement Managing Member to assume the role thereof and the distribution of Net Cash Flow and Net Cash Proceeds shall be adjusted accordingly to accomplish such purpose.

(f) The parties hereto acknowledge and agree that this Agreement is a contract under which the SM and the IM are excused from accepting performance from a Managing Member, the Developer, and/or the Guarantor (or from their respective assignees, receivers or trustees) in the event that the Managing Member, Developer, and/or Guarantor is granted relief under the Bankruptcy Code. The parties agree that the effect of Section 7.7(b) and Section 7.7(c) is to make this Agreement subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(e)(2) of the Bankruptcy Code and the Managing Member (i) shall not seek any assumption or assignment of this Agreement without the Consent of the SM and the IM; and (ii) will not oppose any application or motion to enforce the provisions of the foregoing Section of the Bankruptcy Code, even if the effect of such motion or application is to remove the Managing Member from its position; provided, however, that such removal shall be pursuant to the provisions of this Section 7.7.

If removal of the Managing Member is as a result of the occurrence of an Event of Bankruptcy, and, in the sole discretion of the SM, the exercise of the rights and remedies under this Agreement would require permission of a bankruptcy court or other court of applicable jurisdiction, then the Managing Member, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agrees not to oppose any action that the SM, or any other Member acting with the approval of the SM, may take to obtain relief from any automatic stay imposed by Section 362 of the Bankruptcy Code or other similar statute, law or rule under which the Managing Member is provided relief from its creditors, in order to exercise the rights and remedies available under this Agreement.

In the event that the Managing Member files a petition for relief under the Bankruptcy Code in a jurisdiction other than a venue agreed upon by the parties in Section 13.12, the SM may seek from the bankruptcy court with jurisdiction over said petition a change of venue to a bankruptcy court (and division, if applicable) in a district located in a venue set forth in Section 13.12, and each Member and the Company hereby agree not to oppose or object to such application or motion.

(g) Upon the occurrence of an Event of Default (or an event which, with the giving of notice or passage of time or both, would constitute an Event of Default), prior to exercising any other rights available to the SM in this Agreement, the SM may, but shall be under no obligation to (1) require that all Company and Project accounts be transferred into bank accounts held for the benefit of the Company which accounts shall require dual signatures for payment or transfer from all such accounts (one of which must be a representative of the SM), (2) direct the Property Manager (or replacement or successor thereto) to deposit all income from the Company and the Project into the accounts described in the preceding clause (1) and/or (3) require the prior written Consent of the SM to the payment or disbursement of any Company or Project funds.

7.8. Extraordinary Investment Member Expenses.

(a) Any and all costs and expenses incurred by or on behalf of the IM and/or the SM in connection with protecting and/or enforcing their respective rights and remedies against the Company,

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the Managing Member, the Developer or the Guarantor or any Affiliate thereof with respect to this Agreement or any Project Document whether or not the Managing Member is removed, withdrawn or otherwise, including, without limitation, attorneys' and/or other professionals' fees and expenses, shall be paid by the Managing Member on demand whether or not a legal action is actually commenced. In the event that it is ultimately determined by a court of competent jurisdiction that no basis exists for actions taken by the IM and/or the SM in connection with the exercise of its rights and remedies against the Managing Member, the IM and/or the SM will not be entitled to be reimbursed for expenses under this Section 7.8 and they hereby agree to repay all amounts paid by the Managing Member pursuant to this Section 7.8 together with costs and expenses incurred by the Managing Member relating to the same.

(b) The Managing Member shall pay, on demand, any and all costs and expenses incurred by or on behalf of the Investment Members, including reasonable attorneys' fees (which may include a new, updated, or revised tax opinion), in connection with any of the following: (1) Project or Company financing that is documented or otherwise closed any time after the Closing Date, including the conversion of any forward-committed permanent loan that is made by a Lender other than PNC Bank, National Association and its Affiliates; (2) any Project refinancing or amendment of any Permitted Loan; or (3) any amendments to this Agreement or such other amendments to the Project Documents requiring the Consent of the Investment Members (but excluding those relating to a transfer of the interest of the IM, or such other amendments required or requested for the benefit of the SM or IM). In addition, the Managing Member shall pay, on demand, an administrative fee of $2,000 payable to the SM in connection with the foregoing except for financing with respect to (1) which was contemplated on the Closing Date.

7.9. Investment Members as Lenders. Subject to provisions of this Agreement with respect to related party loans, an investment member of the IM, including, without limitation, a bank, insurance company, or other financial institution (such investment member being referred to, for purposes of this Section 7.9 only, as a "**Mortgagee**"), at any time may make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Company (for purposes of this Section 7.9 only, any such loan being referred to as a "**Mortgage Loan**"). Under no circumstances will a Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such IM. A Mortgagee may take any actions that the Mortgagee, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan). By acquiring an interest in the Company, each Member acknowledges that to the extent permitted by applicable law no Mortgagee owes the Company or any Member any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being an investment member in the IM. Neither the Company nor any Member will make any claim against a Mortgagee, or against the IM in which the Mortgagee is an investment member, relating to a Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Company or to any Member based in any way upon the Mortgagee's status as an investment member of the IM.

7.10. Sale; Purchase Option and Right of First Refusal.

(a) Purchase Option. For a period of twenty-four (24) months immediately following the end of the Compliance Period for the last building in the Project (the "**Option Period**"), the Managing Member (if it is then serving as managing member of the Company) will have an option to purchase the Project (the "**Asset Option**") or the Investment Members' entire interest in the Company (the "**Interest Option**").

(1) The purchase price of the Project (the "**Project Purchase Price**") if acquired pursuant to the Asset Option shall be the greater of: (A) the fair market value of the Project, or (B) the sum of one dollar ($1.00) plus (i) the amount of the outstanding debt secured by deeds of trust or mortgages on the Project and any other obligations of the Company, including, but not limited to, any loans from any

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Member or any of their Affiliates plus (ii) an amount sufficient to enable the Company to distribute cash to the Investment Members pursuant to the liquidation provisions of the Agreement in an amount equal to any amount owed to the Investment Members under any provision of this Agreement (including all Adjustment Amounts owed under Section 3.5, inclusive of amounts payable only pursuant to Article IV of this Agreement). The Project Purchase Price shall be payable by the Managing Member by taking the Project subject to the existing debt (but only to the extent permitted by all Lenders), and if not permitted by any Lender, or if the purchase price exceeds such debt, the Project Purchase Price (or the balance thereof) shall be payable in readily available funds which shall be distributed pursuant to the liquidation provisions of the Agreement.

(2) The purchase price of the Investment Members' Company interest (the "**Interest Purchase Price**") if acquired pursuant to the Interest Option shall be the sum of: (A) the fair market value of the Investment Members' Company interest and (B) the amount of Exit Taxes payable by the Investment Members in connection with the sale and receipt of any corresponding cash and any amount owed to the Investment Members under any provision of this Agreement (including all credit adjustments owed under Section 3.5, inclusive of amounts payable only pursuant to Article IV of this Agreement), to the extent such amounts are not otherwise paid from proceeds of (A). The Interest Purchase Price shall be paid to the Investment Members at closing in cash, unless otherwise mutually agreed to by the parties hereto. The fair market value pursuant to (A) above shall be the amount the Investment Members would receive in liquidation of the Company if the Project were sold for fair market value on such date.

(3) The fair market value of the Project pursuant to Section 7.10(a)(1) and/or Section 7.10(a)(2) shall be determined by mutual agreement of the parties or, in the absence of such agreement, as follows: the Managing Member and the Investment Members shall select a mutually acceptable specialized affordable housing real estate broker (the "**Broker**") who shall determine the fair market value of the Project. In the event the parties are unable to agree upon a Broker, the Managing Member and the Investment Members shall each select a Broker. If the difference between the two opinions of value is within 10% of the lower of the two values, the fair market value shall be the average of the two opinions of value. If the difference between the two values is greater than 10% of the lower of the two opinions of value, then the Managing Member and Investment Member shall select a third Broker. If the third opinion of value is less than either of the first two, then fair market value shall be the average of the two lowest values. If the third opinion of value is greater than the first two, then fair market value shall be the average of the two highest values. If the third opinion of value falls between the previous two values, the fair market value shall be the value established by the third opinion of value.

(4) The Managing Member and the Investment Members shall share the cost equally of any Broker jointly selected or shall pay the costs of the Broker they each select and shall share the cost equally of any third Broker. Any Broker selected pursuant to this section shall be a Broker with at least five (5) years of experience in valuing income-restricted multifamily rental property. In determining the fair market value of the Project, the opinion of value may take into account (among other factors) any title restrictions and the requirement that the Project remain dedicated for the use of low income households pursuant to any restrictions under any loan agreements or regulatory agreements.

(5) The closing pursuant to the purchase option shall occur within ninety (90) days after the Investment Members' receipt of the Managing Member's written notice of exercise of a specified option (such closing date may occur after the Option Period, provided that the Investment Members receive such notice on or before the last day of the Option Period). As a condition to closing, the Managing Member shall remain the Managing Member and obtain all consents from any lessor, governmental agency and holder of a mortgage or deed of trust on the Project, or other person or entity whose consent to a sale is required. Except as provided above with respect to appraisal costs, all costs associated with the sale of the Project (or the Investment Members' Company Interest) to the Managing Member, including, without

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limitation, any transfer taxes, title policy premiums, recordation costs and costs related to the assumption of the underlying loans, shall be shared by the Managing Member and the Company in accord with local custom. In no event will the Managing Member exercise the Asset Option or Interest Option prior to the end of the Compliance Period without the Consent of the IM (but only to the extent the IM is not then PNC Bank, National Association and only to the extent required in any upper-tier agreement relating to the IM).

(b) 42(i)(7) Right of First Refusal. For a period of twenty-four (24) months immediately following the end of the Compliance Period for the last building in the Project (the "**Offer Period**"), the Company will not transfer, sell, alienate, assign, give, bequeath, or otherwise dispose of the Project or any portion thereof to any party that has made a bona fide purchase offer without first offering the Project to the Sponsor (the "**Nonprofit**"), who shall thereupon have a period of thirty (30) days to notify the Investment Members in writing of its intent to exercise this right of first refusal. In such case, the Company shall offer the Project to the Nonprofit at a price equal to the greater of (A) $100 or (B) the sum of (i) the principal amount of all outstanding indebtedness secured by the Project (including any accrued interest and any loans to the Company by a Managing Member); plus (ii) an amount sufficient to enable the Company to distribute cash to the Investment Members pursuant to the liquidation provisions of this Agreement in an amount equal to the sum of (a) the amount of Exit Taxes payable by the Investment Members in connection with the sale and receipt of any corresponding cash and (b) the amount owed to the Investment Members under any provision of this Agreement (including amounts payable only pursuant to Article IV of this Agreement). The closing of a sale of the Project pursuant to the right of first refusal under this Section 7.10(b) shall occur within ninety (90) days after the Nonprofit notifies the Company of its intent to exercise such refusal right (such closing date may occur after the Offer Period, provided that the Investment Members receive such notice on or before the last day of the Offer Period). The purchase price shall be payable by the Nonprofit by taking the Project subject to the existing debt (but only to the extent permitted by all Lenders) and, if not permitted by any Lender, or if the purchase price exceeds such debt, the purchase price (or balance thereof) shall be payable in readily available funds which shall be distributed pursuant to the liquidation provisions of the Agreement.

The rights set forth in this Section 7.10(b) shall be conditioned upon the agreement by the Nonprofit that the apartment units in the Project will be maintained for low income use for at least fifteen (15) years after the end of the Compliance Period under Section 42 of the Code, and that such restrictions with regard to sale and low income use shall be recorded as a restriction against the Project. In addition, the rights set forth in this Section 7.10(b) shall apply and be available to the Nonprofit only at such time(s) as the Nonprofit qualifies as a permitted purchaser pursuant to Code Section 42(i)(7)(A). This right of first refusal shall be void and of no further force or effect upon (i) the failure of the Nonprofit to qualify as a permitted purchaser under Code Section 42(i)(7)(A), (ii) the removal or withdrawal of the Managing Member or any related entity from the Company as a Managing Member or (iii) the admission of a party other than the current Members into the Company without the Investment Members' Consent.

Notwithstanding the foregoing, the requirement of receipt of a bona fide purchase offer as a condition for the right of first refusal under this Section 7.10(b), shall not be required if at the time of the election of the right either: (i) the IRS has issued binding guidance indicating that such a bona fide offer is not required for purposes of Section 42 of the Code, (ii) Section 42 of the Code has been amended to provide that such a bona fide offer is not required, or (iii) Counsel provides an opinion at the time of the election indicating that such a bona fide offer is not required by Section 42 of the Code.

All options to purchase and/or rights of first refusal to purchase all or any portion of the Project contained in this Agreement are hereby subordinated to the liens of all mortgages, deeds of trust, and other security documents encumbering all or any portion of the Project as security for the Permitted Loan.

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(c) Investment Member's Right To Require Sale.

(1) Subject to paragraphs (a) and (b) of Section 7.10, the Managing Member shall be obligated to consider any reasonable offer by the Investment Members to purchase the Project, or any reasonable third-party offer communicated to the Investment Members or to resyndicate the Investment Members' interests in the Company.

(2) In addition to the foregoing and subject to the provisions of this Section 7.10 and to the extent permitted by the Tax Credit Agency, if requested by the SM at any time after the completion of the fourteenth (14th) year of the Compliance Period, the Managing Member shall be obligated to submit a written request to the Tax Credit Agency to find a buyer for the Investment Members' interests in the Company and/or to take such other action permitted or required by the Code as the SM may reasonably request to effect the sale of the Project pursuant to a "qualified contract" under Section 42(h)(6)(F) of the Code or to terminate the Extended Low Income Housing Use Commitment under Section 42(h)(6)(B) of the Code (to the extent permitted under Section 42(h)(6)(E)(i)(II) of the Code). Any proposal pursuant to this paragraph from the Tax Credit Agency or from another buyer of the Project acceptable to the SM must be accepted by the Managing Member.

(d) Investment Member Put. Notwithstanding anything to the contrary contained herein, the IM and SM shall have the right exercisable in their sole and absolute discretion to put their respective interests in the Company at any time following the end of the Credit Period to the Managing Member or its designee for a price equal to the sum of the following: (i) one thousand and No/100ths Dollars ($1,000.00); (ii) the Investment Members' costs and expenses incurred in connection with the transfer of their interests in the Company; and (iii) all amounts due and owing to the Investment Members (excluding amounts owed as a result of a Change in Law as described in Section 3.5(b)(5)). Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the Investment Members (which will address such matters as release and indemnity of the Investment Members from and after the effective date of such assignment and assumption and, if during the Compliance Period, the continuation and ratification of the guarantees of the Managing Member and Guarantors for Tax Credit recapture in accordance with Section 3.5 and certain ongoing compliance reporting obligations with respect to the Tax Credit). In no event will the Managing Member exercise the Asset Option or Interest Option prior to the end of the Compliance Period without the Consent of the IM (but only to the extent the IM is not then PNC LIHTC Fund 97 MT 1, LLC and only to the extent required in any upper-tier agreement relating to the IM).

(e) Refinance Post-Compliance Period. Notwithstanding anything to the contrary contained in this Agreement, following the expiration of the Compliance Period, the Consent of the IM will not be required for a refinancing of a Permitted Loan that results in a loan that requires "must-pay" or "hard" debt service (a "**Refinanced Loan**") if the Managing Member demonstrates to the satisfaction of the IM that: (a) the Debt Service Coverage following such refinancing will be no less than 115% calculated based upon net operating income from the audited financial statements for the most recent Fiscal Year and the maximum debt service under all Permitted Loans encumbering the Project (excluding any Permitted Loans payable only from and to the extent of available Net Cash Flow) on a pro forma basis, (b) the lender has determined that the Refinanced Loan will have a loan-to-value ratio of not more than ninety percent (90%), (c) the Refinanced Loan will have a term that does not exceed forty (40) years, (d) the Refinanced Loan will have a fixed rate of interest (or an interest rate cap or swap arrangement is purchased on terms reasonably acceptable to the IM), (e) the Refinanced Loan will be made by a bank, insurance company, or other institutional lender which is not the Managing Member or an Affiliate, (f) the Refinanced Loan will not contain any so-called "equity participation" features and will otherwise be on commercially reasonable terms, (g) all other expenses associated with such refinancing will be paid from the proceeds of such refinancing, and (h) unless the Members mutually agree to a different application, any refinancing proceeds

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shall be applied either in accordance with Section 4.5 of this Agreement or to exercise the Interest Option as described in Section 7.10 hereof. Notwithstanding any provision contained herein to the contrary, the Company and the Managing Member may use the proceeds of such refinance to acquire the interest of the Investment Member pursuant to the terms of the Interest Option or to pay any outstanding Deferred Development Fee.

ARTICLE VIII

TRANSFER BY INVESTMENT MEMBERS

8.1. Compliance With Securities Laws. No Company interest has been registered under the Securities Act of 1933, as amended, or under any state securities law. Except as set forth in this Article VIII, an Investment Member may not transfer all or any part of its Company interest. Any transfer shall be in compliance with applicable federal and state securities laws. A transfer, for purposes of this Agreement, shall be deemed to include, but not be limited to, any sale, transfer, assignment, pledge, creation of a security interest or other disposition, other than a pledge or creation of a security interest contemplated under the terms of this Agreement; provided, however, that no transfer shall be deemed to have occurred for purposes of the restrictions on transferability under this Article VIII, as a result of any change in the members of the IM.

8.2. Transfer and Substitution. The IM and/or the SM may transfer or assign all or any part of its interest in the Company to an Affiliate of the IM without the consent of any other Member. Any transferee of such Investment Member's interest shall promptly execute any documents reasonably necessary to effect the transfer in order to become a Substitute Investment Member. The Managing Member and its Affiliates shall cooperate as requested by the transferor Investment Member in facilitating such transfer.

Transfers to non-affiliates of the Investment Members prior to payment of all Installments owed by the IM will require Managing Member consent, which consent shall not be unreasonably withheld. A transferor of an Investment Member interest may give its transferee the right to become a Substitute Investment Member without the consent of any other Member only after the transferee (a) adopts and approves in writing all the terms and provisions of this Agreement then in effect; and (b) assumes the obligations, if any, of the transferor to the Company. Any transfer in contravention of this Article VIII shall be void and ineffectual and shall not bind the Company. The IM shall be responsible for and shall indemnify and hold harmless the Company and the Managing Member for any applicable excise tax of the State of Washington or expenses or penalties relating thereto arising from any such substitution or any transfer or assignment of the IM's membership interest or any transfer or any indirect transfers related thereto. The IM shall submit any required excise tax or controlling interest affidavit required by the State of Washington Department of Revenue in connection with a transfer of its interests, with a copy of such filing to the Managing Member.

The consent of the Managing Member shall be required for any transfer or assignment of the Interest of the Investment Members to any of the following or their affiliates: Alden Torch Financial; Hunt Companies, Inc; Alden Capital Partners; Wentwood Companies; Wentwood Capital Advisors, LP; Boston Financial Investment Management; SunAmerica Housing Fund; SunAmerica Investments, Inc; HallKeen Management, Inc; Centerline Affordable Housing Advisors LLC and HCP Pacific (collectively, the "Prohibited Transferees"). In the event the Managing Member desires to add an entity or entities as a Prohibited Transferee, the Managing Member shall provide a written request to the SM. Such entity will be considered a Prohibited Transferee upon agreement of the SM in its reasonable discretion, which agreement shall not be withheld with respect to any entity which (a) has fewer than five (5) years in the business of investing in Low Income Housing Tax Credit ("LIHTC") projects, (b) has been involved in litigation it

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initiated against a LIHTC developer or has a key principal that has, directly or indirectly, initiated such litigation while a key principal at another entity, or (c) has been rejected by any state LIHTC awarding agency.

8.3. Status of Transferee. A transferee of an Investment Member interest in the Company who is not admitted to the Company as a Substitute Investment Member shall be entitled to receive only that share of Distributions, and the return of Capital Contribution, to which its transferor would otherwise have been entitled with respect to the interest transferred, and shall have no right to obtain any information on account of the Company's transactions, to inspect the Company books or to vote with the Investment Members on any matter. However, if a transferee and transferor jointly advise the Managing Member in writing of a transfer of an Investment Member or other interest in the Company, the Company shall furnish the transferee with pertinent tax information at the end of each Fiscal Year.

8.4. SM Consent. From and after the Closing Date, no Investment Member shall be admitted to the Company without the Consent of the SM which Consent shall be in the SM's sole discretion.

ARTICLE IX

CHANGES AMONG MANAGING MEMBERS

9.1. Withdrawal.

(a) Each of the following acts shall constitute an "**Event of Withdrawal**":

(1) Without the prior Consent of the SM, the voluntary or involuntary (including, without limitation, by operation of law) sale, disposition, transfer, conveyance, assignment, relinquishment, withdrawal, or other event (removal, pledge, hypothecation, creation of Company security interest not otherwise permitted by this Agreement, etc.) of the Managing Member's interest in the Company or any Controlling Interest in such Managing Member or of an interest which results in a new Person holding a Controlling Interest in such Managing Member;

(2) [reserved]

(3) Without the prior Consent of the SM, the voluntary or involuntary dissolution of a Managing Member;

(4) Without the prior Consent of the SM, an Event of Bankruptcy with respect to any Managing Member or with respect to the holder of any Controlling Interest in any Managing Member; or

(5) The SM's removal of the Managing Member as Managing Member of the Company.

(b) Upon the occurrence of an Event of Withdrawal, such Managing Member shall automatically cease to be a Member of the Company and, unless expressly waived in writing by the SM at the time of the withdrawal and by specific reference to this provision, in addition to any and all other legal remedies which may be pursued by the Members, shall automatically and without notice or action of the Members, relinquish to the SM or its designee, the following, collectively, the "**Relinquished Interests**":

(1) such Managing Member's entire economic interest in the Company;

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(2) all unpaid fees, distributions, loans, profits or other amounts actually or allegedly due and owing by the Company and its Members to such Managing Member, the Developer, or any other Affiliate of such Managing Member; and

(3) any and all other rights, interests, credits, advantages, preferences, opportunities, priorities or other benefits arising from or relating to, in whole or in part (1) or (2) herein.

Further, to the extent the Developer is an Affiliate of the withdrawn Managing Member, the Developer shall relinquish all of its economic interest in the Company and the Project, including, but not limited to, the right to receive any Development Fee payable pursuant to Section 6.8 and/or the Development Agreement, and the same shall be included as Relinquished Interests.

The Relinquished Interests shall be automatically transferred to the SM or its designee and shall thereafter be fully and freely assignable and/or transferable in whole or in part (subject to applicable law) by the SM (no Consent from any other Member being required). The withdrawn Managing Member shall remain liable for any and all duties and obligations such Managing Member had under this Agreement even after their Company interest has been transferred to the SM, its designee or any subsequent transferee, provided that the withdrawn Managing Member shall not be liable for any duties and obligations arising subsequent to the withdrawal of the withdrawn Managing Member and solely attributable to events occurring after the withdrawal of the withdrawn Managing Member.

Except as otherwise required by law, the SM or its designee shall have the right, but not the obligation, to automatically be admitted as a Managing Member upon the occurrence of such Event of Withdrawal without any further notice or action other than filing any required amendment to a document on file with the State and each remaining Member hereby expressly consents to such transfer and to the admission of the SM or its designee as a Managing Member.

(c) Moreover, if the Company is required by law to recognize a transfer of a Managing Member's Company interest not otherwise Consented to by the Investment Members, the transferee shall not have the rights of a Member, and the Company interest transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred interest, if any, which allocations and distributions may be applied in the Company's sole discretion (without limiting any other legal or equitable rights of the Company) to satisfy in whole or in part the debts, obligations, or liabilities for damages, of whatever kind or nature, that the transferor or transferee of such interest may have to the Company, including, without limitation, any such debts, obligations, or liabilities for damages arising under or pursuant to this Agreement or any other Project Documents.

9.2. Obligation To Continue. Upon the occurrence of an Event of Withdrawal as to a Managing Member, each remaining Managing Member, if any, shall have the right and obligation to continue the business of the Company, employing its assets and name, all as contemplated by the Company Act. Within thirty (30) days after they obtain knowledge of the occurrence of an Event of Withdrawal as to a Managing Member, the remaining Persons who comprise the Managing Member, if any, shall notify the SM and the IM of such Withdrawal.

9.3. Withdrawal of All Managing Members. If, following the occurrence of an Event of Withdrawal as to a Managing Member, there is no remaining Managing Member, the IM and the SM may elect to reconstitute the Company and continue the business of the Company by selecting a successor Managing Member. If the IM and the SM elect to reconstitute the Company pursuant to this Section 9.3 and admit the designated successor Managing Member, the relationship among the then Members shall be governed by this Agreement.

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9.4. Interest of Managing Member After Permitted Withdrawal. In the event the SM has Consented to an occurrence of an Event of Withdrawal as to a Managing Member (for the purposes of this Section 9.4, the "**Withdrawing Managing Member**"), and except as otherwise provided in Section 7.7, the Withdrawing Managing Member hereby covenants and agrees to transfer to the remaining Managing Member, if any, to an SM Managing Member or a successor Managing Member selected in accordance with Section 9.3, as the case may be, such portion of the Company interest of the Withdrawing Managing Member as such remaining SM Managing Member or successor Managing Member may designate, such transfer to be made in consideration of the payment by the transferee of either the agreed value of such Company interest or, if such value is not agreed to, the fair market value of such Company interest as determined by a committee of three qualified real estate appraisers, one selected by the Withdrawing Managing Member, one selected by the transferee and the third selected by the other two appraisers so chosen. The portion of the Withdrawing Managing Member's Company interest designated to be transferred in accordance with the provisions of this Section 9.4 shall be sufficient to ensure the continued treatment of the Company as a partnership under the Code and as a limited liability company under the Company Act and, for the purposes of Article II, shall be deemed to be effective as of the date of the Event of Withdrawal, but the Company shall not make any Distributions to the designated transferee until the transfer shall have been made. Any holder of any portion of the Company interest of a Withdrawing Managing Member which is not designated to be transferred to the remaining or successor Managing Member pursuant to the provisions of this Section 9.4 shall become a Supplemental Investment Member, (i) with the same share of the Net Profits, Net Loss, Net Loss from Sale, Tax Credit, Net Cash Flow, Net Cash Proceeds and other Distributions to which the holder of such Company interest was entitled when held as a Managing Member interest, (ii) which shall not participate in the votes, approvals or Consents of the Investment Members hereunder and (iii) to the extent required by the SM, this Agreement shall be amended in form and substance satisfactory to the SM, to reflect the forgoing. The admission of any successor or additional Managing Member shall be subject to any required Consent of any Lender or Agency and to the Consent of each of the IM and the SM.

9.5. SM Consent. Except as provided in Sections 7.7(b) and 9.3, from and after the Closing Date, no Managing Member shall be admitted to the Company without the Consent of the SM, which Consent shall be in the SM's sole discretion and until such Person shall have agreed to be bound by this Agreement (and assume the obligations of a Managing Member hereunder) and by all Project Documents to the same extent and under the same terms as each other Managing Member.

ARTICLE X

ACCOUNTING, RECORDS & FINANCIAL REPORTING

10.1. Books and Records. The Managing Member shall keep the Company's accurate and complete books and records, which shall include the list of names and addresses for all Members, this Agreement, any and all amendments to this Agreement, all loan documents and all first-year tenant and income certifications and lease documents that support the initial qualified basis. Such books and records shall be kept at the Company's principal office and shall be maintained in accordance with sound accounting practices, the Company Act, and any applicable requirements of the Lenders and Tax Credit Agency through the later of (a) six (6) years following the expiration of the Compliance Period, or (b) the Termination Date, and such books and records shall be open to inspection and examination by any Investment Member or its duly authorized representatives at all reasonable times. All books and records pertaining to the first year of the Credit Period, including, but not limited to, supporting documentation for tenant eligibility as Qualified Tenants shall be kept in fireproof storage at the Company's principal office for the period described in the preceding sentence.

