

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2012

Open to Public Inspection

Form **990**

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2012 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization
CRAFT3
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
203 HOWERTON WAY SE - PO BOX 826
 City, town, or post office, state, and ZIP code
ILWACO, WA 98624

D Employer identification number
91-1662698

E Telephone number
360-642-4265

F Name and address of principal officer: JOHN BERDES
SAME AS C ABOVE

G Gross receipts \$ **20,624,387.**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ **WWW.CRAFT3.ORG**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **1994** **M State of legal domicile:** **WA**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	TO STRENGTHEN ECONOMIC, ECOLOGICAL AND FAMILY RESILIENCE IN PACIFIC NORTHWEST COMMUNITIES.	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	61
	6	Total number of volunteers (estimate if necessary)	6	0
	7	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 14,237,037.	Current Year 6,683,389.
	9	Program service revenue (Part VIII, line 2g)	4,198,736.	5,931,223.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	184,214.	370,886.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,619,987.	12,985,498.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	10,000.	3,000.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,733,473.	4,329,255.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 146,483.		
Expenses	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,111,167.	5,108,138.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,854,640.	9,440,393.
	19	Revenue less expenses Subtract line 18 from line 12	10,765,347.	3,545,105.
	20	Total assets (Part X, line 16)	Beginning of Current Year 78,794,308.	End of Year 91,163,433.
Net Assets or Fund Balances	21	Total liabilities (Part X, line 26)	50,876,862.	60,463,350.
	22	Net assets or fund balances Subtract line 21 from line 20	27,917,446.	30,700,083.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer: *[Signature]* Date: **7/15/13**

Type or print name and title: **DAVID OSER, CFO**

Paid Preparer Use Only

Print/Type preparer's name: **RAYMON G. HOLMDAHL** Preparer's signature: *[Signature]* Date: **07/09/13** Check if self-employed: PTIN: **P00120599**

Firm's name: **PETERSON SULLIVAN LLP, CPA'S** Firm's EIN: **91-0605875**

Firm's address: **601 UNION ST, STE 2300 SEATTLE, WA 98101-2345** Phone no.: **2063827777**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED AUG 01 2013

917 21

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

X

1 Briefly describe the organization's mission

TO STRENGTHEN ECONOMIC, ECOLOGICAL AND FAMILY RESILIENCE IN PACIFIC NORTHWEST COMMUNITIES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No X

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No X

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 4,482,008. including grants of \$ 3,000.) (Revenue \$ 2,942,726.)

PROVIDING BUSINESS SUPPORT, MARKETING ASSISTANCE AND HIGH RISK NON-BANK CREDIT TO BUSINESSES AND INDIVIDUALS IN WASHINGTON AND OREGON; IMPROVING THE PHYSICAL AND ECONOMIC ENVIRONMENTS THROUGH REDUCTION OF WASTE, ENERGY AND CHEMICAL USAGE THROUGH MISSION BASED LENDING.

4b (Code) (Expenses \$ 544,493. including grants of \$) (Revenue \$ 1,480,859.)

CRAFT3 PROVIDES EXPERT GUIDANCE IN STRATEGIC PLANNING, ORGANIZATIONAL DEVELOPMENT, ECONOMIC DEVELOPMENT, AND REAL ESTATE DEVELOPMENT. THE SERVICES ARE DESIGNED TO ASSIST BUSINESSES, NON-PROFIT ORGANIZATIONS AND LOCAL GOVERNMENTS IN ACCOMPLISHING THEIR GOALS.

4c (Code) (Expenses \$ 2,415,949. including grants of \$) (Revenue \$ 1,278,750.)

CRAFT3'S CLEAN ENERGY WORKS PROVIDES 100% FINANCING TO IMPLEMENT A WIDE RANGE OF ENERGY EFFICIENT MEASURES FOR PROPERTY OWNERS IN TARGETED AREAS.

4d Other program services (Describe in Schedule O)

(Expenses \$ 174,754. including grants of \$) (Revenue \$ 228,888.)

4e Total program service expenses 7,617,204.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No checkboxes. Includes sub-questions 1a-14b with associated data entry boxes.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions.

