

July 12, 2023



Lummi Island Scenic Estate Community Club
Allison Cash
1211 Island Drive
Lummi Island, WA 98262
business@lisecc.com

RE: Loan Contract Number: PCL28486-0

Dear Allison Cash;

Enclosed is the Drinking Water State Revolving Fund Pre-Construction Loan Contract Number identified above for your signature. The Loan Contract details the terms and conditions that will govern the agreement between us, which included the project's Scope of Work and an Attorney's Certification as formal attachments. Failure to return the contract within 60 calendar days of the date of this letter may result in your loan offer being withdrawn.

You may sign electronically by following the instructions of the email. Note, if you're not the authorized signer do not forward, click on the delegated button in the email. Once signed the document will be sent back to DOH automatically. If you prefer, print and sign a hard copy, scan and return by email to dohcon.mgmt@doh.wa.gov or print and sign a hard copy, and return the originals to us for full execution.

Please note that the U.S. Environmental Protection Agency is the funding source for this program and the Catalog of Federal Domestic Assistance (CFDA) number is 66.648. Consequently, the loan funds are federal and subject to both state and federal requirements.

A requirement of the DWSRF program is that you must maintain updated project records and yearly renewal of your registration in the System for Award Management at www.sam.gov.

Another requirement of the DWSRF program is that all entities are required to verify that the federal government has not suspended or debarred them from receiving federal funds. This includes, but is not limited to, project contractors, subcontractors, engineers, architects, consultants, and equipment vendors. The Exclusion Report can be accessed at www.sam.gov. Failure to provide this required certification may result in termination of your loan contract.

After the Loan Contracts have been signed by the Department or its designee, one fully executed original will be returned to you for your files. Instructions for drawing the loan funds will be returned to you with the executed Loan Contract, as well as the necessary forms. The Loan Contract specifies that draws may be made for costs that have been incurred within the contract period of performance, and which have supporting documentation such as receipts or bills.

We are looking forward to working with you over the course of this project. If you have any questions about this Loan Contract, please contact me.

Sincerely,

Dennis Hewitt
DOH Contract Manager
360.236.3017
Dennis.Hewitt@doh.wa.gov

Enclosures:

ATTACHMENT I: PROMISSORY NOTE
ATTACHMENT II: FEDERAL AND STATE REQUIREMENTS
ATTACHMENT III: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS
ATTACHMENT IV: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS
ATTACHMENT V: DWSRF ELIGIBLE PROJECT COSTS
ATTACHMENT VI: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE NOT GOVERNMENT ENTITIES
ATTACHMENT VII: UCC FILINGS
ATTACHMENT VIII: CORPORATE RESOLUTION TO BORROW OR GUARANTEE
ATTACHMENT IX: COMMERCIAL SECURITY AGREEMENT


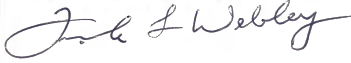
Washington State Department of Health

DWSRF Non Municipal Pre Construction Loan Boilerplate

July 2019

1. CONTRACT FACE SHEET

**Pre Construction Loan Number: PCL28486
Washington State Department of Health (DOH)
Drinking Water State Revolving Fund (DWSRF)
Non Municipal**

1. Borrower Lummi Island Scenic Estates Community Club (LISECC) 1211 Island Drive Lummi Island, WA 98262		2. Borrower Doing Business As (optional)	
3. Borrower Type Pre Construction Loan		4. Borrower's Statutory Authority	
5. Borrower Contract Manager Information		6. DOH Contract Manager	
Contact Name Allison Cash	Phone # 305-510-6583 business@lisecc.com	Dennis Hewitt P.O. Box 47822 Olympia, WA 98504-7822	Phone #360.236.3017 Dennis.Hewitt@dh.wa.gov
7. Project Name LISECC Surface Water Treatment Plant Replacement			
8. Loan Amount Amount: \$398,000.00 Loan Fee: 0% Interest Rate: 0%	9. Funding Source Federal: <input checked="" type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/>	10. Start Date DOE	11. End Date October 1, 2030
12. Federal Funding Agency Environmental Protection Agency Catalogue of Federal Assistance (CFDA) Number 66.468			
13. Borrower Tax ID # 91-6052301	14. Borrower Statewide Vendor # 0045397-01	15. Borrower UBI # 601-129-151	16. Borrower DUNS & UEI # DUNS: 612460568 UEI: LFYKMS7QKDA5
17. Contract Purpose DOH and the party identified above as Borrower, hereafter referred to as BORROWER, have entered into this contract to fund the project identified above that furthers the goals and objectives of the DOH DWSRF Program. The project will be done by the BORROWER as described in the scope of work and this contract. The rights and obligations of the parties are governed by this contract and the following documents incorporated by reference: General Terms and Conditions including Declarations; Section 2.6 : Scope of Work (Project); ATTACHMENT I: PROMISSORY NOTE; ATTACHMENT II: FEDERAL AND STATE REQUIREMENTS; ATTACHMENT III: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS; ATTACHMENT IV: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS; ATTACHMENT V: DWSRF ELIGIBLE PROJECT COSTS; ATTACHMENT VI: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE NOT GOVERNMENT ENTITIES; ATTACHMENT VII: UCC FILINGS; ATTACHMENT VIII: CORPORATE RESOLUTION TO BORROW OR GUARANTEE; ATTACHMENT IX: COMMERCIAL SECURITY AGREEMENT. By the signature below, the parties acknowledge and accept the terms of this contract.			
FOR CONTRACTOR SIGNATURE and DATE  8/08/2023		FOR DOH SIGNATURE and DATE  08/17/2023	
NAME AND TITLE James Coats, President Lummi Island Scenic Estates Community Club Board of Directors		NAME AND TITLE WA Department of Health Contracts Office Contract Specialist III APPROVED AS TO FORM ONLY Mark Calkins, AAG Signature on File	

2. DECLARATIONS

2.1. BORROWER INFORMATION

Legal Name: Lummi Island Scenic Estates Community Club
Loan Number: PCL28486
State Wide Vendor Number: 0045397-01

2.2. PROJECT INFORMATION (PROJECT)

Project Title: LISECC Surface Water Treatment Plant Replacement
Project Location: Lummi Island / Whatcom County
Project State: Washington
Project Zip Code: 99262

Project Scope of Work (PROJECT): Attachment I, attached hereto and incorporated by reference.

2.3. CONTRACT COMMUNICATION

Communications regarding Contract performance is delegated by each party to its Contract Manager. Either party may change its Contract Manager by express notice to the other party. Either party may identify on an as needed basis an alternate Contract Manager to serve during the stated temporary absence of its primary Contract Manager. Notices between the parties regarding Contract performance must be provided by written communication to the other party's Contract Manager. Written communication includes email but not voice mail. Notices are presumed received by the other party's Contract Manager upon evidence of delivery between the hours of 8:00 am to 5:00 pm except for state holidays and weekends.

2.4. LOAN INFORMATION

Loan Amount: **\$398,000.00**
Loan Fee (Included in loan amount): 2% **\$0.00**
Principal Loan Forgiveness 0% **0%**
Loan Term: 10 years
Interest Rate: 0.0%
Payment Month(s): **October 1st <Annually>**
Time of Performance: **48 months from Contract start date (date of last signature) to Project Completion date.**
Notice to Proceed: 18 months from Contract start date (date of last signature)

2.5. FUNDING INFORMATION

Total Funds from BORROWER: To be determined
Source(s) of Funds from Borrower, with assigned amounts per source: To be determined
Total State Funds: To be determined
Total Amount of Federal Award (as applicable): To be determined
Total Amount of Loan: \$398,000.00
Federal Award Date: To be determined
Federal Award ID # (FAIN): To be determined
Amount of Federal Funds Obligated by this Action: N/A

2.6. SPECIAL TERMS AND CONDITIONS

N/A

DWSRF PROGRAM PRECONSTRUCTION LOAN CONTRACT INFORMATION

LISECC Surface Water Treatment Plant Replacement

DWSRF Scope of Work Form:

Scope of Work:

Project to include:

1. Preconstruction design and preliminary engineering services for a surface water membrane treatment plant.
2. Creation of bid documents for the membrane treatment plant.
3. Completion of a small water system management program.
4. Cultural and historic review, including preparation of documents to facilitate the cultural and historic reviews.
5. Completion of the environmental review needed for the project, including preparation of documents to facilitate the environmental review.
6. Development of an asset management program.
7. Securing necessary permits for the project.
8. Completing the required Supplemental Source Water Sampling as part of the requirements to waive pilot testing.

In addition, costs may include (but are not limited to): public involvement, fees, taxes, legal, administrative, and audit costs.

Performance Measures:

- Small water system management program to be reviewed and approved by the Northwest Regional Office of Drinking Water.
- All engineering reports and construction documents to be reviewed and approved by the Northwest Regional Office of Drinking Water.
- All cultural review documents to be reviewed and approved by DWSRF Cultural and Environmental Program Specialist.
- Copies of final permits to be provided to DWSRF Contract Manager.

LISECC Surface Water Treatment Plant Replacement

Project Costs by Cost Category:

COST CATEGORY	CURRENT ESTIMATES
Engineering Report (Preliminary Engineering)	\$112,000
Environmental Review	\$10,000
Historical Review/Cultural Review	\$2,500
Planning Document	\$29,000
Permits	\$18,000
Public Involvement/Information	\$3,500
Bid Documents (Design Engineering)	\$175,000
Asset Management	\$7,500
DOH Review/Approval Fees	\$4,500
Other Fees (sales or use tax)	\$7,000
Audit Costs:	\$5,000
Other: Supplemental Source Water Sampling	\$24,000
Other:	
Other:	
TOTAL ESTIMATED PROJECT COSTS (before Loan Fee)	<u>\$398,000</u>
Loan Origination Fee (2%)	<u>\$ 0</u>
Total DWSRF Preconstruction Loan Amount	<u>\$398,000</u>

2021-3952 LISECC Surface Water Treatment Plant Replacement

Project Funding:

TYPE OF FUNDING	SOURCE	CURRENT STATUS
Grants and Other Non-Matching Funds		
Grant #1		
Grant #2		
Other Grants		\$
New Grants		\$
Total Grants and Other Non-Matching Funds		a)
Loans		
<i>This Loan Request</i>	DWSRF Preconstruction Loan	\$398,000
Other Loan #1		
Other Loan #2		
Other Loans		\$
New Loans		\$
Total Loans		b) <u>\$398,000</u>
Local Revenue		
Source #1		
Source #2		
Other Local Revenue		
New Local Revenue		
Total Local Revenue		c)
Other Funds		
Other Funds		\$
Other Funds		\$
Total Other Funds		d) \$ _____
TOTAL PROJECT FUNDING		e) <u>\$398,000</u>

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3. CONTRACT TERMS AND CONDITIONS

DRINKING WATER STATE REVOLVING FUND (NON-MUNICIPAL)

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- 1.1. "Authorized Representative" shall mean the DOH ODW Director and/or the designee authorized in writing to act on the Director's behalf.
- 1.2. AWARD YEAR shall mean the calendar year in which the funds were awarded to the Department for use in making loans under this program.
- 1.3. "Contract" shall mean this Drinking Water State Revolving Fund Loan.
- 1.4. "Contractor" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- 1.5. The "Contract End Date" shall mean the date the contract expires. This date shall occur in the final year of the LOAN TERM unless otherwise amended, as counted from the AWARD YEAR. The actual date of contract execution shall have no effect on the Contract End Date.
- 1.6. "Department" and "DOH" shall mean the Washington State Department of Health, Office of Drinking Water, who is the recipient of the Drinking Water State Revolving Fund grant and regulates drinking water systems in the State of Washington.
- 1.7. "Iron and steel products" are the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and preconstruction materials.
- 1.8. "Lender" shall mean the Washington State Department of Health
- 1.9. "Modified Total Direct Costs (MTDC)" shall mean all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.
- 1.10. "Payment Month" shall mean the day and month of the year in which payments are due.
- 1.11. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- 1.12. "Pre-Construction" shall include planning, engineering, and project design necessary to a drinking water infrastructure project.
- 1.13. "State" shall mean the state of Washington.
- 1.14. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. AUTHORITY

Acting under the authority of RCW 70.119A.170 and RCW 43.155.040, the Department has awarded the Contractor a Drinking Water State Revolving Fund loan for an approved project. The Contractor will be a sub-recipient of funds provided by the United States Environmental Protection Agency, CFDA Number 66.468, Title: Safe Drinking Water State Revolving Fund, award year of this contract.