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For any loan closings or conversions that occur on or after the Closing Date, the Managing Member shall cause complete transcripts and binders (including all signatures and recording information) to be sent to the SM within thirty (30) days of such closing. Such transcripts and binders may be sent on any standard electronic storage medium in lieu of paper documents.

10.2. Books of Account. The Managing Member shall ensure that the Company's books of account are kept and maintained safely, accurately, completely, and on the accrual basis.

10.3. Fiscal Year. The Fiscal Year shall be the calendar year (twelve (12) calendar months ending on December 31st annually).

10.4. Special Basis Adjustments. In the event of a transfer of the IM's Company interest or in the event of a transfer by a partner or member of the IM of such partner's or member's interest in the IM, the Company shall elect, upon the request of the IM, to adjust the basis of Company property pursuant to Section 754 of the Code. Any adjustments under Section 743 of the Code resulting from such Section 754 election shall affect only the successor in interest to the transferring IM or the transferring partner(s) or member(s) of the IM. Each Member will furnish to the Company all information necessary to give effect to any such election.

10.5. Bank Accounts. The Company shall establish and maintain an operating (checking) account for the Project's daily routine operations in an FDIC-insured account. Withdrawals from such account shall be made only in the regular course of business on such procedures deemed prudent by the Managing Member, subject to the requirements of Articles IV and VI of this Agreement. Other accounts and reserves of the Company shall be established and maintained as specified in Section 6.5.

10.6. Accountants. The Accountants shall prepare the audits, tax returns and other documents required herein and as required by the Lender, Agency or HUD. Unless otherwise specified herein, the Managing Member shall cause the Accountants to send a complete draft of any audit or other document prepared for submission to the Lender, Agency or HUD directly to the SM no later than thirty (30) days prior to the filing or submission deadline for such document, and shall obtain the Consent of the SM prior to filing or submitting any such document. The Managing Member shall furnish a copy of the accounting services agreement to the SM which shall include the Accountant Addendum.

10.7. Construction Draws, Audits, Tax Filings and Compliance. The Managing Member shall cause to be prepared and delivered to the SM and IM the following information and reports, all in form and substance satisfactory to the SM:

(a) Construction Matters and Reporting.

(1) Construction Consultant. The Managing Member shall timely cooperate with (and cause the Builder, Project Architect and Property Manager to cooperate with) the Construction Consultant in the fulfillment of the Construction Consultant's inspection and reporting services conducted for the benefit of the Investment Members and Lender (as applicable).

(2) Construction Draws. A "**Construction Draw**" shall be any request for the use of Development Funds occurring after the Closing Date until Final Construction Completion, and any request of Development Funds or casualty insurance proceeds for construction-related activities occurring after Final Construction Completion. The Managing Member shall provide to the SM a copy of each and every Construction Draw, regardless of whether the IM's Capital Contribution is a requested source of funding for such Construction Draw. The Managing Member shall send each Construction Draw to the SM at the same time it is sent to any other Member, Lender, Agency or other source of Development Funds.

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Construction Draws may be submitted no more frequently than once per calendar month and may not include costs which have previously been reimbursed. Upon receipt by the SM of a complete Construction Draw submission (see below), the SM shall have ten (10) business days to review and either Consent and/or comment upon the Construction Draw. If the SM issues comments on the Construction Draw that require action by other parties, the Managing Member shall cause such actions to be taken as requested by the SM within thirty (30) days of the SM making such comments, and the Managing Member shall receive the Consent of the SM prior to the Managing Member's submittal of any further Construction Draws.

At a minimum, Construction Draws must include the following:

(i) A reconciled sources and uses Project Budget in form and substance satisfactory to the SM and reflecting all Development Funds and Development Costs detailed on a line-item basis;

(ii) An AIA document G702 and G703 or similar HUD form for all construction costs, signed by the Managing Member and Builder, accompanied by all change orders (discussed below), and certified by the Project Architect;

(iii) A completed inspection report from the Construction Consultant approving the work completed and costs requested on the G702 and G703 or similar HUD form;

(iv) Receipts, invoices and other supporting documents for any "soft" costs that are outside of the Construction Contract;

(v) A date-down endorsement to the owner's Title Policy (if not available in the State, then a limited title search will be acceptable); and

(vi) For the first draw following completion of all building pads or foundations, a foundation survey for any newly constructed improvements as described in Section 6.7(c).

Other items the Managing Member may be required to furnish to the SM with the Construction Draw include, but are not limited to, copies of contracts and insurance policies for subcontractors, lien waivers, invoices related to purchases of construction materials, soil compaction testing results, concrete foundation cylinder test results and such other documentation as may be requested pursuant to Section 10.9.

(3) Change Orders. Without the prior Consent of the SM, neither the Managing Member nor the Developer shall authorize the Company, the Project Architect or the Builder to make any change to the Plans and Specifications or modification of or reallocation of any budgeted line item (either within or outside of the Construction Contract) that would:

(i) expend or reallocate funds on any line item in the Project Budget in excess of (A) for any single line item, the lesser of $50,000 or 10% of the original Project Budget amount for such line item, or (B) $150,000 in the aggregate when combined with all prior or current changes; and/or

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(ii) diminish the quality of materials, finishes or workmanship of the Project, or cause a change in the Project amenities from those set forth in the Project Documents.

Upon receipt by the SM of any such change order request, the SM shall have ten (10) days to review and either issue Consent, denial, or comment upon the requested change. The Managing Member shall provide a copy of the fully executed change order to the SM within ten (10) days of receiving such Consent.

If at any point, the Managing Member or the Developer believes that there is a probability that the funds approved by the SM for any line item of the Project Budget will be insufficient to ensure completion in accordance with the Project Documents or the Project is or will be Out-Of-Balance or any change order may have an adverse effect on the Project Budget, then the Managing Member and/or the Developer shall immediately provide written notice thereof to the SM and there shall be no payment of Development Fee until such time as the Project is back on schedule and budget, as determined by the SM.

(b) Tenant Files and Compliance.

(1) The Managing Member shall provide a copy of each initial tenant file and shall cooperate with and assist (and shall cause the Property Manager to so cooperate with and assist) in the initial tenant file review, and shall cause the Property Manager to promptly cure any deficiencies in tenant files or practices and procedures identified during the initial tenant file review. Neither such reviews nor the existence of the right to make such reviews shall relieve the Managing Member of its obligation (or constitute a defense against breach of such obligation) to maintain the Project in compliance with all rules and requirements under the Code and of the Tax Credit Agency.

(2) The Managing Member shall cooperate with and assist (and shall cause the Property Manager to so cooperate with and assist) the SM in making periodic reviews of the Company's tenant files for the purpose of assessing compliance with respect to the Property's leasing practices under the Code and the requirements of the Tax Credit Agency. During each review, the Managing Member and the Property Manager shall make available to the SM (either at the office of the Property Manager during regular business hours or, if so requested by the SM, by sending photocopies to the SM) all or a portion of the tenant files and leasing practices and procedures of the Property. Such reviews (or sending of photocopies) shall occur within three (3) business days following written notice by the SM to the Managing Member. The SM expects to make reviews periodically during initial leasing of the Property and thereafter on an annual basis, but shall have the right to make more frequent reviews in its reasonable discretion. Neither such reviews nor the existence of the right to make such reviews shall relieve the Managing Member of its obligation (or constitute a defense against breach of such obligation) to maintain the Property in compliance with all rules and requirements under the Code and of the Tax Credit Agency. The Managing Member shall cause the Property Manager to cure all deficiencies in tenant files or practices and procedures identified by the SM as a result of such reviews.

(3) If applicable, the Managing Member shall furnish to the SM copies of any and all documentation required by any Agency in order to establish or reestablish tenant eligibility (for example, USDA-RD Form 1944-8).

(4) If requested by the SM, the Managing Member shall furnish to the SM copies of any and all documentation to reestablish tenant eligibility resulting from the annual recertification of tenants, which documentation shall be a tenant recertification. As long as no Event of Default has occurred and remains uncured, the SM will make such requests no more frequently than once per Fiscal Year.

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(c) Financial and Operating Reports. As further described below, the following financial and operating reports shall be required during the periods described. Each reference to an "audit" shall mean an annual audited financial statement prepared by the Accountants in full compliance with GAAP. Each reference to "certified" means the Person who is the subject of the statement shall certify in writing to the Investment Members that the information is current, accurate, and complete.

(1) Company. The Managing Member shall cause the Company to submit to the SM, the following reports and information:

(i) "Tax Credit Qualification Schedule" to be submitted monthly and not more than five (5) days in arrears commencing when the first unit in the Project is occupied and continuing until the 100% Occupancy Date is achieved; once the 100% Occupancy Date is achieved, such report shall be submitted quarterly within thirty (30) days of the end of the applicable quarter until the Termination Date. The "Tax Credit Qualification Schedule" shall report for each apartment unit the following information: unit number, tenant name, number of bedrooms, household size, initial move-in date, current lease expiration date, tenant annual gross income, the tenant rent contribution, and the approved utility allowance, together with the total number of Low Income Units qualified and the overall occupancy of the Low Income Units.

(ii) "Occupancy Report and Rent Roll" to be submitted monthly and not more than five (5) days in arrears commencing when the first unit in the Project is occupied and continuing until the 100% Occupancy Date is achieved; thereafter, such report shall be due monthly within twenty five (25) days of the applicable month-end until Stabilized Occupancy is achieved; once Stabilized Occupancy is achieved, such report shall be submitted quarterly, within thirty (30) days of the end of the applicable quarter until the Termination Date. The "Occupancy Report and Rent Roll" shall contain the following information: the total number of units in service, the number of physically occupied and vacant units, and all known move-ins and move-outs (including dates). The rent roll must provide all information customarily included in this type of report in the industry, and must also specify which units are receiving Section 8 rental assistance or the like (and state both the total collected rent and the amount of rent paid by the tenant), which units are designated Low Income Units, and the utility allowance for each Low Income Unit.

(iii) "Income Statement and Balance Sheet" to be submitted monthly within twenty (20) days of the applicable month-end commencing when the first unit in the Project is occupied and continuing until Stabilized Occupancy is achieved and thereafter, such report shall be submitted quarterly, within thirty (30) days of the end of the applicable quarter until the Termination Date. The Managing Member and/or Property Manager shall prepare a month-end Income Statement and Balance Sheet on the accrual basis for each calendar month; the Income Statement shall include the account detail described in Section 10.9, and the Balance Sheet shall be supported upon request of the SM by bank and/or brokerage statements for cash accounts not held in PNC Bank, National Association.

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(iv) "Quarterly Status Reports" to be submitted quarterly within thirty (30) days of the end of the applicable quarter commencing when the first unit in the Project is occupied and continuing until the Termination Date. The "Quarterly Status Reports" shall be in form and content acceptable to the SM and shall contain the information requested in Exhibit 10, attached hereto, as such Quarterly Status Report may be amended or modified from time to time by the SM.

(v) "Company Audit" for each Fiscal Year to be submitted annually by February 15th of the succeeding Fiscal Year; provided, however, to the extent the Company does not have operating income in such Fiscal Year, a modified report acceptable to the SM which includes certification of each Company account shall be permitted. The Accountants shall prepare a draft of the Company's audited financial statements in accordance with the Accountant Addendum (the "**Company Audit**"). The Managing Member shall cause the Accountants to send a complete copy of the Company Audit directly to the SM within the time period described in the preceding sentence. The Managing Member shall cause the Accountants to finalize and resend the Company Audit within five (5) business days upon receiving Consent thereto from the SM.

(vi) "Company Tax Returns" for each Fiscal Year to be submitted annually by February 15th of the succeeding Fiscal Year. The Managing Member shall cause the Accountants to send directly to the SM a complete draft of the Company's federal and state tax returns for the previous calendar year and all accompanying schedules, which must include the K-1s presented on a tax basis and any state analogs thereto. The tax returns must be prepared by the Accountants in compliance with the Accountant Addendum. The Managing Member shall not file such tax return until the SM shall have given Consent to the specific documents for filing.

(2) Managing Member. The Managing Member shall submit to the SM, the following reports and information:

(i) "Certified Annual Financial Statements" for each Managing Member to be submitted annually by February 15th commencing with the Fiscal Year in which the Closing Date occurs and continuing thereafter until the Termination Date. Such statements shall include sufficient details about the accounts underlying those shown on the statements, together with a balance sheet and reasonable supporting documentation as the SM may request, which may include, but is not limited to, copies of bank and/or brokerage statements, promissory notes, and payment schedules for receivables.

(ii) "Certified Schedule of Contingent Liabilities" for each Managing Member to be submitted annually by February 15th commencing with the Fiscal Year in which the Closing Date occurs and continuing thereafter until the Termination Date.

(3) Guarantor. The Managing Member shall cause each Guarantor to submit to the SM, the following reports and information:

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(i) "Certified Annual Financial Statements" for each Guarantor to be submitted annually by June 30th commencing with the Fiscal Year in which the Closing Date occurs and continuing thereafter until the Termination Date. For a corporate Guarantor, such Annual Financial Statement shall be an Audited Financial Statement and for each individual Guarantor, such Annual Financial Statement shall be certified, provided, however, that such Annual Financial Statement for each of Shelter Resources, Inc. and SRI-Blueridge Pacific, LLC shall be certified. Such statements shall include sufficient details about the accounts underlying those shown on the statements, together with a balance sheet and reasonable supporting documentation as the SM may request, which may include, but is not limited to, copies of bank and/or brokerage statements, promissory notes, and payment schedules for receivables.

(ii) "Certified Schedule of Contingent Liabilities" for each Guarantor to be submitted annually by June 30th or within forty-five (45) days of request by the SM commencing with the Fiscal Year in which the Closing Date occurs and continuing thereafter until the Termination Date.

(iii) "Schedule of Real Estate Owned" for each Guarantor to be submitted annually by June 30th or within forty-five (45) days of request by the SM commencing with the Fiscal Year in which the Closing Date occurs and continuing thereafter until the Termination Date. Each required schedule of real estate owned shall be prepared using a form similar to that accepted by the Investment Members on or before the Closing Date.

(d) Projected Distributions. By October 1st of each Fiscal Year, the Managing Member shall send to the SM an estimate prepared by the Managing Member or the Accountants of each Investment Member's respective share of Distributions, Tax Credit, Net Cash Flow, and Net Profit or Loss and, if applicable, Net Profit from Sale, Net Loss from Sale and Net Proceeds from Sale, of the Company for income tax purposes for the current Fiscal Year.

(e) Tax Credit Reporting. In addition to the other reporting requirements set forth in this Agreement, the Managing Member shall send to the SM copies of any material correspondence or filings sent to or received from any Lender, Agency or governmental authority pertaining to the Company or the Property, including, but not limited to, the following items:

(1) A copy of any Tax Credit monitoring report forwarded to the Tax Credit Agency, including, but not limited to, any certification in accordance with Treasury Regulations 1.42-5 and any other annual Tax Credit compliance certificate which makes representations as to the status of Tax Credit compliance of the Company or the Project, or to the extent such a compliance certificate is not required by the Tax Credit Agency, an annual statement representing the status of Tax Credit compliance in a form acceptable to the SM;

(2) Copies of any notices pertaining to Governmental Regulations or Environmental Laws, notices of any default by the Company under any Project Document, any site inspection reports from any Lender or Agency, notices of any noncompliance on Form 8823 or similar forms, or notices of default in payment of any Permitted Loan, taxes, interest or any other obligation; and

(3) Copies of any Real Estate Assessment Center (REAC) inspection reports received with respect to the Company or the Project as well as any notices from HUD, including, but not limited to,

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any management review findings, Section 8 HAP contract inspections, and/or notices pertaining to HUD regulatory agreements, if any.

(f) Lender & Agency Reporting. With respect to any correspondence or filings sent by or on behalf of the Company to any Lender, Agency or governmental authority, final drafts of such correspondence or filings shall be submitted to the SM at least fifteen (15) business days prior to the required submission or filing date thereof, and the Managing Member shall obtain the Consent of the SM prior to submitting or filing the same.

10.8. Insurance. Prior to the expiration date for each Company insurance policy required to be maintained pursuant to Exhibit 6 and Section 6.5(b), the Managing Member shall deliver (or shall cause its insurance agent to deliver) evidence of a comparable new or replacement insurance policy to the SM by certificates of insurance on ACORD forms (ACORD 28 version 2003/10 for casualty; ACORD 25 for general liability) and evidence of premium payment. Upon request by the SM, the Managing Member shall also provide a copy of any insurance policy, including all endorsements thereto, bound by the Managing Member on behalf of the Company.

10.9. Operating and Capital Expenditure Budgets. By November 1st of each Fiscal Year, the Managing Member shall deliver to the SM an annual operating budget of revenues and expenses for the Company for the following Fiscal Year that shall include all operating revenues and expenses applicable to the Project, including the following accounts detailed in the Accountant's Addendum. By November 1st of each year, the Managing Member shall send to the SM a budget of Capital Expenditures for the subsequent Fiscal Year which shall include a description of the item or service, anticipated date of purchase or completion of service, total cost, reason for expenditure and anticipated source of funds (e.g., operations or replacement reserves).

10.10. Other Management Reporting, Miscellaneous. Within ten (10) days after each of the following becomes available to the Company, the Managing Member shall send to the SM:

(a) a copy of any updated, renewed or new Project management plan, including any new or revised operating and maintenance plan for environmental conditions;

(b) notification of any fact which has or may have a material adverse effect upon the Project, the Company, the Managing Member, the Investment Member or Guarantor, or which could materially and adversely affect Distributions of cash or allocations of profits, losses or Tax Credit to any Investment Member, or any other such matters as may be material to the existence or operation of the Company, its business or the Project, including, but not limited to, events adversely affecting habitability, safety, occupancy or the use and enjoyment of the Project by tenants;

(c) copy of any notice of audit, inspection, management or financial review report, inquiry or investigation of the Company or Project by the Tax Credit Agency or other regulatory body and copies of all subsequent correspondence with respect to such audit, inquiry or investigation;

(d) any update of applicable utility allowances for the computation of maximum-allowable Tax Credit rents paid by the tenants; and

(e) not more than ten (10) business days after the later of (i) the real property tax due date, or (ii) the date the real property taxes are paid, written evidence in a form acceptable to the SM that the real property taxes for the Project have been paid.

10.11. Reporting Defaults.

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(a) If the Managing Member fails to deliver, or cause to be delivered, to the SM the documents required by Section 10.7(c) within the time periods set forth therein, the Managing Member and/or Guarantor shall, upon receipt of an invoice from the SM and assuming that no Investment Member has caused such delay, pay as damages the sum of $100 per day per report due pursuant to Section 10.7(c), commencing on the first day after the date the report was due and ending on the date the report in question is received by the SM (the "**Reporting Damages**"). No notice or warning of such reporting delinquency shall be required and, if notice or warning is given by the SM, such notice shall not affect the date the report in question was due or the amount of Reporting Damages owed to the IM. If the Managing Member and/or Guarantor fail to pay, any amount of such Reporting Damages not so paid shall be deducted against such Section 4.2 and/or 4.5 payments or distributions otherwise due to the Managing Member, the Guarantor and/or their Affiliates. Further, all Members hereby expressly consent to the exercise by the SM of collecting payment of such Reporting Damages from any Capital Contributions to be funded by the IM and/or from Company reserves.

In addition, if the Managing Member fails to deliver, or cause to be delivered, to the SM the documents required by Section 10.7(a), Section 10.7(c), Section 10.7(e), Section 10.7(f) or Section 10.9 within the time periods set forth in said Sections, or fails to perform (or cause to be performed) any requirement made under Section 10.13(b), and such failure is not cured within fifteen (15) days of receipt of notice from the SM (which notice may be sent by email), such failure shall be referred to herein, individually and collectively, as a "**Reporting Default**". To the extent any failure is cured to the satisfaction of the SM, the Managing Member may request, and the SM shall provide, written confirmation of the same. Finally, the IM agrees there shall not be Reporting Damages or Reporting Default for any report from a prior year unless the SM has notified the Managing Member of such reporting issue prior to ninety (90) days following the end of the calendar year in which the report is due.

(b) If a Reporting Default occurs with respect to Section 10.7(c), or if the Accountants otherwise fail to timely prepare any audit, tax return or other document required herein or as required by the Lender, Agency or HUD, or if upon any review of the Accountants the SM identifies any issue which would have caused the SM to not consent to the engagement of the Accountants, and such default or issue is not cured within fifteen (15) days, the SM may by written notice instruct the Managing Member to change the Accountants, and the Managing Member shall cause the Company to promptly terminate the Company's engagement of the Accountants and appoint a replacement acceptable to the Investment Members. If the SM notifies the Company that the Accountants are to be replaced, and if within thirty (30) days of such notice the Managing Member fails to cause the Company to replace the Accountants with a firm satisfying the terms of the preceding sentence, then the SM shall appoint replacement Accountants of its own choosing. All Members hereby grant to the SM a special power of attorney, irrevocable to the extent permitted by law, coupled with an interest, to so appoint replacement Accountants and to do anything else which in the view of the SM may be necessary or appropriate to accomplish the purposes of this Section 10.11. The Managing Member shall immediately furnish to such replacement Accountants all documentation and other information necessary to prepare such statements, returns, forms and reports.

(c) Any failure of the Company and Managing Member to provide documents or other information required according to Section 10.7 to the IM and/or the SM for two (2) consecutive periods for each applicable report by the due dates therefor and the Managing Member shall not have cured such default within ten (10) business days following notice thereof from the IM or the SM, shall constitute grounds for the removal of the Property Manager pursuant to Section 6.11.

10.12. Elections.

(a) With respect to all depreciable assets for which cost recovery deductions are permitted, the Company shall, so far as permitted by the provisions of the Code, depreciate its residential

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rental property, site improvements and personal property costs, respectively, over 30 years (straight-line), 15 years (150% declining balance) and 5 years (200% declining balance), except that the Company shall claim, to the extent permitted by the Code, bonus depreciation on site improvements and personal property. For purposes of financial accounting in accordance with generally accepted accounting principles, the Company shall depreciate its residential rental property, site improvements and personal property costs, respectively, over 40 years, 20 years and 10 years.

(b) Subject to the provisions of Section 10.4, all other elections required or permitted to be made by the Company under the Code shall be made by the Managing Member in such manner as will, in the opinion of the Accountants and the SM, be most advantageous to the IM but shall not create additional obligations on the part of the Managing Member.

10.13. General Terms and Provisions of Article X.

(a) Expenses. All books, records, reports and other such duties and obligations of the Company, Managing Member, Guarantor and their Affiliates set forth in this Article X shall be completed in form and substance acceptable to the SM, and the costs related thereto shall be an expense of the Company unless otherwise stated therein.

(b) Other Requests of the SM. In addition to the stated requirements of this Article X, the Managing Member and its Affiliates shall be required to provide any other information or documentation reasonably requested by the SM related to the Project, the Company or its Members. The Managing Member shall cause any applicable Person to cooperate as necessary in order to fulfill any such requests of the SM, and such cooperation includes access to and cooperation of their respective employees, agents, representatives, books and records during normal business hours.

10.14. Compliance With Other Interested Parties. The requirements of this Article X are specific to the needs and requirements of the Investment Members. If the reporting requirements herein are different than requirements imposed by any Lender or Agency, compliance with the requirements of this Agreement does not nullify the obligation of the Company, the Members and their Affiliates to comply with the distinct and enforceable requirements of each Lender and Agency.

ARTICLE XI

TERMINATION AND DISSOLUTION

11.1. Dissolution. The Company shall be dissolved upon the earliest to occur of the following:

(a) An Event of Withdrawal with respect to a sole Managing Member, unless the Company is continued in accordance with Section 9.3;

(b) The Termination Date; or

(c) The Sale of the Project other than pursuant to a contract of sale in which the purchase is to be paid over a period of more than one (1) year.

In no event shall the Company terminate if such termination would result in a violation of any law, regulation or regulatory agreement to which the Company is bound.

11.2. Distribution of Assets. Upon dissolution of the Company, the Managing Member (or, if there is no Managing Member then remaining, such other Person(s) designated by the Investment Members

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or the Person(s) designated by the court in a judicial dissolution) shall take full account of the Company's assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair value thereof, and shall apply and distribute the proceeds therefrom, after payment of the debts and obligations of the Company (including fees and any interest owed to the Members), in accordance with the Capital Account balances (after taking into account all adjustments to Capital Accounts). In the event that a Managing Member or a Supplemental Investment Member has a negative balance in its Capital Account following the liquidation of the Company or such Member's interest therein, after taking into account all Capital Account adjustments for the Company taxable year in which such liquidation occurs, such Member shall pay to the Company in cash an amount equal to the negative balance in such Member's Capital Account. Such payment shall be made by the end of such taxable year (or, if later, within ninety (90) days after the date of such liquidation) and shall, upon liquidation of the Company, be paid to recourse creditors of the Company or distributed to other Members in accordance with the positive balances in their Capital Accounts.

Upon liquidation of the Company, the IM shall not be obligated to restore any deficit balance in its Capital Account. However, if an allocation of Net Losses, or any item thereof, to the IM would cause the IM to have a Capital Account deficit in excess of its share of Company Minimum Gain plus its share of Member Nonrecourse Debt Minimum Gain in any Fiscal Year, the IM may elect in its sole discretion by written notice (the "**DRO Notice**") to the Company to obligate the IM to restore a negative balance in its Capital Account in accordance with the prior paragraph up to the amount specified in such DRO Notice; provided, however, the IM's obligation to restore any deficit balance in its Capital Account shall be adjusted at the end of each year, following delivery of the DRO Notice, to an amount equal to the lesser of (a) the dollar amount set forth in the DRO Notice, or (b) the difference between (i) the IM's deficit Capital Account balance at the end of such year and (ii) any Minimum Gain then allocable to the IM. The DRO Notice automatically shall be deemed to constitute a duly adopted amendment to this Agreement without any further action by any party. Such DRO Notice must be delivered to the Company on or before the last date on which such DRO Notice will create a valid restoration obligation for the Fiscal Years(s) for which it is intended to be effective under the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h), or any other applicable section(s) of the allocation regulations under Section 704 of the Code. Nothing contained herein shall obligate the IM to issue a DRO Notice.

Notwithstanding anything to the contrary contained herein, any fee payments, loan repayments, return of capital or distributions otherwise payable or distributable to the Managing Member or any Affiliate thereof under Sections 4.2, 4.5, and/or 11.2 shall be paid to the IM to the extent of any unpaid amounts (including accrued interest thereon) owed under Section 3.5, and shall be treated as being first paid or distributed to the Managing Member, and then paid by the Company on behalf of the Managing Member to the IM.

If at the time of liquidation the Managing Member or other liquidating Person(s) shall determine that an immediate sale of part or all of the Company assets would cause undue loss to the Members, the liquidating Person(s) may, in order to avoid loss, either defer liquidation and retain all or a portion of the assets or distribute all or a portion of the assets to the Members in kind. In the event that the liquidating Person(s) elect to distribute such assets in kind, the assets shall first be assigned a value (by appraisal of a professionally qualified appraiser) and the unrealized appreciation or depreciation in value of the assets shall be allocated to the Members' Capital Accounts, as if such assets had been sold, in the manner described in Article IV, and such assets shall then be distributed to the Members as provided herein.

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ARTICLE XII

AGENCY REGULATIONS

In addition to the obligations and commitments contained in this Agreement and so long as any of the Agency obligations or commitments is in effect, the Managing Member covenants to act in accordance with the Project Documents and to cause the Company to comply with the rules imposed by the Tax Credit Agency, to the extent such rules or requirements do not conflict with the requirements under Section 42 of the Code.