Check if Schedule O contains a response to any question in this Part VI

X

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (13), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b (X).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed WA, OR
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply: Own website, Another's website, X Upon request, Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ABBY BIELEMEIER, TREASURER - 360-642-4265 203 HOWERTON WAY SE - P.O. BOX 206, ILWACO, WA 98624

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEVE MCCONNELL BOARD CHAIRMAN	5.00	X		X				13,238.	0.	0.
(2) MARY HOUGHTON BOARD MEMBER	2.00	X						0.	0.	0.
(3) REBECCA CHAFFEE BOARD MEMBER	2.00	X						0.	0.	0.
(4) STAN AMY BOARD MEMBER	2.00	X						0.	0.	0.
(5) PATRICIA MORRISSEY BOARD MEMBER	2.00	X						0.	0.	0.
(6) MICHELE BURNETTE BOARD MEMBER	2.00	X						0.	0.	0.
(7) PAUL BENOIT BOARD MEMBER	2.00	X						0.	0.	0.
(8) DENISE PRANGER BOARD MEMBER	2.00	X						0.	0.	0.
(9) LINDA HOFFMAN BOARD MEMBER	2.00	X						0.	0.	0.
(10) LEE WINSLETT BOARD MEMBER	2.00	X						0.	0.	0.
(11) MARTHA CHOE BOARD MEMBER	2.00	X						0.	0.	0.
(12) LINDA NETTEKOVEN BOARD MEMBER	2.00	X						0.	0.	0.
(13) JOHN BERDES CHIEF EXECUTIVE OFFICER & BOARD MEMB	40.00	X		X				183,826.	0.	17,387.
(14) MIKE DICKERSON EXECUTIVE VICE PRESIDENT	40.00			X				159,302.	0.	5,774.
(15) SUE TAOKA EXECUTIVE VICE PRESIDENT	40.00			X				150,808.	0.	12,865.
(16) WALT POSTLEWAIT CHIEF OPERATING OFFICER	40.00			X				114,686.	0.	8,683.
(17) DAVID OSER CHIEF FINANCIAL OFFICER	40.00			X				129,924.	0.	12,967.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) RONI MONTEITH CHIEF CREDIT OFFICER	40.00			X				119,688.	0.	9,378.
(19) SONYA LYNN OPERATIONS AND PORTFOLIO MANAGER	40.00			X				96,916.	0.	7,147.
(20) ADAM ZIMMERMAN SENIOR VICE PRESIDENT	40.00			X				118,775.	0.	17,075.
(21) ABIGAIL BIELEMEIER CONTROLLER	40.00			X				69,749.	0.	5,172.
(22) JENNIFER JANDA MARKETING MANAGER/SECRETARY	40.00			X				58,943.	0.	3,161.
(23) JIM STANLEY SENIOR LENDER	40.00					X		103,676.	0.	11,141.
(24) GLENN HAYES IT DIRECTOR	40.00					X		115,699.	0.	0.
1b Sub-total								1,435,230.	0.	110,750.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,435,230.	0.	110,750.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **9**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
JORDAN RAMIS PC ATTORNEYS AT LAW PO BOX 230669, PORTLAND, WA 97281	LEGAL SERVICES	177,108.
PETERSON SULLIVAN LLP, 601 UNION STREET, SUITE 2300, SEATTLE, WA 98101	PROFESSIONAL SERVICES	105,532.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)	5,698,187.				
	f	All other contributions, gifts, grants, and similar amounts not included above	985,202.				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f	6,683,389.				
	Program Service Revenue	2 a	LENDING ACTIVITIES	522291	2,942,726.	2,942,726.	
b		PROGRAM CONSULTING	522291	1,480,859.	1,480,859.		
c		ENERGY PROGRAM	522291	1,278,750.	1,278,750.		
d		CLEAN WATER PROGRAM	522291	228,888.	228,888.		
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		5,931,223.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		216,650.		216,650.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real				
		Less: rental expenses	(ii) Personal				
		Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities		7,793,125.		
		Less: cost or other basis and sales expenses	(ii) Other		7,638,889.		
		Gain or (loss)			154,236.		
		Net gain or (loss)			154,236.		154,236.
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		Less: direct expenses	b				
		Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
Less: direct expenses		b					
Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	a					
	Less: cost of goods sold	b					
	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a							
	b						
	c						
	d	All other revenue					
e	Total. Add lines 11a-11d						
12	Total revenue. See instructions.		12,985,498.	5,931,223.	0.	370,886.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	3,000.	3,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,210,787.	1,746,945.	402,458.	61,384.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,329,708.	1,049,200.	242,285.	38,223.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	498,997.	401,563.	89,783.	7,651.
10 Payroll taxes	289,763.	233,184.	52,136.	4,443.
