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**EVERETT SCHOOL DISTRICT NO. 2**

**RESOLUTION NO. 908**

A resolution of the Board of Directors (the "Board") of Everett School District No. 2 (the "District") to purchase real property for the construction of new school facilities.

WHEREAS, the District has identified a need for additional real property for school purposes; and

WHEREAS, Bear Creek Highlands, LLC, a Washington limited liability company (the "Seller"), owns property (the "Property") legally described on Exhibit A of that certain Earnest Money Receipt and Agreement for Real Property dated June 23, 2008, by and between the District and the Seller, as amended by that certain First Amendment to Earnest Money Receipt and Agreement for Real Property dated August 15, 2008 (as amended, the "Agreement"), and the Property appears suitable for the District's use for such purposes; and

WHEREAS, the District's Superintendent and the Seller have executed the Agreement, for the Board's approval, for the District to purchase the Property, subject to and in accordance with the terms of the Agreement, for a purchase price of Twenty Two Million Seven Hundred Sixty Thousand and No/100 Dollars (\$22,760,000.00); and

WHEREAS, based on the information gathered in the feasibility of the assessment, the Property is suitable for use for the District's use, the District will acquire adequate title except for matters which are not inconsistent with the District's intended use of the Property, and title is insurable to meet such standard, and the financial terms of the Agreement (upon review of James D. McCallum, MAI a professionally designated real estate appraisal (as defined in RCW 74.46.020)) are consistent with applicable law; and

WHEREAS, were this Agreement not achieved and consummated, the District is authorized by law to and anticipates the need to institute condemnation proceedings to acquire property to be used by the District for its new south end school site.

NOW, THEREFORE, BE IT RESOLVED that the actions of the District's Superintendent, Carol Whitehead and Deputy Superintendent, Karst Brandsma (and their respective authorized designees), in negotiating and executing the Agreement are hereby ratified, affirmed and approved;

AND FURTHER RESOLVED that the District should acquire the Property for Twenty Two Million Seven Hundred Sixty Thousand and No/100 Dollars (\$22,760,000.00), subject to and in accordance with the terms of the Agreement, provided that the "Seller" as defined in the Agreement complies with the Agreement;

AND FURTHER RESOLVED that the District's Superintendent, Carol Whitehead and Deputy Superintendent, Karst Brandsma (and their respective authorized designees), be, and they hereby are, authorized and directed to purchase the Property subject to and in accordance with the terms of this resolution on behalf of the District and take such other and further actions as may be necessary or appropriate to accomplish the purchase.

ADOPTED this 26 day of August, 2008.

EVERETT SCHOOL DISTRICT NO. 2  
a municipal corporation in the State of  
Washington

By Karen Madsen  
Karen Madsen, President

By Kristie Dutton  
Kristie Dutton, Vice-President

By Sue Cooper  
Sue Cooper, Member

By Ed Petersen  
Ed Petersen, Member

By Carol Andrews  
Carol Andrews, Member

ATTEST:

By Karst Brandsma for CW  
Carol Whitehead  
Secretary for the Board

**EARNEST MONEY RECEIPT AND AGREEMENT  
FOR REAL PROPERTY ("AGREEMENT")**

Everett, Washington  
6/23, 2008

EVERETT SCHOOL DISTRICT NO. 2, a municipal corporation of the State of Washington ("Purchaser"), hereby agrees to purchase, and BEAR CREEK HIGHLANDS, LLC, a Washington Limited Liability Company ("Seller"), hereby agrees to sell, the real estate located in Snohomish County, Washington and more particularly described on EXHIBIT "A" attached hereto and incorporated herein by this reference ("Premises").

**AGREEMENT**

In consideration of the foregoing and the performance of the mutual covenants herein contained, Seller and Purchaser agree as follows:

**1. Earnest Money**

Purchaser will deposit a refundable earnest money note in the form of EXHIBIT "B" attached hereto with Escrow One, Inc. ("Escrow Company") in the amount of ONE HUNDRED THOUSAND and No/100 Dollars (\$100,000.00) within ten (10) days following the date of the parties' mutual execution of this Agreement ("Earnest Money"). Within seven (7) days of Purchaser's satisfaction with or waiver of the Feasibility Study Contingency (defined below) and the contingencies set forth in Section 17(c) and (f), the Earnest Money shall be paid to the Escrow Company and immediately released to Seller upon Seller's request and shall become nonrefundable absent Seller's default or inability to perform. Any interest earned on the Earnest Money shall be credited against the Purchase Price or returned to Purchaser, as the case may be.

**2. Title**

Seller shall as soon as practicable procure and deliver to Purchaser a preliminary title commitment for extended coverage title insurance (the "Preliminary Commitment") from Chicago Title Insurance Company ("Title Company"), together with legible copies of all exceptions to title that are listed in such commitment. Purchaser shall advise Seller by written notice what exceptions to title, if any, are disapproved by Purchaser ("Disapproved Exceptions") prior to the expiration of the Feasibility Study Period (as may be extended) or, if later, within ten (10) business days of receipt of the

survey and of legible copies of all exceptions to title shown in the Preliminary Commitment. In support of Purchaser's request for extended coverage, Seller shall provide Purchaser and Title Company at no cost to Purchaser other than copying charges with copies of all surveys of the Property prepared by or on behalf of Seller. If Title Company requires additional survey information to commit to issue extended coverage title insurance, Purchaser shall be responsible to procure and pay the cost of such additional survey information. Notwithstanding the foregoing, Seller shall remove all monetary liens and encumbrances from the title at or prior to closing, including but not limited to deeds of trust, mortgages, real estate contracts, judgments, liens and assessments. If Purchaser fails to give Seller the foregoing notice, Purchaser will be deemed to have disapproved the Preliminary Commitment, this Agreement shall terminate, and the Earnest Money shall be returned to Purchaser. Seller will have ten (10) days after receipt of Purchaser's notice to give Purchaser notice that (i) Seller will remove Disapproved Exception(s) or (ii) Seller elects not to remove Disapproved Exception(s). If Seller fails to give Purchaser notice before the expiration of the ten (10) day period, Seller will be deemed to have elected to remove the Disapproved Exceptions. If Seller elects not to remove any nonmonetary Disapproved Exceptions, Purchaser will have ten (10) business days to notify Seller of Purchaser's election either to proceed with the purchase and take the Property subject to those exceptions, or to terminate this Agreement. If Seller gives notice that it will cause one or more nonmonetary Disapproved Exceptions to be removed but fails to remove any of them from title on or before the closing, Purchaser will have the right to either (i) elect to terminate this Agreement by written notice to Seller, in which case Seller shall immediately reimburse Purchaser for those costs and expenses which Purchaser notifies Seller that Purchaser has incurred in connection with this Agreement, or (ii) proceed with the purchase, with an abatement of the cash component of the purchase price equal to the actual cost of removing from title those exceptions not approved by Purchaser, and to take the Property subject to those exceptions..

If Purchaser elects to terminate this Agreement under this Section 2, the escrow will be terminated, the Earnest Money shall be immediately returned to Purchaser, all documents and other funds will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement except as otherwise provided in this Agreement. If this Agreement is terminated through no fault of Seller, then Purchaser shall pay any costs of terminating the escrow and any cancellation fee for the Preliminary Commitment.

### **3. Personal Property**

There is no personal property included with the sale of the Premises.

#### **4. Purchase Price**

The total purchase price for the Premises is TWENTY THREE MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$23,100,000.00), of which the Earnest Money and Extension Money, if any, are a part. The purchase price, including Earnest Money and Extension Money, if any, shall be paid to Seller through escrow at Closing as follows: EIGHTEEN MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$18,100,000.00) cash and Seller's rights under an Agreement regarding Dedication of Land as School Impact Mitigation, to be mutually executed and delivered at Closing in the form attached hereto as EXHIBIT "C" (the "Dedication Agreement").

#### **5. Title Insurance**

Purchaser's title shall be insured by Chicago Title Company ("Title Company"). Seller shall deliver to Purchaser at closing an extended owner's ALTA coverage policy of title insurance in the face amount of the purchase price insuring Purchaser's title subject to no exceptions other than the exceptions set forth in Section 2 above. If title is not insurable as provided above and cannot be made so insurable by the intended closing date of this Agreement, the Earnest Money and Extension Money, if any, shall be refunded and all rights of Purchaser terminated; provided, however, Purchaser may waive defects and elect to purchase.

#### **6. Feasibility Study Contingency**

(a) On or before the date that is THIRTY (30) days following mutual acceptance (the "Feasibility Study Period"), Purchaser shall conduct a review with respect to the Premises and satisfy itself with respect to the condition of and all other matters related to the Premises and its suitability for Purchaser's intended use, Purchaser's ability to obtain any zoning approvals, building permits, use permits, environmental approvals, and any other governmental approvals necessary for Purchaser's intended use of the Premises (the "Feasibility Study"). To assist Purchaser in the Feasibility Study, Seller shall make available to Purchaser for inspection and copying true, complete and legible copies of all information in Seller's possession or subject to Seller's control (other than attorney client privileged information) within five (5) business days of the date of this Agreement. The Feasibility Study may include all inspections and studies Purchaser deems necessary or desirable, in its sole discretion. Purchaser and Purchaser's agents, representatives, consultants, lenders, architects and engineers will have the right, from time to time, upon 24 hour advanced notice to Seller, from and after the date of this Agreement to enter onto the Premises and make borings and conduct any other tests and studies that may be necessary or desirable to ascertain the condition and suitability of the Premises for Purchaser's intended use. Such tests and inspections are to be performed

in a manner not unreasonably disruptive to Seller's use and enjoyment of the Premises. To the fullest extent permitted by law, Purchaser shall protect, defend and indemnify Seller from and against any construction or other liens or encumbrances, and any and all claims, loss and/or liability (including claims for damage to person or property), arising directly or indirectly out of or in connection with its exercise of this right of entry and shall cause any such liens or encumbrances to be promptly released.

(b) Purchaser shall have the right to terminate this Agreement if, in Purchaser's sole discretion, the Premises are not suitable for Purchaser's intended use or does not meet Purchaser's intended project objectives. Purchaser's right to terminate must be exercised by delivering written notice of its election to Seller on or before the expiration of the Feasibility Study Period. If Purchaser does not complete the purchase, Purchaser shall return the Premises as near as is reasonably practicable to its condition immediately prior to Purchaser's entry. If Purchaser terminates this Agreement pursuant to this Section 6(b), the Earnest Money will be returned to Purchaser, this Agreement will terminate, and Seller and Purchaser will be released from all further obligation or liability hereunder, except as otherwise specified by this Agreement and except for Purchaser's obligations to indemnify Seller under this Section 6.

## **7. Conveyance of Title**

Seller shall convey good and marketable title to Purchaser at closing by statutory warranty deed, subject only to matters specified in Section 2 hereof.

## **8. Risk of Loss**

Seller shall deliver the Premises to Purchaser at closing in the same condition existing as of the date hereof. Risk of loss of or damage to the Premises shall be borne by Seller until the date of closing. Thereafter, Purchaser shall bear the risk of loss. In the event of loss of or damage to the Premises, or a portion thereof, prior to the date upon which Purchaser assumes the risk, Purchaser may terminate this Agreement and the earnest money shall be refunded; provided, however, that Purchaser shall not terminate this Agreement if Seller agrees in writing to restore the Premises substantially to the present condition by the date of closing. Notwithstanding Purchaser's right to terminate this Agreement in the event of loss of or damage to all or a portion of the Premises, Purchaser may elect to purchase the Premises in the condition existing on the date of closing, and the purchase price shall be reduced by an amount equal to the proceeds paid or payable under any policies of insurance carried by Seller.

**9. Condemnation**

In the event that the Premises are or become the subject of a condemnation proceeding, Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice thereof to Seller on or before the date fixed for closing, in which event Purchaser's obligations hereunder shall be null and void and of no further effect and Purchaser's earnest money deposit shall be returned to Purchaser. If Purchaser does not so terminate this Agreement, the purchase price for the Premises shall be reduced by the total of any awards or other proceeds received by Seller at or prior to closing with respect to any taking and at closing Seller shall assign to Purchaser all rights of Seller in and to any awards or other proceeds payable by reason of any taking. Seller agrees to notify Purchaser of eminent domain proceedings as soon as practicable (and in any event within ten (10) days) after Seller learns thereof.

**10. Possession**

Purchaser shall be entitled to possession on closing.

**11. Broker/Commissions**

Purchaser has been represented in this transaction by Craig Fullerton of Fullerton & Associates, who shall be compensated by Purchaser by separate agreement. Each party represents to the other that it has engaged no other broker or agent in connection with the negotiations leading to this Agreement. If any claims for brokerage commissions or finder's fees or like payments arise out of or in connection with this transaction, all such claims and costs including reasonable attorney fees shall be defended by, and if sustained, paid by, the party whose alleged actions or commitment form the basis of such claims.

**12. Closing Agent**

The sale shall be closed in escrow in the office of Escrow Company on a date specified by Purchaser within fifteen (15) days following satisfaction or waiver of the Feasibility Study Contingency and the other contingencies set forth in Section 17(c) and (f). Purchaser and Seller shall, on demand, deposit in escrow with the closing agent all instruments and monies necessary to complete the sale in accordance with this Agreement.

**13. Proration of Taxes, etc.**

Taxes for the current year, interest and rents shall be prorated as of closing.

**14. Closing Costs**

Seller shall pay the following closing costs:

- (a) Premium for a standard form owner's policy of title insurance in the face amount of the purchase price;
- (b) State of Washington real estate excise taxes; if any;
- (c) Cost of recording the deed.

Purchaser shall pay the additional cost, if Purchaser elects, for an extended coverage policy of title insurance or other endorsements requested by Purchaser to the standard form owner's title insurance policy.

Seller and Purchaser shall share equally in Closing Agent's escrow fee and all other closing costs.

**15. Seller's Representations and Warranties**

Seller represents and warrants to Purchaser that, to the best of Seller's actual knowledge:

(a) The execution and delivery of this Agreement by Seller, and the consummation of the transaction contemplated hereby, has been duly authorized by all necessary action on the part of Seller, and such documents constitute valid and enforceable obligations of Seller legally enforceable in accordance with their terms;

(b) Seller has received no notice from any governmental authority that the Premises, or any part thereof, are in violation of any law or regulation applicable to the Premises, and Seller has no knowledge of any facts which might be a basis for any such notice;

(c) Seller has no knowledge of any obvious defects in the Premises or any portion thereof;

(d) All persons and corporations supplying labor, materials, equipment, services or other items to the Premises have been paid, and there are no claims or liens therefore;

(e) No local improvement district assessments, payable in annual installments or otherwise, have been made against the Premises which are unpaid;



(f) There are no actions, suits, claims or legal proceedings or any other proceedings affecting the Premises, at law or equity, before any court or governmental agency, except for the Settlement Agreement dated March 8, 2004 entered into by and between The McNaughton Group, LLC, and Gary and Lori Stadlman, Tim Krivanek and Tammy Cliatt, Kathy Brewer, and Fred Thornburgh and Helen Huizenga, as previously disclosed by Seller;

(g) Seller has no actual knowledge of any planned assessments, affecting the Premises, except as reflected in the Report and Decision of the Snohomish County Hearing Examiner dated March 2, 2005 for Bear Creek Highlands Division 1 and the Report and Decision of the Snohomish County Hearing Examiner Revised on Reconsideration dated March 2, 2005 for Bear Creek Highlands Division II, or any pending or threatened condemnation actions with respect to the Premises;

(h) Seller has good, indefeasible, insurable and marketable title to the Premises in fee simple;

(i) Seller has not failed to disclose to Purchaser any material adverse fact or condition affecting Seller or the Premises which would affect the transaction contemplated by this Agreement;

(j) Seller is not in default or breach under any agreement, contract, or other document or matter which affects the Premises;

(k) The Premises and any improvements thereon, to the best of Seller's knowledge, do not materially violate any applicable building or zoning ordinances and Seller is unaware of any material defect in the Premises or improvements thereon;

(l) Seller has no knowledge of any release(s) of "Hazardous Substances," as defined below, on the Premises during Seller's ownership of the Premises;

(m) The Premises are free of the presence of Hazardous Substances; during Seller's ownership the Premises have not been used for the generation, transportation, management, handling, treatment, storage, manufacture, emission, disposal or deposit of any Hazardous Substances or material containing Hazardous Substances; and the Premises are in compliance with all environmental laws, however and wherever promulgated;

(n) No Hazardous Substances have been deposited, stored or treated on the Premises by Seller or any of Seller's agents during Seller's ownership,

and Seller is not and has not been a transporter, operator or generator of Hazardous Substances; and

(o) The Premises may have contained underground tanks used for residential heating oil. Seller has no knowledge as to whether any such tanks existed and, if so, whether they may have leaked.

"Hazardous Substances" means any industrial waste, toxic waste, chemical contaminant or other substance considered hazardous to life, health or property, including, without limitation, any substance designated as hazardous or toxic under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Safe Water Drinking Act, 42 U.S.C. § 300F, the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, the Hazardous Waste Management Statute, Chapter 70.95 RCW, the Hazardous Waste Fee Statute, Chapter 70.105A RCW, any "mini-superfund" or other statutes enacted by the Washington Legislature, including, without limitation, Chapter 70.105B RCW and any substance defined as hazardous, dangerous or toxic by any governmental authority with jurisdiction over the Premises.

Should any of the foregoing representations or warranties prove to be untrue or inaccurate, Seller hereby agrees, to the fullest extent permitted by applicable law, to release, defend, indemnify and hold harmless Purchaser (and Purchaser's officers, directors, shareholders, agents, employees, and representatives) and their successors and assigns from and against any and all claims, demands, costs, penalties, fees, expenses, harm, injury, damages or liability (including, but not limited to, attorneys' fees) arising directly or indirectly on account of or in connection with the facts and circumstances giving rise to the untruth or inaccuracy of such representations and warranties.

The parties acknowledge and agree that the Property includes both "unimproved real property" that is zoned for residential use but not improved by any residential dwelling units, and "improved real property" with residential dwelling units, and therefore, is subject to the requirements of a "Form 17" and "Form 17C" seller's disclosure statements pursuant to chapter 64.06 RCW. The parties further acknowledge and agree that Purchaser is acquiring the property with the intent of demolishing any existing structures. Purchaser hereby agrees that it expressly waives the right to receive the Form 17 and 17C disclosure statements with regard to the Property except for those items in the "Environmental" Section 7 of the Form 17 and 17C for which Seller's answers are attached hereto as EXHIBIT "D." Purchaser waives and releases any separate statutory or common law claim or remedy (but not claims or remedies, if any, otherwise available under this Agreement) for Seller's

negligent errors, inaccuracies or omissions in the Form 17 and 17C information being provided.

**16. Assignment of Warranties**

Seller hereby assigns to Purchaser, without recourse to Seller, all builders' and manufacturers' warranties with respect to the Premises and the improvements thereon.

**17. Contingencies**

This sale is conditioned upon the following, provided that Section 17 (b), (d), and (e) shall be satisfied or waived by Purchaser prior to the expiration of the Feasibility Study Contingency period as specified in Section 6, above, and Section 17 (c) and (f) shall be satisfied or waived by Purchaser on or before August 29, 2008:

(a) That at the time of the making and delivery of the deed conveying the Premises to Purchaser, the grantor in said deed shall be lawfully seized of an indefeasible estate in fee simple in and to the Premises therein described, and shall have good right and full power to convey the same; that the Premises shall then be free from all encumbrances subject only to matters specified in Section 2, above; that Purchaser, its successors and assigns, shall have and enjoy the quiet and peaceable possession of the Premises; and that Seller will defend the title thereto against all persons who may lawfully claim the same;

(b) Purchaser's receipt of documentation of a professional inspection of the Premises, conducted pursuant to Section 6 above, for hazardous and dangerous materials and wastes in form and content satisfactory to Purchaser in its sole discretion; and

(c) Purchaser's: (i) receipt (at Purchaser's expense) of a market value appraisal of the Premises by a professionally designated real estate appraiser (as defined in RCW 74.46.020), to be selected by Purchaser's board of directors; and (ii) determination, upon review of such appraisal, that the terms and conditions of this Agreement are consistent with applicable law.