ARTICLE XIII

MISCELLANEOUS

13.1. Notices. Notices to any Member shall be sent to the address(es) of that Member set forth in Exhibit 2. Any Member may require notices to be sent to a different address by giving notice thereof to all of the other Members. All notices or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given on (i) the third (3rd) day after deposit in the United States mail, postage prepaid, (ii) the first (1st) day after deposit with Federal Express or similar overnight delivery service, or (iii) delivery if delivered personally.

13.2. Entire Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior agreement or understanding among them respecting the subject matter of this Agreement. In addition, nothing in this Agreement is meant to nor shall be deemed to, create an agency relationship between the Investment Members.

13.3. Joint and Several Obligations. If there shall be more than one Managing Member at any time, the obligations of the Managing Member hereunder shall be the joint and several obligations of each Person comprising the Managing Member. Except as provided herein, such obligations shall survive the removal of, or an Event of Withdrawal by, a Managing Member from the Company.

13.4. Consents and Approvals. Unless otherwise expressly provided to the contrary in this Agreement, under any circumstance in which a provision of this Agreement requires or otherwise contemplates the approval, consent, election, requirement or determination of the IM or the SM with respect to any matter, such approval, consent, election, requirement or determination shall be at the sole discretion of the IM or the SM, as the case may be, and shall be effective only if given or made in writing.

13.5. Headings. All Article and Section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any Article or Section.

13.6. Certain Provisions. If the operation of any provision of this Agreement would contravene the provisions of the Company Act, or would result in the imposition of general liability on the Investment Member, such provision shall be void and ineffectual.

13.7. Saving Clause. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid or unenforceable, neither the remainder of this Agreement nor the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall be affected thereby.

13.8. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the Person or Persons may require.

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13.9. Binding Agreement. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, and personal representatives, except as otherwise provided herein.

13.10. Remedies Not Exclusive. The Managing Member and Guarantor acknowledge and agree that the IM's and/or SM's exercise or restraint from exercising their respective rights and remedies under any provision hereof shall in no way impair, impede, modify, or delay the duties, obligations, or liabilities of the Company, Managing Member or Guarantor under any other provision of this Agreement.

13.11. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatories to the original or the same counterpart. Any counterpart which has attached to it separate signature pages, which altogether contain the signatures of all parties whose signature thereon are required, shall for all purposes be deemed a fully executed instrument. Delivery of a manually executed counterpart to this Agreement or delivery of a copy of such manually executed counterpart by email or facsimile transmission shall each constitute effective delivery of such counterpart. Any party delivering a copy of such manually executed counterpart of this Agreement by email or facsimile transmission shall promptly thereafter deliver the manually executed counterpart, provided that any failure to do so shall not affect the validity of the copy of the manually executed counterpart delivered by email or facsimile transmission.

13.12. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. Each of the undersigned irrevocably (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any of the transactions contemplated hereby shall be brought in the courts of either the State of Washington or the Commonwealth of Pennsylvania; (ii) consents to the jurisdiction of each such court in any suit, action, or proceeding; and (iii) waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in each of such courts. Each of the undersigned expressly agrees that the right to remove any suit, action or other legal proceedings arising out of this Agreement or any of the transactions contemplated hereby to federal court has not been waived. Each of the undersigned waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine with respect to any such suit, action or proceeding in each of such courts and such provisions are intended to be mandatory and not permissive thereby precluding the possibility of any such suit, action or proceeding in any jurisdiction other than as specified in this paragraph.

13.13. No Third-Party Beneficiary. No creditor or other third party having dealings with the Company shall have the right to enforce the right or obligation of any Member to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, 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 parties hereto and their respective successors and assigns. None of the rights or obligations of the Members herein set forth to make Capital Contributions or loans to the Company shall be deemed an asset of the Company for any purpose by any creditor or other third party until such Capital Contribution is made or loan is advanced nor may such rights or obligations be sold, transferred or assigned by the Company or pledged or encumbered by the Company to secure any debt or other obligation of the Company or of any of the Members. Without limiting the generality of the foregoing, a deficit Capital Account of a Member shall not be deemed to be a liability of such Member nor an asset or property of the Company.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MANAGING MEMBER:

BF FAMILY HOUSING II MANAGER, LLC, a Washington limited liability company, by its manager, Opportunity Council, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

DEVELOPER (for the purposes of acknowledging and agreeing to this Agreement and not as a member):

OPPORTUNITY COUNCIL, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

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DEVELOPER (for the purposes of acknowledging and agreeing to this Agreement and not as a member):

SRI-BLUERIDGE PACIFIC, LLC,
a Delaware limited liability company

By: Shelter Resources, Inc.,
a Washington Corporation,
its Manager

By: _____
Len Brannen
President

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NONPROFIT (for the purpose of acknowledging and agreeing to Section 7.10(b) of this Agreement and not as a member):

OPPORTUNITY COUNCIL, a Washington nonprofit corporation

By: _____

Greg Winter
Executive Director

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IM:

PNC LIHTC FUND 97 MT 1, LLC, a Delaware limited liability company, by its sole member, PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership, a Delaware limited partnership, its general partner, by PNC Real Estate Tax Credit Capital Fund 47 MM, LLC, a Delaware limited liability company

By: _____
Kyle C. Cox
Senior Vice President

SM:

COLUMBIA HOUSING SLP CORPORATION, an Oregon corporation

By: _____
Kyle C. Cox
Senior Vice President

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PROPERTY MANAGER ACKNOWLEDGMENT

The undersigned Property Manager for the Project acknowledges and agrees to be bound by the terms of Sections 6.11, 6.13 and 10.7 of the Amended and Restated Operating Agreement of Bellis Fair Family Housing II, LLC (the "**Agreement**"), and, additionally, if and to the extent the undersigned Property Manager is an Affiliate of a Managing Member of the Company, then the undersigned Property Manager also acknowledges and agrees to be bound by the provisions of the Agreement which specifically reference and relate to the Property Manager.

Capitalized terms used but not defined shall have the meanings set forth in Article II of the Agreement.

PROPERTY MANAGER:

AD-WEST REALTY SERVICES, INC.

By: ALEX WESTAD
_____, its
PRESIDENT

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DESIGNATED INDIVIDUAL ACKNOWLEDGMENT

The undersigned Designated Individual for the Project acknowledges and agrees to be bound by the terms of Section 6.10 of the Amended and Restated Operating Agreement of Bellis Fair Family Housing II, LLC (the "**Agreement**").

Capitalized terms used but not defined shall have the meanings set forth in Article II of the Agreement.

DESIGNATED INDIVIDUAL:

David Foreman

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SCHEDULE TO
AMENDED AND RESTATED
OPERATING AGREEMENT

Term	Description
Accountants	Loveridge Hunt
AHAP Contract	The Section 8 Project-Based Voucher Program Agreement to Enter Into Housing Assistance Payments Contract executed by the Housing Authority of the City of Bellingham and the Company providing rental assistance to eight (8) Low Income Units of the Project with a term of not less than 15 years.
Builder	Dawson Construction
Carryover Allocation	$2,368,000 per annum
City Loan	The mortgage loan to the Company from the City in the maximum principal amount of $4,800,000 and to be secured by a mortgage or deed of trust and on such terms and conditions as are set forth in the documents related thereto (collectively, the "City Loan Documents"), all of the terms of which shall have received the Consent of the SM.
Company Management Fee	$30,900 per annum increasing 3% annually as further described in Section 6.8(d).
Completion Date	November 1, 2027
Construction Consultant	KOW Building Consultants
Construction Contract	The Design Agreement dated October 7, 2024 by and between the Company and the Builder, as amended by that certain Amendment to A141 Design Agreement dated December 5, 2025, which provides for a stipulated sum of $18,889,790, in form and substance acceptable to the SM. The Construction Contract must be secured by 100% payment and performance bonds in form and substance acceptable to the SM from a bonding company reasonably acceptable to the SM.
Construction Loan	The mortgage loan to the Company from KeyBank National Association, a national banking association (the "Construction Lender"), in the maximum principal amount not to exceed of $15,100,000, to be secured by a mortgage or deed of trust and on such terms and conditions as are set forth in the documents related thereto (collectively, the "Construction Loan Documents"), all of the terms of which shall have received the Consent of the SM.
County Loan	The mortgage loan expected to be made to the Sponsor from the County, to be assumed by the Company, in the maximum principal amount of $1,386,485 funded from County funds and to be secured by a mortgage or deed of trust and on such terms and conditions as are set forth in the documents related thereto (collectively, the "County Loan Documents"), all of the terms of which shall have received the Consent of the SM.

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Delivery Percentages	2027 69.23% 2028-2036 100% 2037 100% less first year percentage
Developer	Collectively, Opportunity Council, a Washington nonprofit corporation and SRI-Blueridge Pacific, LLC, a Delaware limited liability company
Development Agreement	Development Agreement dated December 12, 2025 by and between the Company and the Developer.
Development Fee	$2,750,000 (or such lesser amount permitted by the Agency)
Development Fee Schedule	INSTALLMENT AMOUNT First Installment $668,768 Second Installment $0 Third Installment $1,631,793 Final Installment $374,510 TOTAL $2,675,071
Environmental Reports	(i) the Phase I Environmental Site Assessment: Phase I dated October 28, 2025 and prepared by Stratum Group, (ii) the Impact Assessment & Mitigation Plan dated February 2025 and prepared by Northwest Ecological Services, LLC, and (iii) the Geotechnical Engineering Report dated August 10, 2023 and prepared by GeoTest Services, Inc.
Forecasted Tax Credit	2027 $1,639,289 2028-2036 $2,367,763 2037 $728,401
Guarantor	Jointly and severally, Opportunity Council, a Washington nonprofit corporation, SRI-Blueridge Pacific, LLC, a Delaware limited liability company, and Shelter Resources, Inc., a Washington corporation.
HAP Contract	The Section 8 Project-Based Voucher Program Housing Assistance Payments Contract executed by Housing Authority of the City of Bellingham and the Company providing rental assistance to eight (8) Low Income Units of the Project with a term of not less than 15 years
HTF Loan	The mortgage loan to the Company from the Washington State Department of Commerce in the maximum principal amount of $5,000,000, funded from proceeds awarded under the Housing Trust Fund (HTF) and to be secured by a mortgage or deed of trust and on such terms and conditions as are set forth in the documents related thereto (collectively, the "HTF Loan Documents"), all of the terms of which shall have received the Consent of the SM.
Investor Services Fee	$4,800
ODG Cap	$564,787
Operating Reserve Amount	$282,394
Original Agreement	Operating Agreement dated July 10, 2023
Original Certificate	Certificate of Formation filed with the Secretary of State of Washington on July 10, 2023
Permitted Loan	Collectively, the Construction Loan, the City Loan, and the HTF Loan, and the Sponsor Loan, as set forth in this Agreement.
Place of Business	1111 Cornwall Ave. Bellingham, Washington, 98225-5039

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Placement In Service Date	November 1, 2027
Project Architect	Runberg Architecture
Property Manager	Ad-West Realty Services, Inc.
Property Management Fee	9% of gross rents collected for the preceding moth
Registered Agent	Opportunity Council 1111 Cornwall Ave. Bellingham, Washington, 98225-5039
Replacement Reserve Amount	$25 per unit
Sponsor Loan	The unsecured loan to the Company from the Sponsor in the maximum principal amount of $1,386,485 on such terms and conditions as are set forth in the documents related thereto (collectively, the "Sponsor Loan Documents"), all of the terms of which shall have received the Consent of the SM. It is anticipated that the Sponsor Loan will be terminated upon receipt and approval by the IM of the County Loan Documents.
Tax Credit Price	$0.815
Title Policy Amount	$30,617,999

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EXHIBIT 1

REAL PROPERTY DESCRIPTION

The property is that which is listed in the Title Policy.

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EXHIBIT 2

MEMBERS' CAPITAL CONTRIBUTIONS AND INTERESTS

As of December 12, 2025

Managing Member	Capital Contributions	Percentage Interest in Class of Members
BF Family Housing II Manager, LLC c/o Opportunity Council 111 Cornwall Avenue Bellingham, WA 98225	$100	100%

SM	Capital Contributions	Percentage Interest in Class of Members
Columbia Housing SLP Corporation Fox Tower 805 SW Broadway, Suite 2200 Portland, Oregon 97205-3339 Building Code: YFTP	$10	100%

IM	Agreed-to Capital Contribution	Paid-In Capital Contribution*	Percentage Interest in Class of Members
PNC LIHTC Fund 97 MT 1, LLC Fox Tower 805 SW Broadway, Suite 2200 Portland, Oregon 97205-3339 Building Code: YFTP	$19,297,270	$2,308,758.69	100%

*Paid-in Capital Contribution as of the date of this Exhibit 2. Future Capital Contributions are subject to adjustment and are due at the times and subject to the conditions set forth in the Agreement to which this Exhibit 2 is attached (including the balance of the First Installment which shall be paid on an "as needed" draw basis).

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EXHIBIT 3

MANAGING MEMBER'S FUNDING CERTIFICATE

For **[draws subsequent to closing for First] [Second] [Third] [Final]** Installment. **[Must be on Company letterhead]**

STATE OF _____)
) ss.
COUNTY OF _____)

AFFIDAVIT

I, _____, being first duly sworn on oath, depose and say that:
[to be included in each Affidavit delivered]

1. I am the **[_____]** of **BF FAMILY HOUSING II MANAGER, LLC**, a Washington limited liability company (the "**Managing Member**"), the sole managing member of **BELLIS FAIR FAMILY HOUSING II, LLC**, a Washington limited liability company (the "**Company**").

2. I am fully familiar with all of the Managing Member's and the Company's business and financial affairs, including, without limiting the generality of the foregoing, all of the matters herein described.

3. This Affidavit is made and delivered for the purpose of, among other things, inducing the Columbia Housing SLP Corporation and **[PNC Real Estate Tax Credit Capital Institutional Fund [#]]** Limited Partnership[1] (collectively, the "**Investment Members**") to fund their respective Capital Contribution Installments to the Company in connection with the development of that certain project known as Bellis Fair Family Housing II (the "**Project**").

4. The representations and warranties contained in the Agreement are true and correct, in all material respects, and are not in any way misleading.

5. The covenants contained in the Agreement that were to have been performed and completed by the date of this Affidavit have been fully and completely performed, as of this date, except as otherwise Consented to in advance by the Investment Members, in writing.

6. No default, breach or violation of the terms of the Agreement or any of the Project Documents on the part of the Managing Member or the Company has occurred and is uncured as of this date.

7. Neither the Managing Member nor the Company is in default of any obligation relating to the business of the Company or the Project, as of the date hereof, and all obligations of the Managing Member and the Company will be satisfied when due.

---

[1]**Note to Managing Member: Please fill in with the PNC Fund that is the IM when this Certificate is delivered (i.e., consider whether the interest was transferred to a PNC affiliate after delivery of the Funding Certificate for the First Installment). If you are uncertain how to complete, contact PNC Real Estate.**

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8. No actions or proceedings of any kind or nature are pending or to the best of the Managing Member's knowledge threatened against the Managing Member or the Company, except as may be described in an exhibit attached hereto and made a part hereof. Such actions or proceedings are fully covered by insurance or, if adversely determined, would not have a material adverse effect on the Managing Member's, or the Company's, as applicable, ability to pay when due any amounts that may become payable in respect of the Agreement or in connection with the Project, or to continue with the development and operation of the Project.

9. As of the date of this Affidavit, the Managing Member (a) is solvent; (b) is able to pay its debts as they mature; (c) has capital sufficient to carry on the businesses in which it is engaged; and (d) has assets the present fair saleable value of which is greater than the amount of its liabilities. The Managing Member will not be rendered insolvent by performing the currently foreseeable obligations on its part to be performed in respect of the Project, or by conducting the transactions contemplated under the Agreement.

10. All insurance requirements of the Agreement have been met and satisfied in all respects.

11. As of the date of this Affidavit, all of the conditions and prerequisites for funding the **[subsequent construction draw for First] [Second] [Third] [Final]** Installment, as set forth in the Agreement, have been fully and completely performed and all representations and warranties contained in the Agreement are true and correct and not in any way misleading.

12. There have been no changes to the Plans and Specifications except as permitted in the Agreement.

13. There has been no material adverse change in the Project or the Company since delivery of the last Funding Certificate.

The foregoing matters are certified and agreed to by the undersigned Managing Member as of the date of this Certificate, and you may rely hereon in consummating your investment in the Project/Company or in advancing your Capital Contribution Installment. All certifications made herein shall constitute representations and warranties of the undersigned. In the event of any material and adverse inaccuracy in any of the foregoing certifications, or failure to perform any of the foregoing agreements, the Investment Members shall be entitled to any and all remedies under the Agreement and applicable law, including remedies for breach of warranty, representation, or agreement, and the undersigned shall defend and indemnify the Investment Members against any liability or damages therefrom.

MANAGING MEMBER:

BF FAMILY HOUSING II MANAGER, LLC, a Washington limited liability company, by its manager, Opportunity Council, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

Sworn to before me on
this _____ day of
_____, 20___

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_____
Notary Public

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EXHIBIT 4

PLANS AND SPECIFICATIONS

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BELLIS FAIR SENIOR HOUSING

ISSUE FOR CONSTRUCTION

PROJECT INFORMATION

PROJECT DESCRIPTION:

CONSTRUCTION OF 4 STORY SENIOR HOUSING BUILDING WITH 64 APARTMENT UNITS, COMMON AMENITIES, AND 32 SURFACE PARKING SPACES

PROJECT ADDRESS:

29 BELLIS FAIR PARKWAY, BELLINGHAM, WA 98226

TAX ACCOUNT NUMBERS:

3802133244430000

LEGAL DESCRIPTION:

TRACT B, BELLIS FAIR MALL SHORT PLAT AS RECORDED IN VOLUME 16 OF SHORT PLATS, PAGES 80 THROUGH 83, UNDER AUDITOR'S FILE NO. 1603409 AND CORRECTED IN VOLUME 17 OF SHORT PLATS, PAGE 2, UNDER AUDITOR'S FILE NO. 1606802, RECORDS OF WHATCOM COUNTY, WASHINGTON. EXCEPT THE PORTION OF TRACT B CONVEYED TO CITY OF BELLINGHAM, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON FOR RIGHT OF WAY PURPOSES AS RECORDED IN DEED UNDER RECORDING NO. 2121003579.

SITE AREA:

57,633 SF (1.32 acres)

LOT COVERAGE & OPEN SPACE

LOT COVERAGE: 13,764 SF (23.6%)
OPEN SPACE: 26,763 SF (46.4 %)
USABLE SPACE: 9,540 SF

(REFER ALSO TO SHEET G1.1)

ZONING:

BELLINGHAM MUNICIPAL CODE VESTED ON APRIL 8, 2024

ZONING: COMMERCIAL - MERIDIAN NEIGHBORHOOD AREA 10

ZONING HEIGHT LIMIT: 40'-0" WHEN WITHIN 100' OF RESIDENTIAL SINGLE ZONE BOUNDARY LINE

APPLICABLE CODES:

2021 WASHINGTON STATE BUILDING CODE
2021 WASHINGTON STATE ENERGY CODE
2023 NATIONAL ELECTRICAL CODE
2021 INTERNATIONAL MECHANICAL CODE
2021 UNIFORM PLUMBING CODE
2021 INTERNATIONAL FIRE CODE
2017 ICC A117.1 (AS REFERENCED IN THE WSBC - CHAPTER 11)
1988 FAIR HOUSING ACT (FHA) AND DESIGN MANUAL
2010 AMERICANS FOR DISABILITIES ACT (ADA) AND STANDARDS

BUILDING HEIGHT = 44' - 3 1/2" (SEE SHEET G2.2)

LEVEL 1		LEVEL 2		LEVEL 4	
A-3	2,103 SF	R-2	12,640 SF	R-2	12,640 SF
B	914 SF	S-2	447 SF	S-2	447 SF
R-2	7,634 SF		13,087 SF		13,087 SF
S-2	1,391 SF	LEVEL 3		ROOF LEVEL	
	12,042 SF	R-2	12,640 SF	S-1	272 SF
		S-2	447 SF		272 SF
			13,087 SF		

BUILDING AREA

LEVEL 1	13,764 SF
LEVEL 2	13,764 SF
LEVEL 3	13,764 SF
LEVEL 4	13,764 SF
ROOF LEVEL	696 SF
TYPE V-A TOTAL:	55,755 SF

ALLOWABLE AREA: SEE G2.1

FIRE PROTECTION SYSTEMS

1. FULLY EQUIPPED THROUGHOUT WITH AN AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH NFPA 13
2. CLASS 1 STANDPIPE SYSTEM AT EACH INTERIOR EXIT STAIRWAYS (2 TOTAL)
3. AUTOMATIC FIRE ALARM
4. SMOKE AND CARBON MONOXIDE DETECTORS

DEFERRED SUBMITTALS

1. AUTOMATIC FIRE SPRINKLER AND STANDPIPE SYSTEM
2. FIRE ALARM PERMIT
3. EMERGENCY RESPONDER RADIO COVERAGE
4. ELECTRICAL PERMIT
5. BIDDER-DESIGNED HOLDDOWN SYSTEM
6. FIRE APPARATUS ACCESS ROAD PERMIT
7. COMMISSIONING PLAN PER CA08.1.2

BUILDING ENCLOSURE

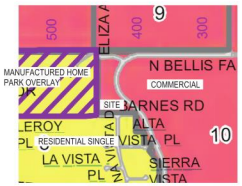
BUILDING ENCLOSURE SPECIAL INSPECTIONS WILL BE CONDUCTED PER RCW 64.55 AND CERTIFICATION WILL BE SUBMITTED PRIOR TO REQUEST FOR FINAL CERTIFICATION OF OCCUPANCY.

RENDERING



RENDERING FOR ILLUSTRATIVE PURPOSES ONLY

ZONING MAP



VICINITY MAP



PROJECT TEAM

OWNER:
OPPORTUNITY COUNCIL
1111 CORNWALL AVE
BELLINGHAM, WA 98225
CONTACT: ADRIENNE WYLD
360-220-7167
ADRIENNE_WYLD@OPPCO.ORG

ARCHITECT OF RECORD:
RUNBERG ARCHITECTURE GROUP PLLC
1 YESLER WAY, SUITE 200
SEATTLE, WA 98104
CONTACT: MICHELE WANG
206-956-1970
MICHELEW@RUNBERG.COM

GENERAL CONTRACTOR:
DAWSON CONSTRUCTION, LLC
405 32ND ST, SUITE 110
BELLINGHAM, WA 98225
CONTACT: MATT HAZENBERG
360-756-1000
MHAZENBERG@DAWSON.COM

CIVIL:
COTERRA ENGINEERING PLLC
6413 PHINNEY AVE N
SEATTLE, WA 98103
CONTACT: HENRY STEFAN
206-599-7115
HENRY@COTERRAENGINEERING.COM

SURVEY:
JEPSON & ASSOCIATES
222 GRAND AVE, SUITE C
BELLINGHAM, WA 98225
CONTACT: CHRIS JEPSON
360-647-8939
CMJEPSON@JEPSONENGINEERING.COM

LANDSCAPE:
MOLLY MAGUIRE LANDSCAPE ARCHITECT
1108 HARRIS AVE, #303
BELLINGHAM, WA 98225
CONTACT: MOLLY MAGUIRE
360-542-4052
MMAGUIRE@MOLLYMAGUIRELA.COM

STRUCTURAL ENGINEER:
COUGHLIN PORTER LUNDEEN
801 2ND AVE, #900
SEATTLE, WA 98104
CONTACT: CHRIS DUVALL
206-343-0460
CHRISD@CPLINC.COM

ENERGY MODELER:
O'BRIEN 360
710 2ND AVE, SUITE 925
SEATTLE, WA 98104
CONTACT: DAVID REDDY
209-621-8626
DAVID@OBRIEN360.COM

GEOTECHNICAL ENGINEER:
GEOTEST SERVICES INC
741 MARINE DRIVE
BELLINGHAM, WA 98225
CONTACT: JOE SCHMIDT
360-733-7318
WWW.GEOTEST-INC.COM

MECHANICAL/PLUMBING ENGINEER:
COFFMAN ENGINEERS
133 W. FAIRHAVEN AVE, SUITE 102
BURLINGTON, WA 98233
CONTACT: BRIAN NIEMI
360-707-5656
BRIAN.NIEMI@COFFMAN.COM

GENERAL NOTES

1. THE DRAWINGS ARE INTENDED TO DESCRIBE THE OVERALL SCOPE OF WORK. IT IS THE INTENT OF THE CONTRACT DOCUMENTS THAT ALL WORK COMPLY WITH ALL APPLICABLE CODES AND REGULATIONS OF JURISDICTIONS HAVING AUTHORITY. NOTHING IN THE DRAWINGS SHALL BE CONSTRUED TO PERMIT AN INSTALLATION IN VIOLATION OF APPLICABLE CODES AND/OR RESTRICTIONS. SHOULD ANY CHANGE IN THE DRAWINGS BE NECESSARY IN ORDER TO COMPLY WITH APPLICABLE CODES AND/OR REQUIREMENTS, THE CONTRACTOR SHALL NOTIFY THE OWNER'S REPRESENTATIVE AT ONCE AND CEASE WORK ON ALL PART OF THE CONTRACT WHICH ARE AFFECTED. THE WORK TO BE PERFORMED UNDER THIS CONTRACT SHALL BE IN FULL ACCORDANCE WITH THE LATEST RULES, REGULATIONS, RESTRICTIONS, REQUIREMENTS, AND CODES. WORK PERFORMED IN VIOLATION OF SUCH SHALL BE CORRECTED AT NO EXPENSE TO OWNER.
2. PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL NOTIFY THE ARCHITECT OF DISCREPANCIES NOTED AMONG OR BETWEEN THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, SITE CONDITIONS, MANUFACTURER RECOMMENDATIONS, CODES OR REGULATIONS OF AUTHORITIES HAVING JURISDICTION.
3. PRIOR TO COMMENCEMENT OF ANY PORTION OF THE WORK, THE CONTRACTOR SHALL BECOME FAMILIAR WITH THE CONTRACT DOCUMENTS, OWNER-PROVIDED INFORMATION, AND SITE CONDITIONS, INCLUDING TAKING FIELD MEASUREMENTS.
4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFICATION OF EXISTING UTILITIES. EXISTING UTILITIES SHOWN HAVE BEEN OBTAINED FROM AVAILABLE RECORDS AND ARE SHOWN FOR CONVENIENCE ONLY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ADDITIONAL UTILITY LOCATIONS NOT SHOWN. CARE SHOULD BE TAKEN TO AVOID DAMAGE OR DISTURBANCE TO EXISTING UTILITIES.
5. WORK NOT PART OF THE GENERAL BUILDING PERMIT AND TO BE PERFORMED UNDER SEPARATE PERMITS INCLUDES BUT IS NOT LIMITED TO: MECHANICAL, ELECTRICAL, AND RIGHT-OF-WAY WORK. THE CONTRACTOR SHALL SECURE AND PAY FOR ALL GOVERNMENTAL PERMITS, FEES, LICENSES, AND INSPECTIONS NECESSARY FOR PROPER EXECUTION AND COMPLETION OF THE WORK, EXCEPT FOR THE BUILDING PERMIT.
6. DIMENSIONS: DIMENSIONS OF SITE CONDITIONS ARE FROM SURVEY BY OTHERS. ARCHITECT BEARS NO RESPONSIBILITY FOR ACCURACY OF SAME. DIMENSIONS ARE TO FACE OF CONCRETE OR FACE OF FRAMING, UNLESS OTHERWISE NOTED. DO NOT SCALE DRAWINGS. NOTIFY THE ARCHITECT IF ANY DISCREPANCIES ARE FOUND.
7. REPETITIVE ELEMENTS: TYPICAL WALL SECTIONS, FINISHES, AND DETAILS ARE NOT INDICATED EVERYWHERE THEY OCCUR ON PLANS, ELEVATIONS, AND SECTIONS. REFER TO DETAILED DRAWINGS. CONTRACTOR TO PROVIDE AS IF DRAWN IN FULL EVERYWHERE.
8. THE CONTRACTOR SHALL CONSULT THE PLANS OF ALL TRADES FOR OPENINGS THROUGH SLABS, WALLS, CEILINGS, AND ROOFS FOR DUCTS, PIPES, CONDUIT, CABINETS, AND EQUIPMENT, AND SHALL VERIFY THE SIZES AND LOCATIONS WITH SUBCONTRACTORS.
9. REFER ALSO TO GEOTECHNICAL REPORT PREPARED BY GEOTEST SERVICES INC DATED AUGUST 10, 2023.

