Kitsap County
CONTRACT REVIEW SHEET
(Chapter 3.56 KCC)

A. CONTRACT INFORMATION *(for Contract Signing Authority, see KCC 3.56.075)*

1. Contractor: Kitsap Community Resources
2. Purpose: Repayment of funding for Milestone payment
3. Contract Amount: $1,500,000 Disburse [ ] Receive [X]
4. Contract Term: June 29, 2026 – August 31, 2031
5. Contract Administrator: Doug Washburn Phone: 360-337-4526
6. Contract Control No.: KC-364-26
7. Fund Name: FD00113 Housing Affordability
8. Grant Funded: Yes [X] Agreement No.: No [ ]
9. Accounting Worktag / Revenue, Spend Category, or Grant: Program 1131 Ledger 1268

Approved: Doug Washburn **Date** 10/14/2026
Department Director/Elected Official

B. AUDITOR – Funding Review

1. [X] Approved [ ] Not Approved
Reviewer Christopher Ferranti **Date** 10/19/2026
2. Comments: Accounting instructions reviewed & approved by Wanit. CF

C. ADMINISTRATIVE SERVICES DEPARTMENT – Risk Manager Review

1. [X] Approved [ ] Not Approved
Reviewer Anastasia Johnson **Date** 10/16/2026
2. Comments:

D. ADMINISTRATIVE SERVICES DEPARTMENT – Budget Manager Review

1. [X] Approved [ ] Not Approved
Reviewer Melissa Melloy **Date** 10/15/2026
2. Comments:

E. HUMAN RESOURCES – Human Resources Director Review
HR Director approval is required for any contract that may require labor negotiations (such as contracts for services performed by a bargaining unit) or employment contracts

1. [ ] Approved [ ] Not Approved
Reviewer **Date**
2. Comments:

F. INFORMATION SERVICES – Information Services Director Review
Signature only required if technology contract

1. [ ] Approved [ ] Not Approved
Reviewer **Date**
2. Comments:

G. PROSECUTING ATTORNEY

1. [ ] Approved as to Form [ ] Not Approved as to Form
Reviewer **Date**
2. Comments:

Contract Administrator: **Date** 10/14/2026
Date Approved by Authorized Contract Signer: **Date** 10/18/2026
RETURN SIGNED ORIGINALS TO: Douglas Zamastil @ MS-23 X4614

KC-364-26
REPAYMENT AGREEMENT

This Repayment Agreement is by and between Kitsap County, a Washington state political subdivision ("County"), and Kitsap Community Resources, a Washington state non-profit corporation ("KCR"). The County and KCR may collectively be referred to herein as the "Parties" and individually as a "Party".

RECITALS

A. The Parties entered into Contract KC-271-21, under which the County disbursed a restricted, $1,500,000 cash-flow milestone advance ("Milestone Payment") funded by public affordable housing grant surcharges collected pursuant to Chapter 36.22 RCW (specifically Fund 1131 Recording Fee Balances), which was intended strictly for revolving cash-flow management to be held in a dedicated account and returned in full to the County;

B. The Milestone Payment was not returned to the County upon the expiration of the original cash-flow management period, and the Parties now desire to establish a mutually agreed-upon payment schedule to return these public grant funds to the County's Housing Fund subject to the terms and conditions of this Repayment Agreement;

C. Concurrently with the execution of this Repayment Agreement, and in consideration for the County's agreement to not demand immediate full repayment of the public funds, to accept a structured repayment timeline, and to conditionally waive interest, KCR has agreed to execute a concurrent Statement and Confession of Judgment to secure its obligations under this Repayment Agreement; and

D. The Parties acknowledge and agree that this Repayment Agreement represents a negotiated compromise and mutual exchange of valuable benefits, consisting of the County's extension of payment deadlines and financial accommodations, and KCR's absolute acknowledgment of the debt, execution of the Confession of Judgment, and grant of cross-contract withholding rights.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. REPAYMENT TERMS AND SCHEDULE

1.1 Date of Execution. The "Date of Execution" of this Repayment Agreement means the date last executed by the Parties. This date shall serve as the official baseline for all payment timelines and post-default interest calculations identified herein.