3. PURPOSE

The Department and the Contractor have entered into this Contract to undertake a local project that furthers the goals and objectives of the Drinking Water State Revolving Fund Loan Program. The project will be undertaken by the Contractor and will include the activities described in the SCOPE OF WORK shown on the Declarations page. The project must be undertaken in accordance with the loan Program Special Terms and Conditions and all applicable federal, state and local laws and ordinances, including but not limited to those specifically enumerated in Attachment II: Federal and State Requirements, which by this reference are incorporated into this Contract as though set forth fully herein.

4. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and State of Washington statutes and regulations.
- Special Terms and Conditions including attachments.
- General Contract Terms and Conditions.

5. AMOUNT OF LOAN

The Department, using funds appropriated from the Drinking Water Assistance Account, shall loan the Contractor a sum not to exceed the amount shown as LOAN AMOUNT on the attached Declarations Page. This loan amount includes a loan fee, if applicable, which is shown on the Declarations Page as LOAN FEE.

6. LOAN FEE

If the loan fee applies, it will be assessed at loan execution, including loan funds added via amendment to this contract.

The amount of the loan fee (if applicable) represents one percent (1%) of the loan request and shall not be reduced, regardless of the actual final loan amount at project completion. If the loan fee applies and the total loan amount is increased by amendment, an additional loan fee equal to one percent (1%) of the additional loan amount will be assessed at amendment execution. The amount of any loan fee will be displayed on the Declarations Page as LOAN FEE.

7. TERM OF LOAN

Unless otherwise amended, the term of the loan shall not exceed the period shown on the Declarations Page as LOAN TERM.

Except as herein provided, under no circumstances shall the loan repayment period exceed 6 years from the contract execution year.

8. INTEREST RATE

The interest rate shall be the declared INTEREST RATE (declarations) per annum on the outstanding principal balance, based on a three hundred and sixty (360) day year composed of twelve (12) thirty (30) day months.

9. DISBURSEMENT OF LOAN PROCEEDS AND REQUIRED DOCUMENTATION

If funding or appropriation is not available at the time the Contractor submits a request for a loan disbursement, the issuance of a warrant will be delayed or suspended until such time funds become available. Subject to availability of funds, warrants shall be issued to the Contractor for payment of allowable expenses incurred by the Contractor while undertaking and administering approved project activities in accordance with the declared SCOPE OF WORK.

The loan funds will be disbursed to the Contractor as follows:

- 9.1. Ten percent (10%) of loan proceeds will be held until project completion. The total Drinking Water State Revolving Fund Loan shall not exceed one hundred percent (100%) of the actual eligible project costs.
- 9.2. When requesting reimbursement for costs incurred, the Contractor shall submit a signed and completed Invoice Voucher (Form A19), referencing the declared SCOPE OF WORK project activity performed, and any appropriate documentation such as bills, invoices, and receipts. The purchase of any land necessary and integral to the project must be included in the declared SCOPE OF WORK and be

documented with an appraisal or other market valuation and a valid purchase and sale agreement. The Invoice Voucher must be certified by an official of the Contractor with authority to bind the Contractor.

- 9.3. Each A19 Reimbursement Voucher must be accompanied by a Project Status Report, which describes, in narrative form, the progress made on the project since the last invoice was submitted, as well as a report of project status to date. The Department of Health (DOH) will not release payment for any reimbursement request received until the Project Status Report is received. After approving the Voucher and the Project Status Report, DOH shall promptly release funds to the Contractor.
- 9.4. Pre-construction expenses incurred after the date shown as EARLIEST DATE FOR CONSTRUCTION REIMBURSEMENT on the Declarations Page are eligible for reimbursement. Requests for reimbursements for costs related to construction activities will not be accepted until the Contractor has met the following conditions:
 - Issued a Notice to Proceed which follows the formal award of a construction contract;
 - Completed the State Environmental Review Process;
 - Complied with all provisions of Section 106 of the National Historic Preservation Act of 1966;
 - Complied with Section 20: Prevailing Wage;
 - Obtained approval from the Department of Health of the project report and related documents for all applicable activities described in the declared SCOPE OF WORK; and
 - Complied with any other loan conditions required by Department of Health.

An electronic copy (emailed PDF or a FAX) of a signed A19 Reimbursement Voucher and other required documentation is the preferred method for requesting reimbursement. Submit the electronic requests to your DOH Loan Officer or fax to 360-236-2252. This electronic submittal may be 25 pages or less. If you choose to send your vouchers and backup documentation electronically, please DO NOT mail in the original. You will receive email notification from your DOH Loan Officer that the electronic request has been received.

DOH will pay the Contractor upon acceptance of the work performed and receipt of properly completed invoices. Invoices may be submitted to DOH not more often than monthly.

Payment shall be considered timely if made by DOH within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

The Department may, at its sole discretion, withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the Department.

In the event that the Contractor receives reimbursement for costs that are later determined by the Department to be ineligible, these funds shall be repaid to the Drinking Water Assistance Account by payment to the Department of Health, or its successor, together with the submission of the Project Completion Amendment.

At the time of project completion, the Contractor shall submit to the Department a Pre-Construction Completion Report certifying the total actual project costs, and a final voucher for any remaining eligible funds.

10. TIME OF PERFORMANCE

The Contractor shall begin the activities identified within the declared SCOPE OF WORK no later than thirty (30) days after Contract execution.

The Contractor must reach project completion within the period specified on the Declarations Page as TIME OF PERFORMANCE.

Failure to meet Time of Performance within the time frame described in this section shall constitute default under this Contract, and as a result, this Contract may be terminated. In the event of extenuating circumstances, the Contractor may request, in writing, at least 90 days prior to the expiration of project completion date that the Department extend the deadline for project completion. The Department may extend the time of project completion.

11. PROJECT COMPLETION AMENDMENT AND THE PRE-CONSTRUCTION COMPLETION REPORT

The Contractor shall initiate a Project Completion Amendment by submitting a Preconstruction Completion Report when activities identified in the declared SCOPE OF WORK are complete and the Contractor agrees that no additional eligible costs will be reimbursed.

In the Project Completion Amendment, the Contractor will provide the following information to the Department:

- A certified statement of the actual dollar amounts spent, from all fund sources, in completing the project as described in the declared SCOPE OF WORK.
- Certification that all costs associated with the project have been incurred. Costs are incurred when goods and services are received and/or contract work is performed.
- A copy of the Department of Health Pre Construction Completion Report as submitted to Department of Health.
- Evidence documenting compliance with audit requirements as referenced in Section 44.
- A final voucher for the remaining eligible funds.

The Project Completion Amendment shall serve as an amendment to this Contract determining the final loan amount and term of the loan.

12. REPAYMENT

An assistance recipient begins annual repayment of the loan no later than one year after contract execution. The first repayment installment is due on the first day of the month shown as PAYMENT MONTH on the Declarations Page. Interest only will be charged for this first payment if a draw is made prior to this date. All subsequent payments shall consist of principal and accrued interest due that month of each year during the remaining term of the loan.

Repayment of the loan under this Contract shall include the declared INTEREST RATE per annum. Interest will begin to accrue from the date each payment is issued to the Contractor. The final payment shall be on or before the completion of the declared LOAN TERM, payable on or before the declared PAYMENT MONTH of an amount sufficient to bring the loan balance to zero.

The Contractor has the right to repay the unpaid balance of the loan in full at any time or make accelerated payments without penalty.

The Contractor will repay the loan in accordance with the preceding conditions through the use of a check, money order, or equivalent means made payable to the Washington State Department of DOH, or its successor.

13. DEFAULT IN REPAYMENT

Loan repayments shall be made in accordance with Section 12 of this Contract. A payment not received within thirty (30) days of the due date shall be declared delinquent. Delinquent payments shall be assessed a monthly penalty beginning on the first (1st) day past the due date. The penalty will be one percent (1%) per month or twelve percent (12%) per annum of the delinquent payment amount. These same penalty terms shall apply if the repayment of loan funds determined to be ineligible costs are not repaid within thirty (30) days.

The Contractor acknowledges and agrees to the Department's right, upon delinquency in the payment of any annual installment, to notify any other entity, creditors, or potential creditors of the Contractor of such delinquency. Contractor shall be responsible for all legal fees incurred by the Department in any action undertaken to enforce its rights under this section.

14. LOAN SECURITY

Loan Security may be required as a performance condition of this contract. If such performance condition is required it shall be indicated on the attached Declarations Page and identified therein as LOAN SECURITY CONDITION.

The Department grants the Contractor the right to issue future bonds and notes that constitute a lien and charge on the revenue source superior to the lien and charge of this Loan Contract. Nothing in this section shall absolve the Contractor of its obligation to make loan repayments when due, and to adjust rates, fees, or surcharges, if necessary, to meet its obligations under this Contract.

15. HISTORICAL AND CULTURAL ARTIFACTS

The Contractor acknowledges that any construction activities necessary to complete the activities funded by this contract are subject to Section 106 of the National Historic Preservation Act of 1966.

Contractor agrees that Contractor is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural artifacts and agrees to hold harmless the State of Washington in relation to any claim related to such historical or cultural artifacts discovered, disturbed, or damaged as a result of Contractor's public works project funded under this Contract.

The Contractor shall not conduct or authorize destructive project planning activities before completing compliance with Section 106 of the National Historic Preservation Act of 1966, as amended.

In addition, the Contractor agrees that no construction activities, ground disturbance, or excavation of any sort will begin until the Contractor has complied with all provisions of Section 106 of the National Historic Preservation Act of 1966, as amended.

If historical or cultural artifacts are discovered during destructive project planning activities or construction, the Contractor shall immediately stop the activity and implement reasonable measures to protect the discovery site from further disturbance, take reasonable steps to ensure confidentiality of the discovery site, restrict access to the site, and notify the concerned tribe's cultural staff or committee, Tribal Historical Preservation Officer (THPO), the Washington State Department of Health project manager, and the State's Historical Preservation Officer (SHPO) at the Washington State Department of Archaeology and Historic Preservation (DAHP). If human remains are uncovered, the Contractor shall report the presence and location of the remains to the coroner and local enforcement immediately, then contact the concerned tribe's cultural staff or committee and DAHP.