11 Fees for services (non-employees)				
a Management				
b Legal	99,098.	59,369.	20,443.	19,286.
c Accounting	48,317.	8,974.	39,343.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	67,709.	13,556.	54,153.	
13 Office expenses	145,297.	95,885.	49,307.	105.
14 Information technology	224,970.	137,847.	87,123.	
15 Royalties				
16 Occupancy	240,079.	165,463.	74,616.	
17 Travel	202,970.	103,254.	89,632.	10,084.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	71,997.	7,277.	63,712.	1,008.
20 Interest	1,120,060.	1,120,060.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	438,495.	392,525.	45,970.	
23 Insurance	41,802.	4,572.	37,230.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>LOAN COSTS</u>	1,531,645.	1,527,747.	3,898.	
b <u>CONSULTANTS</u>	443,293.	281,151.	162,142.	
c <u>MISCELLANEOUS</u>	219,169.	52,395.	162,475.	4,299.
d <u>EXTERNAL PROGRAM SUPPOR</u>	213,237.	213,237.		
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	9,440,393.	7,617,204.	1,676,706.	146,483.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,829,606.	1	1,827,183.
	2 Savings and temporary cash investments	19,633,165.	2	11,203,087.
	3 Pledges and grants receivable, net	592,466.	3	835,360.
	4 Accounts receivable, net	1,673,172.	4	1,672,742.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	47,317,302.	7	59,739,179.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	206,069.	9	234,687.
	10a Land, buildings, and equipment. cost or other basis. Complete Part VI of Schedule D	10a 179,637.		
	b Less accumulated depreciation	10b 37,407.		
	11 Investments - publicly traded securities	371,838.	10c	142,230.
	12 Investments - other securities. See Part IV, line 11	7,151,647.	11	7,472,093.
	13 Investments - program-related. See Part IV, line 11		12	100,000.
	14 Intangible assets		13	
15 Other assets. See Part IV, line 11	19,043.	14		
15 Other assets. See Part IV, line 11	19,043.	15	7,936,872.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	78,794,308.	16	91,163,433.	
Liabilities	17 Accounts payable and accrued expenses	1,549,757.	17	773,549.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	46,687,105.	24	57,726,693.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,640,000.	25	1,963,108.
	26 Total liabilities. Add lines 17 through 25	50,876,862.	26	60,463,350.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	22,760,220.	27	25,254,755.
	28 Temporarily restricted net assets	5,157,226.	28	5,445,328.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	27,917,446.	33	30,700,083.
	34 Total liabilities and net assets/fund balances	78,794,308.	34	91,163,433.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	12,985,498.
2	Total expenses (must equal Part IX, column (A), line 25)	2	9,440,393.
3	Revenue less expenses Subtract line 2 from line 1	3	3,545,105.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	27,917,446.
5	Net unrealized gains (losses) on investments	5	-42,125.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-720,343.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	30,700,083.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both.
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both.
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2012)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	5215605.	3320732.	7063481.	14237037.	6683389.	36520244.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	5215605.	3320732.	7063481.	14237037.	6683389.	36520244.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						3250135.
6 Public support. Subtract line 5 from line 4						33270109.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	5215605.	3320732.	7063481.	14237037.	6683389.	36520244.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	287,573.	80,490.	190,498.	180,434.	216,650.	955,645.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	17,348.					17,348.
11 Total support. Add lines 7 through 10						37493237.
12 Gross receipts from related activities, etc. (see instructions)					12 13,765,269.	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	88.74 %
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	86.13 %
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b, and Part III, line 12 Also complete this part for any additional information (See instructions)