1.2 Repayment Schedule. KCR acknowledges an absolute, unconditional debt owed to the County in the principal amount of $1,500,000. KCR agrees to repay this balance in full to the County's Housing Fund (replenishing Fund 1131 Recording Fee Balances) according to the following repayment schedule (hereinafter "Repayment Schedule"):

- First Installment: KCR paid $300,000 to the County on or before June 29, 2026, receipt of which the County hereby acknowledges.

- Monthly Installments: Commencing September 2026 and continuing on the last day of each calendar month thereafter through August 31, 2031, KCR shall pay $20,000 to the County [sixty (60) monthly installments, totally $1,200,000], at which time, together with the First Installment, the full $1,500,000 principal balance shall be considered paid and satisfied in full.

All payments delivered under this Repayment Schedule must be made via wire transfer or ACH delivery directly into the County's designated Housing Fund account, utilizing explicit routing instructions provided by the County Representative. Funds must be cleared and settled in full on or before 5:00 PM Pacific Time on the respective due date to be considered timely.

1.3 Prepayment. KCR may prepay any portion of the outstanding principal balance under this Repayment Agreement at any time, in whole or part, without fee or penalty of any kind. Any such prepayment shall be applied to the outstanding principal balance. Prepayment of any amount shall not relieve KCR of its obligation to continue making the remaining scheduled payments under the Repayment Schedule as they become due, unless the Parties agree in writing to reduce or restructure the remaining schedule following such prepayment.

1.4 Priority of Repayment Obligation. KCR agrees that it shall treat its repayment obligation to the County under this Repayment Agreement as a priority obligation among KCR's payment obligations and shall make the payments required under the Repayment Schedule ahead of payments to its other unsecured creditors, vendors, and contract counter parties to the extent KCR is able to do so consistent with its other legal and contractual commitments.

1.5 Conditional Interest Waiver. Interest shall accrue on the unpaid principal balance of this Repayment Agreement from the Date of Execution at a rate of twelve percent (12%) per annum. However, the County explicitly agrees to defer and waive all accrued interest provided KCR remains in compliance with the Repayment Schedule identified in subsection 1.2, or any subsequent due dates mutually agreed to in writing by the Parties. Upon successful timely completion of the final installment payment due on or before August 31, 2031, all accrued interest shall be permanently extinguished without further liability to KCR. In the event of any un-remedied Event of Default, this interest waiver shall automatically terminate, and interest at the rate of twelve percent (12%) per annum shall be calculated on the entire accelerated, outstanding principal balance of the debt, including all future scheduled payments, running retroactively from the Date of Execution, applying both pre-judgment and post-judgment until satisfied in full.

1.6 Unconditional Obligation. KCR explicitly agrees that its repayment obligation is absolute, fixed, and completely independent of any other contractual relationship, claim, or pending transaction between the Parties. This Repayment Agreement and the Repayment Schedule are not contingent upon any property transfer, real estate transaction, future grant funding, or any other external transaction or contingency whatsoever. Except as expressly provided in subsection 1.5, no oral or email communications shall alter the fixed nature of these obligations.

1.7 Repayment Schedule Adjustments. The Parties recognize that minor adjustments to specific payment dates may be considered and approved only by a written amendment to this Repayment Agreement executed by the authorized representatives of both Parties.

SECTION 2. DEFAULT AND REMEDIES

2.1 Default. The Parties agree that KCR shall be in default of this Repayment Agreement if:

2.1.1 KCR fails to make any scheduled payment set forth in Section 1; or

2.1.2 KCR files for bankruptcy, enters receivership, or ceases operations.

2.2 Confession of Judgment. Concurrently with the execution of this Repayment Agreement, and as a material inducement for the County to accept its repayment proposal, KCR shall execute a statement and affidavit confessing judgment under chapter 4.60 RCW in the principal amount up to $1,500,000, in a form substantially similar to Exhibit A attached and incorporated by reference. The County shall maintain custody of the executed Confession of Judgment and shall not file it with the Kitsap County Superior Court, provided KCR remains in compliance with the terms of this Repayment Agreement.