(d) Purchaser's receipt of documentation of a professional feasibility study of the Purchaser's plans for improvements to the Premises, prepared pursuant to Section 6 by Purchaser's experts or consultants at Purchaser's sole cost, in form and content satisfactory to Purchaser in its sole discretion;

(e) Purchaser's receipt of documentation of a professional study and delineation of wetlands located on or near the Premises, prepared by Purchaser's experts pursuant to Section 6, at Purchaser's sole cost, in form and content satisfactory to Purchaser in its sole discretion; and

(f) the Purchaser's Board of Directors' approval, to be delivered or denied prior to the expiration of the Feasibility Period (as the same may be extended) of this transaction.

**18. Default**

Time is of the essence of this Agreement. In the event Purchaser fails, without legal excuse, to complete the purchase of the Premises, the Earnest Money shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. If Seller fails to perform any covenant or agreement which Seller is obligated to perform under this Agreement and such failure continues for five (5) days following written notice of such failure by Purchaser, the Purchaser may elect to (a) terminate this Agreement or (b) specifically enforce this Agreement. The provisions of this paragraph shall survive the closing and any termination of this Agreement.

Seller Initials Loh  
Purchaser Initials KW

**19. Nonmerger**

The provisions of this Agreement shall not be deemed merged into the deed but shall survive the closing and continue in full force and effect. However, neither party following Closing shall have a right to rescind this Agreement based on the breach or default of a Party under, or the invalidity or unenforceability of any right or obligation set forth in, the Dedication Agreement. The rights and obligations of the Parties under the Dedication Agreement are independent covenants from, and do not impair the validity or enforceability of, this Agreement or the deed to be delivered to Purchaser at Closing.

**20. Notices**

All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, addressed as set forth below:

(a) All notices to be given to Seller shall be addressed as follows:

The McNaughton Group, LLC

P.O. Box 100

Edmonds, WA 98020

Attn: Kevin Hanchett

(b) All notices to be given to Purchaser shall be addressed as follows:

Everett School District No. 2  
P.O. Box 2098  
4730 Colby Avenue  
Everett, WA 98203  
Attn: Michael T. Gunn

with a copy to:

Perkins Coie LLP  
The Puget Sound Energy Building  
10885 NE 4th Street, Suite 700  
Bellevue, WA 98004  
Attn: R. Gerard Lutz

Either party hereto may by proper notice to the other designate such other address for the giving of notices as deemed necessary. All notices shall be deemed given on the day such notice is personally served or on the third day following the day such notice is mailed in accordance with this section.

## **21. Governing Law and Venue**

This Agreement shall be construed according to the laws of the State of Washington. Venue for any action shall be laid in the Superior Court of Washington for Snohomish County (or in the event of federal jurisdiction the United States District Court for the Western District of Washington).

## **22. Foreign Investment in Real Property Tax Act**

The parties agree to comply in all respects with Internal Revenue Code Section 1445 and the regulations issued thereunder, hereinafter referred to as the "Regulations." If Seller is not a "foreign person" (as defined in the Regulations), Seller shall deliver to Purchaser through an escrow nonforeign certificate, properly executed and in form and content as attached hereto, marked EXHIBIT "E" and incorporated herein by reference. If Seller is a "foreign person" or fails or refuses to deliver the nonforeign certificates as indicated above, or Purchaser receives notice, or has actual knowledge that any such nonforeign certificate is false, a tax equal to ten percent (10%) of the purchase price shall be withheld through escrow and paid by escrow agent to the Internal Revenue Service in the manner prescribed by the Regulations, unless such withholding is reduced or excused in the manner prescribed by the Regulations.

In the event of any such withholding, Seller's obligations to deliver title hereunder shall not be excused or otherwise affected. The provisions of this section shall survive the closing hereunder.

### **23. Negotiation and Construction**

This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either party.

### **24. Potential Sewer Connections**

Except as set forth below, Purchaser shall be responsible at its own expense to provide any facilities to connect the Premises to the public sewer system necessary for any development of the Premises pursued by Purchaser.

Seller may be extending the sanitary sewer along 180<sup>th</sup> Street SE to the Adjacent Property (Snohomish County tax parcel identification numbers 27050900403000 and 27050900402800, legally described on Exhibit F ) prior to the time that Purchaser develops the Property ("Sewer Extension"). If Purchaser has not already developed alternative sewer service for the Property, then if Seller is requested by Purchaser, Seller shall construct a side sewer to Purchaser's Property as part of the Sewer Extension. If (but only if) Purchaser requests Seller construct the side sewer, then (a) Seller shall construct the side sewer and the Sewer Extension in accordance with plans and specifications therefore, which will provide sufficient capacity and otherwise meet requirements for legal use by Purchaser for its intended development of the Property, (b) upon substantial completion of construction of any portion of the side sewer on Purchaser's Property, Seller shall remove all debris and restore the surface of Purchaser's Property as nearly as possible to the condition in which it was at the commencement of such work, (c) Purchaser authorizes Seller and its employees, contractors and/or agents, to enter onto Purchaser's Property as reasonably necessary for construction of the side sewer, and (d) upon the completion of the side sewer and Sewer Extension, Purchaser shall pay Seller a pro-rata portion of the cost of the side sewer and Sewer Extension based on the lineal footage for the frontage of the Property and the Adjacent Property on 180<sup>th</sup> Street SE, but not to exceed the reasonable cost of the least cost alternative by which Purchaser could obtain sewer service for legal use by Purchaser for its intended development of the Property.

In the event Purchaser develops sewer facilities to serve the Property before Seller undertakes the Sewer Extension, and such sewer facilities have the capacity to provide sewer service to the Adjacent Property or any portion thereof ("School Sewer Facilities with Excess Capacity"), then Seller shall, if requested by Purchaser and

provided that Purchaser appropriately designs the School Sewer Facilities with Excess Capacity, not to protest and agree to execute a "late-comer's agreement", to pay a reasonable, pro-rata share of the cost of such School Sewer Facilities with Excess Capacity as a late-comer fee to the School District and to use the School Sewer Facilities with Excess Capacity; provided that Seller's liability for late comer fees for School Sewer Facilities with Excess Capacity shall not exceed the reasonable cost not to exceed the reasonable cost of the least cost alternative by which Seller could obtain sewer service for the legal use by Seller for its intended development of the applicable portion of the Adjacent Property to be served by such School Sewer Facilities with Excess Capacity.

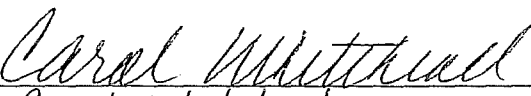
## 25. Memoranda of Agreement

Purchaser shall have the right to record in the real property records for Snohomish County, without Seller's prior consent or signature, after closing a memorandum of agreement reflecting as the sewer connection terms provided in Section 24 of this Agreement, in the form attached hereto as EXHIBIT "F".

IN WITNESS WHEREOF the parties have executed this Agreement as of the date above set forth.

**Purchaser:**

EVERETT SCHOOL DISTRICT NO. 2,  
a municipal corporation of the State  
of Washington

  
By: Carol Whitehead  
Its: Superintendent

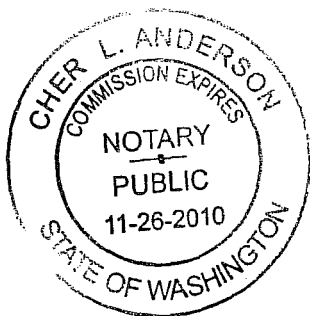
The undersigned Seller on this \_\_\_\_ day of \_\_\_\_\_, 2008, hereby approves and accepts the offer set forth and agrees to carry out all terms thereof on the part of the Seller.

BEAR CREEK HIGHLANDS, LLC

STATE OF WASHINGTON)  
COUNTY OF SNOHOMISH) ss.

On this 23rd day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mark McNaughton, to me known to be the person who signed as managing member of Bear Creek Highlands, LLC, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said agent of the company, that he was authorized to execute said instrument.

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



Chris Adlers  
(Signature of Notary)

Cheer Anders  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of WA, residing at Kenmore.  
My appointment expires: 11-26-10.



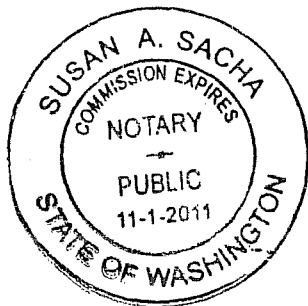
STATE OF WASHINGTON)

) ss.

COUNTY OF SNOHOMISH)

On this 30<sup>th</sup> day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carol Whitehead, to me known to be the person who signed as Superintendent of EVERETT SCHOOL DISTRICT NO. 2, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that she was duly elected, qualified and acting as said officer of the municipal corporation, that she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

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



Susan A. Sacha

(Signature of Notary)

Susan A. Sacha

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of washington, residing at Everett.  
My appointment expires: 11-1-2011.

## EXHIBIT A

### LEGAL DESCRIPTION OF PREMISES

*Commonly known as parcel number(s):*

27050900401500; 27050900401600; 27050900401700; 27050900404100;  
27050900404200; 27050900401400; 27050900403700; 27050900403800; and  
27050900403900.

PURCHASER and SELLER hereby authorize and direct the Escrow Company to furnish and substitute for this Exhibit "A" a legal description for the Premises as soon as it has been approved by the Title Company.

**EXHIBIT B**

**EARNEST MONEY NOTE**

\$100,000.00

Everett, Washington  
\_\_\_\_\_, 2008

FOR VALUE RECEIVED, the undersigned promises to pay to Escrow One, Inc. for the account of BEAR CREEK HIGHLANDS, LLC, the sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00) with no interest thereon, payable as follows:

Upon demand, seven (7) days after the undersigned's satisfaction with or waiver of the contingencies set forth in that certain Earnest Money Receipt and Agreement for Real Property dated June \_\_, 2008 between Bear Creek Highlands, LLC as Seller and the undersigned as Purchaser.

This Note shall bear interest at the rate of ten percent (10%) per annum, if not paid seven (7) days after demand as above provided. If this Note shall be placed in the hands of an attorney for collection, or if suit shall be brought to collect any of the principal or interest of this Note, the undersigned promises to pay reasonable attorneys' fees incurred thereby.

EVERETT SCHOOL DISTRICT NO. 2,  
a municipal corporation of the  
State of Washington

\_\_\_\_\_  
[Exhibit Only--Do Not Sign]

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT C**

**Form of Dedication Agreement**

RETURN ADDRESS:

Everett School District #2  
Attn: Mike Gunn, Fac. & Plan.  
3715 Oakes Ave., 3<sup>rd</sup> Floor  
Everett, WA 98201

**AGREEMENT REGARDING DEDICATION OF LAND  
AS SCHOOL IMPACT MITIGATION**

THIS AGREEMENT REGARDING DEDICATION OF LAND AS SCHOOL IMPACT MITIGATION ("**Dedication Agreement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between EVERETT SCHOOL DISTRICT NO. 2, a municipal corporation of the State of Washington ("**School District**"), THE MCNAUGHTON GROUP, LLC, a Washington limited liability company ("**Developer**"), and their successors, heirs or assigns. The School District and the Developer are, at times, referred to in this Dedication Agreement individually as a "Party," and are collectively referred to in this Dedication Agreement as the "Parties."

**RECITALS**

A. Developer and related entities own or have rights to develop [\_\_#] acres of real property, located within the boundaries of the School District in the City of Everett, the City of Mill Creek, or unincorporated Snohomish County (the "**Permitting Jurisdictions**"), and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference, and may acquire additional properties in the future that are within the boundaries of the School District in the Permitting Jurisdictions (collectively the "**Development Sites**").

B. School impact fees are imposed by Snohomish County on new development pursuant to chapter 30.66C Snohomish County Code ("**SCC**"). New developments are conditioned upon payment of school impact fees pursuant to chapter 30.66C SCC, which fees are paid at the time of building permit issuance. Approval of the Development Sites located within unincorporated Snohomish County are, or will be, conditioned upon the payment of school impact fees required pursuant to chapter 30.66C SCC (unless repealed and subject to the exceptions set forth therein).

C. One of Developer's affiliated entities, Bear Creek Highlands LLC, formerly owned, and conveyed to the School District, real property located in Snohomish County,

Washington and more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference (the "**Potential School Site**"). The purchase price was Twenty Three Million One Hundred Thousand and No/100 Dollars (\$23,100,000.00), which was equal to or less than the appraised value of the Potential School Site at the time of the conveyance. In consideration for such conveyance of the Potential School Site, the School District paid Eighteen Million One Hundred Thousand and No/100 Dollars (\$18,100,000.00) in cash and agreed to execute this Dedication Agreement to provide a process for Developer to claim, and the School District to confirm its consent for the Permitting Jurisdictions to grant, up to Five Million Dollars (\$5,000,000.00) in school impact and school mitigation credits to be applied against future impact and mitigation fees owed to the School District with respect to the Development (the "**School Mitigation Credits**") to the fullest extent permitted by applicable law.

D. Based upon student enrollment projections of the Washington State Office of the Superintendent of Public Instruction, the School District's Capital Facilities Plan projects that the School District will need to acquire two new elementary school sites and property to construct one or two new secondary schools (middle or high school) to house new students, such as those that will be generated by the Development.

E. The State Environmental Policy Act, Chapter 43.21C RCW ("**SEPA**"), provides processes and procedures whereby major actions by state and local agencies, including, but not limited to, the issuance of building permits for residential developments, may be reviewed to determine the nature and extent of their impact on the environment. Impacts on public services, including schools, are environmental impacts for purposes of SEPA. SEPA requires the mitigation of probable significant adverse environmental impacts.

F. The State Subdivision Act, Chapter 58.17 RCW, states that a proposed subdivision shall not be approved unless "appropriate provisions are made for . . . schools and school grounds." RCW 58.17.110.

G. Snohomish County's school impact fee provisions provide, in Section 30.66C.150, for credit against impact fees for in-kind contributions by a developer. The School District has determined pursuant to SCC 30.66C.150 that the School Mitigation Credits in the amount of \$5,000,000 (the amount exceeding the cash payment made by the District for the Potential School Site) constitutes an in-kind contribution for which Developer should be entitled to credits against impact fees under chapter 30.66C SCC.

H. Because of recent changes in the market for residential properties, and the School District's own enrollment projections, it may be a number of years before new students are generated by the Development Sites. However, the School District determined that it is in the best interests of the School District to acquire the Potential School Site now, in advance of the need, so as to permit orderly, cost effective and efficient planning and development of school facilities needed to serve growth. The School District supports Developer's efforts to provide mitigation of impacts in advance of the creation of those impacts.

I. The School District has not accepted, and does not accept, potential liability to pay or refund cash if the School Mitigation Credits or any of them cannot be used as or when desired by Developer. Developer has accepted, and does accept, that risk.

## AGREEMENT

NOW, THEREFORE, for the mutual benefits and obligations contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Developer and the School District agree as follows:

### **1. Dedication of Real Property; School Mitigation Credits**

#### **1.1 Credits Provided as Consideration for Property Conveyance/Dedication**

As partial consideration for the Potential School Site, the School District grants to Developer (to the extent of the School District's authority) the **"School Mitigation Credits."**

#### **1.2 Nature of School Mitigation Credits**

The School Mitigation Credits are granted in lieu of cash payments by the School District for the Potential School Site. Pursuant to RCW 82.02.060(3), the School District has determined and (to the extent of the School District's authority) agrees that the Permitting Jurisdictions should acknowledge and accept from Developer to the fullest extent permitted by law the School Mitigation Credits in lieu of school impact and school mitigation fees. The School District's receipt of the Potential School Site in advance of the actual impacts resulting from the Development also presents unusual circumstances in this specific case which should be considered by permitting jurisdictions consistent with RCW 82.02.060(4) to adjust the standard impact fee (so as to authorize a Permitting Jurisdiction's acceptance of the School Mitigation Credits in lieu of a fee, but expressing no opinion, and reserving each party's rights, with respect to any other adjustment Developer may believe appropriate) at the time the fee is imposed, to extend the length of time (as otherwise provided in this Dedication Agreement) that such School Mitigation Credits may be used by Developer, and to otherwise ensure impact fees are imposed fairly.

#### **1.3 Scope of School Mitigation Credits**

The School Mitigation Credits may be applied as otherwise permitted by law to mitigate the impacts of new students on the School District's educational facilities. The School Mitigation Credits shall not provide mitigation for potential impacts of the Development on schools, such as impacts to transportation routes and pedestrian walkways. Neither the impacts identified nor the Developer's dedication of the Potential School Site affects, reduces or enlarges any other obligation the Development has to comply with required land use approvals, including without limitation sidewalks to provide safe walkways to and from school, school

bus turnarounds, and/or other potential impacts that might be identified in connection with review and approval or aspects of the Development over its extended development period and which are not mitigated through the payment of school mitigation and/or impact fees.

## **2. Application of and Accounting for School Mitigation Credits**

### **2.1 Process for Application of School Mitigation Credits**

#### **2.1.1 Application to New Units within Unincorporated Snohomish County**

Developer may submit to Snohomish County a request for a credit against school impact fees under Chapter 30.66C SCC in the amount of the School Mitigation Credits (exclusive of costs or fees charged by Snohomish County for processing, if any, and approval and application of such credits), up to the full amount of the School Mitigation Credits, against impact fees assessed by Snohomish County for issuance of building permits for the Development. The School District agrees that the amount of the School Mitigation Credits is the value of Developer's in-kind contribution for the Potential Development Site and for which the Developer should be entitled to a credit against impact fees pursuant to SCC 30.66C.150. The School District agrees to cooperate and, as necessary, provide Developer and Snohomish County with further evidence that the School District acknowledges and recognizes the dollar value of the School Mitigation Credits provided for in this Dedication Agreement is (or is lower than) the cash value of the in-kind contribution in connection with any such request, except to the extent the School District may be precluded by law.

#### **2.1.2 Application to New Units within the City of Everett or the City of Mill Creek**

In connection with any portion of the Development within the boundaries of the School District under the jurisdiction of the City of Everett or the City of Mill Creek, Developer may request to apply some or all of the School Mitigation Credits from time to time as a credit against school impact fees or school impact mitigation payments required in connection with the development approval processes of such cities (exclusive of costs or fees retained by such cities for processing, if applicable). The School District agrees to cooperate and, as necessary, provide Developer and the City of Everett or the City of Mill Creek with further evidence that the School District acknowledges and recognizes the School Mitigation Credits provided for in this Dedication Agreement as appropriate mitigation in connection with any such request, except to the extent the School District may be precluded by law.

### **2.2 Accounting for School Mitigation Credits**

#### **2.2.1 Maintenance of Records Regarding School Mitigation Credits Balance**



The School District shall maintain records of Developer's use and application of the School Mitigation Credits. The School District shall on an annual basis provide Developer with reports stating the School Mitigation Credits balance and noting School Mitigation Credits transactions having occurred since issuance of the prior report.

#### **2.2.2 Assessment of Credit Value As Applied**

Except to the extent precluded by law, the School District shall recognize the School Mitigation Credits at the face dollar value established in this Dedication Agreement when applied by Developer to specific pending building permit applications (exclusive of costs or fees retained by Snohomish County for processing, if applicable). However, Developer acknowledges that the mitigation requirements for any development approval are established by the applicable city, or Snohomish County under applicable law.