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS INCOME

2008 AMOUNT: \$ 17,348.

Multiple horizontal lines for providing additional information.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012
Open to Public Inspection

Name of the organization

CRAFT3

Employer identification number

91-1662698

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	
b Total acreage restricted by conservation easements	
c Number of conservation easements on a certified historic structure included in (a)	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____

- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations
 - (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		5,412.	1,049.	4,363.
d Equipment		174,225.	36,358.	137,867.
e Other				

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) 142,230.

Part VII Investments - Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER ASSETS	752,543.
(2) INVESTMENTS IN SUBSIDIARIES	7,184,329.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	
	7,936,872.

Part X Other Liabilities. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) GRANT FUNDS TO BE RETURNED	1,963,108.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	
	1,963,108.

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b		4c
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b Also complete this part to provide any additional information

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

CRAFT3

Employer identification number

91-1662698

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input checked="" type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2	X	
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A: WE ENTERED INTO RENT/LEASE AGREEMENT WITH RONI MONTEITH FOR THE USE OF HER HOME FOR HER OFFICE IN WISCONSIN. WE ALSO ENTERED INTO A RENT/LEASE AGREEMENT WITH THE LANDLORD OF THE RESIDENTIAL RENTAL FOR JOHN BERDES IN SEATTLE. THIS WAS APPROVED BY MANAGEMENT COMMITTEE.

PART I, LINES 4A-B: DOUGLAS HITSMAN RECEIVED A SEVERANCE PAYMENT OF \$10,000. JOHN BERDES CONTRIBUTED A TIAA-CREF PAYMENT IN THE AMOUNT OF \$16,500.

PART I, LINE 7: YES, THE ORGANIZATION HAS A BONUSING PROGRAM BASED ON THE OVERALL FINANCIAL PERFORMANCE OF THE ORGANIZATION ALONG WITH OTHER NON-FINANCIAL FACTORS. THIS BONUSING PROGRAM IS OFFERED TO ALL EMPLOYEES/OFFICERS EXCEPT THE PRESIDENT. THE PRESIDENT'S BONUS IS AT THE SOLE DISCRETION OF THE BOARD. BONUSES WERE AWARDED FOR EMPLOYEES/OFFICERS AND THE PRESIDENT IN 2012.

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2012

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

Name of the organization

CRAFT3

Employer identification number
91-1662698

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

CRAFT3'S CLEAN WATER PROGRAM LOAN PROGRAMS PROVIDES FINANCING TO REPAIR
OR REPLACE EXISTING SEPTIC SYSTEMS FOR PROPERTY OWNERS IN TARGETED
AREAS.

EXPENSES \$ 174,754. INCLUDING GRANTS OF \$ 0. REVENUE \$ 228,888.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS PREPARED BY
PETERSON SULLIVAN THEN REVIEWED BY CRAFT3'S CFO, CONTROLLER AND/OR OTHER
DEPT MEMBERS AS DELEGATED BY CFO OR CONTROLLER. THE TAX RETURN IS THEN
SIGNED OFF AND FILED BY THE TAX DEPARTMENT OF PETERSON SULLIVAN. ONCE THE
990 HAS BEEN FILED IT WILL BE PROVIDED TO THE FINANCE COMMITTEE OF THE
BOARD OF DIRECTORS FOR REVIEW IF REQUESTED BY THEM.

FORM 990, PART VI, SECTION B, LINE 12C: ALL EMPLOYEES AGREE TO ABIDE BY
THE RULES BY READING THE EMPLOYEE POLICY HANDBOOK UPON HIRE. WE ARE
REQUIRED TO ACKNOWLEDGE THAT WE RE-READ IT EVERY YEAR.

FORM 990, PART VI, SECTION B, LINE 15: CRAFT3 UTILIZES THE HR SERVICES OF
WASHINGTON EMPLOYERS. TOGETHER, OUR CAO (CHIEF ADMINISTRATIVE OFFICER), HR
MANAGER AND WASHINGTON EMPLOYERS EVALUATE EACH POSITION. THIS INCLUDES
MARKET ANALYSIS, PAY GRADE, LENGTH OF SERVICE, JOB DESCRIPTION ANALYSIS
ETC. THESE WILL BE RE-EVALUATED ANNUALLY. ADDITIONALLY, ANNUAL
PERFORMANCE PLANS ARE COMPLETED BY ALL EMPLOYEES, REVIEWED AND APPROVED BY
THEIR SUPERVISORS. ANNUAL BONUSES (IF ANY THAT YEAR) ARE BASED OFF OF THE
RESULTS OF THE INDIVIDUAL'S PERFORMANCE PLAN AS WELL AS COMPANY PERFORMANCE
OVERALL. PAY INCREASES ARE DETERMINED BY SUPERVISORS THEN APPROVED BY THE