The Contractor shall require the above provisions to be contained in all contracts for work or services related to the declared SCOPE OF WORK. In no case shall construction activities begin until the Contractor has complied with all provisions of Section 106 of the National Historic Preservation Act of 1966.

In addition to the requirements set forth in this Contract, the Contractor agrees to comply with Native American Graves Protection and Repatriation Act, Archaeological Resources Protection Act, Revised Code of Washington (RCW) 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and Washington Administrative Code (WAC) 25-48 regarding Archaeological Excavation and Removal Permits.

16. FEDERAL AND STATE REQUIREMENTS

The Contractor assures compliance with all applicable federal, state and local laws, requirements, and ordinances as they pertain to the design, implementation, and administration of the approved project, including but not limited to those listed in Attachments II, III, and IV.

17. COMPETITIVE BIDDING REQUIREMENTS

Pursuant to 40 CFR, Section 33.501(b) and (c), the Contractor also agrees to create and maintain a bidders list for both Disadvantaged Business Enterprises (DBE) and Non-Disadvantaged Business Enterprises (non-DBE). The purpose of a bidders list is to provide the recipient and entities receiving identified loans who conduct competitive bidding with as accurate a database as possible about the universe of DBE and non-DBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts or bid or quote subcontracts on Environmental Protection Agency assisted projects, including both DBE and non-DBE. The bidders list must be kept at least until the grant project period has expired and the recipient is no longer receiving Environmental Protection Agency funding under the grant. For entities receiving identified loans, the bidders list must only be kept until the project period for the identified loan has ended. The following information must be obtained from all prime and subcontractors: entity's name with point of contact; entity's mailing address, telephone number, and e-mail address; the procurement on which the entity bid or quoted, and when; and, entity's status as a DBE or non-DBE.

The Contractor agrees to provide Environmental Protection Agency Form 6100-2 DBE Subcontractor Participation and Environmental Protection Agency Form 6100-3 DBE Subcontractor Performance to all its Disadvantaged Business Enterprise subcontractors.

The Contractor shall require Disadvantaged Business Enterprise provisions are contained in all contracts with any subcontractors for work or services related to the declared SCOPE OF WORK.

18. PAYMENT TO CONSULTANTS

EPA participation in the salary rate (excluding overhead) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for Level IV of the Executive Schedule (formerly GS-18), to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. This rate does not include transportation and subsistence costs for travel performed (the recipient will pay these in accordance with their normal travel reimbursement practices).

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR Parts 30 or 31, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 30.27(b) or 40 CFR 31.36(j), as applicable, for additional information.

As of January 1, 2019, the limit is \$638.24 per day \$79.78 per hour.

NOTE: For future years' limits, the recipient may find the annual salary for Level IV of the Executive Schedule on the following Internet site: <https://www.opm.gov/policy-data-oversight/pay-leave/>. Select "Salary and Wages", and select "Rates of Pay for the Executive Schedule." The annual salary is divided by 2087 hours to determine the maximum hourly rate, which is then multiplied by 8 to determine the maximum daily rate.

19. ELIGIBLE PROJECT COSTS

The Contractor assures compliance with Attachment V: DWSRF Eligible Project Costs, which identifies eligible costs for projects funded by Drinking Water State Revolving Fund loans.

20. PREVAILING WAGE

All contractors and subcontractors performing work on a construction project funded through this Contract shall comply with prevailing wage laws by paying the higher of state or federal prevailing wages according to:

- State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this contract, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Contractor shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for Department's review upon request; or,
- The Davis Bacon Act, 40 USC 276a-276a-5 and related federal acts provide that all laborers and mechanics employed by contractors or subcontractors in the performance shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor.

The Contractor agrees that the Contractor is legally and financially responsible for compliance with the prevailing wage requirements. Contractor is advised to consult the United States Department of Labor and Washington State Department of Labor and Industries websites to determine the federal and State prevailing wages that must be paid.

The Contractor shall ensure that all contractors, subcontractors, engineers, vendors, and any other entity for work or services listed in the declared SCOPE OF WORK shall insert in full, in any contract, the labor standards provisions listed in Attachment VI: Labor Standard Provisions for Subrecipients That Are Governmental Entities. Contractor shall report to the Department and/or the Department of Health that this requirement has been met as stated in this Contract.

21. REGISTRATION WITH CENTRAL CONTRACTOR REGISTRATION (CCR)

By signing this Contract, the Contractor accepts the requirements stated in 48 CFR 52.204-7 to register with the Central Contractor Registration (CCR) database at the System for Awards Management (SAM) website. To register in SAM, a valid Data Universal Numbering System (DUNS) Number is required. The Contractor is responsible for the accuracy and completeness of the data within the SAM database and for any liability resulting from the Government's reliance on inaccurate or incomplete data. The Contractor must remain registered in the SAM database after the initial registration. The Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in SAM to ensure it is current, accurate

and complete. The Contractor shall provide evidence documenting registration and renewal of SAM registration to the Department.

In the event of the Contractor's noncompliance or refusal to comply with the requirement stated above, the Department reserves the right to suspend payment until the Contractor cures this noncompliance.

22. RECORDKEEPING AND ACCESS TO RECORDS

The Department, the Department's agents, and duly authorized officials of the state and federal governments shall have full access and the right to examine, copy, excerpt, or transcribe any pertinent documents, papers, records, and books of the Contractor and of persons, firms, or organizations with which the Contractor may contract, involving transactions related to this project and this Contract.

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Contract and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Contractor shall retain such records for a period of six years following the date of final payment.

The Contractor agrees to retain these records for a period of six (6) years from the date that the debt is retired. This includes but is not limited to financial reports. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been finally resolved.

23. REPORTS

The Contractor, at such times and on such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Contract including, but not limited to:

- Prevailing Wage decisions and/or changes
- Disadvantaged Business Enterprises utilization
- Project Status Reports with each Invoice Voucher
- Pre-Construction Completion Report at project completion (as described in Section 11)
- Other reports as the Department may require

In the event of the Contractor's noncompliance or refusal to comply with the requirement stated above, the Department reserves the right to suspend payment until the Contractor cures this noncompliance.

24. RECOGNITION OF EPA FUNDING

Reports, documents, signage, videos, or other media, developed as part of projects funded by this assistance agreement shall contain the following statement:

"This project has been funded wholly or in part by the United States Environmental Protection Agency. The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

25. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

As mandated by the Environmental Protection Agency, the Contractor agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises in procurement under this Contract. The Contractor is required to follow the requirements identified in Attachment III: Disadvantaged Business Enterprise Requirements.

By signing this Contract, the Contractor accepts the applicable MBE/WBE fair share objectives/goals negotiated with Environmental Protection Agency by the Washington State Office of Minority and Women's Business Enterprises. The Contractor attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as Washington

State Office of Minority and Women's Business Enterprises. The goals for the utilization of disadvantaged businesses are stated in Attachment III: Disadvantaged Business Enterprise Requirements.

The Contractor is required to furnish the Department of Health with such periodic reports as the Department may request pertaining to the utilization of disadvantaged businesses.

26. NONDISCRIMINATION PROVISION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, including, but not limited to Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 USC 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the Contractor's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled, or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the Department. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance.

The Contractor must also include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services listed in the declared SCOPE OF WORK:

- "The Contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract."

27. PROHIBITION STATEMENT

Pursuant to Section 106 of the Trafficking Victims Protection Act of 2000, as amended, the Contractor's contractors, subcontractors, engineers, vendors, and any other entity shall comply with and include the following terms and conditions in all contracts for work or services listed in the declared SCOPE OF WORK:

- "All forms of trafficking in persons, illegal sex trade, or forced labor practices are prohibited in the performance of this award or subawards under the award, or in any manner during the period of time that the award is in effect. This prohibition applies to you as the recipient, your employees, subrecipients under this award, and subrecipients' employees."

If any term of this section is violated, this contract may be terminated.

28. FALSE, INCORRECT, OR INCOMPLETE INFORMATION OR CLAIM

The Contractor warrants that the Contractor neither has submitted nor shall submit any information that is materially false, incorrect, or incomplete to the Department.

The Contractor is advised that providing false, fictitious, or misleading information with respect to the receipt and disbursements of Environmental Protection Agency funds is basis for criminal, civil, or administrative fines and/or penalties.

29. LITIGATION

The Contractor warrants that there is no threatened or pending litigation, investigation, or legal action before any court, arbitrator, or administrative agency that, if adversely determined, would have a materially adverse effect on the Contractor's ability to repay the loan.

30. ESTABLISHMENT OF ADEQUATE RATES AND RESERVES

The Contractor agrees to provide a resolution adopting rate increases, capital assessments, or both, for the services of the system that shall be sufficient to provide funds which, along with other revenues of the system, will pay all operating expenses and debt repayments during the term of the loan. In addition, the Contractor shall create, fund, and maintain reserves at least as required by the Water System Plan or Small Water System Management Plan. The Department reserves the right, at any time, to request proof of compliance of these requirements from the Contractor.

31. SPECIAL CONDITIONS

If SPECIAL CONDITIONS are listed on the Contract Declarations Page then these conditions are herein incorporated as part of the terms and requirements of this contract.

32. INVESTMENT GRADE AUDIT

For projects involving repair, replacement, or improvement of a wastewater treatment plant, or other public works facility for which energy efficiency is obtainable, Contractor must undertake an investment grade audit per ESHB 1497.

Costs incurred as part of the investment grade audit are eligible project costs.

33. AMERICAN IRON AND STEEL

None of the funds made available to the Contractor shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States. This requirement applies to the entire project receiving a loan agreement executed after January 17, 2014. Buy American does not apply to a project if the Department of Health approves the engineering plans and specifications for the project, in that agency's capacity to approve such plans and specifications prior to a project requesting bids, prior to January 17, 2014.

Waiver of the Buy American requirement may be considered if: 1) compliance would be inconsistent with the public interest; or 2) the particular iron and steel products are not produced in the United States in sufficient and reasonably available quantities and/or the particular iron and steel products are not of a satisfactory quality; or 3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent. For consideration, a request for a waiver must be submitted to the Environmental Protection Agency (EPA). Contractors shall submit the waiver request to DOH, which will then submit the request to EPA. EPA will post the waiver request and any other information available to EPA concerning the waiver request, on EPA's public Internet website and allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The full text of the American Iron and Steel requirements appear at H.R. 3547, Consolidated Appropriations Act, 2014.

34. ADMINISTRATIVE COST ALLOCATION

Administrative costs that may be allowed are set forth in the Special Terms and Conditions. Administrative services shared by other programs shall be assigned to this Contract based on an allocation plan that reflects allowable administrative costs that support services provided under each Contract administered by the Contractor. An approved current federal indirect cost rate may be applied up to the maximum administrative budget allowed.

35. ALLOWABLE COSTS

Costs allowable under this Contract are actual expenditures according to an approved budget up to the maximum amount stated on the Contract Award or Amendment Face Sheet.

36. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

37. AMENDMENTS, MODIFICATIONS, ASSIGNMENTS, AND WAIVERS

Amendments, modifications, assignments, and waivers to any of the terms of this contract supersede those terms as found in the original contract.

The Contractor may request an amendment of this Contract for the purpose of modifying the declared SCOPE OF WORK or for extending the time of performance as provided for in Section 10. Any revision to the SCOPE OF WORK or location of the project must be approved by the Department of Health. No modification or amendment resulting in an extension of time shall take effect until a request has been received and approved by the Department in accordance with Section 1.10.