#### **2.2.3 Credit Absolute Net to School District**

The cities and the County charge, and may from time to time change, fees and processing costs to administer school impact fee and mitigation fee programs. The cities' and County's administrative charges are typically taken from a portion of the gross impact fee or gross mitigation fee assessed by such city or the County, with the remainder of the assessed impact fee or mitigation fee being remitted to the School District. Developer shall pay any such assessed administrative charges to the cities and County in cash. The School District shall have no obligation to pay any administrative fee or processing charge to the County or Cities to enable Developer to claim or realize the benefit of School Mitigation Credits. Rather, all School Mitigation Credits shall be calculated and applied on an absolute net basis exclusive of any administrative charges assessed with respect to the School Mitigation Credits by either city or the County.

#### **2.2.4 Accounting for Credits Applied**

Upon a permitting jurisdiction's determination of Developer's eligibility to use the School Mitigation Credits as a credit against impact fees or mitigation payments otherwise owed, the School District shall cooperate and execute such documents, and take such further actions, as may reasonably be requested by Developer or the permitting jurisdiction in order to carry out the provisions of this Dedication Agreement and reflect the School District's acceptance of the application of such School Mitigation Credits as appropriate mitigation of the applicable impact of student generation on school facilities.

#### **2.2.5 Covenants and Protection Against Refund Obligations**

Chapter 82.02 RCW and local law impose upon the School District obligations to refund school impacts fees or fees paid pursuant to voluntary agreements to mitigate school impacts in certain circumstances to the property owner of record at the time the refund is due. The parties intend that no such refund obligation shall ever accrue, because no cash was paid to

the School District for the School Mitigation Credits; rather, Developer has made a dedication of land, and to the extent it cannot benefit from that dedication by application of the School Mitigation Credits under this Dedication Agreement, it intends a gift to the School District. By acquiring the Potential School Site and executing this Dedication Agreement with respect to School Mitigation Credits, the School District has "spent or encumbered" the funds within the meaning of Chapters 43.21.C and 82.02 RCW, and Chapter 30.66C SCC, to the extent the refund provisions of such laws might otherwise apply to the School Mitigation Credits. Developer shall include in the deed (or in another recorded restriction that will run with the land) to any property for which any School Mitigation Credits have been applied appropriate provisions to acknowledge Developer's dedication and to release all rights to any refund from the School District. In addition, Developer shall defend, indemnify and hold the School District harmless from and against, and reimburse the School District for, any refund that may be found due and owing to Developer or any third party due to the School District's acceptance of School Mitigation Credits pursuant to this Dedication Agreement. This obligation shall survive expiration or earlier termination of the Term and any assignment or other transfer of any School Mitigation Credits.

### **3. Successors and Assigns**

This Dedication Agreement shall be binding on the successors, heirs, and assigns of the parties hereto. Developer may assign School Mitigation Credits under this Dedication Agreement, subject to the limitations and restrictions of applicable law and this Dedication Agreement, to any entity formed for the purposes of developing the Development; provided, however, Developer shall remain jointly liable for performance of its duties hereunder unless and until such entity obtains record title to a portion of any of the Development Sites, and the School District is notified in writing of such assignment and the assignee assumes Developer's obligations hereunder with respect to the School Mitigation Credits so assigned. Developer shall have the right to assign School Mitigation Credits to owners of development projects within the School District's boundaries other than Developer's Development Sites to the extent such assignment is permitted by law and approved by the applicable local jurisdictions; *provided, however*, any such assignment shall be subject to the terms and conditions of this Dedication Agreement, any such assignment shall not enlarge the School Mitigation Credits beyond \$5,000,000, and the assignee assumes Developer's obligations hereunder with respect to the School Mitigation Credits so assigned. All assignments of School Mitigation Credits under this Development Agreement are without warranty from or recourse against the School District, and each assignee must so acknowledge.

### **4. Real Covenant**

The terms of this Dedication Agreement shall constitute a real covenant running with the Development Sites (and any other sites to which some or all of the School Mitigation Credits are applied pursuant to Section 3, above). Such covenant shall be binding and inure to the benefit of the Parties, their successors, heirs and assigns.

## **5. Term**

The term of this Dedication Agreement ("**Term**") shall commence on the date of the execution of this Dedication Agreement (the "**Commencement Date**") and shall expire on the earlier of (i) the date on which Developer applies the last of the School Mitigation Credits provided in this Dedication Agreement or (ii) twenty (20) years from the Commencement Date or (iii) the maximum duration permitted by Chapter 82.02 RCW, Chapter 43.21C RCW and other applicable law.

## **6. Remedies**

The Parties agree that this Dedication Agreement is unique. In the event of a breach of any of the covenants set forth in this Dedication Agreement, the Parties shall be limited to the equitable remedies of specific performance or mandatory or prohibitory injunction issued by a court of appropriate jurisdiction. Without limiting the generality of the foregoing, regardless of whether Developer is, or is not, ever able to use any of the School Mitigation Credits, Developer shall not be entitled to recover the Potential School Site or any portion thereof from the School District nor shall the School District be liable to pay the Developer or any assignee of the School Mitigation Credits damages or refund or may any cash to Developer or any assignee of the School Mitigation Credits. To the extent that Developer or any assignee applies School Mitigation Credits to particular residential units and subsequently determines not to construct or draw building permits for such units, upon receipt of written documentation of the same by Developer and the Permitting Jurisdiction, the School District shall reinstate the School Mitigation Credits in the balance of available credits as the Developer's (or assignee's) sole remedy as against the School District. To the fullest extent permitted by applicable law, the School Mitigation Credits may also be assigned in accordance with this Dedication Agreement. To the extent the Developer does not use all of the School Mitigation Credits granted in this Dedication Agreement within the Term (whether due to the School District's ineligibility to collect them, Developer's decision not to pursue some or all of the Development, or legal prohibition against use or application of the School Mitigation Credits to any particular aspect of the Development), Developer shall be deemed to have made a partial gift of the Potential School Site to the School District in the full amount of such unused School Mitigation Credits. The School District disclaims any warranty with respect to the tax treatment of such a gift. The provisions of this paragraph shall survive the expiration or termination of this Dedication Agreement.

## **7. Disclaimer of Warranties**

The School District disclaims any warranty and makes no representations suggesting that the School Mitigation Credits are authorized by Washington law or that they will be accepted by any of the applicable permitting jurisdictions as school impact mitigation with respect to any proposed development of residential units by Developer or Developer's assignees.

**8. Covenant Not to Sue**

Developer (for itself and on behalf of, and as a condition of its assignment to any assignee of any School Mitigation Credits) hereby covenants and undertakes that it forever refrains and desists from instituting, asserting, filing or bringing any lawsuit, litigation, claim, challenge or proceeding to challenge this Dedication Agreement or any of its terms and conditions, or claim any right to payment from the School District in lieu of using the School Mitigation Credits, for additional compensation for the Potential School Site, or for other repayment or reimbursement of funds, performance or improvements provided for in this Dedication Agreement, on any ground or basis whatsoever.

**9. Notice**

Any notice under this Dedication Agreement shall be in writing and shall be hand delivered or mailed via the U.S. Postal Service, postage prepaid. Notices shall be deemed effective upon the second day following deposit thereof in the United States mails, postage prepaid, registered or certified, return receipt requested. All notices to the School District shall be sent to the attention of Michael Gunn, Director of Facilities and Planning, 3715 Oakes Avenue, Everett, WA 98201. All notices to Developer shall be sent to the attention of Mark A. McNaughton, P.O. Box 100, Edmonds, WA 98020. Any Party may change the address to which notices may be given by giving notice as above provided.

**10. Severability**

If any provision of this Dedication Agreement shall be held to violate any applicable law or be unenforceable for any reason, the invalidity or unenforceability of any such provision shall not invalidate or render unenforceable any other provision hereof, which shall remain in full force and effect. The invalidity or unenforceability of this Dedication Agreement or any provision of this Dedication Agreement shall not invalidate or provide grounds for rescission or reformation of the conveyance of the Potential School Site to the School District, as the risks of such invalidity or unenforceability are acknowledged and accepted by Developer.

**11. Applicable Law; Venue.**

This Dedication Agreement is made with reference and is intended to be construed in accordance with the laws of the State of Washington. The Parties agree that the venue for any suit brought under this Dedication Agreement shall be exclusively in Snohomish County, Washington (or, in the event of federal jurisdiction, the United States District Court for the Western District of Washington).

**12. Entire Agreement; Modifications.**

This Dedication Agreement constitutes the entire agreement between the Parties with respect to the School Mitigation Credits and no modifications or revisions shall be binding unless made in writing and signed by the Parties hereto.

**13. Waiver.**

Neither the waiver by any Party of any breach of any provision hereof, nor the failure of any Party to seek redress for violation of or insist upon strict performance of any such provision, shall be considered a waiver of such provision or any subsequent breach thereof. No purported or alleged waiver of any of the provisions of this Dedication Agreement shall be binding or effective unless in writing and signed by the Party against whom it is sought to be enforced.

**14. Captions.**

The captions set forth in this Dedication Agreement are included for convenience of reference only and shall not in any way limit or affect the meaning or interpretation of any terms or provisions of this Dedication Agreement.

**15. Authority.**

The individuals executing this Dedication Agreement covenant that they have the authority to bind the respective Party identified in this Dedication Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Dedication Agreement on the date first above written.

**DEVELOPER:**

**THE MCNAUGHTON GROUP, LLC, a  
Washington limited liability company,**

**DISTRICT:**

**EVERETT SCHOOL DISTRICT NO. 2, a  
Washington municipal corporation**

\_\_\_\_\_  
By: Mark A. McNaughton  
Its: Manager

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

[illegible]

On this \_\_\_\_\_ day of \_\_\_\_\_ [month/year], before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the persons who signed as \_\_\_\_\_, respectively of THE MCNAUGHTON GROUP, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on an oath stated that he/she was duly elected, qualified and acting as said officer of the school district and that he/she was authorized to execute said instrument.

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

NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_

My Appointment Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_ [month/year], before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the persons who signed as \_\_\_\_\_, respectively of EVERETT SCHOOL DISTRICT NO. 2, the school district that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said school district for the uses and purposes therein mentioned, and on an oath stated that he/she was duly elected, qualified and acting as said officer of the school district and that he/she was authorized to execute said instrument.

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

NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_

My Appointment Expires: \_\_\_\_\_

**EXHIBIT D**

**Form 17/17C Disclosure**



SELLER DISCLOSURE STATEMENT †  
IMPROVED PROPERTY

SELLER: Bear Creek Highlands, LLC

† To be used in transfers of improved residential real property, including multi-family dwellings up to four units, new construction, condominiums not subject to a public offering statement, certain timeshares, and manufactured and mobile homes. See RCW Chapter 64.06 and Section 43.22.432 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (\*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY THE SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT  
44XXXX 180TH ST SE

CITY Bothell, COUNTY SNOHOMISH ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller ☐ is/ ☒ is not occupying the property.

I. SELLER'S DISCLOSURES:

\* If you answer "Yes" to a question with an asterisk (\*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

1. TITLE

YES NO DON'T KNOW

A. Do you have legal authority to sell the property? If not, please explain.

☐ ☐ ☐

\*B. Is title to the property subject to any of the following?

☐ ☐ ☐

(1) First right of refusal

☐ ☐ ☐

(2) Option

☐ ☐ ☐

(3) Lease or rental agreement

☐ ☐ ☐

(4) Life estate

☐ ☐ ☐

\*C. Are there any encroachments, boundary agreements, or boundary disputes?

☐ ☐ ☐

\*D. Is there a private road or easement agreement for access to the property?

☐ ☐ ☐

\*E. Are there any rights-of-way, easements, or access limitations that may affect Buyer's use of the property?

☐ ☐ ☐

\*F. Are there any written agreements for joint maintenance of an easement or right-of-way?

☐ ☐ ☐

\*G. Is there any study, survey project, or notice that would adversely affect the property?

☐ ☐ ☐

\*H. Are there any pending or existing assessments against the property?

☐ ☐ ☐

\*I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that would affect future construction or remodeling?

☐ ☐ ☐

\*J. Is there a boundary survey for the property?

☐ ☐ ☐

\*K. Are there any covenants, conditions, or restrictions which affect the property?

☐ ☐ ☐

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224.

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_

## SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY

### 2. WATER

YES      NO      DON'T  
KNOW      58

#### A. Household Water

(1) The source of water for the property is: ☐ Private or publicly owned water system

☐ Private well serving only the subject property \* ☐ Other water system

\*If shared, are there any written agreements?

\*(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source?

\*(3) Are there any known problems or repairs needed?

(4) During your ownership, has the source provided an adequate year-round supply of potable water?

If no, please explain: \_\_\_\_\_

\*(5) Are there any water treatment systems for the property?

If yes, are they: ☐ Leased ☐ Owned

\*(6) Are there any water rights for the property, associated with its domestic water supply, such as a water right permit, certificate, or claim?

(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed?

(b) If yes, has all or any portion of the water right not been used for five or more successive years?

If yes, please explain: \_\_\_\_\_

#### B. Irrigation

(1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim?

\*(a) If yes, has all or any portion of the water right not been used for five or more successive years?

\*(b) If so, is the certificate available? (If yes, please attach a copy.)

(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed?

If so, please explain: \_\_\_\_\_

(2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity?

If so, please identify the entity that supplies water to the property: \_\_\_\_\_

#### C. Outdoor Sprinkler System

(1) Is there an outdoor sprinkler system for the property?

(2) If yes, are there any defects in the system? \_\_\_\_\_

\*(3) If yes, is the sprinkler system connected to irrigation water?

### 3. SEWER/ON-SITE SEWAGE SYSTEM

#### A. The property is served by:

☐ Public sewer system ☐ On-site sewage system (including pipes, tanks, drainfields, and all other component parts)

☐ Other disposal system

Please describe: \_\_\_\_\_

B. If public sewer system service is available to the property, is the house connected to the sewer main?

If no, please explain: \_\_\_\_\_

C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?

D. If the property is connected to an on-site sewage system:

\*(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction?

(2) When was it last pumped? \_\_\_\_\_

\*(3) Are there any defects in the operation of the on-site sewage system?

(4) When was it last inspected? \_\_\_\_\_

By whom: \_\_\_\_\_

(5) For how many bedrooms was the on-site sewage system approved? \_\_\_\_\_ bedrooms

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ 106

# **SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY**

	YES	NO	DON'T KNOW	
E. Are all plumbing fixtures, including laundry drain, connected to the sewer/on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	107 108
If no, please explain: _____				109 110
*F. Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	111
G. Is the on-site sewage system, including the drainfield, located entirely within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	112 113 114
If no, please explain: _____				
H. Does the on-site sewage system require monitoring and maintenance services more frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	115 116 117
If yes, please explain: _____				

**NOTICE: IF THIS SELLER DISCLOSURE STATEMENT IS BEING COMPLETED FOR NEW CONSTRUCTION WHICH HAS NEVER BEEN OCCUPIED, SELLER IS NOT REQUIRED TO COMPLETE THE QUESTIONS LISTED IN ITEM 4 (STRUCTURAL) OR ITEM 5 (SYSTEMS AND FIXTURES).**

## **4. STRUCTURAL**

*A. Has the roof leaked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	121 122
*B. Has the basement flooded or leaked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	123
*C. Have there been any conversions, additions or remodeling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	124
*(1) If yes, were all building permits obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	125
*(2) If yes, were all final inspections obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	126
D. Do you know the age of the house?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	127
If yes, year of original construction: _____				128
*E. Has there been any settling, slippage, or sliding of the property or its improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	129
*F. Are there any defects with the following: (If yes, please check applicable items and explain.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	130
<input type="checkbox"/> Foundations <input type="checkbox"/> Decks <input type="checkbox"/> Exterior Walls				131
<input type="checkbox"/> Chimneys <input type="checkbox"/> Interior Walls <input type="checkbox"/> Fire Alarms				132
<input type="checkbox"/> Doors <input type="checkbox"/> Windows <input type="checkbox"/> Patios				133
<input type="checkbox"/> Ceilings <input type="checkbox"/> Slab Floors <input type="checkbox"/> Driveways				134
<input type="checkbox"/> Pools <input type="checkbox"/> Hot Tub <input type="checkbox"/> Sauna				135
<input type="checkbox"/> Sidewalks <input type="checkbox"/> Outbuildings <input type="checkbox"/> Fireplaces				136
<input type="checkbox"/> Garage Floors <input type="checkbox"/> Walkways <input type="checkbox"/> Wood Stoves				137
<input type="checkbox"/> Siding <input type="checkbox"/> Other _____				138
*G. Was a structural pest or "whole house" inspection done?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	139
If yes, when and by whom was the inspection completed? _____				140 141
H. During your ownership, has the property had any wood destroying organisms or pest infestations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	142
I. Is the attic insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	143
J. Is the basement insulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	144

## **5. SYSTEMS AND FIXTURES**

*A. If any of the following systems or fixtures are included with the transfer, are there any defects?				145 146
If yes, please explain: _____				147
Electrical system, including wiring, switches, outlets, and service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148
Plumbing system, including pipes, faucets, fixtures, and toilets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	149
Hot water tank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	150
Garbage disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	151
Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	152
Sump pump	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	153
Heating and cooling systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	154
Security system <input type="checkbox"/> Leased <input type="checkbox"/> Owned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	155
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ 157

# **SELLER DISCLOSURE STATEMENT IMPROVED PROPERTY**

*B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.)	<b>YES</b>	<b>NO</b>	<b>DON'T KNOW</b>	<b>158</b>
Security System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	160
Tanks (type): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161
Satellite dish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	163
<b>6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS</b>				<b>164</b>
A. Is there a homeowners' association?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165
Name of association _____				166
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167
_____ per <input type="checkbox"/> month <input type="checkbox"/> year				168
<input type="checkbox"/> Other _____				169
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	170
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	172
<b>7. ENVIRONMENTAL</b>				<b>173</b>
*A. Have there been any drainage problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	174
*B. Does the property contain fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	175
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	176
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	177
*E. Are there any substances, materials, or products on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	178
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	179
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	180
*H. Are there transmission poles, transformers, or other utility equipment installed, maintained, or buried on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	181
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	182
*J. Has the property ever been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	183
*K. Are there any radio towers in the area that may cause interference with telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	184
<b>8. LEAD BASED PAINT (Applicable if the house was built before 1978.)</b>				<b>185</b>
A. Presence of lead-based paint and/or lead-based paint hazards (check one below):				186
<input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____				187
<input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.				188
B. Records and reports available to the Seller (check one below):				189
<input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below). _____				190
<input type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.				191
<b>9. MANUFACTURED AND MOBILE HOMES</b>				<b>192</b>
If the property includes a manufactured or mobile home,				193
*A. Did you make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	194
If yes, please describe the alterations: _____				195
*B. Did any previous owner make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	196
If yes, please describe the alterations: _____				197
*C. If alterations were made, were permits or variances for these alterations obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	198
<b>10. FULL DISCLOSURE BY SELLERS</b>				<b>199</b>
A. Other conditions or defects:				200
*Are there any other existing material defects affecting the property that a prospective buyer should know about?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	201
SELLER'S INITIAL: _____ DATE: _____				202
SELLER'S INITIAL: _____ DATE: _____				203

**SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY**

**B. Verification**

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the Property.

Date: \_\_\_\_\_ Date: \_\_\_\_\_  
Seller \_\_\_\_\_ Seller \_\_\_\_\_

**NOTICES TO THE BUYER**

**SEX OFFENDER REGISTRATION**

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

**PROXIMITY TO FARMING**

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

**II. BUYER'S ACKNOWLEDGEMENT**

Buyer hereby acknowledges that:

- A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- C. Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- D. This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
- E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).
- F. If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_  
BUYER: \_\_\_\_\_ BUYER: \_\_\_\_\_

**BUYER'S WAIVER OF RIGHT TO REVOKE OFFER**

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_  
BUYER: \_\_\_\_\_ BUYER: \_\_\_\_\_

**BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT**

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_  
BUYER: \_\_\_\_\_ BUYER: \_\_\_\_\_

If the answer is "Yes" to any asterisked (\*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_

## EXHIBIT E

### NONFOREIGN CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon my disposition of a U.S. real property interest, I, \_\_\_\_\_, hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;
2. My U.S. taxpayer identifying number (Social Security number) is \_\_\_\_\_; and
3. My home address is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification, and to the best of my knowledge and belief it is true, correct and complete.