SUSTAINABILITY REQUIREMENTS

BELOW ARE GENERAL REQUIREMENTS AND PROCEDURES FOR THE PROJECT TO MEET THE REQUIREMENTS OF THE DEPARTMENT OF COMMERCE HOUSING TRUST FUND EVERGREEN SUSTAINABLE DEVELOPMENT STANDARD (ESDS) V4.1:

1. A COPY OF THE EVERGREEN SUSTAINABLE DEVELOPMENT STANDARD IS REQUIRED TO BE ON SITE DURING THE CONSTRUCTION.
2. THE CONTRACTOR SHALL PROVIDE ALL MANDATORY DOCUMENTATION AS INDICATED ON THE ESDS V4.1 CHECKLIST.
3. PERFORMANCE CRITERIA FOR ALL PRODUCTS AND MATERIALS WITH RESPECT TO HEALTH, SAFETY, AND DURABILITY, SHALL TAKE PRECEDENCE OVER THE ESDS CRITERIA. THE CONTRACTOR SHALL INFORM THE OWNER OF ANY KNOWN CONFLICTS THAT MAY RESULT BETWEEN GREEN PRODUCTS OR MATERIALS AND THE HEALTH, SAFETY, AND DURABILITY CHARACTERISTICS OF THE PRODUCTS OR MATERIALS.
4. THE CONTRACTOR SHALL PREPARE FINAL ESDS DOCUMENTATION FOR PROGRAM CERTIFICATION.
5. THE CONTRACTOR SHALL COORDINATE THIRD-PARTY VERIFICATION AND COMMISSIONING AS REQUIRED BY THE CHECKLIST.
6. IF IT IS DETERMINED, DURING THE COURSE OF THE WORK THAT OTHER PROGRAM POINTS (NOT PREVIOUSLY NOTED TO BE OBTAINED) MAY BE ACHIEVABLE THE CONTRACTOR SHALL COOPERATE WITH AND ASSIST THE OWNER IN OBTAINING OTHER POINTS. IF OBTAINING SUCH POINTS REQUIRES AN ADJUSTMENT IN THE CONTRACT SUM, ADJUSTMENTS SHALL BE MADE AND REVIEWED WITH THE OWNER.
7. THE CONTRACTOR SHALL DESIGNATE A 'GREEN' ADVOCATE WITHIN THE CONTRACTOR'S ORGANIZATION WHO WILL BE RESPONSIBLE FOR ENSURING COMPLIANCE WITH THE REQUIREMENTS
8. THE CONTRACTOR SHALL TRACK THE USE OF MATERIALS USING THE CHECKLIST FOR REFERENCE, INCLUDED, BUT NOT LIMITED TO, ARE MATERIAL QUALITIES, COSTS, THE PERCENTAGE OF POST-CONSUMER AND POST-INDUSTRIAL RECYCLED CONTENT, AND SUBSTANTIATING CHAIN OF CUSTODY FOR CERTAIN PRODUCTS.
9. THE CONTRACTOR WILL DETERMINE THAT CONDITIONS OF CONSTRUCTION COMPLY WITH THE PROGRAM REQUIREMENTS. DO NOT PROCEED WITH WORK UNTIL UNSATISFACTORY CONDITIONS HAVE BEEN CORRECTED.
10. CORRECTION OF WORK NONCONFORMING WITH THE CERTIFICATION REQUIREMENTS SHALL BE PERFORMED AT CONTRACTOR'S EXPENSE. CONTRACTOR SHALL PROVIDE THE NECESSARY DOCUMENTATION TO SHOW COMPLIANCE OF CORRECTED WORK. THE ARCHITECT WILL BE THE SOLE JUDGE IN DETERMINING COMPLIANCE WITH CERTIFICATION REQUIREMENTS.
11. SOME PRODUCTS SPECIFIED MAY HAVE LIMITED SUPPLIERS AND SUPPLY. THEREFORE IT IS ADVISABLE TO INITIATE THE ORDERING OF THESE PRODUCTS AS EARLY IN THE CONSTRUCTION PROCESS AS POSSIBLE. FOR EXAMPLE, CERTIFIED WOOD IS AVAILABLE FROM SEVERAL SOURCES BUT IS MILLED ONLY ON DEMAND, AND A SUFFICIENT LEAD-TIME IS REQUIRED TO ENSURE A TIMELY DELIVERY.

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RUNBERG ARCHITECTURE GROUP

One Yesler Way | Suite 200
Seattle, WA 98104
206.956.1970 Main
206.956.1971 Fax

www.runberg.com

ARCHITECT'S STAMP:

7430 REGISTERED ARCHITECT BRIAN RUNBERG ROSEWORTH

REVISIONS

1	REVISION #1	2025.03.14

SUBMITTALS

100% SCHEMATIC DESIGN	2024.06.14
BUILDING PERMIT SUBMITTAL	2024.10.25
25% CD PRICING	2024.11.18
95% CD PRICING	2025.07.03
ISSUE FOR CONSTRUCTION	2025.11.14

BELLIS FAIR SENIOR HOUSING

29 BELLIS FAIR PARKWAY, BELLINGHAM, WA 98226

AHJ APPROVAL STAMP:

COVER SHEET

DATE: 2025-07-03
SCALE: 12" = 1'-0"
INTERNAL: 24-101
COB DR #: DR2024-0020
COB BP #: BLD2024-1163

SHEET

G0.0

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EXHIBIT 5

AGREEMENT OF GUARANTY

THIS AGREEMENT OF GUARANTY ("**Guaranty**") is made as of December 12, 2025, by the undersigned (whether one or more, referred to as the "**Guarantor**"), for the benefit of **BELLIS FAIR FAMILY HOUSING II, LLC**, a Washington limited liability company (the "**Company**"), and **PNC LIHTC FUND 97 MT 1, LLC**, a Delaware limited liability company and **COLUMBIA HOUSING SLP CORPORATION**, an Oregon corporation (collectively, the "**Investment Members**"), which are investment members in the Company governed pursuant to the Amended and Restated Operating Agreement of the Company dated as of the date hereof (the "**Agreement**") for the purposes of acquiring, developing, owning and operating a multifamily residential rental apartment project (the "**Project**") located in the State of Washington (the "**State**"), and where **BELLIS FAMILY HOUSING II MANAGER, LLC**, a Washington limited liability company (the "**Managing Member**"), is the managing member and **OPPORTUNITY COUNCIL**, a Washington nonprofit corporation ("**Opportunity Council**"), and SRI-Blueridge Pacific, LLC, a Delaware limited liability company ("**SRI-BLUERIDGE**", and collectively with Opportunity Council, the developer of the Project (the "**Developer**").

NOW, THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, for the benefit of the Company and the Investment Members, hereby irrevocably and unconditionally guarantees and agrees as follows:

1. Reliance. The Guarantor agrees and acknowledges that this Guaranty is given to induce the Investment Members to invest in and become investment members in the Company. Absent execution and delivery of this Guaranty, the Investment Members would not have invested in the Company as investment members and would not have agreed to make capital contributions to the Company. The Guarantor acknowledges that Guarantor was and will be directly benefited by the Investment Members becoming investment members in the Company.

2. Guaranteed Obligations. The Guarantor hereby unconditionally, jointly and severally guarantees to the Company and the Investment Members the full and prompt payment, performance, observance, compliance, and satisfaction of all obligations, covenants, representations, and warranties on the part of the Managing Member to be paid, performed, observed, complied with, or satisfied with respect to the Agreement, as and when due. The Guarantor also unconditionally, jointly and severally guarantees to the Company and the Investment Members full prompt payment, performance, observance, compliance and satisfaction of all obligations, covenants, representations, and warranties on the part of the Developer to be paid, performed, observed, complied with, or satisfied with respect to Section 6.7 of the Agreement and with respect to the Development Agreement. All obligations of the Managing Member and the Developer herein guaranteed are referred to as the "**Guaranteed Obligations**." Notwithstanding the foregoing, Shelter Resources, Inc., shall be released as a Guarantor hereunder upon the achievement of construction completion. Notwithstanding anything to the contrary contained in this Guaranty, the Guarantors, the Company and the Investment Members hereby agree that (i) following the transfer of all applicable assets from Shelter Resources, Inc. to SRI-Blueridge, as determined by the Investment Members in their sole discretion, this Guaranty shall terminate with respect to Shelter Resources, Inc., and (ii) following Final Construction Completion, this Guaranty shall terminate with respect to Shelter Resources, Inc. (if not previously terminated) and SRI-Blueridge. Further notwithstanding anything to the contrary contained in this Guaranty, "Guaranteed Obligations" with respect to Shelter Resources, Inc. and SRI-Blueridge shall be limited to: the full and prompt payment, performance, observance, compliance, and satisfaction of all obligations, covenants, representations, and warranties on the part of the General Partner to be paid, performed, observed, complied with, or satisfied with respect to Sections 3.5(b), 5.1, 6.6, 6.7

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and 6.9 of the Agreement, as and when due, and the full prompt payment, performance, observance, compliance and satisfaction of all obligations, covenants, representations, and warranties on the part of the Developer to be paid, performed, observed, complied with, or satisfied with respect to Section 6.7 of the Agreement and with respect to the Development Agreement.

3. Guaranty of Payment. The guaranty made hereunder is of payment and not of collection, and Guarantor waives any right to require that any action be brought against the Managing Member or any other Person liable for performance or payment of any of the Guaranteed Obligations or that resort first be had to any other security therefor.

4. Effect of Payment by Guarantor to Company and/or Investment Members. No payment by the Guarantor to the Company and/or the Investment Members under the terms of this Guaranty shall constitute a Capital Contribution, loan, or advance to the Company or change in any interest of any of the Members in the Company, except as expressly provided for under the terms of the Agreement. The Guarantor shall not have any rights in or to the Company or its assets as a creditor or a Member by virtue of any payments made hereunder.

5. Continuing Guaranty. This Guaranty shall be unconditional, continuing, absolute and irrevocable, and shall continue until all Guaranteed Obligations have been fully performed, paid, and satisfied, and shall not be affected or impaired by: (a) any modification, extension, or amendment of the Agreement or any other agreement now or hereafter executed by the Company, the Managing Member, or an Investment Member, or any of them; (b) any modification, extension of time for the payment of, forbearance, settlement, release, surrender, exchange, or discharge of any Guaranteed Obligations, any collateral therefor, or any party liable or to become liable, primarily, secondarily, or otherwise, with respect to any Guaranteed Obligations (herein "**Other Obligors**"); (c) payment of additional Capital Contributions by the Investment Members after default or the release of any security after default whether material or otherwise; (d) death, dissolution, or insolvency of the Company, the Managing Member, the Guarantor, or any Other Obligors; (e) release of the Managing Member, or any Other Obligors from the performance or observance of any of the Guaranteed Obligations, arising by operation of law or otherwise, whether made with or without notice to the Guarantor; (f) the fact that the Company and/or the Managing Member may or may not be personally liable under the Agreement or the Project Documents to pay any money judgment; (g) any act done, suffered, or left undone by an Investment Member, the Company, or the Managing Member or the Developer relating to the Agreement, the Project Documents, this Guaranty, or any other instrument or thing, including, without limitation, any delay or failure on the part of the Company or Investment Members in exercising any right, power or privilege under the Agreement, this Guaranty, or any other instrument or document executed by the Company, the Managing Member, the Developer or any Other Obligors; (h) any failure to give any notices of acceptance, notices of default, or other notices; (i) the execution of any guaranty by any personal corporation, partnership, or other entity relating to the Agreement, the Project Documents or otherwise; (j) any sale, transfer, pledge, surrender compromise, realization upon, release renewal, extension, exchange, or other hypothecation of any kind of this Guaranty, all or any part of the Agreement, and all or any part of any security or collateral given to secure any of the obligations thereunder; (k) any failure, invalidity, or unenforceability of, or any defect in, the Agreement or any security or collateral given to secure any of or all the obligations thereunder; (l) any change in the manner, place, or terms of payment of, or any change or extension of time of payment of, or any renewal of alteration in any of the Guaranteed Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof; (m) the Investment Members' exercise or forbearance from exercising any rights or remedies against the Company, the Managing Member, the Developer or Other Obligors, or any other act, or failure to act in any manner, which may deprive the Guarantor of any rights of subrogation, contribution, or indemnity against the Company, the Managing Member, the Developer, or any Other Obligors; (n) any change in any of the Members of the Company; or (o) any removal of any Managing

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Member of the Company; provided, the obligations of the Guarantor shall not extend to provisions for which the Managing Member is not liable under the Agreement.

6. Direct Liability. The liability of the Guarantor hereunder is direct and unconditional and may be enforced without requiring the Investment Members or the Company, as the case may be, first to exercise, enforce, or exhaust any right or remedy against the Company, the Developer or any Managing Member, or against any Other Obligors. Upon any default by the Company or the Managing Member or the Developer or Other Obligors relating to any obligation under the Agreement, the Investment Members may, at either of their option, proceed directly and at once against the Guarantor to collect the full amount of the Guarantor's liability hereunder, or any portion thereof, without first proceeding against the Company, the Managing Member, the Developer, any Other Obligors, or any person, corporation, partnership, or other entity.

7. Waivers. The Guarantor hereby waives: (a) presentment, demand, protest, and notice of acceptance, notice of demand, notice of protest, notice of dishonor, notice of default, notice of nonpayment, and all other notices to which the Guarantor might otherwise be entitled; (b) any and all claims or defenses relating to lack of diligence or delays in collection or enforcement, or any other indulgence or forbearance whatsoever with respect to any obligations relating to the Agreement, the Project Documents, or the Guaranteed Obligations and any defense which the Guarantor may have by reason of any defense which the Company, any Managing Member, the Developer or any Other Obligors may have against the Investment Members, other than payment, satisfaction, and performance of the Guaranteed Obligations; (c) notice of any advances or Capital Contributions made under the Agreement or Project Documents; (d) any right, title, or interest in, or claim to, whether by subrogation or otherwise, any collateral or assets of the Company, the Developer or the Managing Member, or Other Obligors until all Guaranteed Obligations have been fully paid, satisfied, and performed; and (e) any defense or claim relating to the marshaling of assets or any requirement to proceed against any parties or collateral in any particular order; and (f) all other suretyship defenses, rights, and claims. **Without in any manner limiting the generality of the foregoing, Guarantor waives the benefits of the provisions of Sections 2809, 2810, 2819, 2845, 2849, and 2850 of the California Civil Code and any similar or analogous statutes of California or any other jurisdiction.**

8. Costs and Attorney Fees. The Guarantor agrees, in addition to the liability for the Guaranteed Obligations, to reimburse the Investment Members and the Company for all costs and expenses, including reasonable attorney fees, which the Investment Members or the Company, as the case may be, may incur (a) in the collection of any amounts owing under this Guaranty, the Agreement or any part thereof, (b) for the enforcement of this Guaranty, the Agreement or any term, agreement, covenant, provision, obligation, or duty arising thereunder, (c) in the realization of any collateral obligation or duty hereunder, and/or (d) in connection with any bankruptcy or similar proceeding wherein the Company, the Managing Member, the Guarantor, or any Other Obligors are the "debtor". In the event of litigation or other proceeding in connection with this Guaranty, the Investment Members shall be entitled, in addition to all other sums and relief, to reasonable attorney fees, costs, disbursements, including all such fees, costs, and disbursements incurred both at and in preparation for trial and any appeal or review, said amount to be set by the courts before which the matter is heard.

9. Statute of Limitations; Bankruptcy. The Guarantor shall remain liable with respect to the payment, performance, observance, compliance, or satisfaction of the Guaranteed Obligations or any part thereof irrespective of whether a recovery upon the same may have been barred by any statute of limitations. Any payment made on any obligations under the Agreement that may thereafter be required to be refunded, as a preference or otherwise, under any state or federal law shall not be considered payment for purposes hereof, nor shall it have the effect of reducing the amount of the Guaranteed Obligations or the liability of the Guarantor hereunder.

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10. Actions Regarding Other Obligors. The Guarantor hereby represents and warrants that the Guarantor was not induced to give this Guaranty by the fact that there are or may be Other Obligors, or by the fact that there may be other collateral securing the Guaranteed Obligations. No election to proceed in one form of action or proceeding or against any party, or on any obligation, shall constitute a waiver of the Investment Members' or Company's, as the case may be, right to proceed in any other form of action or proceeding or against any other parties. Without limiting the generality of the foregoing, no action or proceeding by the Investment Members or the Company, as the case may be, against the Managing Member, Developer or any Other Obligors, shall serve to diminish the liability of the Guarantor hereunder except to the extent that the Investment Members or the Company, as the case may be, realizes payment by such action or proceeding, notwithstanding the effect of any suit or proceeding upon the Guarantor's rights of subrogation or contribution against the Company, the Managing Member, Developer or such Other Obligors. The Investment Members and the Company, as the case may be, shall, at its option, have the right to join the Company, the Managing Member, the Developer, the Guarantor, and any Other Obligors, in any action or proceeding related to the Guaranteed Obligations.

11. Investigation. The Guarantor delivers this Guaranty based solely upon the Guarantor's own independent investigation of the financial condition of the Company, other Guarantors, Developer, the Other Obligors, and the Managing Member and in no part upon any representation or statement of the Investment Members with respect thereto. The Guarantor is in a position to and does hereby assume full responsibility for obtaining any additional information concerning the financial condition of the Company other Guarantors, the Other Obligors, the Developer and the Managing Member as the Guarantor may deem material to Guarantor's obligations hereunder, and the Guarantor is not relying upon, nor expecting the Investment Members to furnish, any information in the Investment Members' possession concerning the financial condition of such parties. The Guarantor agrees that the Guarantor hereby knowingly accepts the full range of risks encompassed within this Guaranty, which risks include, without limitation, the possibility that the Company, the Managing Member, the Developer, other Guarantors and/or Other Obligors may incur additional obligations for which the Guarantor may be liable hereunder after the financial condition of the Company, the Developer, other Guarantors, Other Obligors and/or the Managing Member, or ability to pay their lawful debts when they are due has deteriorated, and the Guarantor understands that the amount of the obligations may be increased or decreased and the ratio of obligations to collateral, if any, may be changed adversely to the Guarantor. This Guaranty will be effective when delivered to the Company and the Investment Members without need for acceptance or any other formality.

12. Representation and Warranty of Financial Condition. Each Guarantor hereby represents and warrants as to itself only that all financial statements of the Guarantor heretofore delivered to the Investment Members by or on behalf of the Guarantor are true and correct in all material respects and fairly present the financial condition of the Guarantor as of the respective dates thereof, and remain true and correct and not in any way misleading, as of the date hereof. Each Guarantor agrees to provide by July 1st of each year a certified financial statement of such Guarantor as of the end of the Company's previous Fiscal Year, including, but not limited to, a balance sheet and income statement with supporting schedules or exhibits. Each Guarantor also agrees to provide at any time upon the request of any Investment Member bank statements and brokerage statements, together with any other appropriate documentation evidencing to the satisfaction of such Investment Member the liquidity of the Guarantor for the purposes of Section 6.5(n) of the Agreement. The Guarantor hereby expressly agrees to the release of such financial information by the Investment Member to their Affiliates, agents and representatives, members of the Investment Members and proposed investors of the Investment Members.

13. Company's and Investment Members' Rights. The Company and/or any Investment Member may, at any time and from time to time, with or without the consent of, or notice to, the Guarantor, and without incurring responsibility or liability to the Guarantor or impairing or releasing the obligations of the Guarantor hereunder:

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(i) change the manner, place, or terms of performance or payment of, or renew, replace, extend, or otherwise modify any document now or hereafter creating, securing, or governing the disbursement of any of the Guaranteed Obligations (including, without limitation, the Agreement) other than this Guaranty;

(ii) sell, exchange, release, surrender, realize upon, or otherwise deal with, in any manner and in any order, any property by whomsoever and whenever pledged to secure, or howsoever securing, any of the Guaranteed Obligations or any liability (including, without limitation, any of those hereunder) incurred directly or indirectly in respect thereof or hereof, or any offset there against;

(iii) exercise or refrain from exercising, for any period of time whatsoever, any rights against the Managing Member, the Developer, other Guarantors or Other Obligors (including, without limitation, the Guarantor) available to the Company by law or under any document now or hereafter creating any of the Guaranteed Obligations, any other security therefor, or any liability (including, without limitation, any of those hereunder) incurred directly or indirectly in connection therewith or herewith (including, without limitation, failing to attempt to collect any of the Guaranteed Obligations);

(iv) settle or compromise any of the Guaranteed Obligations, any security therefor, or any liability (including, without limitation, any of those hereunder) incurred directly or indirectly in connection therewith or herewith;

(v) accept any further security for payment of the Guaranteed Obligations in addition to this Guaranty; and

(vi) perform such other acts as may be permitted under the Agreement.

14. Subrogation. Until the Guaranteed Obligations have been performed and paid in full, the Guarantor shall have no right of subrogation against the Managing Member, the Developer, or any Other Obligor in connection with this Guaranty nor any right to participate in realization upon any security for any of the Guaranteed Obligations.

15. Subordination. Any indebtedness of the Managing Member, the Developer, or any Other Obligor to the Guarantor now or hereafter existing is hereby subordinated to the Guaranteed Obligations. Any such indebtedness of the Managing Member, the Developer, or any Other Obligor to the Guarantor, upon written demand of the Company, shall be collected (by action or proceeding, if required by the Company) and received by the Guarantor in trust for the Company and shall be paid over to the Company on account of the Guaranteed Obligations without impairing or releasing the obligations of the Guarantor hereunder; provided, however, that while no default exists in the payment of the Guaranteed Obligations, the Guarantor may apply to its own account any payments made to it on account of any indebtedness of the Managing Member to the Guarantor.

16. Successors. This Guaranty shall be binding upon the Guarantor, the Guarantor's heirs, personal representatives, successors, and assigns, and shall inure to the Investment Members' benefit and to the benefit of the Investment Members' successors and assigns, and to the benefit of anyone claiming title to any collateral sold by the Investment Members pursuant to any rights, powers, and privileges it or they now have or may hereafter possess.

17. Integration; Waiver. This Guaranty contains the sole and entire understanding and agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior

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negotiations and understandings. This Guaranty may not be terminated or otherwise amended, changed, or modified, nor shall there by any waiver or estoppel by the Investment Members or the Company, except by a written instrument signed by the Investment Members and the Company. No waiver, express or implied, by the Investment Members or Company of any default hereunder shall be deemed a waiver of any other or succeeding default hereunder.

18. Interpretation. If for any reason any provision of this Guaranty does violate any such laws or is not fully enforceable in accordance with the terms and provisions hereof, this Guaranty shall be limited or construed to comply with such laws and shall be enforced to the full extent permitted by such laws. If there is more than one Guarantor, the liability of each Guarantor shall be joint and several. Capitalized terms used in this Guaranty shall have the meanings specified herein or in the Agreement.

19. Governing Law, Jurisdiction and Venue. This Guaranty and the rights and obligations of the Guarantor shall be governed by and construed in accordance with the laws of the State of Washington. The Guarantor hereby submits to personal jurisdiction as provided in this Section 19 for the enforcement of this Guaranty and waives any and all personal rights to object to such jurisdiction for the purposes of litigation to enforce this Guaranty. The Guarantor hereby irrevocably (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any of the transactions contemplated hereby shall be brought in the courts of either the State of Washington or the Commonwealth of Pennsylvania; (ii) consents to the jurisdiction of each such court in any suit, action, or proceeding; and (iii) waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in each of such courts; provided, however, that the provisions of this Paragraph 19 shall not be deemed to preclude any Investment Member from filing any such action, suit, or proceeding in any other appropriate forum. The Guarantor expressly agrees that the right to remove any suit, action or other legal proceedings arising out of this Guaranty or any of the transactions contemplated hereby to federal court has not been waived. The Guarantor hereby agrees that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the Guarantor by registered or certified mail to or by personal service at the last known address of the Guarantor, whether such address be within or without the jurisdiction of any such court.

20. Effect of Certain Events. Guarantor further covenants that this Guaranty shall remain and continue in full force and effect as to and notwithstanding any amendment of the Agreement, or transfer of the Interest of any Member thereunder, or withdrawal or removal of any Member thereunder, and that indulgences or forbearance may be granted under the Agreement, with or without notice to or further consent of Guarantor.

In conjunction with any sale, transfer or assignment by the IM of all or any part of its Interest in accordance with the provisions of the Agreement, the IM is hereby authorized to obtain updated UCC, judgment and tax lien searches and updated financial statements with respect to the Guarantor and the Guarantor represents and agrees that it will take all actions reasonably necessary (or requested by the IM) to cooperate with the IM and facilitate the IM's disposition of its Interest. In addition, in conjunction with any such sale, transfer or assignment, the IM is hereby authorized, and the Guarantor hereby consents to the disclosure and/or release of the Guarantor's financial statements and any other information relating to the Guarantor which is relevant to such sale, transfer or assignment.

21. Anti-Corruption Laws; Anti-Money Laundering Laws and International Trade Laws.

(1) The Guarantor hereby represents, warrants and covenants to the Investment Members that the following are presently true and will be true throughout the term of this Agreement:

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(i) Each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity (A) is not a Sanctioned Person; (B) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions with any Sanctioned Jurisdiction or Sanctioned Person; and (C) is not in violation of, and has not, during the past five (5) years, (I) directly or indirectly, taken any act that could cause any Covered Entity to be in violation of applicable International Trade Laws, (II) received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws, or received a request for information from any Official Body regarding International Trade Law matters, (III) taken any act that could cause Covered Entity to be in violation of Anti-Corruption Laws or (IV) received any notice or communication from any Person that alleges, or been involved in an internal investigation involving any allegations relating to, potential violation of any Anti-Corruption Laws, or received a request for information from any Official Body regarding Anti-Corruption Law matters;

(ii) Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with applicable International Trade Laws and with Anti-Corruption Laws; and

(iii) There is no Blocked Property pledged as Collateral.

(2) The Guarantor hereby agrees that throughout the term of this Agreement, the Guarantor will:

(i) Immediately notify the SM in writing upon the occurrence of a Reportable Compliance Event;

(ii) Immediately provide substitute Collateral if, at any time, any Collateral becomes Blocked Property; and

(iii) Conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement.

(3) The Guarantor hereby agrees that throughout the term of this Agreement, the Guarantor will not, without the SM's prior written consent:

(i) Permit its directors and officers, and any employee, agent or affiliate acting on behalf of the Managing Member or any Guarantor in connection with this Agreement, nor such party's subsidiaries, to:

(1) become a Sanctioned Person;

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(2) directly or indirectly provide, use, or make available the proceeds of the Permitted Loans (i) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (ii) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (iii) in any manner that could result in a violation by any Person (including any Investment Member) of Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws or (iv) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law;

(3) repay any Permitted Loan with Blocked Property or funds derived from any unlawful activity; or

(4) permit any Collateral to become Blocked Property;

(ii) nor directly or indirectly provide, use, or make available the proceeds of any Permitted Loan to any such party's subsidiaries that is not party to this Agreement.