During the term of this loan, any change in ownership of the water system(s) improved with funds received by the Contractor under this Contract must be approved in writing by the Department. As a

condition of approval, the Department reserves the right to demand payment in full of the outstanding principal balance of the loan.

No conditions or provisions of this Contract may be waived unless approved by the Department in writing. No waiver of any default or breach by any party shall be implied from any failure to take action upon such default or breach if the default of breach persists or repeats.

Neither this Contract, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of the Department.

38. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, ALSO REFERRED TO AS THE "ADA" 28 CFR PART 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

39. APPROVAL

This contract shall be subject to the written approval of the Department's Authorized Representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

40. ATTORNEYS' FEES

Unless expressly permitted under another provision of the Contract, in the event of litigation or other action brought to enforce Contract terms, each party agrees to bear its own attorney's fees and costs.

41. AUDIT

The Department reserves the right to require an audit of this project. The Contractor is responsible for correcting any audit findings. The Contractor agrees to refund to the Department all disallowed costs resulting from the audit. Audit costs are allowable expenses within this Contract.

Municipal and Not-For-Profit entities:

Audits of the Contractor's project activities may be conducted by the State Auditor Office (SAO). Audit costs are eligible project costs. The Contractor shall maintain its records and accounts so as to facilitate the audit requirements of the Department or its successor. The Contractor is responsible for any audit findings incurred by its own organization. The Department reserves the right to recover from the Contractor all disallowed costs resulting from the audit.

For audits of fiscal years beginning after December 26, 2014, Contractors expending \$750,000 or more in any fiscal year in federal funds from all sources, direct and indirect, are required to have an audit conducted in accordance with 2 CFR §200.501 – Audit Requirements."

For audits of fiscal years beginning prior to December 26, 2014, Contractors expending \$500,000 or more in any fiscal year in federal funds from all sources, direct and indirect, are required to have an audit conducted in accordance with existing Federal audit requirements.

For-Profit entities:

Audits must include a report on the internal control related to the federal program, which should describe the scope of testing of the internal control and the results of the tests.

The audit also must include a report on compliance, which includes an opinion (or disclaimer of opinion) on whether the auditee complied with laws, regulations and the provisions of the award agreement that could have a direct and material effect on the federal program.

The Contractor must send a copy of any required audit Reporting Package as described in existing Federal audit requirements for audits of fiscal years beginning prior to December 26, 2014, or 2 CFR §200.512 – Report Submission, for audits of fiscal years beginning after December 26, 2014, no later than nine (9) months after the end of the Contractor's fiscal year(s) to:

Department of Health
Office of Drinking Water
ATTN: Drinking Water State Revolving Fund

243 Israel Road SE
Olympia, WA 98504

In addition to sending a copy of the audit, when applicable, the Contractor must include:

- Corrective action plan for audit findings within three (3) months of the audit being received by the Department.
- Copy of the Management Letter.

Contractors are to procure audit services based on the following guidelines.

The Contractor shall maintain its records and accounts so as to facilitate the audit requirement and shall ensure that Subcontractors also maintain auditable records.

The Contractor is responsible for any audit exceptions incurred by its own organization or that of its Subcontractors.

The Department reserves the right to recover from the Contractor all disallowed costs resulting from the audit.

As applicable, Contractors required to have an audit must ensure the audits are performed in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards (the Revised Yellow Book) developed by the Comptroller General.

Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report. The Contractor must respond to the Department requests for information or corrective action concerning audit issues within thirty (30) days of the date of request.

- **FEDERAL FUNDS REQUIREMENTS – OMB CIRCULAR A-133 AUDITS OF STATES, LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS**

Grantees expending \$750,000 or more in a fiscal year (that begins after December 26, 2014) in federal funds from all sources, direct and indirect, are required to have an audit conducted in accordance with 2 CFR Part 200. For fiscal years beginning prior to December 26, 2014, Grantees are required to have an audit conducted in accordance with Federal audit requirements. When state funds are also to be paid under this Agreement a Schedule of State Financial Assistance as well as the required schedule of Federal Expenditure must be included. Both schedules include:

- Grantor agency name
- Federal agency
- Federal program name
- Other identifying contract numbers
- Catalog of Federal Domestic Assistance (CFDA) number (if applicable)
- Grantor contract number
- Total award amount including amendments (total grant award)
- Current year expenditures

If the Contractor is a state or local government entity, the Office of the State Auditor shall conduct the audit. Audits of non-profit organizations are to be conducted by a certified public accountant selected by the Contractor in accordance with OMB Circular A-110 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."

The Contractor shall include the above audit requirements in any subcontracts.

In any case, the Contractor's financial records must be available for review by the Department.

- **DOCUMENTATION REQUIREMENTS**

The Contractor must send a copy of any required audit Reporting Package as described in OMB Circular A-133, Part C, Section 320(c) no later than nine (9) months after the end of the Contractor's fiscal year(s) by sending a scanned copy to auditreview@DOH.wa.gov or by sending a hard copy to:

Department of Health
ATTN: Audit Review and Resolution Office
243 Israel Road SE
PO Box 47822
Olympia, WA 98504-7822

In addition to sending a copy of the audit, when applicable, the Contractor must include:

- Corrective action plan for audit findings within three (3) months of the audit being received by the Department.
- Copy of the Management Letter.

42. CERTIFICATION REGARDING DEBARMENT, SUSPENSION OR INELIGIBILITY AND VOLUNTARY EXCLUSION—PRIMARY AND LOWER TIER COVERED TRANSACTIONS

- Contractor, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
 - Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - Have not within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this section; and,
 - Have not within a three-year period preceding the signing of this contract had one or more public transactions (federal, state, or local) terminated for cause of default.
- Where the Contractor is unable to certify to any of the statements in this contract, the Contractor shall attach an explanation to this contract.
- The Contractor agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department.
- The Contractor further agrees by signing this contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

- The lower tier contractor certifies, by signing 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.
- Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
 - The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Department for assistance in obtaining a copy of these regulations.

The Contractor also agrees to access the Federal Exclusion List at www.sam.gov and provide Federal Exclusion documentation to the Department and to keep a copy on file with the Contractor's project records.

43. CODE REQUIREMENTS

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990, 28 C.F.R. Part 35 will be required, as specified by the local building Department.

44. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

- "Confidential Information" as used in this section includes:
 - All material provided to the Contractor by the Department that is designated as "confidential" by the Department;
 - All material produced by the Contractor that is designated as "confidential" by the Department; and
 - All personal information in the possession of the Contractor that may not be disclosed under state or federal law. "Personal information" includes but is not limited to information related to a person's name, health, finances, education, business, use of government services, addresses, telephone numbers, social security number, driver's license number and other identifying numbers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of the Department or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide the Department with its policies and procedures on confidentiality. The Department may require changes to such policies and procedures as they apply to this Contract whenever the Department reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by the Department. Upon request, the Contractor shall immediately return to the Department any Confidential Information that the Department reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- Unauthorized Use or Disclosure. The Contractor shall notify the Department within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

45. CONFORMANCE

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

46. COPYRIGHT PROVISIONS

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the Department. The Department shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to the Department effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to the Department a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the

Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the Department.

The Contractor shall exert all reasonable effort to advise the Department, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide the Department with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. The Department shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

47. DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

48. DISPUTES

Except as otherwise provided in this Contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Director of the Department, who may designate a neutral person to decide the dispute.

The request for a dispute hearing must:

- be in writing;
- state the disputed issues;
- state the relative positions of the parties;
- state the Contractor's name, address, and Contract number; and,
- be mailed to the Director and the other party's (respondent's) Contract Representative within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requestor's statement to both the Director or the Director's designee and the requestor within five (5) working days.

The Director or designee shall review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties.

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Contract shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution (ADR) method in addition to the dispute hearing procedure outlined above.

49. DUPLICATE PAYMENT

The Contractor certifies that work to be performed under this contract does not duplicate any work to be charged against any other contract, subcontract, or other source.

50. ETHICS/CONFLICTS OF INTEREST

In performing under this Contract, the Contractor shall assure compliance with the Ethics in Public Service Act (Chapter 42.52 RCW) and any other applicable state or federal law related to ethics or conflicts of interest.

51. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

52. INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the state of Washington, the Department, all other agencies of the state and all officers, agents and employees of the state, from and against all claims or damages for injuries to persons or property or death arising out of or incident to the Contractor's performance or failure to perform the Contract. The Contractor's obligation to

indemnify, defend, and hold harmless includes any claim by the Contractor's agents, employees, representatives, or any Subcontractor or its agents, employees, or representatives.

The Contractor's obligation to indemnify, defend, and hold harmless shall not be eliminated by any actual or alleged concurrent negligence of the state or its agents, agencies, employees and officers.

Subcontracts shall include a comprehensive indemnification clause holding harmless the Contractor, the Department, the state of Washington, its officers, employees and authorized agents.

The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

53. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this Contract. The Contractor and its employees or agents performing under this Contract are not employees or agents of the State of Washington or the Department. The Contractor will not hold itself out as or claim to be an officer or employee of the Department or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such officer or employee under law. Conduct and control of the work will be solely with the Contractor.

54. INDUSTRIAL INSURANCE COVERAGE

The Contractor shall comply with all applicable provisions of Title 51 RCW, Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, The Department may collect from the Contractor the full amount payable to the Industrial Insurance Accident Fund. The Department may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the Department under this Contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

55. LAWS

The Contractor shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended, including, but not limited to:

- UNITED STATES LAWS, REGULATIONS AND CIRCULARS (FEDERAL)
 - Audits
 - Office of Management and Budget (OMB) Revised Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations."
 - Environmental Protection and Review
 - Coastal Zone Management Act of 1972, 16 USC §§1451-1464 HUD's implementing regulations at 24 CFR parts 50 or 58, as appropriate.
 - Lead Based Paint Poisoning Prevention Act, 42 USC 4821-4846 also 24 CFR 982.401(j).
 - National Environmental Policy Act of 1969, 42 USC 4321 et seq. and the Implementing Regulations of 24 CFR 58 (HUD) and 40 CFR 1500-1508 (Council on Environmental Quality) Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 USC 4851-4856.
 - Flood Plains
 - Flood Disaster Protection Act of 1973, 42 USC 4001-4128.
 - Labor and Safety Standards
 - All Rental Units Assisted with Federal Funds Must Meet the Section 8 Housing Quality Standards (HQS) and Local Housing Code Requirements for the duration of the Affordability Period.
 - Convict Labor, 18 USC 751, 752, 4081, 4082.
 - Davis Bacon Act, 40 USC 276a-276a-5.
 - Drug-Free Workplace Act of 1988, 41 USC 701 et seq.