[Exhibit Only--Do Not Sign]

Date \_\_\_\_\_

## EXHIBIT F

Section 09 Township 27 Range 05 Quarter SE - S 340FT OF E1/2 E1/2 SW1/4 SE1/4  
EXC W 30FT & EXC S 30FT FOR CO RD TGW UND 1/4 INT W 30FT S 960FT OF E1/2  
E1/2 SW1/4 SE1/4 EXC S 30FT THOF CONVYD TO SNO CO FOR RD BY DEED PER  
AUD FILE NO 574515 AKA LOT A OF SP 291 (11-75) REC UND AFN 7601090098

Section 09 Township 27 Range 05 Quarter SE - N 310FT OF S 650FT OF E1/2 E1/2  
SW1/4 SE1/4 EXC W 30FT THOF TGW UND 1/4 INT W 30FT OF S 960FT OF E1/2 E1/2  
SW1/4 SE1/4 EXC S 30FT THOF CONVYD TO SNO CO FOR RD BY DEED PER AUD  
NO 574515 AKA LOT B OF SP 291 (11-75) REC UND AFN 7601090098

**FIRST AMENDMENT TO EARNEST MONEY RECEIPT  
AND AGREEMENT FOR REAL PROPERTY**

This First Amendment to Earnest Money Receipt and Agreement for Real Property ("Amendment") is dated as of August 15, 2008, 2008 and is entered into by and among BEAR CREEK HIGHLANDS, LLC, a Washington limited liability company ("Seller"), EVERETT SCHOOL DISTRICT NO. 2, a municipal corporation of the State of Washington ("Purchaser"), and, solely with respect to certain obligations identified in this Amendment, THE MCNAUGHTON GROUP, LLC, a Washington limited liability company ("TMG").

A. Seller and Purchaser entered into a certain Earnest Money Receipt and Agreement for Real Property dated June 23, 2008 (the "Agreement"); and

B. Seller and Purchaser desire to amend and supplement the Agreement as set forth herein and have prepared this Amendment to so amend and supplement the Agreement.

NOW THEREFORE, for and in consideration of the mutual promises as stated herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser and TMG agree as follows:

1. **Section 4 Replaced.** Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

The total purchase price for the Premises is TWENTY TWO MILLION SEVEN HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS (\$22,760,000.00), of which the Earnest Money and any extension money are a part. The purchase price, including the Earnest Money and any extension money, shall be paid to Seller through escrow at Closing as follows: EIGHTEEN MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$18,100,000.00) cash and Seller's rights under an Agreement Regarding Dedication of Land as School Impact Mitigation, to be mutually executed and delivered at Closing in the form attached hereto as EXHIBIT "C" (the "Dedication Agreement").

2. **Corrective Amendments.** Section 15(f) of the Agreement is hereby amended by replacing the year "2004" with the year "2003". Section 25 of the Agreement is hereby amended by replacing "EXHIBIT 'F'" with "EXHIBIT 'G'".

3. **Exhibit A Replaced.** Exhibit A of the Agreement is hereby deleted in its entirety and replaced with Exhibit A attached to this Amendment.

4. **Exhibit C Replaced.** Exhibit C of the Agreement is hereby deleted in its entirety and replaced with Exhibit C attached to this Amendment.



5. **Exhibit D Replaced.** Exhibit D of the Agreement is hereby deleted in its entirety and replaced with Exhibit D attached to this Amendment.

6. **Exhibit G Added.** Exhibit G is hereby added to the Agreement in the form of Exhibit G attached to this Amendment.

7. **Seller's Tax Obligations.** Without limiting Sections 13 and 14 of the Agreement, Seller acknowledges that Purchaser has made no representation or warranty to Seller regarding the tax treatment of the transactions contemplated under the Agreement including, without limitation, any federal income tax treatment of Seller's proceeds and the availability of any real estate excise tax exemptions.

8. **TMG Obligations.** TMG, an affiliate of Seller, as owner of certain adjacent property identified in Section 24 of the Agreement, hereby agrees to be bound by all of the terms and conditions of Sections 24 and 25 of the Agreement. Except as provided in this Section 8, in no event shall TMG be liable for the performance of Seller's obligations under the Agreement.

9. **Entire Agreement.** Except as expressly modified in this Amendment, the Agreement shall remain in full force and effect and the parties hereto acknowledge, confirm, and ratify all of the terms and conditions of the Agreement. This Amendment, together with the Agreement (including the exhibits and schedules attached hereto and thereto), contains the entire agreement between the parties with respect to the transactions contemplated hereunder and thereunder.

EXECUTED as of the date first above written by duly authorized officers of the parties hereto, intending to be legally bound hereby.

SELLER:

PURCHASER:

BEAR CREEK HIGHLANDS, LLC

EVERETT SCHOOL DISTRICT NO. 2

By: [Signature]  
Name: Mark A. McLaughlin  
Title: Member

By: [Signature]  
Name: Carol Whitehead 8-15-08  
Title: Superintendent

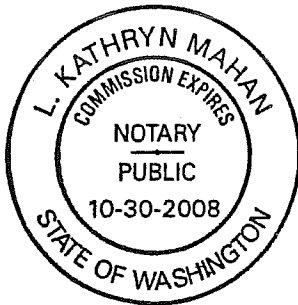
THE MCNAUGHTON GROUP, LLC

By: 2-2-28  
Name: Mark A. McNaughton  
Title: Manager

STATE OF Washington  
COUNTY OF Snohomish SS.

On this 15 day of August, 2008, before me, the undersigned, a Notary Public in and for the State of Wash., duly commissioned and sworn, personally appeared Carol Whithead, to me known to be the person who signed as Superintendent of EVERETT SCHOOL DISTRICT NO. 2, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that she was duly elected, qualified and acting as said officer of the municipal corporation, that she was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

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



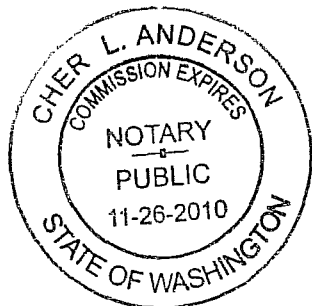
L. Kathryn Mahan  
(Signature of Notary)  
L. Kathryn Mahan  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of WA, residing at Mt. Vernon  
My appointment expires: 10-30-08

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SNOHOMISH )

On this 14<sup>th</sup> day of AUGUST, 2008, before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared MARK MC NAUGHTON, to me known to be the person who signed as MEMBER of BEAR CREEK HIGHLANDS, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that HE was duly elected, qualified and acting as said officer of the limited liability company, that HE was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said limited liability company.

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



Cher L. Anderson  
(Signature of Notary)

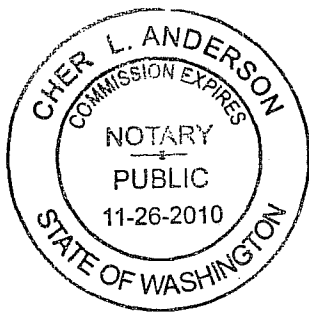
CHER ANDERSON  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of WA, residing at KENTMORE.  
My appointment expires: 11-26-10.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SNOHOMISH )

On this 14<sup>th</sup> day of AUGUST, 2008, before me, the undersigned, a Notary Public in and for the State of WA, duly commissioned and sworn, personally appeared MARK MCNAUGHTON, to me known to be the person who signed as MANAGER of THE MCNAUGHTON GROUP, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that HE was duly elected, qualified and acting as said officer of the limited liability company, that HE was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said limited liability company.

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



Cher Anderson  
(Signature of Notary)

CHER ANDERSON  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of WA, residing at KENMORE.  
My appointment expires: 11-26-10.

**EXHIBIT A**

**LEGAL DESCRIPTION OF PREMISES**

**PARCEL 1:**

LOTS 1 THROUGH 4, INCLUSIVE, SHORT PLAT NO. SP 98 (3-77), RECORDED UNDER AUDITOR'S FILE NUMBER 7707220321, BEING A PORTION OF THE WEST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 2:**

LOTS 1 THROUGH 4, INCLUSIVE, OF SNOHOMISH COUNTY SHORT PLAT NUMBER SP 193 (7-83), RECORDED UNDER AUDITOR'S FILE NUMBER 8312150303, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 3:**

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

## EXHIBIT C

### FORM OF DEDICATION AGREEMENT

(To be formatted to meet recording requirements)

#### RETURN ADDRESS:

Everett School District #2  
Attn: Mike Gunn, Fac. & Plan.  
3715 Oakes Ave., 3<sup>rd</sup> Floor  
Everett, WA 98201

### AGREEMENT REGARDING DEDICATION OF LAND AS SCHOOL IMPACT MITIGATION

THIS AGREEMENT REGARDING DEDICATION OF LAND AS SCHOOL IMPACT MITIGATION ("**Dedication Agreement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between EVERETT SCHOOL DISTRICT NO. 2, a municipal corporation of the State of Washington ("**School District**"), THE MCNAUGHTON GROUP, LLC, a Washington limited liability company ("**Developer**"), and their successors, heirs or assigns. The School District and the Developer are, at times, referred to in this Dedication Agreement individually as a "Party," and are collectively referred to in this Dedication Agreement as the "Parties."

#### RECITALS

A. Developer and related entities own or have rights to develop approximately 220 acres of real property, located within the boundaries of the School District in the City of Everett, the City of Mill Creek, or unincorporated Snohomish County (the "**Permitting Jurisdictions**"), and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference, and may acquire additional properties in the future that are within the boundaries of the School District in the Permitting Jurisdictions (collectively the "**Development Sites**").

B. School impact fees are imposed by Snohomish County on new development pursuant to chapter 30.66C Snohomish County Code ("**SCC**"). New developments are conditioned upon payment of school impact fees pursuant to chapter 30.66C SCC, which fees are paid at the time of building permit issuance. Approval of the Development Sites located within unincorporated Snohomish County are, or will be, conditioned upon the payment of school impact fees required pursuant to chapter 30.66C SCC (unless repealed and subject to the exceptions set forth therein).

C. One of Developer's affiliated entities, Bear Creek Highlands LLC, formerly owned, and conveyed to the School District, real property located in Snohomish County,

Washington and more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference (the "**Potential School Site**"). The purchase price was Twenty Two Million Seven Hundred Sixty Thousand and NO/100 Dollars (\$22,760,000.00), which was equal to or less than the appraised value of the Potential School Site at the time of the conveyance. In consideration for such conveyance of the Potential School Site, the School District paid Eighteen Million One Hundred Thousand and No/100 Dollars (\$18,100,000.00) in cash and agreed to execute this Dedication Agreement to provide a process for Developer to claim, and the School District to confirm its consent for the Permitting Jurisdictions to grant, up to Four Million Six Hundred Sixty Thousand and NO/100 Dollars (\$4,660,000.00) in school impact and school mitigation credits to be applied against future impact and mitigation fees owed to the School District with respect to the Development Sites (the "**School Mitigation Credits**") to the fullest extent permitted by applicable law.

D. Based upon student enrollment projections of the Washington State Office of the Superintendent of Public Instruction, the School District's Capital Facilities Plan projects that the School District will need to acquire two new elementary school sites and property to construct one or two new secondary schools (middle or high school) to house new students, such as those that will be generated by the Development Sites.

E. The State Environmental Policy Act, Chapter 43.21C RCW ("**SEPA**"), provides processes and procedures whereby major actions by state and local agencies, including, but not limited to, the issuance of building permits for residential developments, may be reviewed to determine the nature and extent of their impact on the environment. Impacts on public services, including schools, are environmental impacts for purposes of SEPA. SEPA requires the mitigation of probable significant adverse environmental impacts.

F. The State Subdivision Act, Chapter 58.17 RCW, states that a proposed subdivision shall not be approved unless "appropriate provisions are made for . . . schools and school grounds." RCW 58.17.110.

G. Snohomish County's school impact fee provisions provide, in Section 30.66C.150, for credit against impact fees for in-kind contributions by a developer. The School District has determined pursuant to SCC 30.66C.150 that the School Mitigation Credits in the amount of \$4,660,000 (the amount exceeding the cash payment made by the District for the Potential School Site) constitutes an in-kind contribution for which Developer should be entitled to credits against impact fees under chapter 30.66C SCC.

H. Because of recent changes in the market for residential properties, and the School District's own enrollment projections, it may be a number of years before new students are generated by the Development Sites. However, the School District determined that it is in the best interests of the School District to acquire the Potential School Site now, in advance of the need, so as to permit orderly, cost effective and efficient planning and development of school facilities needed to serve growth. The School District supports Developer's efforts to provide mitigation of impacts in advance of the creation of those impacts.

I. The School District has not accepted, and does not accept, potential liability to pay or refund cash if the School Mitigation Credits or any of them cannot be used as or when desired by Developer. Developer has accepted, and does accept, that risk.

### AGREEMENT

NOW, THEREFORE, for the mutual benefits and obligations contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Developer and the School District agree as follows:

#### **1. Dedication of Real Property; School Mitigation Credits**

##### **1.1 Credits Provided as Consideration for Property Conveyance/Dedication**

As partial consideration for the Potential School Site, the School District grants to Developer (to the extent of the School District's authority) the "School Mitigation Credits."

##### **1.2 Nature of School Mitigation Credits**

The School Mitigation Credits are granted in lieu of cash payments by the School District for the Potential School Site. Pursuant to RCW 82.02.060(3), the School District has determined and (to the extent of the School District's authority) agrees that the Permitting Jurisdictions should acknowledge and accept from Developer to the fullest extent permitted by law the School Mitigation Credits in lieu of school impact and school mitigation fees. The School District's receipt of the Potential School Site in advance of the actual impacts resulting from the Development Sites also presents unusual circumstances in this specific case which should be considered by permitting jurisdictions consistent with RCW 82.02.060(4) to adjust the standard impact fee (so as to authorize a Permitting Jurisdiction's acceptance of the School Mitigation Credits in lieu of a fee, but expressing no opinion, and reserving each party's rights, with respect to any other adjustment Developer may believe appropriate) at the time the fee is imposed, to extend the length of time (as otherwise provided in this Dedication Agreement) that such School Mitigation Credits may be used by Developer, and to otherwise ensure impact fees are imposed fairly.

##### **1.3 Scope of School Mitigation Credits**

The School Mitigation Credits may be applied as otherwise permitted by law to mitigate the impacts of new students on the School District's educational facilities. The School Mitigation Credits shall not provide mitigation for potential impacts of the Development Sites on schools, such as impacts to transportation routes and pedestrian walkways. Neither the impacts identified nor the Developer's dedication of the Potential School Site affects, reduces or enlarges any other obligation the Development Sites have to comply with required land use approvals, including without limitation sidewalks to provide safe walkways to and from



school, school bus turnarounds, and/or other potential impacts that might be identified in connection with review and approval or aspects of the Development Sites over their extended development period and which are not mitigated through the payment of school mitigation and/or impact fees.

## **2. Application of and Accounting for School Mitigation Credits**

### **2.1 Process for Application of School Mitigation Credits**

#### **2.1.1 Application to New Units within Unincorporated Snohomish County**

Developer may submit to Snohomish County a request for a credit against school impact fees under Chapter 30.66C SCC in the amount of the School Mitigation Credits (exclusive of costs or fees charged by Snohomish County for processing, if any, and approval and application of such credits), up to the full amount of the School Mitigation Credits, against impact fees assessed by Snohomish County for issuance of building permits for the Development Sites. The School District agrees that the amount of the School Mitigation Credits is the value of Developer's in-kind contribution for the Potential Development Site and for which the Developer should be entitled to a credit against impact fees pursuant to SCC 30.66C.150. The School District agrees to cooperate and, as necessary, provide Developer and Snohomish County with further evidence that the School District acknowledges and recognizes the dollar value of the School Mitigation Credits provided for in this Dedication Agreement is (or is lower than) the cash value of the in-kind contribution in connection with any such request, except to the extent the School District may be precluded by law.

#### **2.1.2 Application to New Units within the City of Everett or the City of Mill Creek**

In connection with any portion of the Development Sites within the boundaries of the School District under the jurisdiction of the City of Everett or the City of Mill Creek, Developer may request to apply some or all of the School Mitigation Credits from time to time as a credit against school impact fees or school impact mitigation payments required in connection with the development approval processes of such cities (exclusive of costs or fees retained by such cities for processing, if applicable). The School District agrees to cooperate and, as necessary, provide Developer and the City of Everett or the City of Mill Creek with further evidence that the School District acknowledges and recognizes the School Mitigation Credits provided for in this Dedication Agreement as appropriate mitigation in connection with any such request, except to the extent the School District may be precluded by law.

### **2.2 Accounting for School Mitigation Credits**

#### **2.2.1 Maintenance of Records Regarding School Mitigation Credits Balance**

The School District shall maintain records of Developer's use and application of the School Mitigation Credits. The School District shall on an annual basis provide Developer with reports stating the School Mitigation Credits balance and noting School Mitigation Credits transactions having occurred since issuance of the prior report.

#### **2.2.2 Assessment of Credit Value As Applied**

Except to the extent precluded by law, the School District shall recognize the School Mitigation Credits at the face dollar value established in this Dedication Agreement when applied by Developer to specific pending building permit applications (exclusive of costs or fees retained by Snohomish County for processing, if applicable). However, Developer acknowledges that the mitigation requirements for any development approval are established by the applicable city, or Snohomish County under applicable law.

#### **2.2.3 Credit Absolute Net to School District**

The cities and the County charge, and may from time to time change, fees and processing costs to administer school impact fee and mitigation fee programs. The cities' and County's administrative charges are typically taken from a portion of the gross impact fee or gross mitigation fee assessed by such city or the County, with the remainder of the assessed impact fee or mitigation fee being remitted to the School District. Developer shall pay any such assessed administrative charges to the cities and County in cash. The School District shall have no obligation to pay any administrative fee or processing charge to the County or Cities to enable Developer to claim or realize the benefit of School Mitigation Credits. Rather, all School Mitigation Credits shall be calculated and applied on an absolute net basis exclusive of any administrative charges assessed with respect to the School Mitigation Credits by either city or the County.

#### **2.2.4 Accounting for Credits Applied**

Upon a permitting jurisdiction's determination of Developer's eligibility to use the School Mitigation Credits as a credit against impact fees or mitigation payments otherwise owed, the School District shall cooperate and execute such documents, and take such further actions, as may reasonably be requested by Developer or the permitting jurisdiction in order to carry out the provisions of this Dedication Agreement and reflect the School District's acceptance of the application of such School Mitigation Credits as appropriate mitigation of the applicable impact of student generation on school facilities.

#### **2.2.5 Covenants and Protection Against Refund Obligations**

Chapter 82.02 RCW and local law impose upon the School District obligations to refund school impacts fees or fees paid pursuant to voluntary agreements to mitigate school impacts in certain circumstances to the property owner of record at the time the refund is due.