(4) Defined Terms. As used in this Section 21:

(i) "Anti-Corruption Laws" means (A) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (B) the U.K. Bribery Act 2010, as amended, and (C) any other applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Managing Member or Guarantor is located or doing business.

(ii) "Anti-Money Laundering Laws" means (A) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Managing Member or Guarantor is located or doing business.

(iii) "Blocked Property" means any property (A) owned, directly or indirectly, by a Sanctioned Person; (B) due to or from a Sanctioned Person; (C) in which a Sanctioned Peron otherwise holds any interest; (D) located in a Sanctioned Jurisdiction; or (E) that otherwise could cause any actual or possible violation by any Investment Member of any applicable International Trade Law if such Investment Member were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

(iv) "Collateral" means any real property owned by, or contributed by the Managing Member, to the Company or any collateral securing any debt, liabilities or other obligations of the Company, including but not limited to Permitted Loans.

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(v) "Compliance Authority" means (A) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customers and Border Protection agency; (B) the government of Canada or any agency thereof; (C) the European Union or any agency thereof; (D) the government of the United Kingdom or any agency thereof; (E) the United Nations Security Council; and (F) any other Official Body with jurisdiction to administer Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws with respect to the conduct of a Covered Entity.

(vi) "Covered Entity" means (A) the Company, the Managing Member, the Developer, the Guarantor, any subsidiaries of the foregoing and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above.

(vii) "International Trade Laws" means all Laws relating to economic and financial sanctions, trade embargoes, export controls, customs, and anti-boycott measures.

(viii) "Law" means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award, or any settlement arrangement, by agreement, consent or otherwise, of any Official Body, foreign or domestic.

(ix) "Official Body" means the government of the United States of America or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

(x) "Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Official Body, or other entity.

(xi) "Reportable Compliance Event" means that (1) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, custodially detained, penalized or the subject of any assessment for a penalty, by, or enters into a settlement with an Official Body in connection with any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or any predicate crime to any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or has knowledge of facts or

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circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (2) any Covered Entity engages in a transaction that has caused or would cause any Investment Member or one or more of its owners to be in violation of any International Trade Law or Anti-Corruption Laws, including a Covered Entity's use of any monies of the Company to directly or indirectly fund any activities or business of, with or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (3) any Collateral qualifies as Blocked Property, or (4) any Covered Entity otherwise violates, or reasonably believes it will violate, any of representations and covenants in this Section 21.

(xii) "Sanctioned Jurisdiction" means, at any time, a country, area, territory or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

(xiii) "Sanctioned Person" means any Person (A) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (B) identified on any sanctions-related list maintained by any Compliance Authority; or (C) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of, or at the direction of, one or more Persons described in clauses (a) or (b) above.

It shall be an Event of Default under the Agreement and a default of this Guaranty if any representation or warranty contained in Section 21 of this Guaranty is or becomes false or misleading at any time.

22. Security Interest. In order to ensure the timely payment and performance by the Guarantor of the Guaranteed Obligations, each Guarantor hereby grants to the Company and the Investment Members a security interest in all of their respective right, title and interest in the Company, including any and all fees, distributions, and payments due or paid to the Guarantor or any of their Affiliates by the Company as fees, returns of capital, distributions, repayments of loans or advances or for any other purpose, together with any and all tax benefits and other property rights and distributions, and all of the proceeds and products thereof, all in order to secure the Guarantor's obligations hereunder. Each Guarantor acknowledges and agrees that any amounts owed by the Company to a Guarantor is subject to offset and reduction in the event of the Guarantor's failure to satisfy any Guaranteed Obligation. Further, the termination of the Development Agreement or removal of the Managing Member for cause under the terms of the Agreement shall result in the termination of any payment or distribution obligation of the Company owing to any Guarantor regardless of whether such fee was fully earned prior to the effective date of the termination of the Development Agreement or removal of the Managing Member.

23. Counterparts. This Guaranty may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatories to the original or the same counterpart. Any counterpart which has attached to it separate signature pages, which altogether contain the signatures of all parties whose signature thereon are required, shall for all purposes be deemed a fully executed instrument. Delivery of a manually executed counterpart to this Guaranty or delivery of a copy of such manually executed counterpart by email or facsimile transmission shall each constitute effective delivery of such counterpart. Any party delivering a copy of such manually executed counterpart of this Guaranty by email or facsimile transmission shall promptly thereafter deliver

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the manually executed counterpart, provided that any failure to do so shall not affect the validity of the copy of the manually executed counterpart delivered by email or facsimile transmission.

24. **WAIVER OF TRIAL BY JURY**. THE GUARANTOR, THE COMPANY, AND THE INVESTMENT MEMBERS EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS GUARANTY OR THE AGREEMENT OR RELATING THERETO OR ARISING FROM THE TRANSACTION WHICH IS THE SUBJECT OF THIS GUARANTY AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

[Signature Page Follows]

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This Guaranty has been executed and delivered effective as of the date first written above.

GUARANTOR:

OPPORTUNITY COUNCIL, a Washington nonprofit corporation

By: _____

Greg Winter
Executive Director

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SRI-BLUERIDGE PACIFIC, LLC,
a Delaware limited liability company

By: Shelter Resources, Inc.,
a Washington Corporation,
its Manager

By: _____
Len Brannen
President

SHELTER RESOURCES, INC.,
a Washington Corporation

By: _____
Len Brannen
President

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EXHIBIT 6

REQUIRED INSURANCE

A: General Requirements

1. All policies or documents evidencing the required insurance shall:
    a. Be provided at least ten (10) days prior to equity closing; updates including policy expirations, renewals, or changes in coverage must be provided as required for each capital contribution.
    b. Be maintained throughout the term of ownership for all Investment Members
    c. Clearly identify the Company and property location or description
    d. Policy term shall not be less than one year
    e. Name the Company as a Named Insured on each policy provided by the owner, or on behalf of the owner, and name the following entities/equity owners/partners as Additional Insured:
        i. IM and its successors and assigns.
        ii. SM and its successors and assigns.
    f. Nationwide Life Insurance Company
    One Nationwide Plaza 1-3-404
    Columbus, OH 43215
        i. All Additional Investors (equity providers)
    g. Be issued by insurance carriers having a A.M. Best of, A,VIII (if A-,X or higher)
    h. Have insurers waive their rights of subrogation
    i. Include terrorism coverage on all property types (with no exclusions), if coverage is provided through the Terrorism Risk Insurance Act, it must include coverage for domestic terrorism
    j. Have a cancellation provision requiring the insurance company to provide written notice of at least 30 days for material change/cancellation and 10 days nonpayment.
2. Documentation needs to include all forms and endorsements, including:
    a. ACORD 25 – Certificate of Liability Insurance
    b. ACORD 28 – Evidence of Commercial Property Insurance
    c. Full copies of policies
    d. Binders acceptable for 30 days only
3. All casualty/liability policies covering the Company shall endorse the parties in 1.e and 1.f. as "Additional Insured-Designated Person or Organization".
4. All property policies covering the Company shall endorse the parties in 1.e and 1. f. as "Additional Insured-Loss Payee".
5. Property Manager evidence of insurance shall have IM/SM as Certificate Holders.

B: Architect

During Construction/Renovation:

1. **General Liability Insurance** with a minimum of $1,000,000 per occurrence and $2,000,000 general aggregate on an annual "Occurrence" basis.
2. **Architects Professional Liability Insurance** with a minimum of $1,000,000 and must be maintained for three years post construction/renovation.
3. Each policy shall endorse the Company and parties in 1.e. and 1 f. above as Additional Insured where available.

C: Engineer/Surveyor (If directly contracted with Company)

During Construction/Renovation:

1. **General Liability Insurance** with a minimum of $1,000,000 per occurrence and $2,000,000 general aggregate on an "Occurrence" basis.

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2. **Professional Liability Insurance** with a minimum of $1,000,000.
3. Each policy shall endorse the Company and parties in 1.e and 1 f. above as Additional Insured where available.

D: General Contractor/Construction Manager

1. **General Liability and Excess Liability/Umbrella Insurance**: The General Contractor/Construction Manager shall provide General Liability and Excess Liability/Umbrella insurance covering claims for bodily injury, property damage and personal injury arising out of the Contractor/Construction Managers operations, independent contractors, and products/completed operations.
    a. Coverage limits shall be in an amount not less than $5,000,000 combined single limits. This requirement can be met through any combination of primary and excess insurance. If the primary coverage applies to other locations or activities, then the primary aggregate must apply to each insured location separately.
    b. The coverage shall be on an "Occurrence" basis and include coverage for "Projects".
    c. Coverage limits shall be in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for contractors other than the General Contractor.
    d. Each policy shall endorse the Company and parties in section 1.e and 1.f. as "Additional Insured-Owners, Lessees or Contractors- Scheduled Person or Organization" or "Additional Insured-Designated Person or Organization".
    e. For 3 years post construction the parties in 1.e. and 1 f. will be endorsed as "Additional Insured-Owners, Lessees or Contractors- Completed Operations".
2. **Automobile Liability Insurance**: Commercial Automobile Liability with coverage for owned, Hired and non-owned autos with no less than $1,000,000 Combined Single Limit.
3. **Workers' Compensation and Employers' Liability Insurance**: Workers' Compensation coverage as required by law; Employer's Liability coverage shall be $1,000,000 per each accident and disease.
4. **Pollution/Environmental Coverage Insurance**: Shall provide defense and indemnity coverage for bodily injury, property damage and environmental investigation and clean-up costs. Coverage limits shall be in an amount not less than $1,000,000 combined single limit per occurrence/per location and in the aggregate. Required for existing Apartment Complexes that are being substantially rehabilitated where abatement/remediation work is done and required by SM.
5. **Payment and Performance Bond**: The Construction Contract must be secured by one of the following:
    a. A letter of credit in an amount of not less than fifteen percent (15%) of the Construction Contract amount, or
    b. 100% payment and performance bond in form and substance acceptable to the SM, or
    c. Each major subcontractor, as identified by the SM, being bonded in a form and substance acceptable to the SM.

E: Company Insurance:

1. **Special form Builders Risk Insurance:** Replacement cost coverage (100%), in an amount equal to the completed construction value plus Personal Property and shall include coverage for Soft Costs including 12 months Business Income/Interruption (Loss of Rents) or Actual Loss Sustained, loan interest, real estate taxes, architect's & engineer's fees, legal & accounting fees, insurance premiums and advertising and promotional expenses. Additional coverage requirements are as follows:
    a. Not be on a "reporting form" basis
    b. If any units will be turned over and occupied prior to completion, policy shall include a "Permission for Partial Occupancy" Endorsement.
    c. No "Coinsurance"

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i. A waiver of Coinsurance endorsement, or
ii. Agreed Value endorsement

d. Ordinance/Law coverage
e. A maximum deductible of $[25,000]
f. Windstorm and Named Storm coverage shall be included with a maximum deductible of the lessor of [5% or $250,000].
g. Flood Insurance
h. For occupied renovation projects, coverage can be included in the Property Insurance policy

2. **Owner's Commercial General Liability and Excess/Umbrella Liability Insurance:** For the benefit of the Company, Managing Member shall obtain coverage for independent contractors for the premises and operations, including bodily injury, personal injury, and products/completed operations.
    a. Coverage shall be maintained on an Occurrence basis and not include any limitation or exclusions for:
        i. Assault & Battery
        ii. Sexual Assault
        iii. Firearms/Weapons
    b. Environmental Liability insurance will be required for existing Apartment Complexes that are being substantially renovated.
    c. Coverage amount is based on total unit count and shall not include a deductible/self-insured retention greater than $10,000.
        i. One to three story buildings – require a minimum of $4,000,000 per occurrence with $6,000,000 in total coverage.
        ii. Four stories or higher (up to 799 units) – require a minimum of $6,000,000 per occurrence with $10,000,000 total coverage.
        iii. Unit count of 800 or more – require a minimum of $25,000,000 in total coverage.
    d. If coverage is provided by a "master", "blanket", "pooled" or "program" policy the following are additional requirements:
        i. First Named Insured must be managing member or an affiliate of the managing member, a special member or a guarantor or an affiliate of the guarantor for the Company.
        ii. The First Named Insured cannot be an unaffiliated 3rd party Property Manager
        iii. General Liability Aggregate must be on a location basis.
        iv. A report of the Location Schedule of covered by the policy must be provided before closing and annually thereafter.
            1. The language "per any one occurrence" shall be included in the declarations pages of the policy
            2. Cut-through endorsements are not permitted
            3. If the aggregate limits or sub-limits are reduced, below the required limits, due to the loss at another location, written notice shall be provided no later than 30 days following the reduction of the of the aggregate limit

3. **Owner' Property Insurance**:
    a. Insurance shall be on a Replacement Cost basis and equal to 100% of reconstruction cost
    b. No Coinsurance is allowed, and policy shall include:
        i. Agreed Value settlement or
        ii. Waiver of Coinsurance/Waiver of Insurance to Value
    c. Maximum deductible of $25,000 per occurrence
    d. If coverage is provided by a "master", "blanket", "pooled" or "program" policy the following are additional requirements:

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i. First Named Insured must be managing member or an affiliate of the managing member, a special member or a guarantor or an affiliate of the guarantor for the Company.
ii. The First Named Insured cannot be an unaffiliated 3rd party Property Manager
iii. Total blanket limit must be greater than the insurable value of the property, and at least 10% or greater of the total Statement of Values (SOV)
iv. A report of the total SOV covered by the policy must be provided before closing and annually thereafter
v. A report must be provided to Company showing the total portfolio Probable Maximum Loss (PML) for wind and earthquake, and the associated sub-limits for those coverages

e. **Business Interruption Insurance**: Loss of income insurance shall be carried in the amount equal to a minimum of 12 months anticipated gross rental income from tenant occupancy or commercial income of the property. An Extended Period of Indemnity of a minimum 120 days shall be included.
f. **Wind/Named Storm/Hail Coverage**: Coverage shall be equal to 100% of the reconstruction cost of the property and must include loss of rents. The deductible shall be the lesser of $250,000 or 5% of the loss amount.
g. **Flood**: Insurance equal to the full building reconstruction cost and 12 months Business Income coverage is required if any property is or planned to be in a Special Flood Hazard Area designated by FEMA as a Zone A or V. The maximum deductible is 2% of the total insured building value. If this coverage amount is more than the maximum amount of insurance available under the National Flood Insurance Program, an Excess Flood policy is required.
    i. **All Projects in Puerto Rico will require Flood coverage at 100% replacement cost**.
h. **Earthquake**: If the Property is in an area prone to seismic activity (zone 3 or 4) and has a Scenario Expected Loss (SEL) greater than 20%, or a Scenario Upper Loss (SUL) greater than 30%, earthquake insurance is required. Coverage must equal 100% of the full reconstruction cost, include Business Interruption (as outlined above) and a maximum deductible of 10%.
i. **Ordinance/Law Coverage**: Minimum limits are:
    i. Loss of Undamaged Portion of Building – Full replacement value
    ii. Demolition Cost – minimum 10% of full replacement value
    iii. Increased Cost of Construction – minimum 10% of full replacement value
j. **Equipment Breakdown/Boiler & Machine**:
    i. Deductible maximum is $25,000
    ii. Coverage shall include Business Income
    iii. Shall be 100% of the full replacement cost

F: Property Manager:

1. **Auto Liability** covering owned, hired, and non-owned autos for a Combined Single Limit minimum of $1,000,000.
2. **General Liability and Umbrella/Excess Liability** of a minimum total occurrence limit of $5,000,000 on an "Occurrence" basis per "Location".
3. **Crime/Fidelity Bond** – minimum of six (6) months gross income.
4. **Workers Compensation** – must meet state statutory limits, and be no less than $1,000,000 and shall cover loss from injury, sickness, disability, or death of employee
5. IM/SM must be Certificate Holders on provided Acord 25 Certificate of Liability Insurance.
6. **Employment Practices Liability** insurance with limits of not less than $3,000,000 per claim and $3,000,000 annual aggregate covering wrongful acts associated with employment, including

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discrimination, sexual harassment, wrongful termination, and workplace torts. Policy shall be endorsed with a third-party endorsement to include third party coverage for claims arising from alleged discrimination and sexual harassment committed against non-employees and Fair Housing claims.

G: Other Insurance Requirements:
Such other insurance in such amounts, and with such companies, as the SM may require.

H: Exceptions to Insurance Requirements:
Notwithstanding the above requirements, the SM has approved the following insurance exception(s). Any approved exception will require additional guaranty covering liability or deductible increase which will not be subject to ODG Cap.

-The effective date of the Builder's Risk policy may be up to one (1) month after the Closing Date, provided, however, that the SM must receive the bound policy and final certificates of insurance (inclusive of policy numbers) as of the Closing Date.

-The Builder's Risk policy will carry a $150,000 water damage deductible.

- Property Manager: Employment Practices Liability Insurance with coverage of $1,000,000 per claim and $1,000,000 aggregate.

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EXHIBIT 7

FORM OF TRANSFER AMENDMENT

FIRST AMENDMENT
TO
AMENDED AND RESTATED
OPERATING AGREEMENT
BELLIS FAIR FAMILY HOUSING II, LLC

THIS FIRST AMENDMENT TO AMENDED AND RESTATED OPERATING AGREEMENT (the "**First Amendment**") of **BELLIS FAIR FAMILY HOUSING II, LLC**, a Washington limited liability company (the "**Company**"), is entered into effective as of _____ (the "**Effective Date**"), by and among **PNC LIHTC FUND 97 MT 1, LLC,** a Delaware limited liability company (the "**Original IM**"), **PNC LIHTC FUND 97, LLC**, a Delaware limited liability company (the "**Substitute IM**"), and **COLUMBIA HOUSING SLP CORPORATION**, an Oregon corporation (the "**SM**"), and is acknowledged by **BF FAMILY HOUSING II MANAGER, LLC**, a Washington limited liability company ("the **Managing Member**").

Immediately prior to the effective date hereof, the Company has been governed by that certain Amended and Restated Operating Agreement of the Company dated as of December 12, 2025 (the "**Agreement**"). The parties hereto now desire to modify the terms of the Agreement to acknowledge the withdrawal of the Original IM as the IM of the Company, to recognize the admission of the Substitute IM as the sole IM of the Company, and to otherwise modify the terms of the Agreement, as set forth below.

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

(1) Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

(2) The Original IM hereby: (i) withdraws as the IM of the Company; (ii) acknowledges repayment in full of all amounts owed to it by the Company and the other Members; (iii) acknowledges that it has no further rights as an IM of the Company; and (iv) acknowledges the receipt of payment of **[$AMOUNT]** from the Substitute IM on the date hereof and agrees that the amount paid by the Substitute IM to the Original IM is fair and adequate consideration for the Original IM's interest in the Company.

(3) The Substitute IM hereby: (i) is admitted as the sole IM; (ii) adopts and approves all of the terms of the Agreement (as amended hereby); (iii) assumes the rights and obligations of the IM under the Agreement; (iv) succeeds to the Capital Account of the Original IM; and (v) has agreed to fund the remaining unpaid Capital Contribution obligations of the IM in the amount of **[$AMOUNT]**, as and when due under the Agreement, subject to adjustment and reduction as set forth therein.

(4) The Managing Member hereby acknowledges and the SM hereby consents to the withdrawal from the Company of the Original IM and the admission to the Company of the Substitute IM, as set forth herein.

(5) The Managing Member hereby represents and warrants that all required Lender, Agency, Tax Credit Agency and other consents necessary for the execution of this First Amendment have been received.

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(6) Exhibit 2 to the Agreement which is entitled "Members' Capital Contributions and Interests" is hereby deleted in its entirety and replaced with Exhibit 2, which is entitled "Members' Capital Contributions and Interests," attached hereto and incorporated herein by this reference.

(7) This First Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(8) Except as amended hereby, the Agreement is hereby ratified and confirmed and continues in full force and effect.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the undersigned have signed this First Amendment as of the Effective Date.

ORIGINAL IM:

PNC LIHTC FUND 97 MT 1, LLC, a Delaware limited liability company, by its sole member, PNC Real Estate Tax Credit Capital Institutional Fund 47 Limited Partnership, a Delaware limited partnership, its general partner, by PNC Real Estate Tax Credit Capital Fund 47 MM, LLC, a Delaware limited liability company

By: _____
Name:
Title:

SM:

COLUMBIA HOUSING SLP CORPORATION

By: _____
Name:
Title:

SUBSTITUTE IM:

PNC REAL ESTATE TAX CREDIT CAPITAL INSTITUTIONAL FUND [#] LIMITED PARTNERSHIP

By: **[PNC Real Estate Tax Credit Capital Fund [#], Inc., its managing member]**

By: _____
Name:
Title:

ACKNOWLEDGED BY:

MANAGING MEMBER:

BF FAMILY HOUSING II MANAGER, LLC, a Washington limited liability company, by its manager, Opportunity Council, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

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EXHIBIT 2

MEMBERS' CAPITAL CONTRIBUTIONS AND INTERESTS

As of _____

Managing Member	Capital Contribution	Percentage Interest in Class of Members
BF Family Housing II Manager, LLC c/o Opportunity Council 111 Cornwall Avenue Bellingham, WA 98225	$100	100%

SM	Capital Contribution	Percentage Interest in Class of Members
Columbia Housing SLP Corporation Fox Tower 805 SW Broadway, Suite 2200 Portland, Oregon 97205-3339 Building Code: YFTP Facsimile No: (503) 808-1301	$10	100%

IM	Agreed-to Capital Contribution	Paid-in Capital Contribution*	Remaining Capital Contribution**	Percentage Interest in Class of Members
PNC LIHTC Fund 97 MT 1, LLC Fox Tower 805 SW Broadway, Suite 2200 Portland, Oregon 97205-3339 Building Code: YFTP Facsimile No: (503) 808-1301	**[$AMOUNT]**	**[$AMOUNT]**	**[$AMOUNT]**	100%

_____

* Amount reflects the paid-in Capital Contribution as of the date of this Exhibit 2, including any amounts contributed by the withdrawing Original IM, to whose Capital Account the Substitute IM has succeeded as of the date hereof.

**Future Installments of Capital Contribution are subject to adjustment and are due at the times and subject to the conditions set forth in the Amended and Restated Operating Agreement to which this Exhibit 2 is attached.

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GUARANTOR ACKNOWLEDGEMENT AND CONSENT
TO FIRST AMENDMENT TO THE AMENDED AND RESTATED OPERATING AGREEMENT
BELLIS FAIR FAMILY HOUSING II, LLC

The undersigned Guarantors (i) acknowledge that pursuant to the Agreement of Guaranty, dated as of December 12, 2025 (the "**Guaranty**"), they have guaranteed the performances of the Guaranteed Obligations (as defined in the Guaranty) to Bellis Fair Family Housing II, LLC, a Washington limited liability company (the "**Company**"), Columbia Housing SLP Corporation, an Oregon corporation (the "SM"), and PNC LIHTC Fund 97 MT 1, LLC, a Delaware limited liability company; (ii) acknowledge the terms of the First Amendment, effective _____ (the "**First Amendment**"), to Amended and Restated Operating Agreement of the Company attached hereto, dated December 12, 2025 (the "**Original Agreement**"); (iii) acknowledge that from and after the effective date of the First Amendment, the beneficiaries under the Guaranty are the Company, the SM and PNC Real Estate Tax Credit Capital Institutional Fund [#] Limited Partnership; and (iv) confirm that the Guaranty remains in full force and effect as the same may have been modified pursuant to the First Amendment.

This Acknowledgement and Consent to First Amendment has been executed and delivered effective as of _____.

GUARANTOR:

OPPORTUNITY COUNCIL, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

SRI-BLUERIDGE PACIFIC, LLC,
a Delaware limited liability company

By: Shelter Resources, Inc.,
a Washington Corporation,
its Manager

By: _____
Lee Brannen
President

SHELTER RESOURCES, INC., a Washington corporation

By: _____
Lee Brannen
President

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EXHIBIT 8

PROJECT FORECAST

Attached

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

Flow of Funds

Bellis Fair Family Housing II, LLC
29 Bellis Fair Parkway
Bellingham, WA 98226

	BUDGET		Year	2025	2026	2026	2026	2026	2026	2026	2026	2026
			Quarter	4	1	1	1	2	2	2	3	3
			Month	12	1	2	3	4	5	6	7	8
			Month Name	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
			Timeline	ADMISSION	Construction Start							
		Cross Check		MONTH 0	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8
SOURCES												
Permanent Financing - Hard Debt												
Permanent Financing - Soft Debt												
Deferred Developer Fee	74,929	-		-	-	-	-	-	-	-	-	-
City of Bellingham	4,800,000	-		-	-	-	-	-	-	-	-	-
HTF	5,000,000	-		-	-	-	-	-	-	-	-	-
GP Loan	1,386,485	-		-	-	-	-	-	-	-	-	-
Permanent Financing - Soft Debt	11,261,414	-		-	-	-	-	-	-	-	-	-
Grants and Other Sources												
Bellingham Interest Accrued Not Paid	21,600	-		-	-	-	-	-	-	-	-	-
HTF Interest Accrued Not Paid	23,750	-		-	-	-	-	-	-	-	-	-
Grants and Other Sources	59,215	-		-	-	-	-	-	-	-	-	-
Equity												
Limited Partner	19,297,270	-		2,508,645	-	-	-	-	-	-	-	-
General Partner	100	-		100	-	-	-	-	-	-	-	-
Equity	19,297,370	-		2,508,745	-	-	-	-	-	-	-	-
TOTAL SOURCES	36,617,999	-		2,508,745	-	-	-	-	-	-	-	-
GAP/SURPLUS	-	115,248		-	-	-	-	-	-	-	-	-
Beginning Balance				-	-	-	-	-	-	-	-	-
Sources				2,508,745	-	-	-	-	-	-	-	-
Uses				4,375,197	1,440,184	1,441,384	1,448,511	1,448,511	1,448,511	1,453,560	1,460,118	1,580,290
Construction Loan Need				(1,866,452)	(1,440,184)	(1,441,384)	(1,448,511)	(1,448,511)	(1,448,511)	(1,453,560)	(1,460,118)	(1,580,290)
Construction Loan												
1 City of Bellingham	4,320,000	-		1,866,452	1,440,184	1,013,364	-	-	-	-	-	-
2 HTF	4,750,000	-		-	-	428,020	1,309,862	1,309,862	1,309,861	253,746	138,649	-
3 GP Loan	1,386,485	-		-	-	-	138,649	138,649	138,650	138,649	138,649	138,649
4 Key Bank	15,100,000	(43,164)		-	-	-	-	-	-	1,061,165	1,182,821	1,441,642
Construction Loan	25,556,485	(43,164)		1,866,452	1,440,184	1,441,384	1,448,511	1,448,511	1,448,511	1,453,560	1,460,118	1,580,290
Construction Loan Repayment												
City of Bellingham	(4,320,000)	-		-	-	-	-	-	-	-	-	-
HTF	(4,750,000)	-		-	-	-	-	-	-	-	-	-
GP Loan	(1,386,485)	-		-	-	-	-	-	-	-	-	-
Key Bank	(14,973,518)	-		-	-	-	-	-	-	-	-	-
Construction Loan Repayment	(25,430,003)	-		-	-	-	-	-	-	-	-	-
Ending Balance				-	-	-	-	-	-	-	-	-
USES												
Percentage Through Construction		105.68%		5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Acquisition Costs												
Land Cost	1,498,458	-		1,498,458	-	-	-	-	-	-	-	-
Acquisition Costs	12,000	-		12,000	-	-	-	-	-	-	-	-
Acquisition Costs	1,510,458	-		1,510,458	-	-	-	-	-	-	-	-
Construction Costs												
New Building Construction	13,008,939	-		-	813,059	813,059	813,059	813,059	813,059	813,059	813,059	813,059
Contractor Profit	847,966	-		-	52,998	52,998	52,998	52,998	52,998	52,998	52,998	52,998
Contractor Overhead	1,698,785	-		-	106,174	106,174	106,174	106,174	106,174	106,174	106,174	106,174
Sales Tax	1,844,859	-		-	115,304	115,304	115,304	115,304	115,304	115,304	115,304	115,304
Bond Premium	540,778	-		-	33,799	33,799	33,799	33,799	33,799	33,799	33,799	33,799
Special Inspections	100,000	-		-	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
REAL PROPERTY: $281,896 per unit	18,041,327	-		-	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583
FF&E	250,000	-		-	-	-	-	-	-	-	-	-
PERSONAL PROPERTY: $3,906 per unit	250,000	-		-	-	-	-	-	-	-	-	-
Site Work / Infrastructure	2,793,322	-		-	174,583	174,583	174,583	174,583	174,583	174,583	174,583	174,583
SITE WORK: $43,646 per unit	2,793,322	-		-	174,583	174,583	174,583	174,583	174,583	174,583	174,583	174,583
TOTAL HARD COSTS	21,084,649	-		-	1,302,166	1,302,166	1,302,166	1,302,166	1,302,166	1,302,166	1,302,166	1,302,166
Construction Contingency: 6.6%	1,383,387	-		-	115,282	115,282	115,282	115,282	115,282	115,282	115,282	115,282
Construction Costs	22,468,036	-		-	1,417,448	1,417,448	1,417,448	1,417,448	1,417,448	1,417,448	1,417,448	1,417,448
Soft Costs												
Buyer's Appraisal	3,000	-		3,000	-	-	-	-	-	-	-	-
Market Study	3,000	-		3,000	-	-	-	-	-	-	-	-
Architect	1,136,800	-		863,968	22,736	22,736	22,736	22,736	22,736	22,736	22,736	22,736
Engineering	18,600	-		14,880	-	-	-	-	-	-	930	930
Environmental Assessment	20,000	-		20,000	-	-	-	-	-	-	-	-
Geotechnical Study	20,000	-		20,000	-	-	-	-	-	-	-	-
Boundary & Topographic Survey	20,000	-		20,000	-	-	-	-	-	-	-	-
Legal - Real Estate	100,000	-		100,000	-	-	-	-	-	-	-	-
Pre-development Interest	39,750	-		39,750	-	-	-	-	-	-	-	-
LIHTC Fees	226,624	-		113,312	-	-	-	-	-	-	-	113,312
LIHTC Owner's Title Policy	50,000	-		50,000	-	-	-	-	-	-	-	-
Other LIHTC Fees	91,250	-		91,250	-	-	-	-	-	-	-	-
Insurance	350,000	-		262,500	-	-	-	-	-	-	-	-
Permits, Fees & Hookups	288,408	-		288,408	-	-	-	-	-	-	-	-
Nonprofit Donation	25,000	-		25,000	-	-	-	-	-	-	-	-
Accounting /Audit	3,000	-		2,300	-	-	-	-	-	-	-	-
3rd Party Cert of Development Costs	20,000	-		-	-	-	-	-	-	-	-	-
Marketing/Leasing	15,000	-		-	-	-	-	-	-	-	-	-
Carrying Costs Rent Up / Lease Up	80,000	-		80,000	-	-	-	-	-	-	-	-
Soft Cost Contingency: 2.8%	71,268	-		14,254	-	-	7,127	7,127	7,127	7,127	7,127	7,127
Soft Costs	2,581,700	-		2,011,622	22,736	22,736	29,863	29,863	29,863	29,863	30,793	144,105
Financing												