- Federal Fair Labor Standards Act, 29 USC 201 et seq.
- Work Hours and Safety Act of 1962, 40 USC 327-330 and Department of Labor Regulations, 29 CFR Part 5.
- Title IV of the Lead Based Paint Poisoning Prevention Act, 42 USC 4831, 24 CFR Part 35.
- Laws against Discrimination
 - Age Discrimination Act of 1975, Public Law 94-135, 42 USC 6101-07, 45 CFR Part 90 Nondiscrimination in Federally Assisted Programs.
 - Americans with Disabilities Act of 1990, Public Law 101-336.
 - Equal Employment Opportunity, Executive Order 11246, as amended by Executive Order 11375 and supplemented in U.S. Department of Labor Regulations, 41 CFR Chapter 60.
 - Executive Order 11246, as amended by EO 11375, 11478, 12086 and 12102.
 - Fair Housing Act (42 USC 3601-19) and implementing regulations at 24 CFR part 100. Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8.
 - Fair Housing, Title VIII of the Civil Rights Act of 1968, Public Law 90-284, 42 USC 3601-19.
 - Handicapped Employees of Government Contractors, Rehabilitation Act of 1973, Section 503, 29 USC 793.
 - Handicapped Recipients of Federal Financial Assistance, Rehabilitation Act of 1973, Section 504, 29 USC 794.
 - Minority Business Enterprises, Executive Order 11625, 15 USC 631.
 - Minority Business Enterprise Development, Executive Order 12432, 48 FR 32551.
 - Nondiscrimination and Equal Opportunity, 24 CFR 5.105(a).
 - Nondiscrimination in Benefits, Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 USC 2002d et seq, 24 CFR Part 1.
 - Nondiscrimination in Employment, Title VII of the Civil Rights Act of 1964, Public Law 88-352.
 - Nondiscrimination in Federally Assisted Programs.
 - Nondiscrimination in Federally Assisted Construction Contracts, Executive Order 11246, 42 USC 2000e, as amended by Executive Order 11375, 41 CFR Chapter 60.
 - Section 3, Housing and Urban Development Act of 1968, 12 USC 1701u (See 24 CFR 570.607(b)).
- Office of Management and Budget Circulars
 - Cost Principles for State, Local and Indian Tribal Governments, OMB Circular A-87, 2 CFR, Part 225.
 - Cost Principles for Nonprofit Organizations, OMB Circular A-122, (if the Contractor is a nonprofit organization).
 - Grants and Cooperative Agreements with State and Local Governments, OMB Circular A-102, (if the Contractor is a local government or federally recognized Indian tribal government).
 - Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations, OMB Circular A-110.
- Other
 - Anti-Kickback Act, 18 USC 874; 40 USC 276b, 276c; 41 USC 51-54.
 - H.R. 3547, Consolidated Appropriations Act, 2014.

- Governmental Guidance for New Restrictions on Lobbying; Interim Final Guidance, Federal Register 1, Vol. 54, No. 243\Wednesday, December 20, 1989.
- Hatch Political Activity Act, 5 USC 1501-8.
- Lobbying and Disclosure, 42 USC 3537a and 3545 and 31 USC 1352 (Byrd Anti-Lobbying Amendment). 31 USC 1352 provides that Contractors who apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or other award covered by 31 USC 1352. Each tier must disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.
- Non-Supplanting Federal Funds.
- Section 8 Housing Assistance Payments Program.
- Privacy
 - Privacy Act of 1974, 5 USC 522a.
- Relocation
 - Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 and implementing regulations at 49 CFR part 24.
 - Section 104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR part 570.
- WASHINGTON STATE LAWS AND REGULATIONS
 - Affirmative Action, RCW 41.06.020 .
 - Departments of Directors or Officers of Non-Profit Corporations – Liability - Limitations, RCW 4.24.264.
 - Disclosure-Campaign Finances-Lobbying, Chapter 42.17 RCW.
 - Discrimination-Human Rights Commission, Chapter 49.60 RCW.
 - Ethics in Public Service, Chapter 42.52 RCW.
 - Affordable Housing Program, Chapter 43.185 RCW
 - Interlocal Cooperation Act, Chapter 39.34 RCW.
 - Noise Control, Chapter 70.107 RCW.
 - Office of Minority and Women’s Business Enterprises, Chapter 39.19 RCW and Chapter 326-02 WAC.
 - Open Public Meetings act, Chapter 42.30 RCW.
 - Prevailing Wages on Public Works, Chapter 39.12 RCW.
 - Public Records Act, Chapter 42.56 RCW.
 - Relocation Assistance - Real Property Acquisition Policy, Chapter 8.26 RCW.
 - Shoreline Management Act of 1971, Chapter 90.58 RCW
 - State Budgeting, Accounting, and Reporting System, Chapter 43.88 RCW.
 - State Building Code, Chapter 19.27 RCW and Energy-Related Building Standards, Chapter 19.27A RCW, and Provisions in Buildings for Aged and Handicapped Persons, Chapter 70.92 RCW.

- o State Coastal Zone Management Program Section 309 Assessment and Strategy (Publication 01-06-003), Shorelands and Environmental Assistance Program, Washington State Department of Ecology.
- o State Environmental Policy, Chapter 43.21C RCW.
- o State Executive Order 05-05, Archeological and Cultural Resources.

56. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

57. LIMITATION OF AUTHORITY

Amendments must be mutually negotiated. Only the Authorized Representative or Authorized Representative's designee by writing (designation to be made prior to action) shall have the express, implied, or apparent authority to negotiate alterations, amendments, modifications, or waivers to any clause or condition of this Contract.

58. LOCAL PUBLIC TRANSPORTATION COORDINATION

Where applicable, Contractor shall participate in local public transportation forums and implement strategies designed to ensure access to services.

59. NOTIFICATION OF TENANT RIGHTS/RESPONSIBILITIES

The Contractor shall provide all tenants, if any, with information outlining tenant rights and responsibilities under the Washington State Landlord Tenant laws, Title 59, Revised Code of Washington.

The Contractor shall also provide all occupants of property acquired with U.S. Department of Housing and Urban Development (HUD) funds notice regarding their eligibility for relocation assistance. Such notices will be provided as required by the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended and referenced in 49 CFR part 24 and Section 104(d) of the Housing and Community Development Act of 1974, as amended and referenced in 24 CFR 570 and noted in HUD's Handbook No. 1378.

Notifications will include but not be limited to:

- General Information Notice
- Notice of Displacement/Non-Displacement

60. POLITICAL ACTIVITIES

Political activity of Contractor employees and officers are limited by the State Campaign Finances and Lobbying provisions of Chapter 42.17 RCW and the Federal Hatch Act, 5 USC 1501 - 1508.

No funds may be used for working for or against ballot measures or for or against the candidacy of any person for public office.

61. PROCUREMENT STANDARDS FOR FEDERALLY FUNDED PROGRAMS

A Contractor which is a local government or Indian Tribal government must establish procurement policies and procedures in accordance with OMB Circulars A-102, Uniform Administrative Requirements for Grants in Aid for State and Local Governments, for all purchases funded by this Contract.

A Contractor which is a nonprofit organization shall establish procurement policies in accordance with OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Nonprofit Agencies, for all purchases funded by this Contract.

The Contractor's procurement system should include at least the following:

- A code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in the awarding of contracts using federal funds.
- Procedures that ensure all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.
- Minimum procedural requirements, as follows:

- Follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items.
- Solicitations shall be based upon a clear and accurate description of the technical requirements of the procured items.
- Positive efforts shall be made to use small and minority-owned businesses.
- The type of procuring instrument (fixed price, cost reimbursement) shall be determined by the Contractor, but must be appropriate for the particular procurement and for promoting the best interest of the program involved.
- Contracts shall be made only with reasonable subcontractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.
- Some form of price or cost analysis should be performed in connection with every procurement action.
- Procurement records and files for purchases shall include all of the following:
 - Contractor selection or rejection.
 - The basis for the cost or price.
 - Justification for lack of competitive bids if offers are not obtained.
- A system for contract administration to ensure Contractor conformance with terms, conditions and specifications of this Contract, and to ensure adequate and timely follow-up of all purchases.
 - Contractor and Subcontractor must receive prior approval from the Department for using funds from this Contract to enter into a sole source contract or a contract where only one bid or proposal is received when value of this contract is expected to exceed \$5,000.

Prior approval requests shall include a copy of proposed contracts and any related procurement documents and justification for non-competitive procurement, if applicable.

62. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

The funds provided under this Contract shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such funds or any other approval or concurrence under this Contract provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

63. PUBLICITY

The Contractor agrees not to publish or use any advertising or publicity materials in which the state of Washington or the Department's name is mentioned, or language used from which the connection with the state of Washington's or the Department's name may reasonably be inferred or implied, without the prior written consent of the Department.

64. RECAPTURE

In the event that the Contractor fails to perform this contract in accordance with state laws, federal laws, and/or the provisions of this contract, The Department reserves the right to recapture funds in an amount to compensate the Department for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by the Department. In the alternative, The Department may recapture such funds from payments due under this contract.

65. REGISTRATION WITH DEPARTMENT OF REVENUE

If required by law, the Contractor shall complete registration with the Washington State Department of Revenue.

66. RIGHT OF INSPECTION

At no additional cost all records relating to the Contractor's performance under this Contract shall be subject at all reasonable times to inspection, review, and audit by the Department, the Office of the State Auditor, and

federal and state officials so authorized by law, in order to monitor and evaluate performance, compliance, and quality assurance under this Contract. The Contractor shall provide access to its facilities for this purpose.

67. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, The Department may terminate the Contract under the "Termination for Convenience" clause, without the ten business day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

68. SEVERABILITY

If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract that can be given effect without the invalid provision, if such remainder conforms to the requirements of law and the fundamental purpose of this Contract and to this end the provisions of this Contract are declared to be severable.

69. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of the Department.

If the Department approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, the Department in writing may (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to the Department if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the Department for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that the Department and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

70. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

71. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the Contractor's income or gross receipts, any other taxes, insurance or expenses for the Contractor or its staff shall be the sole responsibility of the Contractor.

72. TERMINATION FOR CAUSE/SUSPENSION

If the Department concludes that the Contractor has failed to comply with the terms and conditions of this Contract, or has failed to use the loan proceeds only for those activities identified in the declared SCOPE OF WORK, or has otherwise materially breached one or more of the covenants in this Contract, the Department may at any time, at its discretion, upon notice to the Contractor, terminate the Contract and/or its attached agreements in whole or in part and declare the entire remaining balance of the loan, together with any interest accrued, immediately due and payable in full. Such Notice of Termination for Cause shall be in writing, shall state the reason(s) for such termination, and shall specify the effective date of the termination. The effective date of the termination will be determined by the Department. Such notice shall inform the Contractor of the breach of the relevant covenant and shall allow the Contractor at least thirty (30) business days to cure such breach, if curable. The notice shall instruct the Contractor that, if the breach is not cured or cannot be cured within thirty (30) business days, the outstanding balance of the loan shall be due and payable. If this Contract is so terminated, the Department shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination. Nothing in this section shall affect the Contractor's obligations to immediately repay the unpaid balance of the loan as prescribed in the Washington Administrative Code (WAC) 246-296-150.

73. TERMINATION FOR CONVENIENCE

The Department may terminate this Contract in the event that federal or state funds are no longer available to the Department, or are not appropriated for the purpose of meeting the Department's obligations under this Contract. The Department shall notify the Contractor in writing of its determination to terminate and the reason for such termination. The effective date of the termination will be determined by the Department. If this Contract is so terminated, the Department shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination. Nothing in this section shall affect Contractor's obligations to repay the unpaid balance of the loan.

74. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, Department of Health may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by Department of Health that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW, or any similar statute involving the Contractor in the procurement of, or performance under this contract.

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. The Contractor and their subcontractor(s) must identify and state of Washington employees for former state employees employed or on the firm's governing board during the past 24 months. Identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by the Department of Health that a conflict of interest exists, the Contractor may be disqualified from further consideration for the award of a contract.