2.3 Revocation of Waiver, Entry of Judgment. Immediately upon the occurrence of an Event of Default as defined by Section 2.1, and without further notice, grace period, or opportunity to cure by KCR:

2.3.1 The conditional interest waiver set forth in Subsection 1.3 shall automatically become null and void. Interest at the rate of twelve percent (12%) per annum shall immediately attach to the entire remaining unpaid principal balance of the $1,500,000 debt (effectively accelerating all future installments), calculated retroactively from the Date of Execution of this Repayment Agreement, which rate shall apply both pre-judgment and post-judgment, and shall continue to accrue at said rate on all unpaid amounts until the judgment is completely satisfied.

2.3.2 The County may immediately file the Confession of Judgment with the Kitsap County Superior Court for the full remaining unpaid principal balance, plus all retroactively applied accrued interest, actual court costs, collection expenses, and reasonable attorneys' fees. KCR explicitly waives any right to prior notice of filing, a hearing, or any rights of appeal regarding the entry of said judgment.

2.4 Failure to Perform / Monies Withheld. If the County in good faith determines KCR has failed to perform any material obligation of this Repayment Agreement and such failure has not been cured within 10 business days following notice from the County, the County may, without penalty, in its discretion, withhold all monies due KCR under any other active county funding line, grant, or contract currently in effect or entered into in the future with the County until the breach has been cured or this Repayment Agreement has been paid in full. KCR agrees that the execution of this Repayment Agreement constitutes an amendment of every other contract, grant, or funding agreement currently in effect between the Parties and shall automatically apply to all future agreements between the Parties until this debt is paid in full, even if this cross-withholding right is not mentioned in the specific agreement being frozen. KCR hereby consents to this cross-withholding remedy and waives any claim or defense that County breached any current or future contract by freezing these funds pursuant to this Section. The County's right to withhold monies under this Section is a cumulative remedy and shall exist in addition to and independent of the County's right to immediately file the Confession of Judgment under Section 2.3 without notice or a cure period.

2.5 Right of Assurance. If the County has a good faith reason to believe KCR does not intend or cannot perform, or cannot continue performing under this Repayment Agreement, the County may demand in writing that KCR give a written assurance of intent to perform. Should KCR fail to provide adequate assurance to the reasonable satisfaction of the County by the date specified in the demand, the County may declare an immediate Event of Default and obtain a Judgment and pursue all available remedies at law and equity.

SECTION 3. INDEMNIFICATION

3.1 Indemnification. To the fullest extent permitted by law, KCR shall indemnify, defend, and hold harmless Kitsap County and its elected and appointed officials, officers, employees, and agents from and against all Claims resulting from or arising out of KCR's prior handling of Contract KC-271-21 funds or the execution of this Repayment Agreement.

3.2 Claims. For purposes of this Repayment Agreement, "Claim" means any loss, lawsuit, liability, damage, judgment, settlements, fine or expense, of any kind or nature whatsoever, including without limitation, all costs of Claim processing, investigation, and reasonable attorneys' fees. This term includes without limitation bodily injury, sickness, disease, disability, death, infringement of a third party's intellectual property rights, or loss or damage to tangible or intangible business or property, including the loss of use.

SECTION 4. NOTICE, CONTRACT REPRESENTATIVES

4.1 Notices. All notices, requests, demands, or other formal communications required or permitted under this Repayment Agreement must be in writing. A notice will be deemed sufficiently given only if personally served, mailed by registered or certified mail (postage prepaid), or sent via email immediately followed by a backup hard copy dispatched via First Class mail to the applicable Party's Representative designated below.

4.2 Effective Date. Personal service is effective immediately, physical mail is effective three (3) days after deposit, and email is effective on the date sent if transmitted before 5:00 PM Pacific Time on a regular business day without a bounce-back. Any email notice sent after 5:00 PM, or on a weekend or recognized County holiday, will be deemed effective at 9:00 AM on the next business day.

4.3 Representatives. Each Party's representative is identified below.

County's Representative
Name: Doug Washburn
Title: Director, Kitsap County Department of Human Services
Address: 614 Division Street, MS-23, Port Orchard, WA 98366-4676
Phone: (360) 337-4526
Email: dwashburn@kitsap.gov

KCR's Representative
Name: Anthony Ives
Title: Executive Director, Kitsap Community Resources
Address: 1201 Park Avenue, Bremerton, WA 98337
Phone: 360-473-2013
Email: aives@kcr.org

SECTION 5. GENERAL PROVISIONS

5.1 Governing Law; Venue. This Repayment Agreement will be governed in all respects by the laws of Washington state, both as to interpretation and performance, without regard to conflicts of law or choice of law provisions. Any action arising out of or in connection with this Repayment Agreement shall be instituted and maintained only in the Superior Court of Kitsap County, Washington.