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Construction Loan Interest calc.: $584,598	**699,846**	**(115,248)**	-	-	-	-	-	-	5,049	10,678	17,537
Construciton Loan Fees	113,250	-	113,250	-	-	-	-	-	-	-	-
Construction Loan Expenses	26,100	-	26,100	-	-	-	-	-	-	-	-
Construction Loan Legal	45,000	-	45,000	-	-	-	-	-	-	-	-
Construction Review and Inspection	18,000	-	-	-	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Bellingham Interest (Eligible)	3,600	-	-	-	-	-	-	-	-	-	-
Bellingham Interest (Ineligible)	18,000	-	-	-	-	-	-	-	-	-	-
HTF Interest (Eligible)	3,958	-	-	-	-	-	-	-	-	-	-
HTF Interest (Ineligible)	19,792	-	-	-	-	-	-	-	-	-	-
GPA/Whatcom Interest (Eligible)	2,311	-	-	-	-	-	-	-	-	-	-
GPA/Whatcom Interest (Ineligible)	11,554	-	-	-	-	-	-	-	-	-	-
Financing	961,411	(115,248)	184,350	-	1,200	1,200	1,200	1,200	6,249	11,878	18,737
Reserves											
Operating Reserve: $282,394 calculated	282,394	-	-	-	-	-	-	-	-	-	-
Initial Deposit to Replacement Reserve	64,000	-	-	-	-	-	-	-	-	-	-
Reserves	346,394	-	-	-	-	-	-	-	-	-	-
Developer Fee											
Base Developer Fee	2,750,000	-	668,768	-	-	-	-	-	-	-	-
Developer Fee	2,750,000	-	668,768	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**30,617,999**	**(115,248)**	**4,375,197**	**1,440,184**	**1,441,384**	**1,448,511**	**1,448,511**	**1,448,511**	**1,453,560**	**1,460,118**	**1,580,290**
Developer Fee breakdown											
Cash Paid portion	2,675,071	-	668,768	-	-	-	-	-	-	-	-
DDF portion	74,929	-	-	-	-	-	-	-	-	-	-
Construction Loan Interest Used	**584,598**	-	-	-	-	-	-	-	5,049	10,678	17,537
Calculated Construction Loan Interest	584,598	-	-	-	-	-	-	-	5,049	10,678	17,537
Interest Expense on Construction Loan	584,598	-	-	-	-	-	-	-	5,049	10,678	17,537
Interest Expense on Collateral Accounts	-	-	-	-	-	-	-	-	-	-	-
Developer's Construction Loan Interest	699,846	-	699,846	-	-	-	-	-	-	-	-
Difference	(0)										
Capitalized vs. Expensed Interest		Units PIS	0	0	0	0	0	0	0	0	0
% PIS	**Calculated**	**Input**	0%	0%	0%	0%	0%	0%	0%	0%	0%
Acquisition Related Interest	-		-	-	-	-	-	-	-	-	-
Expensed Interest	151,424	120,334	-	-	-	-	-	-	-	-	-
Capitalized Interest	433,175	579,512	-	-	-	-	-	-	5,049	10,678	17,537
EGI Pre / Post Construction											
% Occupied			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Vacancy			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental Income during construction	-		-	-	-	-	-	-	-	-	-
Rental Income post construction			-	-	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-	-	-

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Flow of Funds

Bellis Fair Family Housing II, LLC
29 Bellis Fair Parkway
Bellingham, WA 98226

	BUDGET	2026 9 Sep MONTH 9	2026 10 Oct MONTH 10	2026 11 Nov MONTH 11	2026 12 Dec MONTH 12	2027 1 Jan MONTH 13	2027 2 Feb MONTH 14	2027 3 Mar MONTH 15	2027 4 Apr MONTH 16	2027 5 May First PIS MONTH 17	2027 6 Jun Phys. Lease Start MONTH 18	2027 7 Jul MONTH 19
SOURCES												
Permanent Financing - Hard Debt												
Permanent Financing - Soft Debt												
Deferred Developer Fee	74,929	-	-	-	-	-	-	-	-	-	-	-
City of Bellingham	4,800,000	-	-	-	-	-	-	-	-	-	-	-
HTF	5,000,000	-	-	-	-	-	-	-	-	-	-	-
GP Loan	1,386,485	-	-	-	-	-	-	-	-	-	-	-
Permanent Financing - Soft Debt	11,261,414	-	-	-	-	-	-	-	-	-	-	-
Grants and Other Sources												
Bellingham Interest Accrued Not Paid	21,600	-	-	-	-	-	-	-	-	-	-	-
HTF Interest Accrued Not Paid	23,750	-	-	-	-	-	-	-	-	-	-	-
Grants and Other Sources	59,215	-	-	-	-	-	-	-	-	-	-	-
Equity												
Limited Partner	19,297,270	-	-	-	-	-	-	-	-	10,034,580	-	-
General Partner	100	-	-	-	-	-	-	-	-	-	-	-
Equity	19,297,370	-	-	-	-	-	-	-	-	10,034,580	-	-
TOTAL SOURCES	30,617,999	-	-	-	-	-	-	-	-	10,034,580	-	-
GAP/SURPLUS	-	-	-	-	-	-	-	-	-	9,991,433	-	-
Beginning Balance		-	-	-	-	-	-	-	-	-	-	-
Sources		-	-	-	-	-	-	-	-	10,034,580	-	-
Uses		1,473,329	1,567,628	1,478,447	1,484,853	1,416,072	1,422,843	1,429,646	1,452,256	43,148	23,258	23,370
Construction Loan Need		(1,473,329)	(1,567,628)	(1,478,447)	(1,484,853)	(1,416,072)	(1,422,843)	(1,429,646)	(1,452,256)	-	(23,258)	(23,370)
Construction Loan												
1 City of Bellingham	4,320,000	-	-	-	-	-	-	-	-	-	-	-
2 HTF	4,750,000	-	-	-	-	-	-	-	-	-	-	-
3 GP Loan	1,386,485	138,649	138,690	138,649	138,647	-	-	-	-	-	-	-
4 Key Bank	15,100,000	1,334,680	1,428,979	1,339,798	1,346,206	1,416,072	1,422,843	1,429,646	1,452,256	-	23,258	23,370
Construction Loan	25,556,485	1,473,329	1,567,628	1,478,447	1,484,853	1,416,072	1,422,843	1,429,646	1,452,256	-	23,258	23,370
Construction Loan Repayment												
City of Bellingham	(4,320,000)	-	-	-	-	-	-	-	-	-	-	-
HTF	(4,750,000)	-	-	-	-	-	-	-	-	-	-	-
GP Loan	(1,386,485)	-	-	-	-	-	-	-	-	-	-	-
Key Bank	(14,973,516)	-	-	-	-	-	-	-	-	(9,991,433)	-	-
Construction Loan Repayment	(25,430,003)	-	-	-	-	-	-	-	-	(9,991,433)	-	-
Ending Balance		-	-	-	-	-	-	-	-	-	-	-
USES												
Percentage Through Construction		5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	-	-
Acquisition Costs												
Land Cost	1,498,458	-	-	-	-	-	-	-	-	-	-	-
Acquisition Costs	12,000	-	-	-	-	-	-	-	-	-	-	-
Acquisition Costs	1,510,458	-	-	-	-	-	-	-	-	-	-	-
Construction Costs												
New Building Construction	13,008,939	813,059	813,059	813,059	813,059	813,059	813,059	813,059	813,059	-	-	-
Contractor Profit	847,966	52,998	52,998	52,998	52,998	52,998	52,998	52,998	52,998	-	-	-
Contractor Overhead	1,698,785	106,174	106,174	106,174	106,174	106,174	106,174	106,174	106,174	-	-	-
Sales Tax	1,844,859	115,304	115,304	115,304	115,304	115,304	115,304	115,304	115,304	-	-	-
Bond Premium	540,778	33,799	33,799	33,799	33,799	33,799	33,799	33,799	33,799	-	-	-
Special Inspections	100,000	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	-	-	-
REAL PROPERTY: $281,896 per unit	18,041,327	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	1,127,583	-	-	-
FF&E	250,000	-	-	-	-	62,500	62,500	62,500	62,500	-	-	-
PERSONAL PROPERTY: $3,906 per unit	250,000	-	-	-	-	62,500	62,500	62,500	62,500	-	-	-
Site Work / Infrastructure	2,793,322	174,583	174,583	174,583	174,583	174,583	174,583	174,583	174,583	-	-	-
SITE WORK: $43,646 per unit	2,793,322	174,583	174,583	174,583	174,583	174,583	174,583	174,583	174,583	-	-	-
TOTAL HARD COSTS	21,084,649	1,302,166	1,302,166	1,302,166	1,302,166	1,364,666	1,364,666	1,364,666	1,364,666	-	-	-
Construction Contingency: 6.6%	1,383,387	115,282	115,282	115,282	115,282	-	-	-	-	-	-	-
Construction Costs	22,468,036	1,417,448	1,417,448	1,417,448	1,417,448	1,364,666	1,364,666	1,364,666	1,364,666	-	-	-
Soft Costs												
Buyer's Appraisal	3,000	-	-	-	-	-	-	-	-	-	-	-
Market Study	3,000	-	-	-	-	-	-	-	-	-	-	-
Architect	1,136,800	22,736	22,736	22,736	22,736	-	-	-	-	-	-	-
Engineering	18,600	930	930	-	-	-	-	-	-	-	-	-
Environmental Assessment	20,000	-	-	-	-	-	-	-	-	-	-	-
Geotechnical Study	20,000	-	-	-	-	-	-	-	-	-	-	-
Boundary & Topographic Survey	20,000	-	-	-	-	-	-	-	-	-	-	-
Legal - Real Estate	100,000	-	-	-	-	-	-	-	-	-	-	-
Pre-development Interest	39,750	-	-	-	-	-	-	-	-	-	-	-
LIHTC Fees	226,624	-	-	-	-	-	-	-	-	-	-	-
LIHTC Owner's Title Policy	50,000	-	-	-	-	-	-	-	-	-	-	-
Other LIHTC Fees	91,250	-	-	-	-	-	-	-	-	-	-	-
Insurance	350,000	-	87,500	-	-	-	-	-	-	-	-	-
Permits, Fees & Hookups	288,408	-	-	-	-	-	-	-	-	-	-	-
Nonprofit Donation	25,000	-	-	-	-	-	-	-	-	-	-	-
Accounting /Audit	3,000	-	-	-	-	-	-	-	700	-	-	-
3rd Party Cert of Development Costs	20,000	-	-	-	-	-	-	-	-	20,000	-	-
Marketing/Leasing	15,000	-	-	-	-	-	-	-	15,000	-	-	-
Carrying Costs Rent Up / Lease Up	80,000	-	-	-	-	-	-	-	-	-	-	-
Soft Cost Contingency: 2.8%	71,268	7,127	7,127	-	-	-	-	-	-	-	-	-
Soft Costs	2,581,700	30,793	118,293	22,736	22,736	-	-	-	15,700	20,000	-	-
Financing												

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Construction Loan Interest calc.: $584,598	**699,846**	**23,888**	**30,688**	**37,063**	**43,469**	**50,207**	**56,977**	**63,780**	**70,690**	**23,148**	**23,258**	**23,370**
Construction Loan Fees	113,250	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Expenses	26,100	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Legal	45,000	-	-	-	-	-	-	-	-	-	-	-
Construction Review and Inspection	18,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	-	-	-
Bellingham Interest (Eligible)	3,600	-	-	-	-	-	-	-	-	-	-	-
Bellingham Interest (Ineligible)	18,000	-	-	-	-	-	-	-	-	-	-	-
HTF Interest (Eligible)	3,958	-	-	-	-	-	-	-	-	-	-	-
HTF Interest (Ineligible)	19,792	-	-	-	-	-	-	-	-	-	-	-
GPAWhatcom Interest (Eligible)	2,311	-	-	-	-	-	-	-	-	-	-	-
GPAWhatcom Interest (Ineligible)	11,554	-	-	-	-	-	-	-	-	-	-	-
Financing	961,411	25,088	31,888	38,263	44,669	51,407	58,177	64,980	71,890	23,148	23,258	23,370
Reserves												
Operating Reserve: $282,394 calculated	282,394	-	-	-	-	-	-	-	-	-	-	-
Initial Deposit to Replacement Reserve	64,000	-	-	-	-	-	-	-	-	-	-	-
Reserves	346,394	-	-	-	-	-	-	-	-	-	-	-
Developer Fee												
Base Developer Fee	2,750,000	-	-	-	-	-	-	-	-	-	-	-
Developer Fee	2,750,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**30,617,999**	**1,473,329**	**1,567,628**	**1,478,447**	**1,484,853**	**1,416,072**	**1,422,843**	**1,429,646**	**1,452,256**	**43,148**	**23,258**	**23,370**
Developer Fee breakdown												
Cash Paid portion	2,675,071	-	-	-	-	-	-	-	-	-	-	-
DDF portion	74,929	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Interest Used	**584,598**	**23,888**	**30,688**	**37,063**	**43,469**	**50,207**	**56,977**	**63,780**	**70,690**	**23,148**	**23,258**	**23,370**
Calculated Construction Loan Interest	584,598	23,888	30,688	37,063	43,469	50,207	56,977	63,780	70,690	23,148	23,258	23,370
Interest Expense on Construction Loan	584,598	23,888	30,688	37,063	43,469	50,207	56,977	63,780	70,690	23,148	23,258	23,370
Interest Expense on Collateral Accounts	-	-	-	-	-	-	-	-	-	-	-	-
Developer's Construction Loan Interest	699,846	-	-	-	-	-	-	-	-	-	-	-
Difference	(0)											
Capitalized vs. Expensed Interest		0	0	0	0	0	0	0	0	0	64	64
% PIS	**Calculated**	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Acquisition Related Interest	-	-	-	-	-	-	-	-	-	-	-	-
Expensed Interest	**151,424**	-	-	-	-	-	-	-	-	-	23,258	23,370
Capitalized Interest	**433,175**	23,888	30,688	37,063	43,469	50,207	56,977	63,780	70,690	23,148	-	-
EGI Pre / Post Construction												
% Occupied		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.8%	67.2%
% Vacancy		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental Income during construction	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income post construction		-	-	-	-	30,769	30,769	30,769	30,769	30,769	30,769	30,769
Total		-	-	-	-	30,769	30,769	30,769	30,769	30,769	30,769	30,769

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Flow of Funds

Bellis Fair Family Housing II, LLC
25 Bellis Fair Parkway
Bellingham, WA 98226

	BUDGET	2027 3 8 Aug Phys. Lease End MONTH 20	2027 3 9 Sep MONTH 21	2027 4 10 Oct MONTH 22	2027 4 11 Nov MONTH 23	2027 4 12 Dec Stabilization MONTH 24	2028 1 1 Jan MONTH 25	2028 1 2 Feb 80/20s MONTH 26	BALANCE	TOTAL
SOURCES										
Permanent Financing - Hard Debt										
Permanent Financing - Soft Debt										
Deferred Developer Fee	74,929	-	-	-	-	74,929	-	-	-	74,929
City of Bellingham	4,800,000	-	-	-	-	4,800,000	-	-	-	4,800,000
HTF	5,000,000	-	-	-	-	5,000,000	-	-	-	5,000,000
GP Loan	1,386,485	-	-	-	-	1,386,485	-	-	-	1,386,485
Permanent Financing - Soft Debt	11,261,414	-	-	-	-	11,261,414	-	-	-	11,261,414
Grants and Other Sources										
Bellingham Interest Accrued Not Paid	21,600	-	-	-	-	21,600	-	-	-	21,600
HTF Interest Accrued Not Paid	23,750	-	-	-	-	23,750	-	-	-	23,750
Grants and Other Sources	59,215	-	-	-	-	59,215	-	-	-	59,215
Equity										
Limited Partner	19,297,270	-	-	-	-	6,097,141	-	656,904	-	19,297,270
General Partner	100	-	-	-	-	-	-	-	-	100
Equity	19,297,370	-	-	-	-	6,097,141	-	656,904	-	19,297,370
TOTAL SOURCES	30,617,999	-	-	-	-	17,417,769	-	656,904	-	30,617,999
GAP/SURPLUS	-	-	-	-	-	15,546,551	207,684	207,287	(118,248)	239,496
Beginning Balance		-	-	-	-	-	208,080	207,684		
Sources		-	-	-	-	17,417,769	-	656,904		
Uses		23,481	23,594	23,706	83,318	1,771,119	396	657,300		
Construction Loan Need		(23,481)	(23,594)	(23,706)	(83,318)	-	-	-		
Construction Loan										
1 City of Bellingham	4,320,000	-	-	-	-	-	-	-	-	4,320,000
2 HTF	4,750,000	-	-	-	-	-	-	-	-	4,750,000
3 GP Loan	1,386,485	-	-	-	-	-	-	-	-	1,386,485
4 Key Bank	15,100,000	23,481	23,594	23,706	83,318	-	-	-	43,164	15,013,672
Construction Loan	25,556,485	23,481	23,594	23,706	83,318	-	-	-	43,164	25,470,157
Construction Loan Repayment										
City of Bellingham	(4,320,000)	-	-	-	-	(4,320,000)	-	-	-	(4,320,000)
HTF	(4,750,000)	-	-	-	-	(4,750,000)	-	-	-	(4,750,000)
GP Loan	(1,386,485)	-	-	-	-	(1,386,485)	-	-	-	(1,386,485)
Key Bank	(14,973,518)	-	-	-	-	(4,982,085)	-	-	-	(14,973,518)
Construction Loan Repayment	(25,430,003)	-	-	-	-	(15,438,570)	-	-	-	(25,430,003)
Ending Balance		-	-	-	-	208,080	207,684	207,287		
USES										
Percentage Through Construction		-	-	-	-	-	-	-		
Acquisition Costs										
Land Cost	1,498,458	-	-	-	-	-	-	-	-	1,498,458
Acquisition Costs	12,000	-	-	-	-	-	-	-	-	12,000
Acquisition Costs	1,510,458	-	-	-	-	-	-	-	-	1,510,458
Construction Costs										
New Building Construction	13,008,939	-	-	-	-	-	-	-	-	13,008,939
Contractor Profit	847,966	-	-	-	-	-	-	-	-	847,966
Contractor Overhead	1,698,785	-	-	-	-	-	-	-	-	1,698,785
Sales Tax	1,844,859	-	-	-	-	-	-	-	-	1,844,859
Bond Premium	540,778	-	-	-	-	-	-	-	-	540,778
Special Inspections	100,000	-	-	-	-	-	-	-	-	100,000
REAL PROPERTY: $281,896 per unit	18,041,327	-	-	-	-	-	-	-	-	18,041,327
FF&E	250,000	-	-	-	-	-	-	-	-	250,000
PERSONAL PROPERTY: $3,906 per unit	250,000	-	-	-	-	-	-	-	-	250,000
Site Work / Infrastructure	2,793,322	-	-	-	-	-	-	-	-	2,793,322
SITE WORK: $43,646 per unit	2,793,322	-	-	-	-	-	-	-	-	2,793,322
TOTAL HARD COSTS	21,084,649	-	-	-	-	-	-	-	-	21,084,649
Construction Contingency: 6.6%	1,383,387	-	-	-	-	-	-	-	-	1,383,387
Construction Costs	22,468,036	-	-	-	-	-	-	-	-	22,468,036
Soft Costs										
Buyer's Appraisal	3,000	-	-	-	-	-	-	-	-	3,000
Market Study	3,000	-	-	-	-	-	-	-	-	3,000
Architect	1,136,800	-	-	-	-	-	-	-	-	1,136,800
Engineering	18,600	-	-	-	-	-	-	-	-	18,600
Environmental Assessment	20,000	-	-	-	-	-	-	-	-	20,000
Geotechnical Study	20,000	-	-	-	-	-	-	-	-	20,000
Boundary & Topographic Survey	20,000	-	-	-	-	-	-	-	-	20,000
Legal - Real Estate	100,000	-	-	-	-	-	-	-	-	100,000
Pre-development Interest	39,750	-	-	-	-	-	-	-	-	39,750
LIHTC Fees	226,624	-	-	-	-	-	-	-	-	226,624
LIHTC Owner's Title Policy	50,000	-	-	-	-	-	-	-	-	50,000
Other LIHTC Fees	91,250	-	-	-	-	-	-	-	-	91,250
Insurance	350,000	-	-	-	-	-	-	-	-	350,000
Permits, Fees & Hookups	288,408	-	-	-	-	-	-	-	-	288,408
Nonprofit Donation	25,000	-	-	-	-	-	-	-	-	25,000
Accounting /Audit	3,000	-	-	-	-	-	-	-	-	3,000
3rd Party Cert of Development Costs	20,000	-	-	-	-	-	-	-	-	20,000
Marketing/Leasing	15,000	-	-	-	-	-	-	-	-	15,000
Carrying Costs Rent Up / Lease Up	80,000	-	-	-	-	-	-	-	-	80,000
Soft Cost Contingency: 2.8%	71,268	-	-	-	-	-	-	-	-	71,268
Soft Costs	2,581,700	-	-	-	-	-	-	-	-	2,581,700
Financing										

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Construction Loan Interest calc.: $584,598	699,846	23,481	23,594	23,706	24,103	396	396	396	115,248	584,598
Construciton Loan Fees	113,250	-	-	-	-	-	-	-	-	113,250
Construction Loan Expenses	26,100	-	-	-	-	-	-	-	-	26,100
Construction Loan Legal	45,000	-	-	-	-	-	-	-	-	45,000
Construction Review and Inspection	18,000	-	-	-	-	-	-	-	-	18,000
Bellingham Interest (Eligible)	3,600	-	-	-	3,600	-	-	-	-	3,600
Bellingham Interest (Ineligible)	18,000	-	-	-	18,000	-	-	-	-	18,000
HTF Interest (Eligible)	3,958	-	-	-	3,958	-	-	-	-	3,958
HTF Interest (Ineligible)	19,792	-	-	-	19,792	-	-	-	-	19,792
GP/Whatcom Interest (Eligible)	2,311	-	-	-	2,311	-	-	-	-	2,311
GP/Whatcom Interest (Ineligible)	11,554	-	-	-	11,554	-	-	-	-	11,554
Financing	961,411	23,481	23,594	23,706	83,318	396	396	396	115,248	730,915
Reserves										
Operating Reserve: $282,394 calculated	282,394	-	-	-	-	-	-	282,394	-	282,394
Initial Deposit to Replacement Reserve	64,000	-	-	-	-	64,000	-	-	-	64,000
Reserves	346,394	-	-	-	-	64,000	-	282,394	-	346,394
Developer Fee										
Base Developer Fee	2,750,000	-	-	-	-	1,706,722	-	374,510	-	2,750,000
Developer Fee	2,750,000	-	-	-	-	1,706,722	-	374,510	-	2,750,000
TOTAL EXPENDITURES	30,617,999	23,481	23,594	23,706	83,318	1,771,119	396	657,300	115,248	30,387,503
Developer Fee breakdown										
Cash Paid portion	2,675,071	-	-	-	-	1,631,793	-	374,510	-	2,675,071
DDF portion	74,929	-	-	-	-	74,929	-	-	-	74,929
Construction Loan Interest Used	584,598	23,481	23,594	23,706	24,103	396	396	396	-	584,598
Calculated Construction Loan Interest	584,598	23,481	23,594	23,706	24,103	396	396	396	-	584,598
Interest Expense on Construction Loan	584,598	23,481	23,594	23,706	24,103	396	396	396	-	584,598
Interest Expense on Collateral Accounts	-	-	-	-	-	-	-	-	-	-
Developer's Construction Loan Interest	699,846	-	-	-	-	-	-	-	-	699,846
Difference	(0)									
Capitalized vs. Expensed Interest		64	64	64	64	64	64	64		
% PIS	Calculated	100%	100%	100%	100%	100%	100%	100%		
Acquisition Related Interest	-	-	-	-	-	-	-	-		
Expensed Interest	151,424	23,481	23,594	23,706	24,103	396	396	396		
Capitalized Interest	433,175	-	-	-	-	-	-	-		
EGI Pre / Post Construction										
% Occupied		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
% Vacancy		7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%		
Rental Income during construction	-	-	-	-	-	-	-	-		
Rental Income post construction		30,769	30,769	30,769	30,769	30,769	62,769	62,769		
Total		30,769	30,769	30,769	30,769	30,769	62,769	62,769		