The parties intend that no such refund obligation shall ever accrue, because no cash was paid to the School District for the School Mitigation Credits; rather, Developer has made a dedication of land, and to the extent it cannot benefit from that dedication by application of the School Mitigation Credits under this Dedication Agreement, it intends a gift to the School District. By acquiring the Potential School Site and executing this Dedication Agreement with respect to School Mitigation Credits, the School District has "spent or encumbered" the funds within the meaning of Chapters 43.21.C and 82.02 RCW, and Chapter 30.66C SCC, to the extent the refund provisions of such laws might otherwise apply to the School Mitigation Credits. Developer shall include in the deed (or in another recorded restriction that will run with the land) to any property for which any School Mitigation Credits have been applied appropriate provisions to acknowledge Developer's dedication and to release all rights to any refund from the School District. In addition, Developer shall defend, indemnify and hold the School District harmless from and against, and reimburse the School District for, any refund that may be found due and owing to Developer or any third party due to the School District's acceptance of School Mitigation Credits pursuant to this Dedication Agreement. This obligation shall survive expiration or earlier termination of the Term and any assignment or other transfer of any School Mitigation Credits.

### **3. Successors and Assigns**

This Dedication Agreement shall be binding on the successors, heirs, and assigns of the parties hereto. Developer may assign School Mitigation Credits under this Dedication Agreement, subject to the limitations and restrictions of applicable law and this Dedication Agreement, to any entity formed for the purposes of developing the Development Sites; provided, however, Developer shall remain jointly liable for performance of its duties hereunder unless and until such entity obtains record title to a portion of any of the Development Sites, and the School District is notified in writing of such assignment and the assignee assumes Developer's obligations hereunder with respect to the School Mitigation Credits so assigned. Developer shall have the right to assign School Mitigation Credits to owners of development projects within the School District's boundaries other than Developer's Development Sites to the extent such assignment is permitted by law and approved by the applicable local jurisdictions; *provided, however*, any such assignment shall be subject to the terms and conditions of this Dedication Agreement, any such assignment shall not enlarge the School Mitigation Credits beyond \$4,660,000, and the assignee assumes Developer's obligations hereunder with respect to the School Mitigation Credits so assigned. All assignments of School Mitigation Credits under this Development Agreement are without warranty from or recourse against the School District, and each assignee must so acknowledge.

### **4. Real Covenant**

The terms of this Dedication Agreement shall constitute a real covenant running with the Development Sites (and any other sites to which some or all of the School Mitigation

Credits are applied pursuant to Section 3, above). Such covenant shall be binding and inure to the benefit of the Parties, their successors, heirs and assigns.

## **5. Term**

The term of this Dedication Agreement ("**Term**") shall commence on the date of the execution of this Dedication Agreement (the "**Commencement Date**") and shall expire on the earlier of (i) the date on which Developer applies the last of the School Mitigation Credits provided in this Dedication Agreement or (ii) twenty (20) years from the Commencement Date or (iii) the maximum duration permitted by Chapter 82.02 RCW, Chapter 43.21C RCW and other applicable law.

## **6. Remedies**

The Parties agree that this Dedication Agreement is unique. In the event of a breach of any of the covenants set forth in this Dedication Agreement, the Parties shall be limited to the equitable remedies of specific performance or mandatory or prohibitory injunction issued by a court of appropriate jurisdiction. Without limiting the generality of the foregoing, regardless of whether Developer is, or is not, ever able to use any of the School Mitigation Credits, Developer shall not be entitled to recover the Potential School Site or any portion thereof from the School District nor shall the School District be liable to pay the Developer or any assignee of the School Mitigation Credits damages or refund or may any cash to Developer or any assignee of the School Mitigation Credits. To the extent that Developer or any assignee applies School Mitigation Credits to particular residential units and subsequently determines not to construct or draw building permits for such units, upon receipt of written documentation of the same by Developer and the Permitting Jurisdiction, the School District shall reinstate the School Mitigation Credits in the balance of available credits as the Developer's (or assignee's) sole remedy as against the School District. To the fullest extent permitted by applicable law, the School Mitigation Credits may also be assigned in accordance with this Dedication Agreement. To the extent the Developer does not use all of the School Mitigation Credits granted in this Dedication Agreement within the Term (whether due to the School District's ineligibility to collect them, Developer's decision not to pursue some or all of the development on the Development Sites, or legal prohibition against use or application of the School Mitigation Credits to any particular aspect of the Development Sites), Developer shall be deemed to have made a partial gift of the Potential School Site to the School District in the full amount of such unused School Mitigation Credits. The School District disclaims any warranty with respect to the tax treatment of such a gift. The provisions of this paragraph shall survive the expiration or termination of this Dedication Agreement.

## **7. Disclaimer of Warranties**

The School District disclaims any warranty and makes no representations suggesting that the School Mitigation Credits are authorized by Washington law or that they will be

accepted by any of the applicable permitting jurisdictions as school impact mitigation with respect to any proposed development of residential units by Developer or Developer's assignees.

#### **8. Covenant Not to Sue**

Developer (for itself and on behalf of, and as a condition of its assignment to any assignee of any School Mitigation Credits) hereby covenants and undertakes that it forever refrains and desists from instituting, asserting, filing or bringing any lawsuit, litigation, claim, challenge or proceeding to challenge this Dedication Agreement or any of its terms and conditions, or claim any right to payment from the School District in lieu of using the School Mitigation Credits, for additional compensation for the Potential School Site, or for other repayment or reimbursement of funds, performance or improvements provided for in this Dedication Agreement, on any ground or basis whatsoever.

#### **9. Notice**

Any notice under this Dedication Agreement shall be in writing and shall be hand delivered or mailed via the U.S. Postal Service, postage prepaid. Notices shall be deemed effective upon the second day following deposit thereof in the United States mails, postage prepaid, registered or certified, return receipt requested. All notices to the School District shall be sent to the attention of Michael Gunn, Director of Facilities and Planning, 3715 Oakes Avenue, Everett, WA 98201. All notices to Developer shall be sent to the attention of Mark A. McNaughton, P.O. Box 100, Edmonds, WA 98020. Any Party may change the address to which notices may be given by giving notice as above provided.

#### **10. Severability**

If any provision of this Dedication Agreement shall be held to violate any applicable law or be unenforceable for any reason, the invalidity or unenforceability of any such provision shall not invalidate or render unenforceable any other provision hereof, which shall remain in full force and effect. The invalidity or unenforceability of this Dedication Agreement or any provision of this Dedication Agreement shall not invalidate or provide grounds for rescission or reformation of the conveyance of the Potential School Site to the School District, as the risks of such invalidity or unenforceability are acknowledged and accepted by Developer.

#### **11. Applicable Law; Venue.**

This Dedication Agreement is made with reference and is intended to be construed in accordance with the laws of the State of Washington. The Parties agree that the venue for any suit brought under this Dedication Agreement shall be exclusively in Snohomish County, Washington (or, in the event of federal jurisdiction, the United States District Court for the Western District of Washington).

**12. Entire Agreement; Modifications.**

This Dedication Agreement constitutes the entire agreement between the Parties with respect to the School Mitigation Credits and no modifications or revisions shall be binding unless made in writing and signed by the Parties hereto.

**13. Waiver.**

Neither the waiver by any Party of any breach of any provision hereof, nor the failure of any Party to seek redress for violation of or insist upon strict performance of any such provision, shall be considered a waiver of such provision or any subsequent breach thereof. No purported or alleged waiver of any of the provisions of this Dedication Agreement shall be binding or effective unless in writing and signed by the Party against whom it is sought to be enforced.

**14. Captions.**

The captions set forth in this Dedication Agreement are included for convenience of reference only and shall not in any way limit or affect the meaning or interpretation of any terms or provisions of this Dedication Agreement.

**15. Authority.**

The individuals executing this Dedication Agreement covenant that they have the authority to bind the respective Party identified in this Dedication Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Dedication Agreement on the date first above written.

**DEVELOPER:**

**THE MCNAUGHTON GROUP, LLC, a  
Washington limited liability company,**

**DISTRICT:**

**EVERETT SCHOOL DISTRICT NO. 2, a  
Washington municipal corporation**

\_\_\_\_\_  
By: Mark A. McNaughton  
Its: Manager

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF WASHINGTON )

SS.

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of \_\_\_\_\_ [month/year], before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the persons who signed as \_\_\_\_\_,

respectively of THE MCNAUGHTON GROUP, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on an oath stated that he/she was duly elected, qualified and acting as said officer of the school district and that he/she was authorized to execute said instrument.

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

NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_

My Appointment Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
COUNTY OF \_\_\_\_\_) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_ [month/year], before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the persons who signed as \_\_\_\_\_, respectively of EVERETT SCHOOL DISTRICT NO. 2, the school district that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said school district for the uses and purposes therein mentioned, and on an oath stated that he/she was duly elected, qualified and acting as said officer of the school district and that he/she was authorized to execute said instrument.

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

NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_

My Appointment Expires: \_\_\_\_\_



**EXHIBIT A**  
**DEVELOPMENT SITES**  
*[ATTACHED]*

**EXHIBIT "A"**  
**DEVELOPMENT SITES**

Project Name/Property	Tax Parcel Numbers
Autumn Grove:	270508-004-017-00
	270508-004-019-00
Bear Creek Highlands II:	270509-003-034-00
	270509-003-053-00
	270509-003-054-00
Bruner Addition:	270509-003-022-00
	270509-003-026-00
	270509-003-036-00
Burke:	270509-002-019-00
Canton Ridge:	270509-003-005-00
	270509-003-011-00
	270509-003-012-00
	270509-003-038-00
	270509-003-043-00
	270509-003-044-00
Cartwright Addition:	280533-001-041-00
	280533-001-052-00 & -01
	280533-001-054-00
	280533-001-055-00
	280533-001-056-00
	280533-001-059-00
Cottage Court:	270508-001-002-00
	270509-002-054-00
Creekside Place:	280533-002-005-00
	280533-002-017-00
Creekstone:	270509-002-029-00
	270509-002-030-00
	270509-002-031-00
	270509-002-036-00
	270509-002-037-00
	270509-002-038-00
	270509-002-039-00
	270509-002-040-00
	270509-002-042-00
	270509-002-043-00
	270509-002-044-00
	270509-002-045-00
	270509-002-047-00
	270509-002-048-00
	270509-002-049-00
	270509-002-050-00

	270509-002-053-00
	270509-002-060-00
	270509-003-006-00
	270509-003-037-00
Foxwood Glen:	270504-003-010-00
	270504-003-015-00
	270504-003-030-00
	270509-002-015-00
Kensington Park I & II:	270508-004-021-00
	270508-004-028-00
	270508-004-029-00
	270508-004-030-00
Kings Corner I & II:	270509-003-016-00 & -01
	270509-003-017-00
	270509-003-032-00
Kings Corner III:	270509-003-018-00
LaRose:	270509-003-045-00
Lexington Park:	270509-002-022-00
Sommerwood:	270509-003-021-00
	270509-003-028-00
	270509-003-029-00
	270509-003-030-00
	270509-003-046-00
Springhaven:	280528-003-004-00
	280528-003-005-00
	280528-003-006-00
	280528-003-010-00
	280528-003-017-00
Sun Creek Meadows:	270504-003-036-00
Sunset Pointe:	010811-000-001-00 thru 010811-000-014-00
Thornberg Addition:	270509-004-028-00
	270509-004-030-00
Wade Addition:	270509-002-010-00
	270509-002-035-00
Westbrook Run:	270509-002-027-00
Yorkshire:	270509-003-009-00
	270509-003-010-00
	270509-003-047-00
	270509-003-048-00

Legal Description  
"AUTUMN GROVE"

PARCEL A:

BEGINNING AT A POINT 520.06 FEET WEST OF THE SOUTHEAST CORNER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; THENCE NORTH TO A POINT 522 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE WEST 273 FEET; THENCE SOUTH TO THE SOUTH LINE OF THE SECTION; THENCE EAST TO THE POINT OF BEGINNING.

EXCEPT THE SOUTH 408 FEET OF THE EAST 240 FEET THEREOF ALL IN SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.;

EXCEPT THAT PORTION OF THE WEST 25 FEET LYING WITHIN THE PLAT OF CANTERBURY ESTATES.

AND EXCEPT THAT PORTION DESCRIBED AS FOLLOWS; BEGINNING AT THE NORTHEAST CORNER OF AFOREMENTIONED PARCEL; THENCE NORTH  $88^{\circ}29'56''$  WEST FEET PARALLEL WITH NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 165.75 FEET; THENCE SOUTH  $08^{\circ}16'28''$  WEST A DISTANCE OF 27.51 FEET; THENCE SOUTH  $32^{\circ}33'42''$  WEST A DISTANCE OF 11.71 FEET; THENCE SOUTH  $02^{\circ}27'16''$  EAST A DISTANCE OF 21.31 FEET; THENCE SOUTH  $14^{\circ}25'44''$  EAST A DISTANCE OF 23.37 FEET; THENCE SOUTH  $26^{\circ}18'31''$  EAST A DISTANCE OF 8.80 FEET; THENCE SOUTH  $76^{\circ}21'36''$  EAST A DISTANCE OF 10.65 FEET; THENCE NORTH  $86^{\circ}04'30''$  EAST A DISTANCE OF 22.28 FEET; THENCE SOUTH  $62^{\circ}58'28''$  EAST A DISTANCE OF 20.37 FEET; THENCE NORTH  $71^{\circ}51'45''$  EAST A DISTANCE OF 19.35 FEET; THENCE SOUTH  $64^{\circ}43'39''$  EAST A DISTANCE OF 19.11 FEET; THENCE SOUTH  $88^{\circ}07'03''$  EAST A DISTANCE OF 75.70 FEET TO THE EAST LINE OF AFOREMENTIONED TRACT; THENCE NORTH  $01^{\circ}52'57''$  EAST ALONG SAID EAST LINE A DISTANCE OF 99.47 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL B:

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., DESCRIBED AS FOLLOWS;

BEGINNING AT A POINT 520.06 FEET WEST OF THE SOUTHEAST CORNER OF SAID SECTION 8; THENCE NORTH ON A LINE PARALLEL TO THE EAST LINE OF SAID SECTION 8 FOR 408 FEET; THENCE WEST AT RIGHT ANGLES A DISTANCE OF 240 FEET; THENCE SOUTH ON A LINE PARALLEL TO THE EAST LINE OF SAID SECTION 8 TO THE SOUTH LINE OF SAID SECTION; THENCE EAST ALONG SAID SOUTH LINE TO THE TRUE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF CONVEYED TO SNOHOMISH COUNTY BY STATUTORY WARRANTY DEED RECORDED UNDER RECORDING NO. 8109030219 AND EXCEPT PORTION LYING WITHIN 180<sup>TH</sup> STREET.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Bearcreek Highlands Div.2 Legal Description

PARCEL A:

LOT 1, SHORT PLAT NO. SP299 (9-80) RECORDED UNDER AUDITOR'S FILE NUMBER 8204080206, BEING A PORTION OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

PARCEL B:

LOT 2, SHORT PLAT NO. SP299 (9-80) RECORDED UNDER AUDITOR'S FILE NUMBER 8204080206, BEING A PORTION OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

PARCEL C:

LOT 3, SHORT PLAT NO. SP299 (9-80) RECORDED UNDER AUDITOR'S FILE NUMBER 8204080206, BEING A PORTION OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

LEGAL DESCRIPTION  
"BRUNER ADDITION"

PARCEL A:

THE NORTH HALF OF THE NORTH HALF OF THE EAST THREE QUARTERS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING EAST OF SUNSET ROAD, EXCEPT ROADS.

TOGETHER WITH THE NORTH 485.00 FEET OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.,

PARCEL B:

SOUTH HALF OF THE NORTH HALF OF THE EAST  $\frac{3}{4}$ THS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING EAST OF SUNSET ROAD.

PARCEL C:

THAT PORTION OF THE FOLLOWING DESCRIBED TRACT LYING EASTERLY OF SUNSET ROAD, THE NORTH 84 FEET OF THE NORTH HALF OF THE SOUTH HALF OF THE EAST THREE QUARTERS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION EXHIBIT

"BURKE"

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF  
SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

EXCEPT THE SOUTH 165 FEET THEREOF;

AND EXCEPT ANY PORTION THEREOF LYING WITHIN 35TH AVENUE.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"CANTON RIDGE"

PARCEL A:

THAT PART OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING EASTERLY OF ROAD KNOWN AS ELWOOD ROAD.

EXCEPT THE SOUTH 20 FEET FOR ROAD;

EXCEPT THE EAST 155 FEET THEREOF CONVEYED TO THE CITY OF SEATTLE;  
AND EXCEPT THE FOLLOWING DESCRIBED TRACT:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID SUBDIVISION AND EAST LINE OF SAID COUNTY ROAD;

THENCE EAST ALONG THE NORTH LINE 260 FEET;

THENCE SOUTH 154 FEET TO POINT 254 FEET EAST OF EAST LINE OF SAID COUNTY ROAD;

THENCE WEST PARALLEL TO NORTH LINE OF ABOVE DESCRIBED TRACT 254 FEET TO EAST LINE OF SAID COUNTY ROAD;

THENCE NORTH ALONG EAST LINE OF COUNTY ROAD 154 FEET TO POINT OF BEGINNING.

PARCEL B:

THAT PORTION OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH RANGE 5 EAST, W.M., LYING EAST OF COUNTY ROAD KNOWN AS SUNSET ROAD;

EXCEPT THE EAST 340.89 FEET THEREOF; AND

EXCEPT THE NORTH 20 FEET THEREOF FOR COUNTY ROAD.

PARCEL C:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING EAST OF THE COUNTY ROAD KNOWN AS SUNSET ROAD;

EXCEPT THE EAST 340.89 FEET THEREOF;

AND EXCEPT THE SOUTH 214 FEET THEREOF.

PARCEL D:

THE SOUTH 214.00 FEET OF THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., RECORDS OF SNOHOMISH COUNTY, WASHINGTON, LYING EASTERLY TO COUNTY ROAD, KNOWN AS ELWOOD ROAD (SUNSET ROAD);

EXCEPT THE EAST 340.89 FEET THEREOF

ALSO KNOWN AS A PORTION OF TRACT 41 OF THE UNRECORDED PLAT OF ELWOOD ACRES.



"CANTON RIDGE" CONT.

PARCEL E:

THE EAST 340.89 FEET OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;  
EXCEPT THE SOUTH 162.98 FEET THEREOF; AND  
EXCEPT THE NORTH 20 FEET THEREOF FOR COUNTY ROAD.

PARCEL F:

THE SOUTH 162.98 FEET OF THE EAST 340.89 FEET OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

TOGETHER WITH AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 20 FEET OF THE EAST 340.89 FEET OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.,  
EXCEPT THE NORTH 20 FEET THEREOF FOR COUNTY ROADS,  
AND EXCEPT THE SOUTH 162.98 FEET THEREOF.

ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"CARTWRIGHT ADDITION"

SUBDIVISION WITH THE WEST MARGIN OF KATTENHORN ROAD (SURVEY NO. 2751);  
THENCE WEST ALONG SAID SOUTH LINE 257.00 FEET, MORE OR LESS, TO THE CENTERLINE OF  
PUGET SOUND POWER AND LIGHT COMPANY TRANSMISSION LINE RIGHT OF WAY;  
THENCE SOUTH  $2^{\circ}49'24''$  EAST ALONG SAID CENTERLINE 151.00 FEET, MORE OR LESS, TO THE  
SOUTH LINE OF THE NORTH 30.00 FEET OF THE NORTH HALF OF THE SOUTH HALF OF THE  
SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION AND THE TERMINUS OF  
SAID LINE.

ALSO TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR VEHICULAR TURN-AROUND OVER THE  
NORTH 40.00 FEET OF THE SOUTH 159.14 FEET OF SAID NORTH HALF OF THE SOUTH HALF,  
LYING BETWEEN THE CENTERLINE OF SAID TRANSMISSION LINE RIGHT OF WAY AND A LINE  
DRAWN PARALLEL WITH AND 40.00 FEET WESTERLY THEREOF.