In the event this contract is terminated as provided above, the Department shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the Department provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Department makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

75. TERMINATION PROCEDURES

After receipt of a notice of termination, except as otherwise directed by the Department, the Contractor shall:

- Stop work under the Contract on the date, and to the extent specified, in the notice;
- Place no further orders or subcontracts for materials, services, or facilities related to the Contract;
- Assign to the Department all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Department has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts. Any attempt by the Contractor to settle such claims must have the prior written approval of the Department; and
- Preserve and transfer any materials, contract deliverables and/or the Department property in the Contractor's possession as directed by the Department.

Upon termination of the Contract, the Department shall pay the Contractor for any service provided by the Contractor under the Contract prior to the date of termination. The Department may withhold any amount due as the Department reasonably determines is necessary to protect the Department against potential loss or liability resulting from the termination. The Department shall pay any withheld amount to the Contractor if the Department later determines that loss or liability will not occur.

The rights and remedies of the Department under this section are in addition to any other rights and remedies provided under this Contract or otherwise provided under law.

76. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of the Department.

77. WORK HOURS AND SAFETY STANDARDS

The Contract Work Hours and Safety Standards Act (40 USC 327-333)-Where applicable, all contracts awarded by recipients in excess of \$100,000 for construction and other purposes that involve the employment

of mechanics or laborers must include a provision for compliance with Section 102 and 107 of the Contract Work Hours Safety Standards Act (40 USC 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each subcontractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic is required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence;

ATTACHMENT I: PROMISSORY NOTE

**DRINKING WATER STATE REVOLVING FUND
(NON-MUNICIPAL)**

Contractor: Lummi Island Scenic Estates Community Club
Loan Number: PCL28486
Amount: \$398,000.00

The above named Contractor promises to pay to the order of the Washington State the principal sum declared above, along with any accrued interest to date at a rate specified in the attached Declarations Page as INTEREST RATE per annum. The Project Completion Amendment shall serve as an amendment to this Promissory Note determining the final loan amount and term of the loan. The term of the loan shall not exceed the period specified on the Declarations Page as LOAN TERM, beginning at contract execution with the final payment due on or before the date specified in the Contract Face Sheet as the Contract End Date.

An assistance recipient begins annual repayment of principal and interest no later than one year after contract execution. The first repayment installment is due on the first day of the month shown as PAYMENT MONTH on the Declarations Page. Interest only will be charged for this first payment if a draw is made prior to this date. All subsequent payments shall consist of principal and accrued interest due that month of each year during the remaining term of the loan.

The Contractor has the right to repay the unpaid balance of the loan in full at any time or make accelerated payments without penalty.

The Contractor will repay the loan in accordance with the preceding conditions through the use of a check, money order, or equivalent means made payable to the Washington State Department of Health, or its successor.

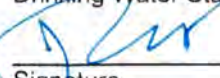
Default in the payment of any installment of principal or interest, at the option of the Board, shall render the whole amount due and payable, whether due by lapse of time or not, time being of the essence of this agreement. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any other time.

Default under this note is defined in the Loan Contract Section 1.14. Upon default, this note shall bear interest at the rate specified in the Loan Contract.

Should any action be brought for the collection of any principal or interest due under this note, the undersigned promises to pay all costs thereof, including such additional sum as attorneys' fees, as the court may adjudge reasonable.

The makers and endorsers severally waive presentment, protest, and demand, notice of protest, demand, or dishonor and nonpayment of this note, and expressly agree that this note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of the makers and endorsers hereof.

This note is to be governed by and construed in accordance with the laws of the State of Washington and policies of the Drinking Water State Revolving Fund.



Signature
James Coats

Print Name

8/08/2023

Date
President, LISECC Board of Directors

Title

ATTACHMENT II: FEDERAL AND STATE REQUIREMENTS

1. ENVIRONMENTAL AUTHORITIES

- Archeological and Historic Preservation Act of 1974, Public Law 86-523 as amended
- Clean Air Act, Public Law 84-159 as amended
- Coastal Zone Management Act, Public Law 92-583 as amended
- Endangered Species Act, Public Law 93-205 as amended
- Environmental Justice, Executive Order 12898
- Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990
- Farmland Protection Policy Act, Public Law 97-98
- Fish and Wildlife Coordination Act, Public Law 85-624 as amended
- National Historic Preservation Act of 1966, Public Law 89-665 as amended
- Safe Drinking Water Act, Public Law 93-523 as amended
- Wild and Scenic Rivers Act, Public Law 90-542 as amended

2. ECONOMIC AND MISCELLANEOUS AUTHORITIES

- Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended, Executive Order 12372
- Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- Uniform Relocation and Real Property Policies Act, Public Law 91-646 as amended
- Debarment and Suspension, Executive Order 12549
- H.R. 3547, Consolidated Appropriations Act, 2014.

3. SOCIAL POLICY AUTHORITIES

- Age Discrimination Act of 1975, Public Law 94-135
- Title VI of the Civil Rights Act of 1964, Public Law 88-352
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- Section 504 of the Rehabilitation Act of 1973, Public Law 93-112 (including Executive Orders 11914 and 11250)
- Equal Employment Opportunity, Executive Order 11246
- Disadvantaged Business Enterprise, Public Law 101-549 (the Clean Air Act), and Public Law 102-389 (the Clean Water Act)
- Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590

4. STATE LAWS

- Chapter 36.70A RCW, Growth Management Act
- Chapter 39.80 RCW, Contracts for Architectural and Engineering Services
- Chapter 39.12 RCW, Washington State Public Works Act
- Chapter 43.20 RCW, State Department of Health
- Chapter 43.70 RCW, Department of Health
- Chapter 43.155 RCW, Public Works Project
- Chapter 70.116 RCW, Public Water Systems Coordination Act of 1977
- Chapter 70.119 RCW, Public Water Supply Systems Certification and Regulation of Operations
- Chapter 70.119A RCW, Public Water Systems, Penalties & Compliances
- Chapter 246-290 WAC, Group A Public Water Systems
- Chapter 246-291 WAC, Group B Public Water Systems
- Chapter 246-292 WAC, Waterworks Operator Certification Regulations
- Chapter 246-293 WAC, Water Systems Coordination Act
- Chapter 246-294 WAC, Drinking Water Operating Permits
- Chapter 246-295 WAC, Satellite System Management Agencies
- Chapter 246-296 WAC Drinking Water State Revolving Fund Loan Program
- Chapter 173-160 WAC, Minimum Standards for Construction & Maintenance of Wells

- Title 173 WAC, Department of Ecology Rules
- Title 40 Part 141 Code of Federal Regulations, Federal National Primary Drinking Water Regulations (Section Adopted by Reference)

ATTACHMENT III: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

1. GENERAL COMPLIANCE, 40 CFR, PART 33

The Contractor agrees to comply with the requirements of Environmental Protection Agency's Program for Utilization of Small, Minority and Women's Business Enterprises (MBE/WBE) in procurement under this Contract, contained in 40 CFR, Part 33.

2. FAIR SHARE OBJECTIVES, 40 CFR, PART 33, SUBPART D

The following are exemptions from the fair share objective Requirements:

- Grant and loan recipients receiving a total of \$250K or less in EPA financial assistance in a given fiscal year.
- Tribal recipients of Performance Partnership Eligible grants under 40 CFR Part 35, Subpart B.
 - There is a 3-year phase in period for the requirement to negotiate fair share goals for Tribal and Insular Area recipients.
- Recipients of Technical Assistance Grants.
The Fair Share Objectives or goals for the utilization of disadvantaged businesses negotiated with EPA by the WA Office of Minority Women Business are stated below.

Construction	10% MBE	6% WBE
Supplies	8% MBE	4% WBE
Equipment	8% MBE	4% WBE
Purchased Services	10% MBE	4% WBE

By signing this Contract, the Contractor is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as WA Office of Minority Women Business goal is being adopted.

3. SIX GOOD FAITH EFFORTS, 40 CFR, PART 33, SUBPART C

Pursuant to 40 CFR, Section 33.301, the Contractor agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained. The six good faith efforts shall include:

- Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing the Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- Consider in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of The Department of Health.

- If the prime contractor awards subcontracts, also require the prime contractor to take the five good faith efforts in paragraphs A through E above.

4. MBE/WBE REPORTING, 40 CFR, PART 33, SECTIONS 33.502 AND 33.503

Contractor is required to submit MBE/WBE participation reports to the Department and/or the Department of Health, on a quarterly basis, beginning with the Federal fiscal year reporting period the Contractor receives the award and continuing until the project is completed.

5. CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, SECTION 33.302

The Contractor agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

The Contractor agrees to require all general contractors to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its Disadvantaged Business Enterprise subcontractors, engineers, vendors, and any other entity for work or services listed in the declared SCOPE OF WORK. These two (2) forms may be obtained from the EPA Office of Small Business Program's website on the internet at <http://www.epa.gov/osbp/grants.htm>.

The Contractor agrees to require all general contractors to complete and submit to the Contractor and Environmental Protection Agency EPA Form 6100-4 DBE Subcontractor Utilization Form beginning with the Federal fiscal year reporting period the Contractor receives the award and continuing until the project is completed. Only procurements with certified MBE/WBEs are counted toward a Contractor's MBE/WBE accomplishments.

6. BIDDERS LIST, 40 CFR, SECTION 33.501(b) AND (c)

The Contractor is also required to create and maintain a bidders list if the Contractor of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

Section 33.501(b) of the rule is as follows:

A recipient of a Continuing Environmental Program Grant or other annual grant must create and maintain a bidders list. In addition, a recipient of an EPA financial assistance agreement to capitalize a revolving loan fund also must require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. The purpose of a bidders list is to provide the recipient and entities receiving identified loans who conduct competitive bidding with as accurate a database as possible about the universe of MBE/WBE and non-MBE/WBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts or bid or quote on subcontracts under EPA assisted projects, including both MBE/WBEs.

The bidders list must be kept until the grant project period has expired and the recipient is no longer receiving EPA funding under the grant. For entities receiving identified loans, the bidders list must be kept until the project period for the identified loan has ended. The following information must be obtained from all prime and subcontractors:

- Entity's name with point of contact;
- Entity's mailing address, telephone number, and e-mail address;
- The procurement on which the entity bid or quoted, and when; and
- Entity's status as a MBE/WBE 1 or non-MBE/WBE.

The exemption found at § 33.501(c) is as follows:

A recipient of an EPA financial assistance agreement in the amount of \$250,000 or less for any single assistance agreement, or of more than one financial assistance agreement with a combined total of \$250,000 or less in any one fiscal year, is exempt from the paragraph (b) of this section requirement to create and maintain a bidders list. Also, a recipient under the CWSRF, DWSRF, or BCRLF Program is not required to apply the paragraph (b) of this section bidders list requirement of this subpart to an entity receiving an identified loan in an amount of \$250,000 or less, or to an entity receiving more than one identified loan with a combined total of \$250,000 or less in any one fiscal year. This exemption is limited to the paragraph (b) of this section bidders list requirements of this subpart.

¹ Qualified Women and Minority business enterprises may be found on the Internet at www.omwbe.wa.gov or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.

**ATTACHMENT IV: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS**



United States Environmental Protection Agency
Washington, DC 20460

EPA Project Control Number

The prospective participant certifies to the best of its knowledge and belief that it and the principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction: violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be ground for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

James Coats, President, Lummi Island Scenic Estates

Typed Name & Title of Authorized Representative

8/8/2023

Signature of Authorized Representative

Date

I am unable to certify to the above statements. My explanation is attached.