5.2 Time of the Essence. The Parties agree that time is of the essence in the performance of this Repayment Agreement.

5.3 Implied Contract Terms. Each provision of law and any terms required by law to be in this Repayment Agreement are made a part of the Repayment Agreement as if fully stated in it.

5.4 Severability. If a court of competent jurisdiction holds any provision of this Repayment Agreement to be illegal, invalid, or unenforceable, the validity of the remaining provisions will not be affected.

5.5 Survival. The provisions of this Repayment Agreement necessary to enforce the County's collection remedies and protect public funds, shall survive any default, breach, or partial performance of this Repayment Agreement until the principal balance and any accrued interest are paid in full.

5.6 Counterparts/Electronic Signature. This Repayment Agreement may be executed in several counterparts, each of which shall be deemed an original. Facsimile, email, or other electronically delivered signatures shall be deemed to constitute original signatures.

5.7 Entire Agreement. The Parties acknowledge that this Repayment Agreement represents the Parties' entire agreement concerning the repayment of the $1,500,000 Milestone Payment under Contract KC-271-21. All previous negotiation agreements, oral or written, are hereby superseded.

5.8 Authorization. Each Party signing below warrants to the other Party that they have the full power and authority to execute this Repayment Agreement on behalf of the Party they sign.

Dated the 16th day of September, 2026

KITSAP COMMUNITY RESOURCES

ANTHONY IVES, Executive Director

Dated the 16th day of SEPT., 2026

KITSAP COMMUNITY RESOURCES

LESLIE DAUGS, Board President

DATED or ADOPTED this 18 day of OCT, 2026.

BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON

ORAN ROOT, Chair

KATHERINE T. WALTERS, Commissioner

CHRISTINE ROLFES, Commissioner

ATTEST:

Tabatha Hoesch, Clerk of the Board

EXHIBIT A
STATEMENT AND CONFESSION OF JUDGMENT
(RCW 4.60.050; RCW 4.60.060)

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR KITSAP COUNTY

KITSAP COUNTY, a political subdivision of the State of Washington,

Plaintiff,

-vs-

KITSAP COMMUNITY RESOURCES, a Washington non-profit corporation.

Defendant.

NO. _____

STATEMENT AND CONFESSION OF JUDGMENT

(RCW 4.60.050; RCW 4.60.060)

Pursuant to Chapter 4.60 of the Revised Code of Washington, Defendant Kitsap Community Resources ("KCR") hereby authorizes the entry of judgment in Kitsap County Superior Court against KCR in favor of Plaintiff Kitsap County in the full accelerated remaining principal sum of the $1,500,000 debt, plus interest accruing at a rate of twelve percent (12%) per annum calculated retroactively on the entire outstanding principal balance from the execution date of the concurrent Repayment Agreement, which rate shall apply both pre-judgment and post-judgment until satisfied in full, less credit given only for the actual principal payments rendered under the Agreement prior to default.

CHAD M. ENRIGHT
Kitsap County Prosecuting Attorney
614 Division Street, MS-35A
Port Orchard, WA 98366-4676
(360) 337-4992 Fax (360) 337-7083
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I. STATUTORY STATEMENT OF FACTS (RCW 4.60.060(1))

1.1 This Confession of Judgment is given to secure a just debt now justly due from KCR to Kitsap County.

1.2 The Parties entered into KC-271-21 Contract for Human Services ("KC-271-26"), under which Kitsap County disbursed a restricted affordable housing grant cash-flow advance in the amount of $1,500,000 ("Milestone Payment") pursuant to Chapter 36.22 RCW to KCR.

1.3 Pursuant to the terms of KC-271-21, KCR was contractually obligated to maintain and return the $1,500,000 Milestone Payment to the County in full in June 2023.

1.4 The Milestone Payment was not returned to the County upon the expiration of the original cash-flow management period, and KCR acknowledges and confirms that it owes Kitsap County the absolute principal sum of $1,500,000.