PARCEL D:

LOT 4, SHORT PLAT RECORDED UNDER AUDITOR'S FILE NUMBER 8507260163, BEING A  
REVISION OF SHORT PLAT RECORDED UNDER AUDITOR'S FILE NUMBER 8212210139, LOCATED  
IN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.,  
RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

PARCEL E:

THAT PORTION OF LOT 2 OF SHORT PLAT NO SP-113 (4-81) AS RECORDED UNDER AUDITOR'S  
FILE NUMBER 8212210139, RECORDS OF SNOHOMISH COUNTY, WASHINGTON;

EXCEPT THAT PORTION LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 2;  
THENCE NORTH  $88^{\circ}26'57''$  WEST ALONG THE SOUTH LINE THEREOF 50.00 FEET OF THE  
NORTHEAST CORNER OF LOT 1 OF SAID SHORT PLAT AND THE TRUE POINT OF BEGINNING OF  
THIS LINE DESCRIPTION;  
THENCE NORTH  $1^{\circ}02'13''$  EAST ALONG THE PROLONGATION OF THE EAST LINE OF SAID LOT 1 A  
DISTANCE OF 8.04 FEET;  
THENCE NORTH  $88^{\circ}26'57''$  WEST PARALLEL WITH THE NORTH LINE OF SAID LOT 1 A DISTANCE  
OF 289.09 FEET TO A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET;  
THENCE ALONG SAID CURVE AN ARC LENGTH OF 45.21 FEET THROUGH A CENTRAL ANGLE OF  
 $103^{\circ}37'11''$  TO THE SOUTHEASTERLY MARGIN OF SEATTLE HILL ROAD AND THE END OF THIS  
LINE DESCRIPTION.

(ALSO KNOWN AS PARCEL 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO.  
01-106762, RECORDED UNDER RECORDING NUMBER 200202070215).

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Legal Description  
"COTTAGE COURT"

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING EAST OF COUNTY ROAD (35<sup>TH</sup> AVE SE),

TOGETHER WITH THAT PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, 5 EAST, WM., DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE SOUTH  $01^{\circ}53'38''$  WEST ALONG THE WEST LINE OF SAID SECTION 9 A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH  $88^{\circ}49'40''$  EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION 9 A DISTANCE OF 205.80 FEET; THENCE SOUTH  $01^{\circ}53'17''$  WEST A DISTANCE OF 145.15 FEET; THENCE NORTH  $88^{\circ}43'46''$  WEST A DISTANCE OF 31.67 FEET; THENCE SOUTH  $35^{\circ}47'52''$  WEST A DISTANCE OF 117.22 FEET; THENCE NORTH  $89^{\circ}06'05''$  WEST A DISTANCE OF 108.76 FEET TO THE WEST LINE OF SAID SECTION 9; THENCE NORTH  $01^{\circ}53'38''$  EAST ALONG SAID WEST LINE A DISTANCE OF 242.08 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING EAST OF COUNTY ROAD (35<sup>TH</sup> AVE SE); DESCRIBED AS FOLLOWS;

COMMENCING AT NORTHEAST CORNER OF SAID SUBDIVISION; THENCE SOUTH  $01^{\circ}53'38''$  WEST ALONG THE EAST LINE OF SAID SECTION 8 A DISTANCE OF 262.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH  $01^{\circ}53'38''$  WEST A DISTANCE OF 394.41 FEET TO THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8; THENCE NORTH  $86^{\circ}11'45''$  WEST ALONG THE SOUTH LINE OF SAID SUBDIVISION A DISTANCE OF 19.71 FEET; THENCE NORTH  $01^{\circ}53'38''$  EAST A DISTANCE OF 393.41 FEET; THENCE SOUTH  $89^{\circ}06'05''$  EAST A DISTANCE OF 19.70 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"CREEKSIDE PLACE"

PARCEL A:

THE NORTH 171.37 FEET OF THE EAST 320.00 FEET OF THE WEST 1,485.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

TOGETHER WITH THE NORTH 30.00 FEET OF THE EAST 175.00 FEET OF THE WEST 1,165.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

ALSO TOGETHER WITH THE NORTH 60.00 FEET OF THE WEST 990.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

EXCEPT THE WEST 30 FEET THEREOF CONVEYED TO SNOHOMISH COUNTY BY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2401598.

PARCEL B:

THE SOUTH 148.63 FEET OF THE NORTH 320.00 FEET OF THE EAST 320.00 FEET OF THE WEST 1,485.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

TOGETHER WITH THE SOUTH 290.00 FEET OF THE NORTH 320.00 FEET OF THE EAST 175.00 FEET OF THE WEST 1,165.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

ALSO TOGETHER WITH THE WEST 990.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

EXCEPT THE NORTH 60.00 FEET OF THE WEST 990.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

ALSO EXCEPT THE SOUTH 330.00 FEET OF THE WEST 990.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 5 EAST, W.M.;

ALSO EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"CREEKSTONE"

PARCEL A:

THE WEST 145.2 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER LYING WEST OF SUNSET ROAD (ELWOOD ROAD); EXCEPT THE SOUTH 30 FEET THEREOF, ALL IN SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON.

(ALSO KNOWN AS A PORTION OF TRACT 33, ELWOOD ACRES, UNRECORDED).

PARCEL B:

THE EAST 145.2 FEET OF THE WEST 290.4 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, LYING WEST OF SUNSET ROAD (ELWOOD ROAD); EXCEPT THE SOUTH 30 FEET THEREOF.

(ALSO KNOWN AS A PORTION OF TRACT 33, ELWOOD ACRES, UNRECORDED)

PARCEL C:

LOT 2 OF SNOHOMISH COUNTY SHORT PLAT NO. 441(10-77), RECORDED UNDER AUDITOR'S FILE NUMBER 771200233, BEING A PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

PARCEL D:

THAT PORTION OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF 169TH STREET (PIONEER ROAD) WITH THE WEST LINE OF ELWOOD ROAD; THENCE NORTHWESTERLY ALONG THE WESTERLY LINE OF ELWOOD ROAD, A DISTANCE OF 126.60 FEET MORE OR LESS TO A POINT LOCATED 181.31 FEET SOUTH OF THE NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9 AS MEASURED ALONG THE WESTERLY LINE OF ELWOOD ROAD; THENCE WEST PARALLEL TO THE NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9 A DISTANCE OF 297.23 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 94 FEET; THENCE WEST PARALLEL TO THE NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9, A DISTANCE OF 200 FEET MORE OR LESS TO THE EAST LINE OF THE WEST 290.4 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9; THENCE SOUTH ALONG SAID EAST LINE A DISTANCE OF 214 FEET MORE OR LESS TO THE NORTH LINE OF 169TH STREET (PIONEER ROAD); THENCE EAST 200 FEET MORE OR LESS ALONG SAID NORTH LINE TO A POINT SOUTH OF THE POINT OF BEGINNING AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9; THENCE NORTH A DISTANCE OF 130 FEET MORE OR LESS TO THE POINT OF BEGINNING. ALSO KNOWN AS LOT 1, SNOHOMISH COUNTY SHORT PLAT NO. 441(10-77). RECORDED UNDER AUDITOR'S FILE NUMBER 7712200233. BEING A PORTION OF LOT 33, ELWOOD ACRES, UNRECORDED.

PARCEL E:

"CREEKSTONE" CONT.

THAT PORTION OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF ELWOOD (SUNSET) ROAD (A COUNTY ROAD) DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF PIONEER ROAD, A COUNTY ROAD, WITH THE WEST LINE OF ELWOOD (SUNSET) ROAD, A COUNTY ROAD; THENCE NORTHWESTERLY ALONG SAID WEST LINE OF ELWOOD ROAD A DISTANCE OF 126.60 FEET, MORE OR LESS, TO A POINT LOCATED 181.31 FEET FROM THE NORTH LINE OF THE SAID NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9 MEASURED ALONG SAID WEST LINE OF ELWOOD ROAD; THENCE WESTERLY PARALLEL TO SAID NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, A DISTANCE OF 142.23 FEET TO THE TRUE POINT OF BEGINNING, THENCE CONTINUING WESTERLY ALONG THE PROLONGATION OF THE LAST ABOVE RECITED COURSE, A DISTANCE OF 155.00 FEET; THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST ABOVE RECITED COURSE, A DISTANCE OF 130.00 FEET, MORE OR LESS, TO THE SAID NORTH LINE OF PIONEER ROAD; THENCE EASTERLY ALONG SAID NORTH LINE A DISTANCE OF 155.00 FEET; THENCE NORTHERLY PARALLEL TO THE NEXT TO LAST ABOVE RECITED COURSE, A DISTANCE OF 130.99 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

PARCEL F:

THAT PORTION OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M. LYING WEST OF ELWOOD (SUNSET) ROAD (A COUNTY ROAD) DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF PIONEER ROAD, A COUNTY ROAD WITH THE WEST LINE OF ELWOOD (SUNSET) ROAD, A COUNTY ROAD; THENCE NORTHWESTERLY ALONG SAID WEST LINE OF ELWOOD ROAD A DISTANCE OF 132.94 FEET, MORE OR LESS, TO A POINT LOCATED 181.31 FEET FROM THE NORTH LINE OF THE SAID NORTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9 MEASURED ALONG SAID WEST LINE OF ELWOOD ROAD; THENCE WESTERLY, PARALLEL TO SAID NORTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, A DISTANCE OF 142.23 FEET; THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST ABOVE RECITED COURSE A DISTANCE OF 130.17 FEET, MORE OR LESS, TO THE SAID NORTH LINE OF PIONEER ROAD; THENCE EASTERLY, ALONG SAID NORTH LINE A DISTANCE OF 167.90 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL G:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION; THENCE  $N00^{\circ}31'27''E$  ALONG THE WEST LINE OF SAID SECTION 328.24 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION; THENCE  $S89^{\circ}38'38''E$  ALONG SAID SOUTH LINE 600.00 FEET TO THE EAST LINE OF THE WEST 600.00 FEET IN WIDTH OF SAID SUBDIVISION AND THE POINT OF BEGINNING; THENCE CONTINUING  $S89^{\circ}38'38''E$  ALONG SAID SOUTH LINE 730.05 FEET TO THE EAST LINE OF SAID SUBDIVISION; THENCE  $N00^{\circ}27'15''E$  ALONG SAID EAST LINE 330.07 FEET TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE  $N89^{\circ}43'22''W$  ALONG SAID NORTH LINE 664.83 FEET TO A POINT 660.00 FEET EAST OF THE WEST LINE OF SAID SUBDIVISION; THENCE  $N00^{\circ}29'21''E$  296.28 FEET TO THE SOUTH MARGIN OF 169TH STREET (PIONEER ROAD); THENCE  $N89^{\circ}38'17''W$  ALONG SAID ROAD MARGIN 330.00 FEET TO A POINT 330.00 FEET EAST OF THE WEST LINE OF SAID SUBDIVISION; THENCE  $S00^{\circ}30'24''W$  296.77 FEET TO THE NORTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION; THENCE  $S89^{\circ}43'22''E$  ALONG SAID NORTH LINE 267.59 FEET TO THE EAST LINE OF THE WEST 600.00 FEET IN WIDTH OF SAID SUBDIVISION; THENCE  $S00^{\circ}31'27''W$  ALONG SAID EAST LINE 329.07 FEET TO THE POINT OF BEGINNING.

"CREEKSTONE" CONT.

TOGETHER WITH THE EAST 518.83 FEET OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

EXCEPT THE WEST 15.00 FEET OF THE EAST 330.00 FEET OF THE WEST 660.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

PARCEL H:

THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:  
COMMENCING AT THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE EAST 660.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 330.00 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID SUBDIVISION; THENCE EAST 330.00 FEET; THENCE NORTH 330.00 FEET; THENCE WEST 330.00 FEET TO THE POINT OF BEGINNING;  
EXCEPT COUNTY ROAD AS CONVEYED TO SNOHOMISH COUNTY, RECORDED UNDER AUDITOR'S FILE NUMBER 498450.

PARCEL I:

THE EAST TWO AND ONE HALF ACRES OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT ANY PORTION THEREOF LYING WEST OF A LINE WHICH IS PARALLEL TO AND DISTANT 990.00 FEET EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 9; AND EXCEPT THE NORTH 30 FEET FOR COUNTY ROAD.

PARCEL J:

THE WEST 188.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT THE NORTH 30 FEET FOR COUNTY ROAD;  
EXCEPT THE SOUTH 115.85 FEET THEREOF.  
(ALSO KNOWN AS A PORTION OF TRACT 34, ELWOOD ACRES, UNRECORDED).

PARCEL K:

PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF SUNSET ROAD; EXCEPT THE WEST 188.00 FEET; AND EXCEPT THE SOUTH 150.00 FEET; AND EXCEPT THE NORTH 30.00 FEET FOR ROAD;  
TOGETHER WITH THAT PORTION OF THE SOUTH 150.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF SUNSET ROAD; EXCEPT THE WEST 188.00 FEET THEREOF DESCRIBED AS FOLLOWS:  
BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL; THENCE S88°21'36"E ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 523.51 FEET; THENCE N01°39'04"E A DISTANCE OF 96.52 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE CENTRAL ANGLE POINT OF WHICH BEARS N45°50'51"W A RADIAL DISTANCE OF 52.00 FEET; THENCE ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 42°42'42" AN ARC DISTANCE OF 38.76 FEET; THENCE S88°20'56"E A DISTANCE OF 108.02 FEET TO THE EASTERLY MARGIN OF SUNSET ROAD; THENCE N14°57'35"E ALONG SAID EASTERLY MARGIN A DISTANCE OF 18.69 FEET TO THE NORTH LINE OF SAID SOUTH 150.00 FEET THENCE; N88°21'26"W ALONG SAID NORTH LINE A DISTANCE OF 649.04 FEET TO THE EAST LINE OF THE WEST 188.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF AFOREMENTIONED SECTION 9; THENCE S01°49'22"W ALONG SAID EAST LINE A DISTANCE OF 150.00 FEET TO THE TRUE POINT OF BEGINNING.  
(BEING KNOWN AS A PORTION OF TRACT 34, ELWOOD ACRES, ACCORDING TO THE UNRECORDED PLAT THEREOF).

PARCEL L:

"CREEKSTONE" CONT.

THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., SNOHOMISH COUNTY, WASHINGTON, LYING EAST OF THE COUNTY ROAD KNOWN AS ELWOOD ROAD; EXCEPT THE NORTH 30 FEET THEREOF LYING WITHIN THE BOUNDARIES OF 169TH STREET.

(ALSO KNOWN AS TRACT 55 OF THE UNRECORDED PLAT OF ELWOOD ACRES)

PARCEL M:

THE SOUTH 115.85 FEET OF THE WEST 188.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

(ALSO KNOWN AS A PORTION OF TRACT 34, ELWOOD ACRES, UNRECORDED);

TOGETHER WITH AN EASEMENT FOR INGRESS, EGRESS, AND UTILITIES, RECORDED UNDER AUDITOR'S FILE NUMBER 2027244, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, AFFECTING THE EAST 15.00 FEET OF THE WEST 188.00 FEET OF THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT THE NORTH 30 FEET FOR COUNTY ROAD; AND EXCEPT THE SOUTH 115.85 FEET THEREOF; (ALSO KNOWN AS A PORTION OF TRACT 34, ELWOOD ACRES, UNRECORDED).

PARCEL N:

THE SOUTH 150.00 FEET OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF SUNSET ROAD; EXCEPT THE WEST 188.00 FEET THEREOF;

(BEING KNOWN AS A PORTION OF TRACT 34, ELWOOD ACRES, ACCORDING TO THE UNRECORDED PLAT THEREOF).

PARCEL O:

NORTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF ELWOOD ROAD, NOW KNOWN AS SUNSET ROAD,

(BEING KNOWN AS TRACT 35, ELWOOD ACRES, ACCORDING TO THE UNRECORDED PLAT THEREOF)

PARCEL P:

THAT PORTION OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING EASTERLY OF THE COUNTY ROAD COMMONLY KNOWN AS SUNSET ROAD. ALSO KNOWN AS LOT 54, UNRECORDED PLAT OF ELWOOD ACRES.

ALSO KNOWN AS LOT 1 OF SHORT PLAT RECORDED UNDER AUDITOR'S FILE NUMBER 8202220161.

PARCEL R:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY WASHINGTON, LYING WEST OF COUNTY ROAD DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE EASTERLY ALONG SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER TO A POINT ON SAID SOUTH LINE WHICH IS 192.80 FEET WEST OF WESTERLY MARGIN OF SUNSET ROAD; THENCE NORTHERLY PARALLEL WITH THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER 200.00 FEET; THENCE EAST PARALLEL TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER 247.80 FEET TO THE WESTERLY RIGHT OF WAY LINE OF SUNSET ROAD; THENCE NORTHERLY ALONG SAID RIGHT OF WAY TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE WESTERLY ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF SAID SUBDIVISION; THENCE SOUTHERLY ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER TO THE TRUE POINT OF BEGINNING.



"CREEKSTONE" CONT.

PARCEL S:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, LYING EASTERLY OF THE COUNTY ROAD COMMONLY KNOWN AS SUNSET ROAD; EXCEPT THE SOUTH 165.00 FEET THEREOF; (ALSO KNOWN AS LOT 2 OR LOT 53A OF SHORT PLAT NUMBER SP158(5-81), RECORDED UNDER AUDITOR'S FILE NUMBER 8202220161, RECORDS OF SNOHOMISH COUNTY, WASHINGTON).

PARCEL T:

LOT 3 OF SHORT PLAT SP158(5-81), RECORDED UNDER AUDITOR'S FILE NUMBER 8202220161; BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON.

PARCEL U:

THAT PORTION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, LYING WESTERLY OF COUNTY ROAD.

PARCEL V:

THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, LYING WESTERLY OF COUNTY ROAD;  
(ALSO KNOWN AS A PORTION OF LOT 37, ELWOOD ACRES, UNRECORDED).

ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"Foxwood Glen"

PARCEL A

THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST  
QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27  
NORTH, RANGE 5 EAST, WM.,  
EXCEPT THE EAST 66 FEET THEREOF,  
EXCEPT COUNTY ROAD.

TOGETHER WITH

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST  
QUARTER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 27  
NORTH, RANGE 5 EAST, WM., LYING EAST OF COUNTY ROAD (35TH AVENUE  
SE); DESCRIBED AS FOLLOWS;

COMMENCING AT NORTHEAST CORNER OF SAID SUBDIVISION; THENCE  
SOUTH 01°53'38" WEST ALONG THE EAST LINE OF SAID SECTION 8 A  
DISTANCE OF 262.08 FEET TO THE TRUE POINT OF BEGINNING; THENCE  
CONTINUING SOUTH 01°53'38" WEST A DISTANCE OF 394.41 FEET TO THE  
SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST  
QUARTER OF THE NORTHEAST QUARTER OF SECTION 8; THENCE NORTH  
86°11'45" WEST ALONG THE SOUTH LINE OF SAID SUBDIVISION A  
DISTANCE OF 19.71 FEET; THENCE NORTH 01°53'38" EAST A DISTANCE OF  
393.41 FEET; THENCE SOUTH 89°06'05" EAST A DISTANCE OF 19.70 FEET TO  
THE TRUE POINT OF BEGINNING.

EXCEPT

THAT PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE  
NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., DESCRIBED AS FOLLOWS;  
COMMENCING AT THE NORTHWEST CORNER OF SAID SUBDIVISION;  
THENCE SOUTH 01°53'38" WEST ALONG THE WEST LINE OF SAID SECTION 9  
A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE  
SOUTH 88°49'40" EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION  
9 A DISTANCE OF 205.80 FEET; THENCE SOUTH 01°53'17" WEST A DISTANCE  
OF 145.15 FEET; THENCE NORTH 88°43'46" WEST A DISTANCE OF 31.67 FEET;  
THENCE SOUTH 35°47'52" WEST A DISTANCE OF 117.22; THENCE NORTH  
89°06'05" WEST A DISTANCE OF 108.76 FEET TO THE WEST LINE OF SAID  
SECTION 9; THENCE NORTH 01°53'38" EAST ALONG SAID WEST LINE A  
DISTANCE OF 242.08 FEET TO THE TRUE POINT OF BEGINNING.