EPA Form 5700-49 (11-88)

ATTACHMENT V: DWSRF ELIGIBLE PROJECT COSTS

Must be directly attributable to the project.

1. The costs for complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
2. DWSRF loan fees.
3. The purchase of a portion of another system's capacity, if it is the most cost effective solution (limited to publicly owned (municipal) systems).
4. Construction of reservoirs (clear wells) that are part of the treatment process and are collocated with the treatment facility.
5. Construction of distribution reservoirs (finished water).
6. Cost associated with restructuring or consolidation of existing water systems by publicly owned water systems.
7. Main extensions to connect to safe and reliable sources of drinking water.
8. Cost associated with collecting and preparing environmental assessment documents to obtain local permits.
9. Direct labor including related employee benefits:
 - 9.1. Salaries and wages (at actual or average rates) covering productive labor hours of employees of the borrower (excluding the administrative organization of the operating unit involved) for periods of time actively or incidentally engaged in pre-design engineering, design engineering, construction engineering, acquisition of rights of way, and the cleaning, sterilization or bacteriological testing of water system components prior to public use. The costs of services rendered by employees generally classified as administration/project management of the loan are considered a direct cost only when such employees are assigned the types of services described above and shall be limited to 3% or less of the project loan amount.
 - 9.2. Employee benefits relating to labor are considered a direct cost of construction projects. The following items may be included as employee benefits:
 - F.I.C.A. (Social Security) –employer's share.
 - Retirement benefits.
 - Hospital, health, dental, and other welfare insurance.
 - Life insurance.
 - Industrial and medical insurance.
 - Vacation.
 - Holiday.
 - Sick leave.
 - Military leave and jury duty.

Employee benefits must be calculated as a percentage of direct labor dollars. The computation of predetermined percentage rates to be applied to current labor costs must be based on the average of total employee benefits and total labor costs for the prior fiscal year and adjusted by known current year variations.

- Other than work identified in Number 9.a, no costs associated with labor performed by the borrower's employees, including force account work, are eligible for financing assistance.
10. Contract engineering, planning, design, legal, and financial planning services. The Department reserves the right to declare ineligible legal costs that are unreasonable and disproportionate to the project.
 11. Contract construction work.
 12. Direct vehicle and equipment charges at the actual rental cost paid for the equipment or, in the case of city or county-owned equipment, at the rental rates established by the local government's "equipment rental and revolving fund" following the methods prescribed by the division of municipal corporations. However, such costs must be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities with a population of eight thousand or less not using this type of fund are allowed the same rates as used by the State Department of Transportation.
 13. Direct materials and supplies.
 14. Other direct costs incurred for materials or services acquired for a specific project are eligible costs and may include, but are not limited to such items as:
 - 14.1. Telephone charges.
 - 14.2. Reproduction and photogrammetry costs.
 - 14.3. Video and photography for project documentation.
 - 14.4. Computer usage.
 - 14.5. Printing and advertising.
 15. Other project related costs include:
 - 15.1. Competitive Bidding.
 - 15.2. Audit.
 - 15.3. Insurance.
 - 15.4. Prevailing wages.
 - 15.5. Attorney fees.
 - 15.6. Environmental Review.
 - 15.7. Archaeological Survey.

Water system plan costs and Small water system management program and plan amendments costs are eligible for reimbursement.

Projects may be designed to accommodate reasonable growth. This is generally the 20-year projection included in the system's water system plan or small water system management program.

ATTACHMENT VI: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE NOT GOVERNMENTAL ENTITIES

Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235)

Preamble

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides subgrants or loans to eligible entities within the State. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

Requirements Under The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) For Subrecipients That Are Not Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under the FY 2015 Consolidated and Further Continuing Appropriations Act with respect to subrecipients that are not governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the Department of Health for guidance. If a State recipient needs guidance, they may obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>

Under these terms and conditions, the subrecipient must submit its proposed DB wage determinations to the Department of Health for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2015 Consolidated and Further Continuing Appropriations Act, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Subrecipients must obtain proposed wage determinations for specific localities at www.wdol.gov. After the Subrecipient obtains its proposed wage determination, it must submit the wage determination to Department of Health, for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official).

(b) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

- (i) While the solicitation remains open, the subrecipient shall monitor www.wdol.gov on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.

(ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(d) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the Under the FY 2015 Consolidated and Further Continuing Appropriations Act, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient(s) to the State award official. The State award official will transmit the report, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request, and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week.

The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of

fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a). The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c). The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d). The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department

of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to Department of Health and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/whd/local/>.

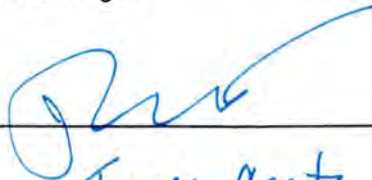
ATTACHMENT VII: UCC FILINGS

DRINKING WATER STATE REVOLVING FUND (NON-MUNICIPAL)

Lummi Island Scenic Estates Community Club
Loan #PCL28486

By signing, the Contractor acknowledges that a Uniform Commercial Code lien will be electronically filed against Contractor's accounts and/or assets, including but not limited to accounts receivable, the dedicated account for loan repayment, and proceeds therefrom. This filing can be retrieved at the Washington State Department of Licensing website: www.dol.wa.gov.

Signature:



Print Name:

James Coats

Title:

President, Lummi Island Scenic Estates Board of Directors

Date:

8/08/2023

ATTACHMENT VIII: CORPORATE RESOLUTION TO BORROW OR GUARANTEE

DRINKING WATER STATE REVOLVING FUND (NON-MUNICIPAL)

Lummi Island Scenic Estates Community Club Loan #PCL28486

Corporation: Lummi Island Scenic Estates
Community Club
1211 Island Drive
Lummi Island, WA 98262

Lender: State of Washington
Department of Health
Post Office Box 47822
Olympia, WA 98504-7822

I, the undersigned Secretary of the Corporation named above, hereby certify as follows: the Corporation is organized and existing under and by virtue of the laws of the State of Washington.


The Corporation has its principal office located at:
1211 Island Dr. Lummi Island, WA

The Officers of the Corporation are as follows:

Name	Position
James Coats	President
Jeffrey Smith	Vice President/Secretary
Lisa Machalski	Treasurer
David Canterman	Administration Chair
Timothy Robison	Operations Chair

I further certify that at a meeting of the Directors of the Corporation, duly and regularly called and held on the 30th day of October, 2021, at which a quorum was present and voting, the following resolutions were unanimously adopted:

BE IT RESOLVED that any 2 of the following named officers or employees of this Corporation, whose actual signatures are shown below

Name (please type)	Position	Actual Signature
James Coats	President	
Jeffrey Smith	Vice President/Secretary	
Lisa Machalski	Treasurer	

acting for and on behalf of this Corporation and as its act and deed, be and they are hereby authorized and empowered:

To borrow from the Lender, on such terms as may be agreed upon between the officers or employees and the Lender, such sum or sums of money as in their judgment should be borrowed, not exceeding, however, at any one time, the aggregate amount shown on the attached **Declarations Page** as LOAN AMOUNT.

To execute and deliver to Lender the promissory note or notes of the Corporation, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any indebtedness of the Corporation to Lender, and also to execute and deliver to Lender any renewal or renewals of the notes, or any of them, or any part thereof.

To mortgage, pledge, hypothecate, or otherwise encumber and deliver to Lender, as security for the payment of any loans so obtained, any promissory notes so executed, or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced, any property belonging to the Corporation or in which the Corporation may have an interest, real, personal or mixed. Such property may be encumbered, hypothecated, or pledged at addition to or in lieu of any property therefore mortgaged, hypothecated, encumbered, or pledged. The provisions of these resolutions authorizing or relating to the pledge, hypothecation, granting of a security interest in, or otherwise in any way encumbering the assets of the Corporation shall include, without limitation, doing so in order to lend collateral support to indebtedness, now existing or later arising any of any nature whatsoever, of the above named Corporation to the above named Lender. The Corporation has considered the value to itself of lending collateral in support of such indebtedness, and the Corporation represents to the Lender that the Corporation is benefited by doing so.

To execute and deliver to Lender the form of pledge agreement, security agreement, and financing statement which may be submitted by Lender, and which shall evidence the terms and conditions under and pursuant to which such pledges, or any of them, are made; and also to execute and deliver to Lender any mortgages, deeds, trust indentures, or other instruments in writing, or any kind or nature, which may be necessary or proper in connection therewith, or pertaining thereto.

To draw, endorse, and discount with Lender drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Corporation with Lender, or to cause such other disposition of the proceeds derived there from, as they may deem advisable. To do and perform such other acts and things and to execute and deliver such other documents as may in their discretion be deemed reasonably necessary or proper in order to carry into effect any of the provisions of these Resolutions.

BE IT FURTHER RESOLVED that these Resolutions shall remain in full force and effect until written notice of the revocation thereof shall have been delivered to and received by Lender. Any such notice shall not affect any agreements in effect or committed at the time notice is given.

I further certify that the persons hereinabove named occupy the positions set opposite their respective names; that the foregoing Resolutions now stand of record on the books of the Corporation; that they are in full force and effect and have not been modified or revoked in any manner whatsoever.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 8 Day of August, 2023

Secretary's Signature: [Signature]

Print Name: Jeffrey J. Smith

CORPORATE

SEAL HERE

Director's Signature: [Signature]

Print Name: James Coats Title*: President LISECC Board of Directors

*In case the Secretary or other certifying officer is designated by the foregoing resolutions as one of the signing officers, this certificate must also be signed by a second officer or Director of the Corporation.

ATTACHMENT IX: COMMERCIAL SECURITY AGREEMENT

DRINKING WATER STATE REVOLVING FUND (NON-MUNICIPAL)

Lummi Island Scenic Estates Community Club Loan #PCL28486

Contractor: Lummi Island Scenic Estates Community Club
1211 Island Drive
Lummi Island, WA 98262

Lender: Washington State
Department of Health
Post Office Box 47822
Olympia, WA 98504-7822

1. GRANT OF SECURITY INTEREST

For value received, and to secure both the payment of the Indebtedness owed to Lender and the performance of the obligations under this Security Agreement and any Related Documents, and in accordance with the definitions and terms set forth below, Contractor grants Lender a security interest in all of the following Collateral:

Contractor's accounts, and/or assets, including but not limited to accounts receivable, the dedicated account for loan repayment, and proceeds therefrom.

2. DEFINITIONS

"Indebtedness"

Shall mean all amounts and liabilities of every kind and description, whether now owed or hereafter owed by Contractor to Lender, whether or not evidenced by a promissory note or credit agreement and whether direct, indirect, or contingent.

"Related Documents"

Shall mean the promissory notes, loan agreements, guaranties, trust deeds, mortgages, other security agreements, or any other documents executed in connection with this Security Agreement or the Indebtedness, whether already existing or executed now or later.

"Collateral"

Shall mean the collateral described above, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located; and

All accessions, parts, or additions to and all replacements of and substitutions for any of the property described above; and

All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described above, including that described in the preceding subparagraph.