Name of the organization

CRAFT3

Employer identification number

91-1662698

MANAGEMENT COMMITTEE, OR DENIED/MODIFIED. FOR THE PRESIDENT, PAY INCREASES AND BONUSES ARE APPROVED BY THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE TO THE PUBLIC UPON REQUEST. ANNUAL AUDITED FINANCIAL STATEMENTS ARE ACCESSIBLE ON THE COMPANY WEBSITE: WWW.CRAFT3.ORG

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:
EQUITY METHOD INCOME (LOSS) FROM SUBSIDIARIES -720,343.

FORM 990, PART XII, LINE 2C
THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012
Open to Public
Inspection

Name of the organization

CRAFT3

Employer identification number
91-1662698

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CRAFT3 INVESTMENT I, LLC - 20-1180799 PO BOX 826 ILWACO, WA 98624	LENDING	WASHINGTON	-624	8,184	CRAFT3

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General of managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
CRAFT3 INVESTMENT II, LLC - 20-1179589, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	-72.	797.		X	N/A		X	.01%
CRAFT3 DEVELOPMENT II, LLC - 20-8330060, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	-88.	798.		X	N/A		X	.01%
CRAFT3 INVESTMENT III, LLC - 20-8211202, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	27.	1,145.		X	N/A		X	.01%
CRAFT3 DEVELOPMENT III, LLC - 26-2486533, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	-1.	1,142.	X		N/A		X	.01%

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
WINDFARM INVESTMENTS - 27-1496444 PO BOX 826 ILWACO, WA 98624	LENDING	WA	CRAFT3	C CORP	0.	1,388.	100%		X
CRAFT3 CAPITAL CORPORATION - 45-3850768 PO BOX 826 ILWACO, WA 98624	LENDING	WA	CRAFT3	C CORP	-720,333.	10,009,267.	100%		X

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes No	(k) Percentage ownership
							Yes	No			
CRAFT3 INVESTMENT IV, LLC - 26-2486724, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	11.	501.		X	N/A	X	.01%
CRAFT3 DEVELOPMENT IV, LLC - 26-2486626, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	-1.	499.		X	N/A	X	.01%
CRAFT3 INVESTMENT V, LLC - 26-3178833, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	0.	759.		X	N/A	X	.01%
CRAFT3 DEVELOPMENT V, LLC - 26-3178769, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	0.	757.		X	N/A	X	.01%
CRAFT3 INVESTMENT VI, LLC - 27-3039200, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	-468.	475.		X	N/A	X	.01%
CRAFT3 INVESTMENT VII, LLC - 27-3336997, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	15.	1,769.		X	N/A	X	.01%
CRAFT3 INVESTMENT VIII, LLC - 45-1539893, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	19.	460.		X	N/A	X	.01%
CRAFT3 INVESTMENT IX, LLC - 45-2887034, PO BOX 826, ILWACO, WA 98624	LENDING	WA	N/A	RELATED	13.	1,636.		X	N/A	X	.01%

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)	X	
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) CRAFT3 CAPITAL CORP	B	2,878,430.CASH	
(2) CRAFT3 CAPITAL CORP	D	2,200,000.CASH	
(3) CRAFT3 INVESTMENT I, LLC	L	75,796.CASH	
(4) CRAFT3 INVESTMENT II, LLC	L	99,025.CASH	
(5) CRAFT3 INVESTMENT III, LLC	L	119,756.CASH	
(6) CRAFT3 INVESTMENT IV, LLC	L	81,796.CASH	

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)	CRAFT3 INVESTMENT V, LLC	L	64,184.CASH	
(8)	CRAFT3 INVESTMENT VII, LLC	L	165,343.CASH	
(9)	CRAFT3 INVESTMENT IX, LLC	L	194,865.CASH	
(10)	CRAFT3 CAPITAL CORP	N	287,211.CASH	
(11)	CRAFT3 CAPITAL CORP	O	183,275.CASH	
(12)				
(13)				
(14)				
(15)				
(16)				
(17)				
(18)				
(19)				
(20)				
(21)				
(22)				
(23)				
(24)				