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Flow of Funds Summary

Bellis Fair Family Housing II, LLC

29 Bellis Fair Parkway
Bellingham, WA 98226

SOURCES	TOTAL	During Construction	After Construction
Permanent Financing - Hard Debt	-	-	-
Permanent Financing - Soft Debt	11,261,414	-	11,261,414
Grants and Other Sources	59,215	-	59,215
Equity		0	0
Limited Partner	19,297,270	2,508,645	16,788,625
General Partner	100	100	-
Equity	19,297,370	2,508,745	16,788,625
Cash flow from Operation	-	-	-
Interest Earning on Collateral Accounts		-	-
TOTAL SOURCES	**30,617,999**	**2,508,745**	**28,109,254**
CONSTRUCTION LOANS (REPAYMENT)			
Construction Loan			
City of Bellingham	4,320,000	4,320,000	-
HTF	4,750,000	4,750,000	-
GP Loan	1,386,485	1,386,485	-
Key Bank	15,100,000	14,856,109	200,727
GP Loan	-	-	-
0	-	-	-
0	-	-	-
0	-	-	-
Construction Loan	**25,556,485**	**25,312,594**	**200,727**
Construction Loan Repayment	(25,430,003)	-	(25,430,003)
USES			
Acquisition Costs	1,510,458	1,510,458	-
Construction Costs	22,468,036	22,468,036	-
Soft Costs	2,581,700	2,561,700	20,000
Financing	961,411	612,377	233,786
Reserves	346,394	-	346,394
Developer Fee	2,750,000	668,768	2,081,232
TOTAL EXPENDITURES	**30,617,999**	**27,821,339**	**2,681,412**

	TOTAL	During Construction	After Construction
Sources	30,617,999	2,508,745	28,109,254
Construction Loans (Repayment)		25,312,594	(25,229,276)
Uses	30,617,999	27,821,339	2,681,412
Surplus (Deficit)	0	0	198,565

Developer Fee breakdown			
Cash Paid portion	2,675,071	668,768	2,006,303
DDF portion	74,929	-	74,929

Calculated Construction Loan Interest	584,598	410,027	174,571
Interest Expense on Construction Loan	584,598	410,027	174,571
Interest Expense on Collateral Accounts	-	-	-

Operating reserve term/coverage	14.3 years / 6 months

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Underwritten Lease Up, Tax Credit, Income and Expense

Bellis Fair Family Housing II, LLC

29 Bellis Fair Parkway
Bellingham, WA 98226

Key Dates

Admission / Closing	12/12/2025
Construction Start	1/1/2026
Construction Completion	5/10/2027
First PIS	5/10/2027
Stabilization / Rental Achievement	12/12/2027
8609 Receipt	2/10/2028

Capital Contributions & Development Fees Payout

		Equity Payment			Developer Fee Payment	
Capital Contribution	Date	Amount	Percentage	Cumulative	Amount	Percentage
Total		19,297,270	100.0%		2,675,071	100.0%

Lease Up & Credit Delivery

PHYSICAL LEASE UP - 1 BUILDING - 64 UNITS

MONTH	2027		2028		2029	
January	0	0.0%	0	100.0%	0	100.0%
February	0	0.0%	0	100.0%	0	100.0%
March	0	0.0%	0	100.0%	0	100.0%
April	0	0.0%	0	100.0%	0	100.0%
May	0	0.0%	0	100.0%	0	100.0%
June	21	32.8%	0	100.0%	0	100.0%
July	22	67.2%	0	100.0%	0	100.0%
August	21	100.0%	0	100.0%	0	100.0%
September	0	100.0%	0	100.0%	0	100.0%
October	0	100.0%	0	100.0%	0	100.0%
November	0	100.0%	0	100.0%	0	100.0%
December	0	100.0%	0	100.0%	0	100.0%
Totals	64	100.0%	64	100.0%	64	100.0%

TAX CREDIT LEASE UP - 64 UNITS

MONTH	2027		2028		2029	
January	0	0.0%	0	100.0%	0	100.0%
February	0	0.0%	0	100.0%	0	100.0%
March	0	0.0%	0	100.0%	0	100.0%
April	0	0.0%	0	100.0%	0	100.0%
May	0	0.0%	0	100.0%	0	100.0%
June	21	32.8%	0	100.0%	0	100.0%
July	22	67.2%	0	100.0%	0	100.0%
August	21	100.0%	0	100.0%	0	100.0%
September	0	100.0%	0	100.0%	0	100.0%
October	0	100.0%	0	100.0%	0	100.0%
November	0	100.0%	0	100.0%	0	100.0%
December	0	100.0%	0	100.0%	0	100.0%
Totals	64	100.0%	64	100.0%	64	100.0%

Tax Credit Pricing

FEDERAL				STATE		
LIHTC	Historic	Energy	Other	LIHTC	Historic	Other
$0.815	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000

TAX CREDITS @ 99.9900%

	FEDERAL				STATE			
YEAR	LIHTC	Historic	Energy	Other	LIHTC	Historic	Other	
2025	-	-	-	-	-	-	-	
2026	-	-	-	-	-	-	-	
2027	1,639,289	-	-	-	-	-	-	
2028	2,367,763	-	-	-	-	-	-	
2029	2,367,763	-	-	-	-	-	-	
2030	2,367,763	-	-	-	-	-	-	
2031	2,367,763	-	-	-	-	-	-	
2032	2,367,763	-	-	-	-	-	-	
2033	2,367,763	-	-	-	-	-	-	
2034	2,367,763	-	-	-	-	-	-	
2035	2,367,763	-	-	-	-	-	-	
2036	2,367,763	-	-	-	-	-	-	
2037	728,401	-	-	-	-	-	-	
2038	-	-	-	-	-	-	-	
2039	-	-	-	-	-	-	-	
2040	-	-	-	-	-	-	-	
2041	-	-	-	-	-	-	-	
2042	-	-	-	-	-	-	-	
2043	-	-	-	-	-	-	-	
Totals	23,677,559	-	-	-	-	-	-	

RENTAL INCOME

Bedrooms	Baths	AMI	Unit Type	Number of Units	NRSF per Unit	Net Market Rent PUPM	Discount from Market Rent	LIHTC Max Rent PUPM	Discount - Max rent	Utilities Allowance	Project based Subsidy	Overhang	Proposed Gross Rent PUPM	Proposed Net Rent PUPM
Total				64			53.9%		0.0%		3	$101,707		$771,408
Net Rental Income														$720,634

Unit Type	Annual Rental Income	PUPM

COMMERCIAL INCOME

Source	NRSF	Monthly Rent	Annual Income	PUPM
0	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -
Vacancy: 0.00%			$ -	$ -
Net Commercial Income			$ -	$ -

OTHER INCOME

Source	Annual Income	PUPM
Laundry Income	$ 3,600	$ 5
0	$ -	$ -
0	$ -	$ -
0	$ -	$ -
0	$ -	$ -
0	$ -	$ -
0	$ -	$ -
0	$ -	$ -
Total	$ 3,600	$ 5
Vacancy: 7.00%	$ (252)	$ (0)
Net Commercial Income	$ 3,348	$ 4

EFFECTIVE GROSS INCOME **$723,982**

OPERATING EXPENSES	Per Unit Monthly	Per Unit Annual	Total Monthly	Total Annual
Salaries Expenses	$ 158	$ 1,894	$ 10,103	$ 121,240
Administrative Expenses	$ 86	$ 1,026	$ 5,474	$ 65,684
Utilities Expenses	$ 161	$ 1,938	$ 10,333	$ 124,000
Operations & Maintenance Expenses	$ 126	$ 1,507	$ 8,035	$ 96,425
Misc. Operating Expenses	$ 4	$ 45	$ 240	$ 2,880
Insurance	$ 85	$ 1,016	$ 5,417	$ 65,000
Real Estate Taxes	$ 3	$ 31	$ 167	$ 2,000
Management Fee: 9.00% of EGI	$ 85	$ 1,018	$ 5,430	$ 65,158
Replacement Reserves	$ 29	$ 350	$ 1,867	$ 22,400
Total Controllable Expenses	$ 372	$ 4,459	$ 23,779	$ 285,349
TOTAL OPERATING EXPENSES	$ 735	$ 8,825	$ 47,066	$ 564,787

	Annual	Per Unit
NET OPERATING INCOME	$159,194	$2,487
HARD DEBT SERVICE	$0	$0
NET CASH FLOW	$159,194	$2,487

DSCR @ Stabilization	NA - No Hard Debt
DSCR @ End of Compliance	NA - No Hard Debt
ITER @ Stabilization	1.28
ITER @ End of Compliance	1.13
BREAKEVEN RATIO	72.9%

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Sources and Uses

Bellis Fair Family Housing II, LLC

29 Bellis Fair Parkway
Bellingham, WA 98226

SOURCES			TOTAL	PER UNIT $	PER UNIT %
Permanent Financing - Hard Debt	Interest Rate	Term (Months)			
Permanent Financing - Soft Debt	Interest Rate	Term (Months)			
Deferred Developer Fee	6.00%	168	74,929	1,171	0.2%
City of Bellingham	1.00%	576	4,800,000	75,000	15.7%
HTF	1.00%	576	5,000,000	78,125	16.3%
GP Loan	2.00%	338	1,386,485	21,664	4.5%
Permanent Financing - Soft Debt			11,261,414	175,960	36.8%
Grants and Contributions					
Bellingham Interest Accrued Not Paid			21,600	338	0.1%
HTF Interest Accrued Not Paid			23,750	371	0.1%
Grants and Contributions			59,215	925	0.2%
Equity					
Limited Partner			19,297,270	301,520	63.0%
General Partner			100	2	0.0%
Equity			19,297,370	301,521	63.0%
TOTAL SOURCES			**30,617,999**	**478,406**	**100.0%**

USES	Tax Treatment	Eligible Basis New / Rehab	Eligible Basis Ineligible	TOTAL	PER UNIT $	PER UNIT %
Acquisition Costs						
Land Cost	O	-	1,498,458	1,498,458	23,413	4.9%
Acquisition Costs	O	-	12,000	12,000	188	0.0%
Acquisition Costs		-	1,510,458	1,510,458	23,601	4.9%
Construction Costs						
New Building Construction	D	13,008,939	-	13,008,939	203,265	42.5%
Contractor Profit	D	847,966	-	847,966	13,249	2.8%
Contractor Overhead	D	1,698,785	-	1,698,785	26,544	5.5%
Sales Tax	D	1,844,859	-	1,844,859	28,826	6.0%
Bond Premium	D	540,778	-	540,778	8,450	1.8%
Special Inspections	D	100,000	-	100,000	1,563	0.3%
REAL PROPERTY: $281,896 per unit		18,041,327	-	18,041,327	281,896	58.9%
FF&E	D	250,000	-	250,000	3,906	0.8%
PERSONAL PROPERTY: $3,906 per unit		250,000	-	250,000	3,906	0.8%
Site Work / Infrastructure	D	2,793,322	-	2,793,322	43,646	9.1%
SITE WORK: $43,646 per unit		2,793,322	-	2,793,322	43,646	9.1%
TOTAL HARD COSTS		21,084,649	-	21,084,649	329,448	68.9%
Construction Contingency: 6.6%	D	1,383,387	-	1,383,387	21,615	4.5%
Construction Costs		22,468,036	-	22,468,036	351,063	73.4%
Soft Costs						
Buyer's Appraisal	D	3,000	-	3,000	47	0.0%
Market Study	D	3,000	-	3,000	47	0.0%
Architect	D	1,136,800	-	1,136,800	17,763	3.7%
Engineering	D	18,600	-	18,600	291	0.1%
Environmental Assessment	D	20,000	-	20,000	313	0.1%
Geotechnical Study	D	20,000	-	20,000	313	0.1%
Boundary & Topographic Survey	D	20,000	-	20,000	313	0.1%
Legal - Real Estate	D	65,000	35,000	100,000	1,563	0.3%
Pre-development Interest	E	-	39,750	39,750	621	0.1%
LIHTC Fees	A	-	226,624	226,624	3,541	0.7%
LIHTC Owner's Title Policy	A	-	50,000	50,000	781	0.2%
Other LIHTC Fees	A	-	91,250	91,250	1,426	0.3%
Insurance	D	350,000	-	350,000	5,469	1.1%
Permits, Fees & Hookups	D	288,408	-	288,408	4,506	0.9%
Nonprofit Donation	E	-	25,000	25,000	391	0.1%
Accounting /Audit	D	3,000	-	3,000	47	0.0%
3rd Party Cert of Development Costs	A	16,000	4,000	20,000	313	0.1%
Marketing/Leasing	E	-	15,000	15,000	234	0.0%
Carrying Costs Rent Up / Lease Up	E	-	80,000	80,000	1,250	0.3%
Soft Cost Contingency: 2.8%	D	71,268	-	71,268	1,114	0.2%
Soft Costs		2,015,076	566,624	2,581,700	40,339	8.4%
Financing						
Construction Loan Interest calc.: $584,598	D	579,512	120,334	699,846	10,935	2.3%
Construciton Loan Fees	D	113,250	-	113,250	1,770	0.4%
Construction Loan Expenses	D	26,100	-	26,100	408	0.1%
Construction Loan Legal	D	45,000	-	45,000	703	0.1%
Construction Review and Inspection	D	18,000	-	18,000	281	0.1%
Bellingham Interest (Eligible)	D	3,600	-	3,600	56	0.0%
Bellingham Interest (Ineligible)	E	-	18,000	18,000	281	0.1%
HTF Interest (Eligible)	D	3,958	-	3,958	62	0.0%
HTF Interest (Ineligible)	E	-	19,792	19,792	309	0.1%
GP/Whatcom Interest (Eligible)	D	2,311	-	2,311	36	0.0%
GP/Whatcom Interest (Ineligible)	E	-	11,554	11,554	181	0.0%
0	0	-	-	-	-	-
Financing		791,731	169,680	961,411	15,022	3.1%
Reserves						
Operating Reserve: $282,394 calculated	O	-	282,394	282,394	4,412	0.9%
Initial Deposit to Replacement Reserve	O	-	64,000	64,000	1,000	0.2%
Reserves		-	346,394	346,394	5,412	1.1%
Developer Fee						
Base Developer Fee	D	2,750,000	-	2,750,000	42,969	9.0%
Developer Fee		2,750,000	-	2,750,000	42,969	9.0%
TOTAL USES		**28,024,843**	**2,593,156**	**30,617,999**	**478,406**	**100.0%**

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Tax Credit and Equity Calculation

Bellis Fair Family Housing II, LLC

29 Bellis Fair Parkway
Bellingham, WA 98226

	FEDERAL **NEW / REHAB**
Eligible Development Costs	25,274,843
Plus:	
Eligible Acquisition Fees	-
Eligible Development Fees	2,750,000
Less:	
Historic Credits	-
Energy Credits	-
Eligible Basis	28,024,843
Basis Boost	130%
Total Eligible Basis	36,432,296
Applicable Fraction	100%
Qualified Basis	36,432,296
Applicable %	9.00%
Calculated Annual Tax Credits	**3,278,907**
Annual Tax Credit Reservation	2,368,000
Limit to Reservation	2,368,000
Number of Years Available	10
Total Tax Credits	**23,680,000**
Investment Member %	99.990%
Fund Tax Credit Allocation	23,677,632
Tax Credit Price	$0.815
Tax Credit Equity	**19,297,270**
Total Equity	**19,297,270**
QUALIFIED BASIS CUSHION	**$7,785,527 (27.8%)**

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Pro Forma		Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance
Bells Fair Family Housing II, LLC		0.0%	0.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
29 Bells Fair Parkway		Year 0	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Bellingham, WA 98226		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
OPERATING INCOME	Base Trend																	
Rental Income - LIHTC, Non-subsidized	2.00%	-	-	311,202	634,852	647,549	660,500	673,710	687,184	700,928	714,947	729,245	743,830	758,707	773,881	789,359	805,146	821,249
Rental Income - LIHTC, Subsidized	2.00%	-	-	82,216	167,721	171,075	174,497	177,987	181,546	185,177	188,881	192,658	196,512	200,442	204,451	208,540	212,711	216,965
Rental Income - Market	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Income	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	2.00%	-	-	1,836	3,745	3,820	3,897	3,975	4,054	4,135	4,218	4,302	4,388	4,476	4,566	4,657	4,750	4,845
Gross Potential Income		-	-	395,254	806,318	822,445	838,894	855,671	872,785	890,241	908,045	926,206	944,730	963,625	982,898	1,002,555	1,022,607	1,043,059
Residential, Non-subsidized Vacancy	7.00%	-	-	(21,784)	(44,440)	(45,328)	(46,235)	(47,160)	(48,103)	(49,065)	(50,046)	(51,047)	(52,068)	(53,109)	(54,172)	(55,255)	(56,360)	(57,487)
Residential, Subsidized Vacancy	5.00%	-	-	(4,111)	(8,386)	(8,554)	(8,725)	(8,899)	(9,077)	(9,258)	(9,444)	(9,633)	(9,826)	(10,022)	(10,223)	(10,427)	(10,636)	(10,848)
Residential, Market Vacancy	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Income Vacancy	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income Vacancy	7.00%	-	-	(129)	(262)	(267)	(273)	(278)	(284)	(290)	(295)	(301)	(307)	(313)	(320)	(326)	(333)	(339)
EFFECTIVE GROSS INCOME		-	-	369,231	753,230	768,296	783,661	799,334	815,321	831,627	848,259	865,225	882,530	900,180	918,184	936,547	955,278	974,384
Adjusted EGI During Construction (Occupied Rehab)		-	-	-	-													
Total Adjustments		-	-	-	-													
OPERATING EXPENSES																		
N Salaries Expenses	3.00%	-	-	62,439	128,624	132,482	136,457	140,550	144,767	149,110	153,583	158,191	162,936	167,825	172,859	178,045	183,386	188,888
N Administrative Expenses	3.00%	-	-	33,827	69,684	71,775	73,928	76,146	78,430	80,783	83,207	85,703	88,274	90,922	93,650	96,459	99,353	102,334
N Utilities Expenses	3.00%	-	-	63,860	131,552	135,498	139,563	143,750	148,062	152,504	157,079	161,792	166,646	171,645	176,794	182,098	187,561	193,188
N Operations & Maintenance Expenses	3.00%	-	-	49,659	102,287	105,366	108,527	111,783	115,136	118,591	122,148	125,813	129,587	133,475	137,479	141,603	145,851	150,227
N Misc. Operating Expenses	3.00%	-	-	1,463	3,055	3,147	3,241	3,339	3,439	3,542	3,648	3,758	3,870	3,987	4,106	4,229	4,356	4,487
N Insurance	3.00%	-	-	33,475	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	89,975	92,674	95,455	98,318	101,268
N Real Estate Taxes	3.00%	-	-	1,030	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025	3,116
N Management Fee: 9.00% of EGI	EGI	-	-	33,231	67,791	69,147	70,529	71,940	73,379	74,846	76,343	77,870	79,428	81,016	82,637	84,289	85,975	87,695
N Replacement Reserves	3.00%	-	-	11,536	23,764	24,477	25,211	25,968	26,747	27,549	28,376	29,227	30,104	31,007	31,937	32,895	33,882	34,898
Total Controllable Expenses		-	-	146,955	302,727	311,889	321,163	330,798	340,722	350,943	361,472	372,316	383,485	394,990	406,839	419,045	431,616	444,564
TOTAL OPERATING EXPENSES		-	-	290,540	597,847	615,165	632,866	651,147	669,952	689,327	709,258	729,773	750,887	772,620	794,988	818,011	841,709	866,100
NET OPERATING INCOME		-	-	78,691	155,383	153,130	150,795	148,187	145,369	142,300	139,001	135,452	131,642	127,561	123,196	118,536	113,570	108,284
Supportive Service Reserve balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supportive Service Reserve withdrawal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve balance		-	-	282,394	285,218	288,070	290,951	293,860	296,799	299,767	302,765	305,792	308,850	311,939	315,058	318,209	321,391	324,605
Operating Reserve withdrawal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease up Reserve balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease up Reserve withdrawal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE FINANCING																		
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Coverage Ratio		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Expense Ratio		-	-	1.27	1.26	1.25	1.24	1.23	1.22	1.21	1.20	1.19	1.18	1.17	1.15	1.14	1.13	1.13
Debt Service Reserve balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease up Reserve withdrawal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash used for Construction Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Withdrawals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow after Debt Service Payment		-	-	78,691	155,383	153,130	150,795	148,187	145,369	142,300	139,001	135,452	131,642	127,561	123,196	118,536	113,570	108,284

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Cash Flow Waterfall

Bellis Fair Family Housing II, LLC

29 Bellis Fair Parkway
Bellingham, WA 98226

		0.0%	0.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		Year 0	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	Cash Flow after Debt Service Payment	-	-	78,691	155,383	153,190	150,795	148,187	145,359	142,300	139,001	135,452	131,642	127,561	123,196	118,536	113,570	108,284
Lien Position																		
1	Investor Services Fee																	
	Fee Accrued	-	-	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263	6,451	6,644	6,844	7,049	7,260	7,478
100%	Fee Paid	-	-	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263	6,451	6,644	6,844	7,049	7,260	7,478
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	73,747	150,291	147,945	145,392	142,623	139,627	136,397	132,921	129,189	125,191	120,916	116,352	111,487	106,309	100,805
2	Operating Reserve																	
	Fee Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	Fee Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	73,747	150,291	147,945	145,392	142,623	139,627	136,397	132,921	129,189	125,191	120,916	116,352	111,487	106,309	100,805
3	Deferred Developer Fee																	
	Fee Accrued	-	-	73,747	1,650	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	Fee Paid	-	-	73,747	1,650	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	-	148,641	147,945	145,392	142,623	139,627	136,397	132,921	129,189	125,191	120,916	116,352	111,487	106,309	100,805
4	PMF																	
	Fee Accrued	-	-	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739
100%	Fee Paid	-	-	-	62,727	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739
	Fee Unpaid	-	-	30,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Accumulated Balance	-	-	30,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	-	85,914	115,164	111,627	107,844	103,806	99,501	94,918	90,046	84,874	79,388	73,579	67,431	60,931	54,066
5	City of Bellingham																	
	Fee Accrued	-	-	-	67,013	89,828	87,069	84,119	80,969	77,610	74,036	70,236	66,202	61,924	57,392	52,598	47,527	42,172
78%	Fee Paid	-	-	-	67,013	89,828	87,069	84,119	80,969	77,610	74,036	70,236	66,202	61,924	57,392	52,598	47,527	42,172
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	-	18,901	25,336	24,558	23,726	22,837	21,890	20,882	19,810	18,672	17,466	16,187	14,835	13,405	11,895
6	GP Loan																	
	Fee Accrued	-	-	-	18,901	25,336	24,558	23,726	22,837	21,890	20,882	19,810	18,672	17,466	16,187	14,835	13,405	11,895
100%	Fee Paid	-	-	-	18,901	25,336	24,558	23,726	22,837	21,890	20,882	19,810	18,672	17,466	16,187	14,835	13,405	11,895
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Incentive Mgmt Fee & Preferred Return																	
	Fee Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90%	Fee Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fee Unpaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	Accumulated Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Residual Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash Flow before Stabilization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash Flow available for Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	PNC LIHTC Fund 98, LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Bellis Fair Family Housing II Manager, LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Columbia Housing SLP Corp	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Taxable Income (Loss) & Capital Account