"FOXWOOD GLEN" CONT.

PARCEL B

THE SOUTH 300 FEET OF THE WEST THREE QUARTERS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; EXCEPT THE WEST 487 FEET THEREOF; EXCEPT THAT PORTION THEREOF LYING EASTERLY OF AN EXISTING CREEK; EXCEPT THAT PORTION IF ANY, LYING WESTERLY OF THE EASTERLY LINE OF THE RIGHT OF WAY OF SEATTLE-SKAGIT POWER LINE; AND EXCEPT THE SOUTH 20 FEET FOR ROAD.

PARCEL C

THE EAST 187.00 FEET OF THE WEST 487.00 FEET OF THE SOUTH 320.00 FEET, MEASURED ALONG THE SOUTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH COUNTY, WASHINGTON; EXCEPT THE SOUTH 20 FEET FOR ROADS; AND THAT PORTION OF THE NORTH 20.00 FEET OF THE SOUTH 320.00 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH COUNTY, WASHINGTON; EXCEPT THE WEST 487.00 FEET THEREOF; AND EXCEPT ANY PORTION LYING EASTERLY OF AN EXISTING CREEK.

PARCEL D

ALL THAT PORTION OF THE WEST 300 FEET OF THE SOUTH 300 FEET OF THE WEST THREE QUARTERS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING SOUTHEASTERLY OF THE RIGHT OF WAY OF THE CITY OF SEATTLE-SKAGIT RIVER POWER LINE; EXCEPT THE SOUTH 20 FEET THEREOF FOR ROAD.

(ALSO KNOWN AS A PORTION OF TRACT 23, ELWOOD ACRES, ACCORDING TO THE UNRECORDED PLAT THEREOF).

Legal Description

"KEN SIMGTON PARK I + II"

LOTS A, B, C & D OF SNOHOMISH COUNTY SHORT PLAT SP175 (8-73) RECORDED UNDER AUDITOR'S FILE NUMBER 2320424, RECORDS OF SNOHOMISH COUNTY, WASHINGTON; BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.,

TOGETHER WITH AN EASEMENT OVER AND UNDER AND ACROSS THE SOUTH 60.00 FEET OF THE NORTH 291 FEET OF THE EAST 835 FEET OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., EXCEPT THE WEST 400 FEET THEREOF; AND EXCEPT THAT PORTION, IF ANY, LYING WITHIN 35<sup>TH</sup> AVENUE (YORK ROAD).

TOGETHER WITH COMMENCING AT A POINT 520.06 FEET WEST OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; THENCE NORTH 01°52'57" EAST PARALLEL WITH THE EAST LINE OF SAID SECTION TO A POINT 522 FEET SOUTH OF THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THE TRUE POINT OF BEGINNING; THENCE NORTH 88°29'56" WEST PARALLEL WITH NORTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 165.75 FEET; THENCE SOUTH 08°16'28" WEST A DISTANCE OF 27.51 FEET; THENCE SOUTH 32°33'42" WEST A DISTANCE OF 11.71 FEET; THENCE SOUTH 02°27'16" EAST A DISTANCE OF 21.31 FEET; THENCE SOUTH 14°25'44" EAST A DISTANCE OF 23.37 FEET; THENCE SOUTH 26°18'31" EAST A DISTANCE OF 8.80 FEET; THENCE SOUTH 76°21'36" EAST A DISTANCE OF 10.65 FEET; THENCE NORTH 86°04'30" EAST A DISTANCE OF 22.28 FEET; THENCE SOUTH 62°58'28" EAST A DISTANCE OF 20.37 FEET; THENCE NORTH 71°51'45" EAST A DISTANCE OF 19.35 FEET; THENCE SOUTH 64°43'39" EAST A DISTANCE OF 19.11 FEET; THENCE SOUTH 88°07'03" EAST A DISTANCE OF 75.70 FEET TO THE EAST LINE OF AFOREMENTIONED TRACT; THENCE NORTH 01°52'57" EAST ALONG SAID EAST LINE A DISTANCE OF 99.47 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"KINGS CORNER I & II"

THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF  
THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5  
EAST, WM., SNOHOMISH COUNTY WASHINGTON;

EXCEPT THAT PORTION IF ANY LYING WITHIN NORTH 20 RODS OF SAID  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; AND

EXCEPT ANY PORTION LYING WITHIN YORK ROAD (35TH AVENUE SE) AND

EXCEPT THE NORTH 150 FEET OF THE WEST 290 FEET OF THE REMAINDER

(ALSO BEING DESCRIBED AS PARCEL A OF REV SP 792-70 AS RECORDED  
APRIL 3, 1985 UNDER AUDITOR'S FILE NUMBER B504030107, RECORDS OF  
SNOHOMISH COUNTY, WASHINGTON).

AND EXCEPT THE EAST 340.00 FEET THEREOF.

TOGETHER WITH

THE NORTH 150 FEET OF THE WEST 290 FEET OF THE SOUTH HALF OF THE  
NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST  
QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.,  
SNOHOMISH COUNTY WASHINGTON;

EXCEPT THAT PORTION, IF ANY LYING WITHIN THE NORTH 20 RODS OF  
SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER;

AND EXCEPT ANY PORTION LYING WITHIN YORK ROAD (35TH AVENUE  
SOUTHEAST).

(ALSO BEING DESCRIBED AS PARCEL B OF REV SP 792-70 AS RECORDED  
APRIL 3, 1985 UNDER AUDITOR'S FILE NUMBER B504030107, RECORDS OF  
SNOHOMISH COUNTY, WASHINGTON).

ALSO TOGETHER WITH THE NORTH HALF OF THE SOUTH HALF OF THE  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH COUNTY  
WASHINGTON;

EXCEPT ANY PORTION LYING WITHIN YORK ROAD (35TH AVENUE SE)

"KINGS CORNER I & II" CONT.

ALSO EXCEPT THE EAST 340.00 FEET THEREOF.

ALSO TOGETHER WITH  
THE EAST HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH COUNTY  
WASHINGTON;

EXCEPT THE SOUTH 30 FEET FOR COUNTY ROAD.

AND EXCEPT THE EAST 340.00 FEET THEREOF.

ALSO TOGETHER WITH  
THE NORTH 330 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST  
QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.;  
EXCEPT COUNTY ROAD KNOWN AS 35TH AVENUE SOUTHEAST ALONG THE  
WEST LINE.

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS;  
BEGINNING AT THE NORTHEAST CORNER OF SAID NORTH 330 FEET;  
THENCE NORTH  $89^{\circ}49'04''$  WEST ALONG THE NORTH LINE OF SAID PARCEL  
A DISTANCE 789.15 FEET; THENCE SOUTH  $11^{\circ}14'10''$  EAST A DISTANCE OF  
56.59 FEET; THENCE SOUTH  $31^{\circ}44'16''$  EAST A DISTANCE OF 89.40 FEET;  
THENCE SOUTH  $58^{\circ}17'05''$  EAST A DISTANCE OF 78.33 FEET; THENCE SOUTH  
 $62^{\circ}32'35''$  EAST A DISTANCE OF 27.81 FEET; THENCE SOUTH  $35^{\circ}01'21''$  EAST A  
DISTANCE 87.12 FEET; THENCE SOUTH  $74^{\circ}30'57''$  EAST A DISTANCE OF 24.90  
FEET; THENCE SOUTH  $31^{\circ}08'40''$  EAST A DISTANCE OF 40.86 FEET; THENCE  
SOUTH  $45^{\circ}01'52''$  EAST A DISTANCE OF 22.69 FEET THENCE SOUTH  $17^{\circ}59'16''$   
EAST A DISTANCE OF 17.16 FEET TO THE SOUTH LINE OF  
AFOREMENTIONED PARCEL; THENCE SOUTH  $89^{\circ}49'04''$  EAST ALONG THE  
SOUTH LINE OF SAID PARCEL A DISTANCE OF 520.70 TO THE SOUTHEAST  
CORNER THEREOF; THENCE NORTH  $00^{\circ}27'15''$  EAST ALONG THE EAST LINE  
OF SAID PARCEL 330.00 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"KINGS CORNER III"

LEGAL DESCRIPTION

THE EAST HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH COUNTY  
WASHINGTON;

EXCEPT THE SOUTH 30 FEET FOR COUNTY ROAD.

AND EXCEPT THE EAST 340.00 FEET THEREOF.

TOGETHER WITH THE EAST 340.00 FEET THE SOUTH HALF OF THE NORTH  
HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF  
SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., SNOHOMISH  
COUNTY WASHINGTON;

EXCEPT THAT PORTION IF ANY LYING WITHIN NORTH 20 RODS OF SAID  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER;

ALSO TOGETHER WITH  
THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF  
SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING WEST OF  
ROAD (SUNSET ROAD) DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTH 330 FEET OF THE  
SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; THENCE NORTH 89°49'04" WEST  
ALONG THE SOUTH LINE OF SAID NORTH 330 FEET FOR 20.19 FEET TO THE  
BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE CENTRAL  
ANGLE POINT OF WHICH BEARS SOUTH 71°54'58" EAST A RADIAL  
DISTANCE OF 102.50 FEET; THENCE ALONG SAID CURVE THROUGH A  
CENTRAL ANGLE OF 41°42'35" AN ARC DISTANCE OF 74.62 FEET; THENCE  
SOUTH 25°35'38" EAST FOR 25.11 FEET TO THE BEGINNING OF A CURVE TO  
THE LEFT THE CENTRAL ANGLE POINT OF WHICH BEARS SOUTH 31°41'57"  
EAST A RADIAL DISTANCE OF 77.50 FEET; THENCE ALONG SAID CURVE  
THROUGH A CENTRAL ANGLE OF 57°50'48" AN ARC DISTANCE OF 78.25  
FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 9; THENCE NORTH 00°27'15" EAST  
ALONG SAID EAST LINE FOR 31.14 FEET TO THE TRUE POINT OF  
BEGINNING.

ALSO TOGETHER WITH THE EAST 340.00 FEET THE NORTH HALF OF THE  
SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST  
QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.,  
SNOHOMISH COUNTY WASHINGTON;

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Legal Description

"LaROSE"

THAT PORTION OF THE SOUTH HALF OF THE NORTH HALF OF THE  
NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST W.M., RECORDS OF SNOHOMISH  
COUNTY, WASHINGTON, LYING EASTERLY OF COUNTY ROAD FORMERLY  
KNOWN AS ELWOOD ROAD DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF THE ABOVE  
DESCRIBED

SUBDIVISION WITH THE EAST LINE OF SAID COUNTY ROAD, NAMELY AT THE  
NORTHWEST CORNER OF THE ABOVE DESCRIBED TRACT; THENCE EAST  
ALONG THE NORTH LINE THEREOF FOR 260 FEET; THENCE SOUTH FOR 154  
FEET TO A POINT 254 FEET EAST OF EAST LINE OF SAID COUNTY ROAD;  
THENCE WEST PARALLEL TO THE NORTH LINE OF THE ABOVE DESCRIBED  
TRACT FOR 254 FEET TO THE EAST LINE OF SAID COUNTY ROAD; THENCE  
NORTH ALONG THE EAST LINE OF SAID COUNTY ROAD FOR 154 FEET TO  
POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.



LEGAL DESCRIPTION  
"LEXINGTON PARK"

EAST HALF OF NORTH HALF OF NORTH HALF OF THE SOUTHWEST QUARTER OF THE  
NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

EXCEPT EASTERLY 362 FEET THEREOF AND EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"SOMMERWOOD"

LEGAL DESCRIPTION

PARCEL A

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING WEST OF  
SUNSET ROAD;  
THE NORTH HALF OF THE NORTH HALF OF THE EAST 3/4THS OF THE  
WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER  
OF SECTION 9, TOWNSHIP 27 NORTH RANGE 5 EAST, WM. IN  
SNOHOMISH COUNTY, WASHINGTON

PARCEL B

THE NORTH 530 FEET OF THE SOUTH 560 FEET OF THE WEST HALF OF  
THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF  
THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE  
5 EAST, WM.

EXCEPT THE FOLLOWING DESCRIBED PARCEL;

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER  
OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH,  
RANGE 5 EAST, W.M.;  
THENCE N00°27'15"E, ALONG THE WEST LINE OF SAID SUBDIVISION, FOR  
449.37 FEET TO THE POINT OF BEGINNING;  
THENCE CONTINUE N00°27'15"E, ALONG SAID WEST LINE, FOR 25.00 FEET;  
THENCE S89°59'42"E FOR 91.71 FEET TO A NON-TANGENT POINT ON A  
CURVE TO THE LEFT HAVING A RADIUS CENTER THAT BEARS N89°47'49"E  
55.50 FEET DISTANT;  
THENCE ALONG THE ARC OF SAID CURVE FOR 25.96 FEET WHILE CONSUMING  
A CENTRAL ANGLE OF 26°47'52";  
THENCE N89°59'42"W FOR 97.95 FEET TO THE POINT OF BEGINNING;  
SITUATE IN SNOHOMISH COUNTY, WASHINGTON.

PARCEL C

THE WEST HALF OF THE WEST HALF OF THE WEST HALF OF THE  
SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.

EXCEPT THE SOUTH 560 FEET THEREOF.

TOGETHER WITH;

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE  
NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING WEST OF ROAD (SUNSET  
ROAD) DESCRIBED AS FOLLOWS;  
BEGINNING AT THE SOUTHWEST CORNER OF SAID SUBDIVISION; THENCE  
NORTH 00°27'15" EAST ALONG THE WEST LINE OF SAID SUBDIVISION A  
DISTANCE OF 72.77 FEET; THENCE SOUTH 66°52'17" EAST A DISTANCE OF  
164.48 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE CENTRAL  
ANGLE POINT OF WHICH BEARS NORTH 23°07'43" EAST A RADIAL  
DISTANCE OF 98.50 FEET; THENCE ALONG SAID CURVE THROUGH A  
CENTRAL ANGLE OF 16°44'30" AN ARC DISTANCE OF 27.78 FEET; THENCE  
SOUTH 00°11'28" WEST A DISTANCE OF 1.45 FEET TO THE SOUTH LINE OF  
SAID SUBDIVISION; THENCE NORTH 89°48'32" WEST ALONG SAID SOUTH  
LINE A DISTANCE OF 13.34 FEET; THENCE CONTINUING ALONG SAID  
SOUTH LINE NORTH 89°48'32" WEST A DISTANCE OF 166.23 FEET TO THE  
TRUE POINT OF BEGINNING.

"SOMMERWOOD" CONT.

ALSO TOGETHER WITH

THAT PORTION OF THE NORTH 330 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID NORTH 330 FEET; THENCE NORTH 89°49'04" WEST ALONG THE NORTH LINE OF SAID PARCEL A DISTANCE 789.15 FEET; THENCE SOUTH 11°14'10" EAST A DISTANCE OF 56.59 FEET; THENCE SOUTH 31°44'16" EAST A DISTANCE OF 89.40 FEET; THENCE SOUTH 58°17'05" EAST A DISTANCE OF 78.33 FEET; THENCE SOUTH 62°32'35" EAST A DISTANCE OF 27.81 FEET; THENCE SOUTH 35°01'21" EAST A DISTANCE 87.12 FEET; THENCE SOUTH 74°30'57" EAST A DISTANCE OF 24.90 FEET; THENCE SOUTH 31°08'40" EAST A DISTANCE OF 40.86 FEET; THENCE SOUTH 45°01'52" EAST A DISTANCE OF 22.69 FEET THENCE SOUTH 17°59'16" EAST A DISTANCE OF 17.16 FEET TO THE SOUTH LINE OF AFOREMENTIONED PARCEL; THENCE SOUTH 89°49'04" EAST ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 520.70 TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 00°27'15" EAST ALONG THE EAST LINE OF SAID PARCEL 330.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT

THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING WEST OF ROAD (SUNSET ROAD) DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTH 330 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM.; THENCE NORTH 89°49'04" WEST ALONG THE SOUTH LINE OF SAID NORTH 330 FEET FOR 20.19 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE CENTRAL ANGLE POINT OF WHICH BEARS SOUTH 71°54'58" EAST A RADIAL DISTANCE OF 102.50 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41°42'35" AN ARC DISTANCE OF 74.62 FEET; THENCE SOUTH 25°35'38" EAST FOR 25.11 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE CENTRAL ANGLE POINT OF WHICH BEARS SOUTH 31°41'57" EAST A RADIAL DISTANCE OF 77.50 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 57°50'48" AN ARC DISTANCE OF 78.25 FEET TO THE EAST LINE OF SAID NORTH 330 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9; THENCE NORTH 00°27'15" EAST ALONG SAID EAST LINE FOR 31.14 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL D

LOT B OF SHORT PLAT NUMBER 231 (10-73) RECORDED UNDER AUDITOR'S FILE NUMBER 2318643, BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., IN SNOHOMISH COUNTY WASHINGTON.

PARCEL E

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING WEST OF SUNSET ROAD;

THE NORTH HALF OF THE SOUTH HALF OF THE EAST 3/4THS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH RANGE 5 EAST, WM. IN SNOHOMISH COUNTY, WASHINGTON  
EXCEPT ROAD;

(ALSO KNOWN AS LOT A AS DELINEATED ON SHORT PLAT NUMBER SP231 10-73) RECORDED UNDER AUDITOR'S FILE NUMBER 2318643, RECORDS OF SNOHOMISH COUNTY, WASHINGTON).

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

"SPRINGHAVEN"

LEGAL DESCRIPTION

PARCEL A

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 5 EAST, WM., DESCRIBED AS FOLLOWS;  
COMMENCING AT THE SOUTHEAST CORNER OF THE WEST ONE HALF OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 5 EAST, WM.; THENCE NORTH 01°11'40" EAST, ALONG THE EAST LINE OF SAID WEST ONE HALF FOR 836.54 FEET; THENCE NORTH 88°55'36" WEST FOR 120.02 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00°11'40" WEST FOR 112.51 FEET; THENCE NORTH 89°48'20" WEST FOR 40.87 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT THE CENTRAL ANGLE POINT OF WHICH BEARS NORTH 38°15'29" WEST A RADIAL DISTANCE OF 165.29 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 125°50'27" AND ARC DISTANCE OF 363.04 FEET; THENCE NORTH 00°00'00" EAST FOR 88.07 FEET; THENCE NORTH 90°00'00" WEST FOR 30.73 FEET; THENCE NORTH 00°01'07" EAST FOR 111.78 FEET; THENCE NORTH 89°16'24" WEST FOR 197.49 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE SOUTH 00°16'26" WEST ALONG SAID EAST LINE FOR 377.52 FEET TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE SOUTH 02°18'23" EAST FOR 301.20 FEET; THENCE NORTH 84°56'41" EAST FOR 287.80 FEET; THENCE NORTH 00°16'34" EAST FOR 151.00 FEET; THENCE SOUTH 89°04'50" EAST FOR 298.23 FEET TO A POINT 60.00 EAST OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE NORTH 00°11'40" EAST PARALLEL WITH SAID EAST LINE FOR 292.97 FEET; THENCE NORTH 88°55'36" WEST FOR 60.01 FEET TO THE TRUE POINT OF BEGINNING.

"SPRINGHAVEN" CONT.