1.5 KCR has executed KC-364-26 Repayment Agreement ("Repayment Agreement"), to govern the structured return of these funds to the County's Housing Fund (replenishing Fund 1131 Recording Fee Balances). Under the Repayment Agreement, interest is calculated retroactively back to its execution upon an Event of Default.

II. AUTHORIZATION OF IMMEDIATE ENTRY (RCW 4.60.060(2))

2.1 In the event of an Event of Default as defined in Section 2 of the Repayment Agreement, KCR hereby authorizes Kitsap County to file this Statement and Confession of Judgment with the Clerk of the Kitsap County Superior Court.

2.2 Upon such filing, the Court is authorized to immediately enter judgment against KCR for the full remaining unpaid principal balance, plus interest accruing at twelve percent (12%) per annum retroactively calculated from the date of agreement execution, which rate shall apply both pre-judgment and post-judgment until satisfied in full, actual court costs, collection expenses, and

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reasonable attorneys' fees, without further notice, motion, or hearing.

III. ACKNOWLEDGMENTS, CORPORATE AUTHORITY, AND WAIVERS

3.1 Defendant KCR explicitly asserts and warrants that the execution of this Statement and Confession of Judgment has been formally reviewed and approved by a quorum of the KCR Board of Directors via an official corporate resolution. KCR further warrants that Anthony Ives (Executive Director) and Leslie Daugs (Board President) have been granted express, actual authority by the Board to execute this instrument and bind the corporation to this judgment.

3.2 KCR acknowledges that it is fully aware of its right to prior notice, a judicial hearing, and a trial regarding any alleged default of the Repayment Agreement. KCR explicitly, knowingly, and voluntarily waives those due process rights, along with any rights of appeal, and directs the Court to enter this judgment immediately upon filing by the Plaintiff without further delay or inquiry.

3.3 KCR acknowledges and warrants that it has been advised of its right to seek independent legal counsel, has had an absolute and unimpeded opportunity to have this document reviewed by its own attorneys, and fully understands the severe legal consequences of executing a Confession of Judgment.

3.4 KCR acknowledges that this instrument is executed as part of a commercial, non-consumer transaction involving the structured return of public affordable housing grant funds, and that the remedies and 12% retroactive interest rate contained herein are reasonable, non-punitive, and fully negotiated by both Parties.

///

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DATED this 16th day of September 2026

KITSAP COMMUNITY RESOURCES, Defendant

By: _____
Anthony Ives, Executive Director

VERIFICATION / AFFIDAVIT)
)
STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

Anthony Ives, being first duly sworn, deposes and says:

That he is the Executive Director of Kitsap Community Resources, the corporation described in and which executed the foregoing Statement and Confession of Judgment; that he is authorized to execute this instrument on behalf of said corporation; that he has read the same, know the contents thereof, and that the matters of fact stated therein are true to the best of his knowledge, information, and belief.

SUBSCRIBED AND SWORN to before me this 16 day of Sep 2026.

NOTARY PUBLIC in and for the State of
Washington, residing at Kitsap
My Commission Expires: Jan 8 2030

KEYSHA GRZYBOWSKI
Notary Public
State of Washington
Commission # 26003268
My Comm. Expires Jan 8, 2030

CHAD M. ENRIGHT
Kitsap County Prosecuting Attorney
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DATED this 16th day of Sept. 2026

KITSAP COMMUNITY RESOURCES, Defendant

By: _____
Leslie Daugs, KCR Board President

VERIFICATION / AFFIDAVIT)
)
STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

Leslie Daugs, being first duly sworn, deposes and says:

That she is the President of the Kitsap Community Resources Board of Directors, the corporation described in and which executed the foregoing Statement and Confession of Judgment; that she is authorized to execute this instrument on behalf of said corporation; that she has read the same, know the contents thereof, and that the matters of fact stated therein are true to the best of her knowledge, information, and belief.

SUBSCRIBED AND SWORN to before me this 16 day of Sep 2026.

NOTARY PUBLIC in and for the State of Washington, residing at Kitsap
My Commission Expires: Jan 8 2030

KEYSHA GRZYBOWSKI
Notary Public
State of Washington
Commission # 26003268
My Comm. Expires Jan 8, 2030

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