Bellis Fair Family Housing II, LLC
29 Bellis Fair Parkway
Bellingham, WA 98226

		Total	0.0% Year 0 2025	0.0% Year 0 2026	50.0% Year 1 2027	100.0% Year 2 2028	100.0% Year 3 2029	100.0% Year 4 2030	100.0% Year 5 2031	100.0% Year 6 2032	100.0% Year 7 2033	100.0% Year 8 2034	100.0% Year 9 2035	100.0% Year 10 2036	100.0% Year 11 2037	100.0% Year 12 2038	100.0% Year 13 2039	100.0% Year 14 2040	100.0% Year 15 2041
Net Operating Income		**1,971,147**	-	-	**78,691**	**155,383**	**153,190**	**150,795**	**148,187**	**145,359**	**142,300**	**139,001**	**135,452**	**131,642**	**127,561**	**123,196**	**118,536**	**113,570**	**108,284**
Add: Interest Earnings on Collateral Accounts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Grant: Bellingham Interest Accrued Not Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Grant: HTF Interest Accrued Not Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Grant: GP/Whatcom Interest Accrued Not Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Grant:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: State Certificated Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Replacement Reserves		417,578	-	-	11,536	23,764	24,477	25,211	25,968	26,747	27,549	28,376	29,227	30,104	31,007	31,937	32,895	33,882	34,898
Add: Interest Earned on Reserves		49,562	-	-	2,998	3,071	3,161	3,252	3,346	3,178	3,276	3,377	3,480	3,265	3,373	3,483	3,317	3,433	3,551
EBITDA		**2,438,287**	-	-	**93,225**	**182,219**	**180,828**	**179,258**	**177,501**	**175,284**	**173,126**	**170,754**	**168,159**	**165,011**	**161,940**	**158,616**	**154,748**	**150,884**	**146,734**
Less: Depreciation																			
Real Property Depreciation		(11,191,300)	-	-	(465,573)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)	(764,695)
Site Depreciation		(3,753,750)	-	-	(160,417)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)	(256,667)
Personal Property Depreciation		(1,253,000)	-	-	(156,625)	(250,600)	(250,600)	(250,600)	(250,600)	(93,975)	-	-	-	-	-	-	-	-	-
Other Depreciation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve		(340,184)	-	-	-	-	-	-	(18,477)	(21,117)	(21,117)	(21,117)	(43,600)	(28,334)	(25,695)	(45,246)	(46,039)	(25,556)	(41,888)
Bonus Deprec. - Site Work		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Deprec. - Personal Property		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Deprec. - Replacement Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Depreciation		**(16,538,234)**	-	-	**(802,615)**	**(1,271,961)**	**(1,271,961)**	**(1,271,961)**	**(1,290,439)**	**(1,136,453)**	**(1,042,478)**	**(1,042,478)**	**(1,064,961)**	**(1,049,696)**	**(1,047,056)**	**(1,066,607)**	**(1,068,400)**	**(1,046,917)**	**(1,063,250)**
Less: Amortization of Other Items		(269,708)	-	-	(11,528)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)	(18,442)
Less: Expensed Development Costs		(325,649)	-	(25,091)	(286,777)	(3,781)	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Expense		(1,760,684)	-	-	(375)	(125,823)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)	(125,730)
Less: Incentive Mgmt Fee & Preferred Return		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Investor Services Fee		(91,953)	-	-	(4,944)	(5,092)	(5,245)	(5,402)	(5,565)	(5,731)	(5,903)	(6,080)	(6,263)	(6,451)	(6,644)	(6,844)	(7,049)	(7,260)	(7,478)
Less: PMF		(574,706)	-	-	(30,900)	(31,827)	(32,782)	(33,765)	(34,778)	(35,822)	(36,896)	(38,003)	(39,143)	(40,317)	(41,527)	(42,773)	(44,056)	(45,378)	(46,739)
Less:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Operating Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Taxable Income (Loss)		**(17,122,647)**	-	**(25,091)**	**(1,053,911)**	**(1,274,767)**	**(1,273,332)**	**(1,276,042)**	**(1,297,452)**	**(1,146,893)**	**(1,056,323)**	**(1,059,979)**	**(1,086,379)**	**(1,075,524)**	**(1,077,459)**	**(1,101,779)**	**(1,105,928)**	**(1,092,842)**	**(1,114,905)**
State Certificated Proceeds Income allocated to GP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Allocation of Earnings on Collateral Accounts to GP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Allocation of Operating Expenses to GP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Allocations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxable Income (Loss) After Special Allocations		**(37,277,616)**	-	**(25,091)**	**(1,053,911)**	**(1,274,767)**	**(1,273,332)**	**(1,276,042)**	**(1,297,452)**	**(1,146,893)**	**(1,056,323)**	**(1,059,979)**	**(1,086,379)**	**(1,075,524)**	**(1,077,459)**	**(1,101,779)**	**(1,105,928)**	**(1,092,842)**	**(1,114,905)**
Potential Reallocation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxable Income (Loss) distribution	**Allocation**	**(17,122,647)**	-	**(25,091)**	**(1,053,911)**	**(1,274,767)**	**(1,273,332)**	**(1,276,042)**	**(1,297,452)**	**(1,146,893)**	**(1,056,323)**	**(1,059,979)**	**(1,086,379)**	**(1,075,524)**	**(1,077,459)**	**(1,101,779)**	**(1,105,928)**	**(1,092,842)**	**(1,114,905)**
1 PNC LIHTC Fund 98, LLC	99.9900%	(17,120,939)	-	(25,089)	(1,053,806)	(1,274,580)	(1,273,204)	(1,275,915)	(1,297,322)	(1,145,779)	(1,056,218)	(1,059,873)	(1,086,270)	(1,075,517)	(1,077,351)	(1,101,669)	(1,105,817)	(1,092,733)	(1,114,793)
2 Bellis Fair Family Housing II Manager, LLC	0.0100%	(1,712)	-	(3)	(105)	(127)	(127)	(128)	(130)	(115)	(106)	(106)	(109)	(108)	(108)	(110)	(111)	(109)	(111)
3 0	0.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Columbia Housing SLP Corp	0.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 0	0.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 0	0.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 0	0.0000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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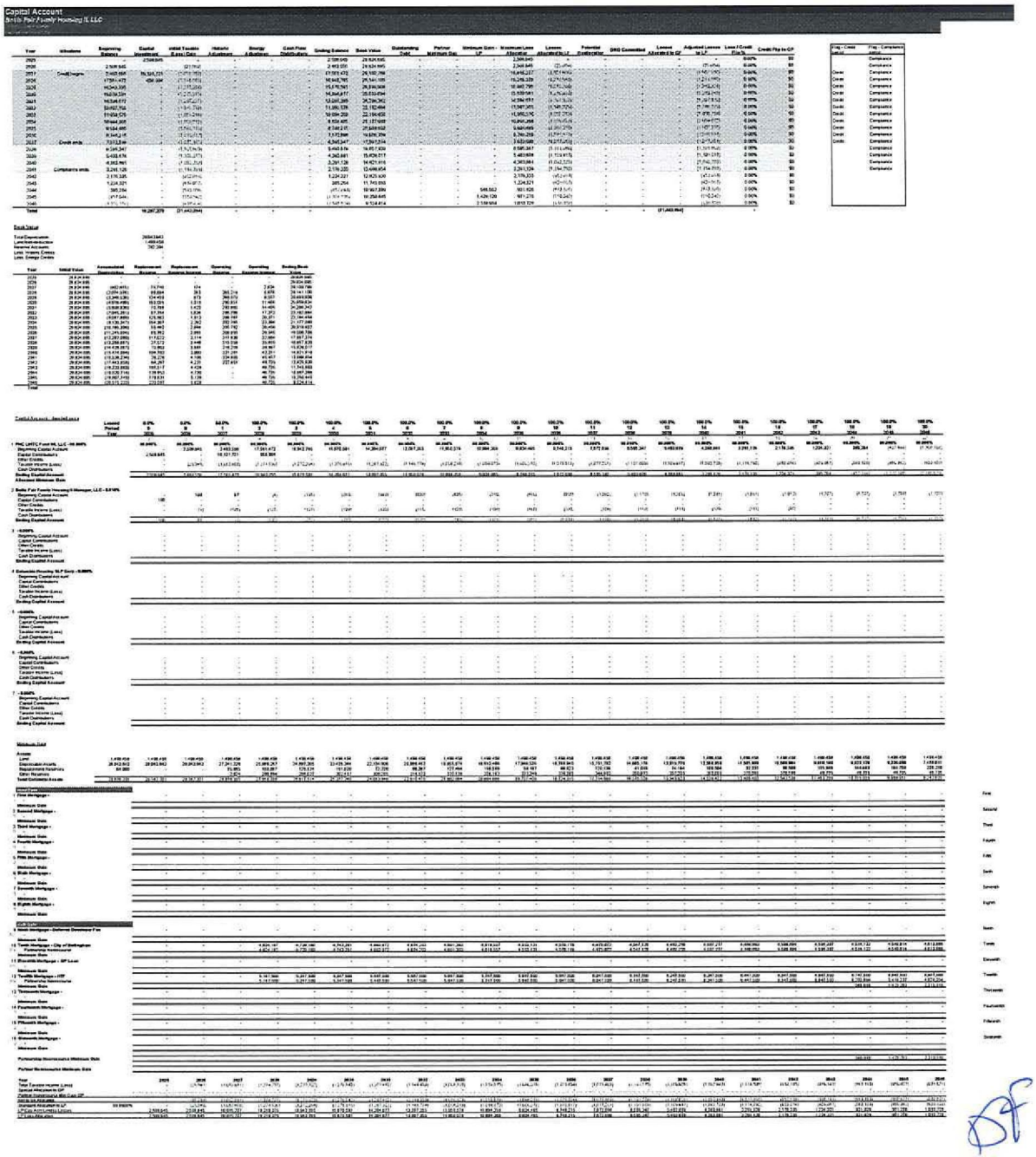

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EXHIBIT 9

FORM OF ACCOUNTANT'S ADDENDUM

Note: in this addendum, "company" shall mean Bellis Fair Family Housing II, LLC and "partner" shall mean any member or partner of the company. "Investment Members" shall mean, collectively, any partner or member of the company related to PNC Bank, National Association.

In addition to preparing each of the following items in full compliance with Generally Accepted Accounting Principles ("GAAP"), requirements of the Internal Revenue Service ("IRS"), as applicable, the accountant's work shall include the following minimum requirements.

Cost Certification

The Cost Certification sent to the Investment Members shall be accompanied by the accountant's work papers, with sufficient detail provided for any "lumped" categories presented on the cost certification. Additionally, the accountants shall prepare a comparison of the actual certified costs and computation of eligible basis juxtaposed to the corresponding computation in the Financial Forecast that is attached to the company's operating agreement, as amended and restated from time to time. The Cost Certification shall capitalize and expense interest costs of the company in a manner consistent with the Financial Forecast and in accordance with the requirements under the Code, and shall not capitalize any operating expenses unless corresponding allocations were assumed in the Financial Forecast.

Tax Returns

The annual tax returns (federal and state) sent to the Investment Members shall include, or be accompanied by, depreciation schedules for each depreciable asset class, and by a capital account analysis for each partner. The schedules shall show the annual activity in the account, beginning with the company's first tax year, and including the beginning and ending balances. K-1s and applicable state information reporting forms shall be on a tax-basis.

Annual Audit

The annual audit sent to the Investment Members shall be accompanied by the adjusting and reclassifying journal entries and an audit trial balance reflecting the financial statement groupings. The annual audit sent to the Investment Members shall include in the footnotes, or be accompanied by, book-basis depreciation schedules for each asset class and a capital account analysis for each partner. Each of these schedules shall show the annual activity in the account, beginning with the year in which the company was formed, and including the beginning and ending balances for each year. The depreciation schedules shall include adequate detail, for each asset class, to determine the beginning and ending acquisition cost, disposals, depreciation expense and accumulated depreciation. The capital account schedules shall separately show the total capital commitment of each partner, any adjustments thereto that have occurred, the amount actually contributed to-date, the annual net income or loss, and any syndication costs, cash distributions, etc. affecting each partner's account.

In the presentation of the balance sheet (or in the footnotes), the audit shall include details on accrued interest and interest expense for each liability of the company.

In the computation of net operating income, the income statement shall report operating revenues and expenses in form no less granular than the following categories (each as applicable).

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Rental Revenue Gross Potential Rental Income paid by Tenants Gross Potential Rental Income paid by Subsidy Rental Vacancy (contra-revenue account)
Other Revenue
Amenity Income (garages, carports, storage lockers, cable television, etc.) Other Operating Income (laundry, vending, etc.) Tenant Charges (late fees, key replacement fees, pet fees, application fees, etc.) Collection Loss and Bad Debts (contra-revenue account) Rental Concessions and Specials (contra-revenue account) Commercial Lease Income Miscellaneous Operating Income (please provide detail unless amount is nominal)
Administrative Expenses Advertising and Marketing Annual Audit Compliance Consulting Other Professional Services (bookkeeping, accounting and legal) Tenant Supportive Services (job training, financial counseling, fitness training, etc.) Annual Fees owed to the State Tax Credit Allocating Agency (excluding amortizing fees that were paid up-front) Payroll Taxes Workers Compensation Insurance Payroll Benefits (retirement, health insurance, etc.) Other Administrative Expenses
Property Management Fees (non-payroll)
Repairs & Maintenance (excluding Capital Expenditures) Snow Removal Pool Maintenance or other significant amenity maintenance Maintenance and Janitorial Payroll Security (contracts, equipment, etc.) Security Payroll Turn-over Costs Other Contract Labor and Services (grounds keeping, janitorial, painting, etc.) Other Repairs & Maintenance (please separately identify any significant line-item costs)
Utilities (if the property is sub-metered or there is some other reliable means of categorizing the various utilities, then distinguish between common area costs and costs for apartment units) Electricity Gas Fuel Oil Water Sewer Trash Removal
Payroll Administrative and Leasing Payroll Social or Supportive Services Payroll Employee Apartment Other Payroll (please provide detail unless amount is nominal)
Property Taxes
Casualty and Liability Insurance

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EXHIBIT 10

FORM OF QUARTERLY STATUS REPORT

(See attached.)

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Period: _____ <<PRIMARYCONTACT>>
Quarter 20___
Due: _____, 20___ <<Alternate>>

PNC REAL ESTATE

QUARTERLY STATUS REPORT

Company <<ltname>> **PROPERTY:** <<PROPERTYNAME>>

*This form is designed to be completed by hand. Required fields are in **bold**, but also note conditionally required information.*
If you prefer to use an electronic form, please contact us and we will send you the appropriate version.
ALL REQUIRED ITEMS ON THE FORM MUST BE COMPLETED.

1. Management

Management Company: <<mgmtCompany>>

a. Are there any plans to change management? Yes No If Yes, provide details:_____

b. Have contacts changed since _____? Yes No **(If Yes, complete section below. If No, skip to 2.)**

Site Manager: _____	Regional/Property Manager: _____
Site Phone: _____	Regional/Property Manager Email: _____, Phone: _____

2. Occupancy

Occupied Units on _____: #___ /___% **_____:** #___ /___% **_____:** #___ /___% (Include manager's unit in total.) Please note, we are asking for both a percentage and an actual count of the occupied units.

(If 92% or less at quarter-end, complete section below. If 93% or above at quarter-end, skip to 3.)

- Specify reason(s) for occupancy below 92% (check all that apply): Evictions New Housing in Area Declining Economy Other: _____
- Indicate efforts being made to increase occupancy (check all that apply): Increased Advertising Agency Outreach Rent Incentives (Provide details: _____.) Other: _____

3. Regional

Provide the following information about the regional economy:

a. Average occupancy % of other rent-restricted properties—non-RHS—in the area as of _____: _____ %

b. The overall regional economic condition is: Improving Stable Declining Other:_____

c. Is there any planned construction of affordable housing in the area? Yes No(If Yes, provide details: _____.)

d. Have any local businesses closed recently? Yes No (If Yes, provide details: _____.)

4. Events

a. Has the property experienced any of the following since _____?(check all that apply)

Flood Fire Mold Excessive Wind Hail Drug Trafficking/Crime/Gang Activity Other: _____

If any of the boxes above are checked, describe plan to correct/repair damages:

_____

Property has not experienced any events impacting operations.

b. Has any qualified unit been out of compliance for more than 60 days? Yes No
(If Yes, provide details: _____

5.Rental Rates

a. **Does the property receive project-based rental assistance?** Yes No **(If Yes, complete section below. If No, skip to (b).)**

Source of contract:
HUD Housing Assistance Payments (HAP) Project-based Section 8 Rural Development Rental Assistance Other: _____

Amount of contract: $_____
Contract Expiration Date: _____
Units Subsidized: _____

b. **Have rental rates changed since _____?** Yes No **(If Yes, complete section below. If No, skip to 6.)**
Attach additional pages if necessary.

Unit Type	Size	% AMI	# Units at Rate	Current Rental Rate	Previous Rental Rate	Date of Rate Change	Conventional Market Rate
___ bed, ___ bath	_____ sq ft	_____ %	_____	$_____	$_____	_____	$_____
___ bed, ___ bath	_____ sq ft	_____ %	_____	$_____	$_____	_____	$_____
___ bed, ___ bath	_____ sq ft	_____ %	_____	$_____	$_____	_____	$_____
___ bed, ___ bath	_____ sq ft	_____ %	_____	$_____	$_____	_____	$_____

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<<*ltname*>>

_____ ***Quarter 20___***

6. Finances

Provide the following information YEAR-TO-DATE as of _____:

a. Is YTD income under budget? Yes No (If Yes, provide details: _____.)

b. Are YTD expenses over budget? Yes No (If Yes, provide details: _____.)

c. Is there a YTD operating deficit? Yes No **(If Yes, complete section below. If No, skip to 7.)**

How is the deficit being funded? Operating cash Accrual of expenses (If accrual, explain: _____.)

GP advances Other: _____

7. Debt

a. YTD Mortgage Payments: Principal: $_____ Interest: $_____

b. Is the mortgage delinquent? Yes No **(If Yes, complete questions below. If No, skip to (c).)**

Delinquent Amount: $_____

Is property under a workout plan with the lender? Yes No (If Yes, attach copy of plan.)

Reason: _____

Plan to correct: _____

c. Does the property receive financing from a HUD program? Yes No **(If Yes, complete all questions below. If No, skip to 8.)**

1. FHA/HUD Project ID # _____
2. Date of most recent REAC inspection: _____
3. Most recent REAC score: _____
4. Most recent REAC Mgmt Co. Rating: _____
5. Date of most recent REAC Mgmt Co. Rating: _____

6. Has the property received any notices from HUD regarding adverse findings on the following?
   - HUD Regulatory Agreement violations: Yes No
   - Management review: Yes No
   - Section 8 HAP contract violations: Yes No

   If Yes to any, provide copies of all notices received from HUD.

8. Past Due

a. Are property taxes delinquent? Yes No

b. Are any insurance payments delinquent? Yes No

(If Yes to either, complete appropriate section below. If No to both, skip to 9.)

Amount Taxes Delinquent: $_____

Reason: _____

Plan to correct: _____

Amount Insurance Delinquent: $_____

Reason: _____

Plan to correct: _____

9. Major

a. Provide the following information regarding the project's reserve accounts:

	YTD Deposits	**YTD Withdrawals**	**Actual Balance at _____**	**Required Balance at _____**	**Is account underfunded?**	**Reason for underfunding:** (Also indicate if project is under a workout plan with lender.)

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Replacement	$_____ _	$_____	$_____ _	$_____ _	Yes No	_____ _
Tax/Insurance	$_____ _	$_____	$_____ _	$_____ _	Yes No	_____ _
Operating	$_____ _	$_____	$_____ _	$_____ _	Yes No	_____ _
Other	$_____ _	$_____	$_____	$_____ _	Yes No	_____ _

FOR ALL RESERVE WITHDRAWALS, COMPLETE PAGE 3 OR PROVIDE EQUIVALENT REPORT.
Equivalent report must show amount, date and reason for withdrawals, source of funds, and status of lender approval.

b. Any repairs/improvements planned for _____ quarter? Yes No **(If Yes, complete section below. If No, skip to 10.)**

Estimated Cost: _____	Source: Replacement reserve Operating cash Operating reserve New financing
Details: _____ __	

10. Attachments:

If not previously submitted, attach the following:

Balance Sheet	Reserve withdrawal detail	Inspection reports from state/federal agencies
YTD Income Statement (must be YTD)	Annual budget	Notices of adverse findings from state/federal agencies
Tax Credit Compliance/Occupancy Reports	Most recent marketing survey	Details of workout plans with lender

11. Completed by:

_____ ___	_____ ___	_____	_____
Your Name	Company	Phone Number	Date

Please return this form and attachments by _____, 20__:

PNC Real Estate, Asset Management Department, 121 SW Morrison, Suite 1300, Portland, OR 97204
Phone: (503) 808-1392 Fax: (503) 808-1301 Alt Fax: (503) 808-1400 Email: pncmfcassetmgmt@pnc.com

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<<*ltname*>> **Quarterly Reserve Withdrawal Detail** _____ ***Quarter 20___***

Instructions: For <u>all</u> withdrawals from reserve accounts during this quarter, please complete the following or attach an equivalent report.

	Type of Expense:	**Total Cost:**	**Date Funds Transferred to Operating:**	**Source of Funds:** (e.g., replacement reserve, operating cash, operating reserve, tax/insurance reserve, etc.)	**Approved by Lender?**
Unit Turnover					
	Air conditioners	$ _____	_____	_____	Yes No Pending N/A
	Appliances	$ _____	_____	_____	Yes No Pending N/A
	Blinds	$ _____	_____	_____	Yes No Pending N/A
	Cabinets	$ _____	_____	_____	Yes No Pending N/A
	Doors	$ _____	_____	_____	Yes No Pending N/A
	Drywall	$ _____	_____	_____	Yes No Pending N/A
	Flooring	$ _____	_____	_____	Yes No Pending N/A
	Heating units	$ _____	_____	_____	Yes No Pending N/A
	Painting	$ _____	_____	_____	Yes No Pending N/A
	Plumbing	$ _____	_____	_____	Yes No Pending N/A

Major Repairs/Improvements

Accessibility (ADA)	$ _____	_____	_____	Yes No Pending N/A
Alarm system	$ _____	_____	_____	Yes No Pending N/A
Common area	$ _____	_____	_____	Yes No Pending N/A
Exterior painting	$ _____	_____	_____	Yes No Pending N/A
Exterior windows	$ _____	_____	_____	Yes No Pending N/A
Fire safety system	$ _____	_____	_____	Yes No Pending N/A
Landscaping	$ _____	_____	_____	Yes No Pending N/A
Laundry facilities	$ _____	_____	_____	Yes No Pending N/A
Office equipment	$ _____	_____	_____	Yes No Pending N/A
Parking lot	$ _____	_____	_____	Yes No Pending N/A
Roof	$ _____	_____	_____	Yes No Pending N/A
Sidewalks	$ _____	_____	_____	Yes No Pending N/A
Siding	$ _____	_____	_____	Yes No Pending N/A
Signage	$ _____	_____	_____	Yes No Pending N/A

Admin

Audit	$ _____	_____	_____	Yes No Pending N/A
Compliance fees	$ _____	_____	_____	Yes No Pending N/A
Deficit funding	$ _____	_____	_____	Yes No Pending N/A
Insurance payment	$ _____	_____	_____	Yes No Pending N/A
Property taxes	$ _____	_____	_____	Yes No Pending N/A

Other	_____		_____	
	_____	$ _____	_____	Yes No Pending N/A
	_____	$ _____	_____	Yes No Pending N/A
	_____	$ _____	_____	Yes No Pending N/A

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EXHIBIT 11

AUTHORIZED SIGNER FORM

Fund Name: PNC LIHTC Fund 97 MT 1, LLC

Reference is made to the limited partnership or operating agreement(s) or purchase agreement(s) between an affiliate of PNC Bank, N.A. as investor ("PNC") and Sponsor or an affiliate of Sponsor or Seller ("Managing Member" or "Manager" or "Seller") in connection with partnership investments (each, an "Agreement"). Pursuant to the Agreement, the Managing Member or Manager or Seller may deliver a notice of payment of a required capital contribution or other required payment to PNC at initial closing or from time to time thereafter in order to request payment under the Agreement and provide directions regarding the payment of proceeds of such funding or payment. The undersigned hereby certifies that the following individuals specified as "Authorized Persons" are authorized to confirm payment instructions pursuant to any call-back verifications initiated by PNC. Any changes to the list of Authorized Persons described below must be supplied to PNC in writing by an Authorized Person and shall not be effective until confirmation of receipt by PNC. The foregoing shall supplement the Agreement but shall not be deemed or construed to modify or amend the Agreement in any way.

Authorized Persons:

Name: Greg Winter
Title: Executive Director
Business Phone: (360) 734-5121 ext. 1346

Name: David Foreman
Title: Chief Financial Officer
Business Phone: (360) 734-5121 ext. 1251

Name: Lorena Shah
Title: Director of Operations
Business Phone: (360) 734-5121 ext. 1157

Name: _____
Title: _____
Business Phone: _____

ACKNOWLEDGED:

MANAGING MEMBER:

BF FAMILY HOUSING II MANAGER, LLC, a Washington limited liability company, by its manager, Opportunity Council, a Washington nonprofit corporation

By: _____
Greg Winter
Executive Director

Dated: December 12, 2025

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EXHIBIT "K"

(ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT)

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When Recorded Return to:

Whatcom County
311 Grand Avenue, Suite 108
Bellingham, WA 98225

Attention: Jake Logan

ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT

Grantor (Assignor):	Opportunity Council
Grantee (Assignee):	Bellis Fair Family Housing II, LLC
Beneficiary (Lender):	Whatcom County
Legal Description (abbreviated):	LOT 2, BELLIS FAIR MALL TRACT B SP NO. 2745, Rec. 2023-1000311, Whatcom County (Full legal description on page 2)
Assessor's Property Tax Parcel Number(s):	3802133244430000
[Contract Number/Loan Agreement]:	[_____]

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this _____ day of _____, 2025, by and among Opportunity Council, a Washington nonprofit corporation, with its principal offices at 1111 Cornwall Ave, Bellingham, Washington 98225 (hereinafter called "Assignor"), Bellis Fair Family Housing II, LLC, a Washington limited liability company, whose mailing address is c/o Opportunity Council 1111 Cornwall Ave., Bellingham, Washington 98225 (hereinafter called "Assignee"), and Whatcom County, a municipal corporation, or its successor agency, whose location and mailing address is 311 Grand Avenue, Suite 108, Bellingham, WA 98225 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain [Whatcom County Contract/Loan Agreement] dated as of _____, 2025 whereby Lender has agreed to loan Assignor One Million Three Hundred Eighty Sixty Thousand Four Hundred Eighty Five and 00/100 Dollars ($1,386,485) (the "Contract");

WHEREAS, Assignor executed a [Promissory Note] (the "Note") dated the _____ day of _____ 2025 to pay Lender or the holder of the Note the principal sum of One Million Three Hundred Eighty Sixty Thousand Four Hundred Eighty Five and 00/100 Dollars ($1,386,485);

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WHEREAS, on the _____ day of _____ 2025, to secure payment of the Note, Assignee executed a [Deed of Trust] (the "Deed of Trust") naming the Lender as the Beneficiary, which Deed of Trust was recorded under Whatcom County Auditor's Number _____ and concerned real property located in Whatcom County, Washington described as follows (the "Property"):

LOT 2 OF BELLIS FAIR MALL TRACT B SHORT PLAT NO. 2745 RECORDED UNDER RECORDING NO. 2023-1000311, RECORDS OF WHATCOM COUNTY, WASHINGTON.

WHEREAS, on _____, 2025 Assignee, to restrict the use of the Property for the term of commitment, executed a [Low Income Housing Covenant] (the "Covenant"), which Covenant was recorded under Whatcom County Auditor's No. _____and concerned the Property; and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations under the Contract and the Note and Assignee is willing to assume all of said obligations of Assignor thereunder; and

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the Contract and the Note 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 sells, transfers, assigns, grants, and conveys to Assignee all of its right, title, obligations and interest existing as of this date in and under the Contract and the Note.

2. Assumption. Assignee hereby expressly assumes and agrees to make punctual payment when due (whether on the stated dates, by acceleration or otherwise) of the principal of and interest on the Note, as set forth in the Contract and the Note. Assignee further assumes all other obligations of Assignor under the Contract and the Note 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 Contract and the Note, and any other documents or instruments executed and delivered or furnished by Assignor in connection therewith.

3. Consent. Lender hereby consents to the foregoing assignment and assumption of the Assignor's obligations under the Contract and the Note pursuant to the terms and conditions set forth herein.

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

(a) Assignee is a limited liability company duly organized and validly existing under the laws of the State of Washington.

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(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 as contemplated by the Contract, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the Contract. The Managing Member of Assignee has full right, power and authority to execute and deliver this Assumption Agreement on behalf of Assignee.

(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 Managing Member at law or in equity in any court or by any federal, state, municipal or other governmental authority, department, commission, board, agency or other governmental instrumentality which is likely to have an adverse effect on Assignee's ability to assume the obligations and to fulfill the duties of Assignor under the Contract.

(d) Neither Assignee nor its Managing Member is 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 partnership and other action, and the Managing Member 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 Agreement of Limited Partnership or any provision of any contract or other instrument to which Assignee or Assignee's Managing Member is a party or by which either or the property of either is bound, or any constitutional provision, statute or ordinance, or any order, writ, injunction, decree, rule or regulation of any court or regulatory agency. 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 the representations and warranties of Assignor in the Contract are true and correct in all material respects as of the date hereof.

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6. Further Assurances. At any time and from time to time, upon Lender's (or its successor agency'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. Governing Law. This Assumption Agreement shall be governed by, construed and interpreted in accordance with, the laws of the State of Washington.

10. Non-Recourse Loan: Notwithstanding anything to the contrary herein, Assignor, the Assignee, its assigns and their respective members, partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in the Note, in the Deed of Trust or in the Contract, and the recourse of the holder hereof shall be confined to the exercise of its rights under the Deed of Trust, provided that nothing shall diminish the Assignor's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

[SIGNATURE AND NOTARY PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

ASSIGNOR:

OPPORTUNITY COUNCIL,
a Washington nonprofit corporation

By: _____

Printed Name: Greg Winter

Title: Executive Director

STATE OF WASHINGTON)
)
COUNTY OF WHATCOM)

On this _____ day of _____ 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, Greg Winter is the person who appeared before me, and said person acknowledged that they signed the instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Executive Director of **Opportunity Council**, a Washington nonprofit corporation, and acknowledged said instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes mentioned in the instrument.

(Seal or Stamp)

_____
(*Signature of Notary)*

_____
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Commission Expires: _____

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

ASSIGNEE:

BELLIS FAIR FAMILY HOUSING II, LLC,
a Washington limited liability company

By: **BF Family Housing II Manager, LLC,**
a Washington limited liability company
Its: Managing Member

By: **Opportunity Council,**
A Washington nonprofit corporation
Its: Manager

By: _____

Printed Name: Greg Winter

Title: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Greg Winter, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of **Opportunity Council,** a Washington nonprofit corporation, the Manager of **BF Family Housing II Manager, LLC,** a Washington limited liability company, the Managing Member of **Bellis Fair Family Housing II, LLC**, a Washington limited liability company, to be the free and voluntary act of such nonprofit corporation, on behalf of such limited liability company, on behalf of such limited liability company, for the uses and purposes mentioned in the instrument and on oath stated that they were authorized to execute the said instrument.

(Seal or Stamp)

_____
(*Signature of Notary)*

_____
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires: _____

Docusign Envelope ID: 67A99795-ECE0-890A-819D-54EDB3919287

IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

LENDER:

WHATCOM COUNTY,
a municipal corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this _____ day of _____ 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, _____is the person who appeared before me, and said person acknowledged that she signed the instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the _____, _____ of **WHATCOM COUNTY,** a municipal corporation, and acknowledged said instrument to be the free and voluntary act and deed of such department, for the uses and purposes mentioned in the instrument.

(Seal or Stamp) _____
(*Signature of Notary)*

_____
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Commission Expires: _____

Approved as to form:

_____