In addition to all liens upon, and rights of setoff against the moneys, securities, or other property of Contractor given to Lender by law, lender shall have a security interest in and a right of setoff against all moneys, securities, and other property of Contractor now or hereafter in the possession of or on deposit with Lender, whether held in a general or special account or deposit, or for safekeeping or otherwise; and every such security interest and right of setoff may be exercised without demand upon or notice to Contractor. No security interest or right of setoff shall be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right of setoff or to enforce such security interest, or by any delay in so doing; and every right of setoff and security interest shall continue in full force and effect until such right of setoff or security interest is specifically waived or released by an instrument in writing executed by Lender.

3. OBLIGATIONS OF CONTRACTOR

3.1. CONTRACTOR WARRENTS AND COVENANTS

Perfection of Security Interest

Contractor agrees to execute financing statements and to take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Contractor will deliver to Lender any and all documents evidencing or constituting the Collateral, and Contractor will note Lender's interest upon any and all chattel paper. Contractor hereby appoints Lender the Contractor's irrevocable attorney in fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted herein. Lender may at any time, and without further authorization from Contractor, file copies of this Security Agreement as a financing statement.

Removal of Collateral

Contractor warrants that the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) is located at Contractor's address or the Collateral address shown above. Except in the ordinary course of its business within the county in which the Collateral is located, Contractor shall not remove the Collateral from its location without the prior written consent of Lender, which shall not be unreasonably withheld. To the extent the Collateral constitutes vehicles, or other titled property, and except for sales of inventory in the ordinary course of its business, Contractor shall not take or permit any action which would require registration of the vehicles outside of the state in which the Lender is located, without the prior written consent of Lender.

Transactions Involving Collateral

Except for inventory sold or accounts collected in the ordinary course of Contractor's business, Contractor shall not sell, offer to sell, or otherwise transfer the Collateral. Contractor shall not pledge mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, or charge, other than the security interest provided for herein, without the prior written consent of Lender. This includes security interests even if junior in right to this Security Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender, and shall not be commingled with any other funds; provided, however, that this requirement shall not constitute consent by Lender to any sale or other disposition. Contractor shall immediately deliver any such proceeds to Lender.

Title

Contractor warrants that it holds marketable title to the Collateral subject only to the lien of this Security Agreement. Contractor shall defend Lender's rights against the claims and demands of all persons.

Use

Contractor shall keep the Collateral in first class condition and repair. Contractor will not commit or permit damage to or destruction of the Collateral or any part thereof.

Taxes, Assessments, and Liens

Contractor will pay when due all taxes, assessments, and liens upon the collateral, its use or operation, upon this Security Agreement, upon any promissory notes evidencing the Indebtedness or upon any of the other Related Documents. Contractor may withhold any such payment or may elect to contest any lien if Contractor is in good faith conducting appropriate proceedings to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized. If the Collateral is subjected to a lien which is not discharged within 15 days, Contractor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in any amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale. In any contest Contractor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Contractor shall name Lender as an additional obliged under any surety bond furnished in the contest proceedings.

Compliance with Governmental Requirements

Contractor shall comply promptly with all laws, ordinances and regulations of all governmental authorities applicable to the use of the Collateral. Contractor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral is not jeopardized.

Property Coverage

The Contractor shall obtain and keep in force during the term of this loan, a policy or policies of insurance providing coverage for all risks of physical damage or loss to the improvements and/or structures to be constructed using the proceeds of the loan contemplated by this agreement. Said policy or policies shall provide replacement cost coverage, with adequate policy limits to assure no co-insurance exposure by any insured under the policy or loss-payee thereunder. Said policies shall provide no less coverage than provided by the Builders Risk Coverage Form (CP 00 20 06 95 ISO), with any and all necessary endorsements to provide the all-risk, replacement cost coverage, to the improvements and/ or structures constructed utilizing the loan proceeds.

At its sole expense, upon completion of preconstruction activities, the Contractor shall obtain and keep in force during the term of this loan, permanent property coverage providing coverage for all risks of physical damage, written on a replacement cost basis. The Contractor shall maintain adequate policy limits to enable all insureds and loss payees to avoid any exposure to co-insurance penalties. No loss deductible shall exceed FIVE PERCENT (5%) of any loss, and the Department of Health shall have no loss deductible payment obligation under said policy/policies. The Department of Health shall be an insured and the loss-payee under all policies required by this section, to the extent of its insurable interests.

Liability Coverage

At its sole expense, the Contractor shall obtain and keep in force during the completion of activities listed in the SCOPE OF WORK shown on the Declarations Page, Commercial General Liability coverage, written on form CG 00 01 07 98 (ISO) or later editions, with policy limits of no less than \$1,000,000 per occurrence with a general aggregate limit of \$5,000,000, or the amount of the loan, whichever is less. Coverage shall be written on an occurrence basis, with the Department of Health a named insured at policy inception. Said policy shall be endorsed to reflect that Contractor, not the Department of Health shall be responsible for the payment of policy premiums, and that coverage shall be limited to claims arising from the project or projects, financed by the loan proceeds.

General Provisions

Within thirty business days of the execution of this agreement, the Contractor shall deliver to the Department of Health a certificate of insurance certifying that the insurance coverage required by this section has been obtained. The Department of Health reserves the right to review the insurance policies required by the section, to accept or reject them. The Contractor at its sole cost has the obligation to replace or secure the coverage to replace policy provisions rejected by the Department of Health. Each policy shall contain a provision requiring the insurance carrier to notify the Department of Health in writing at least seven days prior to any policy cancellation of any failure by the Contractor to pay the policy premiums, or of any lapse in coverage.

The coverage required by this section shall be secured exclusively through insurance carriers licensed to do business in the State of Washington, and shall not be subject to any self-insured retained limits.

3.2. CONTRACTOR'S RIGHT TO POSSESSION

Until default, Contractor may have possession of the tangible personal property and beneficial use of all of the Collateral and may use it in any lawful manner not inconsistent with this Security Agreement or the Related Documents.

3.3. EXPENDITURES BY LENDER

If not discharged or paid by Contractor when due, Lender may discharge taxes, liens, security interest, or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the collateral, and may pay for maintenance and preservation of the Collateral. All such payments shall become a part of Contractor's obligations secured hereby, payable on demand, with interest at the maximum rate permitted by law from date of expenditure until repaid. Such right shall be in addition to any other rights or remedies to which Lender may be entitled on account of default.

3.4. EVENTS OF DEFAULT

Contractor shall be in default under this Security Agreement upon:

Failure to make any payment of the Indebtedness when due; or

Failure to comply within 15 days after written notice from Lender demanding compliance with any other term, obligation, covenant or condition contained herein (or in any of the Related Documents); provided, if compliance

is not possible within 15 days, default shall occur upon failure within 15 days to take steps that will produce compliance as soon as is reasonably practical; or

Any warranty, representation, or statement made or furnished to Lender by or on behalf of Contractor proves to have been false in any material respect when made or furnished; or

Contractor's death (if Contractor is an individual), dissolution or termination of Contractor's existence as a going business, insolvency, appointment of a receiver for any part of Contractor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Contractor; or

Commencement of foreclosure, whether by judicial proceeding, self-help, repossession, or any other method, by any creditor of Contractor against any of the Collateral, but this subsection shall not apply in the event of a good faith dispute by Contractor as to the validity or reasonableness of the claim which is the basis of the foreclosure suit, provided that Contractor provides Lender with written notice of such claim and provides adequate reserves.

3.5. RIGHTS OF LENDER

Rights Prior to Default or Thereafter

Lender and its designated representatives or agents may at all reasonable times examine and inspect the Collateral, wherever located.

Rights upon Default or Thereafter

Upon default, or if Lender reasonably deems itself insecure, Lender may exercise any one or more of the following rights and remedies in addition to any other rights or remedies that may be available at law, in equity, or otherwise:

Lender may declare the entire Indebtedness including any prepayment penalty which Contractor would be required to pay, immediately due and payable.

Lender may require Contractor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating thereto. Lender may require Contractor to assemble the Collateral and make it available to Lender at a place to be designated by Lender which is reasonably convenient to both parties. Lender also shall have full power to enter upon the property of Contractor to take possession of and remove the Collateral.

Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Contractor. Lender may sell the Collateral at public auction. Unless the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Lender will give Contractor reasonable notice of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed by registered or certified mail, postage prepaid, to the address of Contractor stated in this Security Agreement at least 10 days before the time of the sale or disposition. Contractor shall be liable for expenses of retaking, holding, preparing for sale, selling, and the like.

Lender may have a receiver appointed as a matter of right. The receiver may be an employee of Lender and may serve without bond. All fees of the receiver and his attorney shall be secured hereby.

Lender may revoke Contractor's right to collect the rents and revenues from the Collateral, and may, either itself or through a receiver, collect the same. To facilitate collection, Lender may notify any account debtors of Contractor to pay directly to Lender.

Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section. Contractor shall be liable for a deficiency even if the underlying transaction is a sale of accounts or chattel paper.

Lender shall have and may exercise any or all of the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, at law, in equity, or otherwise.

3.6. WAIVER

Lender shall not be deemed to have waived any rights hereunder (or under the Related Documents) unless such waiver be in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a breach of a provision of this Security Agreement shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Whenever consent by Lender is required herein, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required herein.

3.7. REMEDIES CUMULATIVE

All of the Lender's rights and remedies, whether evidenced hereby or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Contractor under this Security Agreement after Contractor's failure to perform shall not affect Lender's right to declare a default and exercise its remedies under Section 3.5.

3.8. SUCCESSOR INTERESTS

This Security Agreement shall be binding upon and inure to the benefit of the parties, their successors, and assigns, but whenever there is no outstanding Indebtedness, Contractor may terminate this Security Agreement upon written notice to Lender.

3.9. NOTICE

Any notice under this Security Agreement shall be in writing and shall be effective when actually delivered or when deposited in the mail, registered or certified, addressed to the parties at the addresses stated herein or such other addresses as either party may designate by written notice to the other.

3.10. EXPENSES, COSTS, AND ATTORNEY'S FEES

In the event Lender is required to commence any suit or action to enforce any of the terms of this Security Agreement, Lender shall be entitled to recover from Contractor reasonable attorneys' fees and legal expenses at trial and also such fees and expenses on appeal, in addition to all other sums provided by law. In the event that Lender is otherwise required to incur any expenses whatsoever to protect or enforce its rights hereunder, whether or not litigation is commenced, Lender shall be entitled to recover any and all such sums and all incidental expenses, including such reasonable attorneys' fees. All such sums shall be part of the Indebtedness secured hereby.

3.11. APPLICABLE LAW

This Security Agreement is accepted in and shall be governed by the laws of the state of Washington.

3.12. MULTIPLE PARTIES; CORPORATE AUTHORITY

If Contractor consists of more than one person or entity, all obligations of Contractor under this Security Agreement shall be joint and several. Where any one or more of Contractors are corporations or partnerships, it is not necessary for Lender to inquire into the powers of Contractors or the officers, directors, partners, or agents acting or purporting to act on their behalf, and any Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

ATTACHMENT IX: COMMERCIAL SECURITY AGREEMENT SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the dates shown below.

LENDER:

Washington State Department of Health

By: *John S. Webley*

Title: Contract Specialist III

Print Name: WA Department of Health Contracts Office

Date: 08/17/2023

CONTRACTOR:

Lummi Island Scenic Estates Community Club

By: *[Signature]*

Title: President, LISECC Board of Directors

Print Name: James Coats

Date: 8/08/2023