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. CRAFT3	Employer identification number (EIN) or 91-1662698
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 203 HOWERTON WAY SE - PO BOX 826	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions ILWACO, WA 98624	

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

ABBY BIELEMEIER, TREASURER

- The books are in the care of ▶ **203 HOWERTON WAY SE - P.O. BOX 206 - ILWACO, WA 98624**
 Telephone No ▶ **360-642-4265** FAX No ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year **2012** or
 ▶ tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason Initial return Final return
 Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)

**RESOLUTIONS FOR ADOPTION BY THE
BOARD OF DIRECTORS OF
SHOREBANK ENTERPRISE GROUP, PACIFIC**

AMENDMENT OF ARTICLES OF INCORPORATION

WHEREAS, the Board of Directors of the Corporation deems it in the Corporation's best interest to amend its Articles of Incorporation to change its corporate name to Craft3;

NOW, THEREFORE, BE IT RESOLVED, that the Articles of Amendment to the Articles of Incorporation, as reviewed at the meeting and to be attached to the minutes as **Exhibit A**, are hereby approved and adopted by the Corporation; and

RESOLVED FURTHER, that any officer of the Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) in the name and on behalf of the Corporation, to do or to cause to be done all acts or other things and to make, execute or cause to be done all acts or other things, and to make, execute and deliver or to cause to be made, executed and delivered, all documents, instruments or certificates, including the Articles of Amendment to the Articles of Incorporation, in the name and on behalf of the Corporation or otherwise, as they deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolution, such determination to be conclusively evidenced by such actions, execution and delivery.

AMENDMENT OF BYLAWS

WHEREAS, the Board of Directors of the Corporation deems it in the Corporation's best interest to amend its Bylaws, as amended, to change its corporate name to Craft3;

NOW, THEREFORE, BE IT RESOLVED, that the Bylaws of the Corporation, as amended, are hereby deemed further amended to reflect the name change of the Corporation to Craft3;

RESOLVED FURTHER, that any officer of the Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) in the name and on behalf of the Corporation, to do or to cause to be done all acts or other things and to make, execute or cause to be done all acts or other things, and to make, execute and deliver or to cause to be made, executed and delivered, all documents, instruments or certificates, including the amendment to the Bylaws, in the name and on behalf of the Corporation or otherwise, as they deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolution, such determination to be conclusively evidenced by such actions, execution and delivery.

EXHIBIT A

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
SHOREBANK ENTERPRISE GROUP, PACIFIC**

Articles of Amendment of Articles of Incorporation of ShoreBank Enterprise Group, Pacific, a Washington nonprofit corporation (the "Corporation"), are herein executed by said corporation, pursuant to the provisions of RCW 24.03.165 and RCW 24.03.170, as follows:

1. The name of the Corporation is ShoreBank Enterprise Group, Pacific.
2. The amendment to the Articles of Incorporation of the Corporation deletes the language of Article I in its entirety and replaces such Article with the following language:

ARTICLE I

NAME

The name of the corporation shall be Craft3.

3. The Corporation has no members.
4. The date of the adoption of said amendment by the Board of Directors of said Corporation was December 9, 2011.
5. The amendment to the Articles of Incorporation was duly approved by the vote of a majority of the Directors in office in accordance with the provisions of RCW 24.03.170.
6. These Articles of Amendment of Articles of Incorporation shall be effective as of January 1, 2012.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation in an official and authorized capacity under penalty of perjury this 9th day of December, 2011.

SHOREBANK ENTERPRISE GROUP,
PACIFIC

By: EXHIBIT ONLY; DO NOT SIGN
Name: _____
Its: _____

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
SHOREBANK ENTERPRISE GROUP, PACIFIC**

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**SHOREBANK ENTERPRISE GROUP,
PACIFIC**

By: Jennifer Janda
Name: Jennifer Janda
Its: Secretary

FILED
SECRETARY OF STATE
SAM REED

DECEMBER 19, 2011

STATE OF WASHINGTON

UBI#: 601-577-790

12/19/11 2086597-002
\$80.00 R #778255_324335076
id: 222B190

ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
SHOREBANK ENTERPRISE GROUP, PACIFIC

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SHOREBANK ENTERPRISE GROUP,
PACIFIC

By: Jennifer Janda
Name: Jennifer Janda
Its: Secretary