PARCEL B

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 5 EAST, WM, LYING WESTERLY OF THE EASTERLY RIGHT-OF-WAY MARGIN OF THE 60 FOOT TRANSMOUNTAIN OIL PIPELINE EASEMENT, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS; COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 28; THENCE SOUTH 89°14'11" EAST ALONG THE SOUTH LINE OF SAID SECTION, 674 FEET TO THE TRUE POINT OF BEGINNING OF SAID CENTERLINE; THENCE NORTH 13°13'11" WEST A DISTANCE OF 149.89 FEET; THENCE NORTH 00°58'50" EAST TO THE NORTH LINE OF THE SOUTH HALF OF SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 28, THE TERMINUS OF SAID CENTERLINE; EXCEPT THAT PORTION OF SAID PREMISES LYING WESTERLY OF THE CENTERLINE OF A DRAINAGE DITCH BEING THE EASTERLY BOUNDARY OF A TRACT CONVEYED TO JAMES MCAUIFFE AND ROSEMARY MCAULIFFE, HUSBAND AND WIFE BY INSTRUMENT RECORDED UNDER AUDITORS FILE NUMBER 2069248; AND EXCEPT COUNTY ROAD (132ND STREET SOUTHEAST)

PARCEL C

THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 5 EAST, WM,

EXCEPT 35TH AVENUE SOUTHEAST

AND EXCEPT THAT PORTION CONVEYED TO SNOHOMISH COUNTY FOR ROAD PURPOSES, DEED RECORDED UNDER AUDITOR'S FILE NUMBER 200203070830.

ALL SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"SUN CREEK MEADOWS"

LOT 4 OF LARGE TRACT SEGREGATION 15 (9-83) RECORDED UNDER AUDITOR'S FILE  
NUMBER 8409045023, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, (BEING A PORTION  
OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.)

AND EXCEPT THE SOUTH 20 FEET THEREOF AS DEDDED TO SNOHOMISH COUNTY RECORDED  
UNDER AUDITOR'S FILE NUMBER 489674.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Legal Description.

"SUNSET POINTE"

LOTS 1 THROUGH 14 AND TRACTS 998 AND 999, ALL INCLUSIVE, SUNSET POINTE,  
ACCORDING TO THE PLAT THEREOF RECORDED UNDER SNOHOMISH COUNTY  
AUDITOR'S FILE NUMBER 200708225001, RECORDS OF SNOHOMISH COUNTY,  
WASHINGTON.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"THORNBERG ADDITION"

LOTS A AND B, SNOHOMISH COUNTY SHORT PLAT NO. SP. 291 (11-75), RECORDED UNDER  
AUDITOR'S FILE NUMBER 7601090098, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, AND  
CORRECTION THERETO RECORDED UNDER AUDITOR'S FILE NUMBER 7601200119, RECORDS OF  
SNOHOMISH COUNTY, WASHINGTON, BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION  
9, TOWNSHIP 27 NORTH, RANGE 5 EAST, N.M.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.



"WADE ADDITION"

### **LEGAL DESCRIPTION**

**PARCEL A**

THAT PORTION OF THE NORTH HALF OF THE  
NORTHEAST QUARTER OF THE SOUTHEAST QUARTER  
OF THE NORTHEAST QUARTER OF SECTION 9,  
TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING  
EASTERLY OF ELWOOD ROAD, RUNNING NORTHERLY  
AND SOUTHERLY THROUGH SAID TRACT;  
EXCEPT THE SOUTH 30 FEET CONVEYED TO  
SNOHOMISH COUNTY, WASHINGTON, BY DEED  
RECORDED UNDER AUDITOR'S FILE NO. 489674.

ALSO KNOWN AS TRACT 62, ELWOOD ACRES,  
ACCORDING TO THE UNRECORDED PLAT THEREOF.

**PARCEL B**

THE SOUTH 45 FEET OF THE THAT PORTION OF THE  
SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST  
QUARTER OF THE NORTHWEST QUARTER OF SECTION  
9, TOWNSHIP 27 NORTH, RANGE 5 EAST, WM., LYING  
EASTERLY OF COUNTY ROAD KNOWN AS ELWOOD  
ROAD; EXCEPT THE EAST 155 FEET THEREOF.

ALSO KNOWN AS THE SOUTH 45 FEET OF TRACT 63,  
ELWOOD ACRES; EXCEPT THE EAST 155 FEET THEREOF,  
ACCORDING TO THE UNRECORDED PLAT THEREOF

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF  
WASHINGTON.

LEGAL DESCRIPTION

"WESTBROOK RUN"

THE WEST HALF OF THE WEST HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE  
SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE  
5 EAST, W.M.;

EXCEPT COUNTY ROADS; AND

ALSO EXCEPT ANY PORTION THEREOF LYING WITHIN THE EAST 130 FEET OF THE WEST 660  
FEET OF SAID SOUTH HALF OF NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST  
QUARTER.

TOGETHER WITH THE WEST 15.00 FEET OF THE EAST 330 FEET OF THE WEST 660 FEET OF  
THE SOUTH HALF OF NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

LEGAL DESCRIPTION  
"YORKSHIRE"

THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., LYING WEST OF ROAD (SUNSET ROAD);

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SUBDIVISION;  
THENCE NORTH  $00^{\circ}27'15''$  EAST ALONG THE WEST LINE OF SAID SUBDIVISION A DISTANCE OF 72.77 FEET;  
THENCE SOUTH  $66^{\circ}52'17''$  EAST A DISTANCE OF 164.48 FEET TO THE BEGINNING OF A CURVE TO THE LEFT THE CENTRAL ANGLE POINT ON WHICH BEARS NORTH  $23^{\circ}07'43''$  EAST A RADIAL DISTANCE OF 98.50 FEET;  
THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $16^{\circ}44'30''$  AN ARC DISTANCE OF 27.78 FEET;  
THENCE SOUTH  $00^{\circ}11'28''$  WEST A DISTANCE OF 1.45 FEET TO THE SOUTH LINE OF SAID SUBDIVISION;  
THENCE NORTH  $89^{\circ}48'32''$  WEST ALONG SAID SOUTH LINE A DISTANCE OF 13.34 FEET;  
THENCE CONTINUING ALONG SAID SOUTH LINE NORTH  $89^{\circ}48'32''$  WEST A DISTANCE OF 166.23 FEET TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

**EXHIBIT B**

**POTENTIAL SCHOOL SITE**

**PARCEL 1:**

LOTS 1 THROUGH 4, INCLUSIVE, SHORT PLAT NO. SP 98 (3-77), RECORDED UNDER AUDITOR'S FILE NUMBER 7707220321, BEING A PORTION OF THE WEST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 2:**

LOTS 1 THROUGH 4, INCLUSIVE, OF SNOHOMISH COUNTY SHORT PLAT NUMBER SP 193 (7-83), RECORDED UNDER AUDITOR'S FILE NUMBER 8312150303, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 3:**

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

**EXHIBIT D**

**FORM 17**

*[ATTACHED]*

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_ 57

SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY

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2. WATER

A. Household Water

- (1) The source of water for the property is: ☐ Private or publicly owned water system  
☐ Private well serving only the subject property \* ☐ Other water system  
\*If shared, are there any written agreements? \_\_\_\_\_
- \*(2) Is there an easement (recorded or unrecorded) for access to and/or maintenance of the water source? \_\_\_\_\_
- \*(3) Are there any known problems or repairs needed? \_\_\_\_\_
- (4) During your ownership, has the source provided an adequate year-round supply of potable water?  
If no, please explain: \_\_\_\_\_
- \*(5) Are there any water treatment systems for the property?  
If yes, are they: ☐ Leased ☐ Owned \_\_\_\_\_
- \*(6) Are there any water rights for the property, associated with its domestic water supply, such as a water right permit, certificate, or claim?  
(a) If yes, has the water right permit, certificate, or claim been assigned, transferred, or changed? \_\_\_\_\_  
(b) If yes, has all or any portion of the water right not been used for five or more successive years?  
If yes, please explain: \_\_\_\_\_

B. Irrigation

- (1) Are there any irrigation water rights for the property, such as a water right permit, certificate, or claim?  
\*(a) If yes, has all or any portion of the water right not been used for five or more successive years?  
\*(b) If so, is the certificate available? (If yes, please attach a copy.)  
(c) If so, has the water right permit, certificate, or claim been assigned, transferred, or changed?  
If so, please explain: \_\_\_\_\_
- (2) Does the property receive irrigation water from a ditch company, irrigation district, or other entity?  
If so, please identify the entity that supplies water to the property: \_\_\_\_\_

C. Outdoor Sprinkler System

- (1) Is there an outdoor sprinkler system for the property?  
(2) If yes, are there any defects in the system?  
\*(3) If yes, is the sprinkler system connected to irrigation water?

3. SEWER/ON-SITE SEWAGE SYSTEM

A. The property is served by:

- ☐ Public sewer system ☐ On-site sewage system (including pipes, tanks, drainfields, and all other component parts)  
☐ Other disposal system

Please describe: \_\_\_\_\_

- B. If public sewer system service is available to the property, is the house connected to the sewer main?  
If no, please explain: \_\_\_\_\_
- C. Is the property subject to any sewage system fees or charges in addition to those covered in your regularly billed sewer or on-site sewage system maintenance service?
- D. If the property is connected to an on-site sewage system:  
\*(1) Was a permit issued for its construction, and was it approved by the local health department or district following its construction?  
(2) When was it last pumped?  
\*(3) Are there any defects in the operation of the on-site sewage system?  
(4) When was it last inspected?  
By whom: \_\_\_\_\_  
(5) For how many bedrooms was the on-site sewage system approved? \_\_\_\_\_ bedrooms

SELLER'S INITIAL: BCH/LL DATE: 7/24/08

SELLER'S INITIAL: \_\_\_\_\_ DATE: \_\_\_\_\_

SELLER DISCLOSURE STATEMENT  
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	YES	NO	DON'T KNOW	158
*B. If any of the following fixtures or property is included with the transfer, are they leased? (If yes, please attach copy of lease.)				159
Security System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	160
Trunks (type): _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161
Satellite Dish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	163
<b>6. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS</b>				164
A. Is there a homeowners' association?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165
Name of association _____				166
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167
_____ per <input type="checkbox"/> month <input type="checkbox"/> year				168
<input type="checkbox"/> Other _____				169
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	170
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	171
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	172
<b>7. ENVIRONMENTAL</b>				173
*A. Have there been any drainage problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	174
*B. Does the property contain fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	175
*C. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	176
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	177
*E. Are there any substances, materials, or products on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	178
*F. Has the property been used for commercial or industrial purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	179
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	180
*H. Are there transmission poles, transformers, or other utility equipment installed, maintained, or buried on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	181
*I. Has the property been used as a legal or illegal dumping site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	182
*J. Has the property ever been used as an illegal drug manufacturing site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	183
*K. Are there any radio towers in the area that may cause interference with telephone reception?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	184
				185
				186
<b>8. LEAD BASED PAINT (Applicable if the house was built before 1978.)</b>				187
A. Presence of lead-based paint and/or lead-based paint hazards (check one below):				188
<input type="checkbox"/> Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): _____				189
<input type="checkbox"/> Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.				190
B. Records and reports available to the Seller (check one below):				191
<input type="checkbox"/> Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below): _____				192
<input type="checkbox"/> Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.				193
				194
				195
				196
<b>9. MANUFACTURED AND MOBILE HOMES</b>				197
If the property includes a manufactured or mobile home,				198
*A. Did you make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	199
If yes, please describe the alterations: _____				200
*B. Did any previous owner make any alterations to the home?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	201
If yes, please describe the alterations: _____				202
*C. If alterations were made, were permits or variances for these alterations obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	203
				204
<b>10. FULL DISCLOSURE BY SELLERS</b>				205
A. Other conditions or defects:				206
*Are there any other existing material defects affecting the property that a prospective buyer should know about?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	207
SELLER'S INITIAL: <u>AMC</u> DATE: <u>7/24/06</u>				208
SELLER'S INITIAL: _____ DATE: _____				



SELLER DISCLOSURE STATEMENT  
IMPROVED PROPERTY

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B. Verification

The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the Property.

Date: 7/24/08

Date:

Seller: [Signature]

Seller:

Discloser: [Signature]

NOTICES TO THE BUYER  
SEX OFFENDER REGISTRATION

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

PROXIMITY TO FARMING

THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.

II. BUYER'S ACKNOWLEDGEMENT

Buyer hereby acknowledges that:

- Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.
- The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party.
- Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.
- This information is for disclosure only and is not intended to be a part of the written agreement between Buyer and Seller.
- Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s).
- If the house was built prior to 1978, Buyer acknowledges receipt of the pamphlet *Protect Your Family From Lead in Your Home*.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

DATE:

DATE:

BUYER:

BUYER:

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure.

DATE:

DATE:

BUYER:

BUYER:

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement.

DATE:

DATE:

BUYER:

BUYER:

If the answer is "Yes" to any asterisked (\*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s).

SELLER'S INITIAL: [Signature]

DATE: 7/24/08

SELLER'S INITIAL:

DATE:

**EXHIBIT G**

**MEMORANDUM REGARDING POTENTIAL SEWER CONNECTIONS**

(To be formatted to meet recording requirements)

**Return Address**

Everett School District No. 2  
P.O. Box 2098  
4730 Colby Avenue  
Everett, WA 98203  
Attn: Michael T. Gunn

**Document Title(s)** (or transactions contained therein):

MEMORANDUM REGARDING POTENTIAL SEWER CONNECTIONS

**Referenced Number(s) of documents assigned or released:** N/A

**Grantor(s)** (Last name first, then first name and initials):

1. BEAR CREEK HIGHLANDS, LLC, a Washington limited liability company, and
2. THE MCNAUGHTON GROUP, LLC, a Washington limited liability company

**Grantee(s):**

1. EVERETT SCHOOL DISTRICT NO. 2, a Washington municipal corporation

**Legal description:** \_\_\_\_\_

☒ Full legal is on Exhibit A and Exhibit B of document

**Assessor's Property Tax Parcel Account Number**

27050900401500; 27050900401600; 27050900401700; 27050900404100; 27050900404200;  
27050900401400; 27050900403700; 27050900403800; 27050900403900; 27050900403000;  
and 27050900402800

## MEMORANDUM REGARDING POTENTIAL SEWER CONNECTIONS

THIS MEMORANDUM REGARDING POTENTIAL SEWER CONNECTIONS ("Memorandum"), dated this \_\_\_\_ day of \_\_\_\_\_, 2008, is hereby made by and among EVERETT SCHOOL DISTRICT NO. 2, a Washington municipal corporation (the "School District"), BEAR CREEK HIGHLANDS, LLC, a Washington limited liability company ("Bear Creek"), and THE MCNAUGHTON GROUP, LLC, a Washington limited liability company ("TMG").

### WITNESSETH:

WHEREAS, Bear Creek and the School District entered into that certain Earnest Money Receipt and Agreement for Real Property dated June 23, 2008 (as amended, the "Agreement"), whereby, among other things, Bear Creek agreed to sell, and the School District agreed to purchase, certain property located in Snohomish County, Washington, legally described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property");

WHEREAS, the purchase and sale transaction contemplated under the Agreement has closed, and Bear Creek has conveyed the Property to the School District;

WHEREAS, TMG, which is an affiliated entity of Bear Creek, continues to own certain property adjacent to the Property, legally described in Exhibit B, attached hereto and incorporated herein by this reference (the "Adjacent Property");

WHEREAS, upon the happening of certain events, and subject to the terms and conditions of the Agreement, Bear Creek and TMG have agreed in the Agreement to either (i) construct a side sewer to the Property as part of the extension of the sanitary sewer along 180th Street SE to the Adjacent Property and, upon completion, the School District has agreed to pay Bear Creek a pro-rata portion of the cost of the side sewer and sewer extension in accordance with the Agreement, or (ii) execute a "late-comer's agreement" to pay for a portion of the cost of the School District's sewer facilities and to use such facilities for the Adjacent Property in accordance with the Agreement (collectively, the "Sewer Covenants"); and

WHEREAS, the School District, Bear Creek, and TMG wish to place notice of the Sewer Covenants on record.

NOW, THEREFORE, the parties hereby execute this Memorandum for the purpose of evidencing the Sewer Covenants (which Sewer Covenants are hereby incorporated in their entirety into this Memorandum by this reference), as granted by Bear Creek and TMG and the School District under the Agreement. The Sewer Covenants shall run with the land and shall be binding upon and shall burden the Property and the Adjacent Property, and shall inure to

the benefit of, the School District, Bear Creek and TMG, and their successors and assigns, and any person or entity having or acquiring any interest in the Property or the Adjacent Property or any portion thereof.

This Memorandum is subject in each and every respect to the terms, covenants, and conditions relating to the Sewer Covenants in the Agreement, and is executed with the understanding and agreement that nothing contained herein shall in any manner alter, modify, or vary the Sewer Covenants as contained in the Agreement.

IN WITNESS WHEREOF, the School District has executed the foregoing document as of the day and year first above written.

**BEAR CREEK HIGHLANDS, LLC**

**EVERETT SCHOOL DISTRICT NO. 2**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE MCNAUGHTON GROUP, LLC**

By: \_\_\_\_\_  
Name: Mark A. McNaughton  
Title: Manager

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the person who signed as \_\_\_\_\_ of EVERETT SCHOOL DISTRICT NO. 2, the municipal corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_ was duly elected, qualified and acting as said officer of the municipal corporation, that \_\_\_\_\_ was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said municipal corporation.

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

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of \_\_\_\_\_, residing at \_\_\_\_\_.  
My appointment expires: \_\_\_\_\_.

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the person who signed as \_\_\_\_\_ of BEAR CREEK HIGHLANDS, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_ was duly elected, qualified and acting as said officer of the limited liability company, that \_\_\_\_\_ was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said limited liability company.

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

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of \_\_\_\_\_, residing at \_\_\_\_\_.  
My appointment expires: \_\_\_\_\_.

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the person who signed as \_\_\_\_\_ of THE MCNAUGHTON GROUP, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_ was duly elected, qualified and acting as said officer of the limited liability company, that \_\_\_\_\_ was authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said limited liability company.

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

\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of \_\_\_\_\_, residing at \_\_\_\_\_.  
My appointment expires: \_\_\_\_\_.

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**PARCEL 1:**

LOTS 1 THROUGH 4, INCLUSIVE, SHORT PLAT NO. SP 98 (3-77), RECORDED UNDER AUDITOR'S FILE NUMBER 7707220321, BEING A PORTION OF THE WEST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 2:**

LOTS 1 THROUGH 4, INCLUSIVE, OF SNOHOMISH COUNTY SHORT PLAT NUMBER SP 193 (7-83), RECORDED UNDER AUDITOR'S FILE NUMBER 8312150303, RECORDS OF SNOHOMISH COUNTY, WASHINGTON BEING A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.

**PARCEL 3:**

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.; EXCEPT COUNTY ROAD.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.



## **EXHIBIT B**

### **LEGAL DESCRIPTION OF ADJACENT PROPERTY**

Section 09 Township 27 Range 05 Quarter SE – S 340FT OF E1/2 E1/2 SW1/4 SE1/4  
EXC W 30FT & EXC S 30FT FOR CO RD TGW UND 1/4 INT W 30FT S 960 FT of E1/2  
E1/2 SW1/4 SE1/4 EXC S 30FT THOF CONVD TO SNO CO FOR RD BY DEED PER  
AUD FILE NO 574515 AKA LOT A OF SP 291 (11-75) REC UND AFN 7601090098

Section 09 Township 27 Range 05 Quarter SE – N 310FT of S 650FT OF E1/2 E1/2  
SW1/4 SE1/4 EXC W 30FT THOF TGW UND 1/4 INT W 30FT OF S 960FT OF E1/2 E1/2  
SW1/4 SE1/4 EXC 30FT THOF CONVD TO SNO CO FOR RD BY DEED PER AUD NO  
574515 AKA LOT B OF SP 291 (11-75) REC UND AFN 7601090098